

INFORMATION PACKET

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Thursday, January 28, 2021



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We are CASPER

Communication Accountability Stewardship Professionalism Efficiency Responsiveness

The Grid

A working draft of Council Meeting Agendas

February 2, 2021 Councilmembers Absent:

Regular Council Meeting Agenda Items	Est. Public Hearing	Public Hearing	Ordinances	Resolutions	Minute Action
Pre-meeting-Consent Agenda discussion					
Pre-meeting- 21st and Kingsbury to WYO BLVD					
Establish Public Hearing: Vacation and Replat Creating Trails West Estates No. 4 Addition, a Zone Change of Said Subdivision, and the Trails West Estates No. 4 Subdivision Agreement.	C				
Public Hearing: Vacation of a Portion of East 7th Street. 1st reading		N			
Public Hearing: Repealing Ordinance No. 54-00 as Codified by Article IV, Chapter 9.40 of the Casper Municipal Code Titled "Sale of Nicotine Products". 1st Reading		N			
Public Hearing: New Restaurant Liquor License No. 43 for Ludovico, d/b/a Ludovico Located at 1301 Wilkins Circle.		N			
Amending Chapter 9.24 of the Casper Municipal Code – Offenses Against Public Decency, Modifying Certain Sections and Creating New Sections Thereof. (Prostitution) 3rd reading			N		
Amending Section 10.24.010 of the Casper Municipal Code (Speed Zones). 3rd reading			N		
Plat of Highland Park Cemetery Addition No. 2. 2nd Reading			N		
Annexation and Plat Creating the East Robertson Road Addition and 3489 South Robertson Road to the City of Casper, and Zoning of said Addition and Address as AG (Urban Agriculture). 2nd Reading			N		
Authorizing Acceptance of Funds Awarded from the Drug Enforcement Administration, in the Amount of \$35,000, to be Used for Overtime Reimbursement of Officers that are Directly Involved in the Eradication and Suppression of Illicit Cannabis.				C	
Authorizing an Agreement with Caspar Building Systems, Inc., in the Amount of \$86,626, for the Baler Building Locker Room Remodel Project.				C	
Authorizing an Agreement with Wayne Coleman Construction, Inc., in the Amount of \$90,307.00 for the Horizon Park Project.				C	
Authorizing an Agreement with Crown Construction, LLC, in the Amount of \$209,044.00 for the Recycle Depot Improvements Project.				C	
Authorizing an Agreement with Installation and Service Company, Inc., in the Amount of \$142,482.50 for the 2nd Street Mill and Overlay Project.				C	
Authorizing a Portable Building Donation Agreement and Bill of Sale with the City of Mills, Wyoming, for the Donation of Two (2) Portable Classroom Buildings to the City which will be Located at the Fire Training Facility at 2582 Metro Road.				C	
Rescinding the City of Casper's Participation in the Unified Command to Oversee the Management of the COVID-19 Pandemic as Referenced in Natrona County's Resolution No. 11-20 and the City of Casper Resolution No. 20-72.				C	
Acknowledging the Receipt of Financial Disclosure Information from City Officials with Public Fund Investment Responsibility.					C

The Grid

A working draft of Council Meeting Agendas

February 2, 2021 Councilmembers Absent:

Regular Council Meeting Agenda Items	Est. Public Hearing	Public Hearing	Ordinances	Resolutions	Minute Action
Reappointing Mr. Bruce English to the Casper Public Utilities Advisory Board for a Six-Year Term Ending December 31, 2026.					C
Executive Session - Land Acquisition & Personnel					

February 9, 2021 Councilmembers Absent:

Work Session Meeting Agenda Items	Recommendation	Allotted Time	Begin Time
Recommendations = Information Only, Move Forward for Approval, Direction Requested			
Meeting Followup		5 min	4:30
Police Building	Information Only	30 min	4:35
Annexation of East Robertson Road Addition Update	Information Only	40 min	5:05
Utility Rate Model Review	Direction Requested	20 min	5:45
Liquor License Renewal and Police Report Discussion	Information Only	20 min	6:05
Agenda Review		20 min	6:25
Legislative Review		20 min	6:45
Council Around the Table		10 min	7:05
Approximate Ending Time:			7:15

February 16, 2021 Councilmembers Absent:

Regular Council Meeting Agenda Items	Est. Public Hearing	Public Hearing	Ordinances	Resolutions	Minute Action
Pre-meeting Meadowlark Park					
Approval of Feb. 2 Executive Session Minutes					
Public Hearing: Annexation Compliance & 3rd Reading - Annexation/Zoning of the East Robertson Road Addition and 3489 South Robertson Road.		N			
Vacation and Replat Creating Trails West Estates No. 4 Addition, a Zone Change of Said Subdivision, and the Trails West Estates No. 4 Subdivision Agreement.		N			
Public Hearing: Liquor License Renewals for Licensing Period April 1, 2021 through March 31, 2022.		N			
Plat of Highland Park Cemetery Addition No. 2. 3rd Reading			N		
Annexation and Plat Creating the East Robertson Road Addition and 3489 South Robertson Road to the City of Casper, and Zoning of said Addition and Address as AG (Urban Agriculture). 3rd Reading			N		
Vacation of a Portion of East 7th Street. 2nd reading			N		

The Grid

A working draft of Council Meeting Agendas

February 16, 2021 Councilmembers Absent:

Regular Council Meeting Agenda Items	Est. Public Hearing	Public Hearing	Ordinances	Resolutions	Minute Action
Repealing Ordinance No. 54-00 as Codified by Article IV, Chapter 9.40 of the Casper Municipal Code Titled "Sale of Nicotine Products". 2nd Reading			N		
Authorizing a Contract for Outside-City Sewer Service with JR and Heather Boyles Living Trust (tentative).				C	
Authorizing Change Order No. 3 with High Plains Construction, Inc., in the Amount of \$28,406.65, for the CY Booster Station Replacement, Project No. 16-024.				C	
Zonar (tentative)				C	

February 23, 2021 Councilmembers Absent:

Work Session Meeting Agenda Items	Recommendation	Allotted Time	Begin Time
Recommendations = Information Only, Move Forward for Approval, Direction Requested			
Meeting Followup		5 min	4:30
Council Goals	Direction Requested	90 min	4:35
Parking on Parkways & Parking Manual	Direction Requested	60 min	6:05
			7:05
Agenda Review		20 min	
Legislative Review		20 min	
Council Around the Table		10 min	
Approximate Ending Time:			

Future Agenda Items

Council Items:

Item	Date	Estimated Time	Notes
Strategic Plan			2021
Roof Inspections			
Meadowlark Park			Spring 2021
Formation of Additional Advisory Committees			
Follow-up: Mike Lansing Field Proposals			
Missing Persons			
Bus Stop Safety/Shoveling - Public Awareness			
Restitution Paid to Fire Department			
Work Session/Council Meeting Date Changes			
Excessive Vehicle Storage in Yards			

Staff Items:

Limo Amendment			
Sign Code Revision			
Blood Borne Pathogens			
Capital Budget Review			March 9, 2021
Second Sheet of Ice			
Council review of proposed fiscal year 2020-2021 Budget Amendment #4			March 9, 2021
Community Promotion Funding (Part 1)			March 9, 2021
Community Promotion Funding (Part 2)			March 23, 2021
Second Sheet of Ice Feasibility Study			March 23, 2021
Budget Review			May 17 & 19, 2021
Proclamation Guidelines			
2021 International Building Code			April 13, 2021
GIS Demo			

Future Regular Council Meeting Items:

Establish March 16 th public hearing date for consideration of fiscal year 2020-2021 Budget Amendment #4			March 2, 2021
1. Public Hearing on consideration of fiscal year 2020-2021 Budget Amendment #4			March 16, 2021
2. Council consideration of fiscal year 2020-2021 Budget Amendment #4			March 16, 2021
Tentative Budget to Council (to be published in minutes)			May 11, 2021
Summary of Proposed Budget Submitted to Council (published in minutes)			June 1, 2021
Establish Public Hearing for City Budget for 6/15/21			June 1, 2021
Public Hearing: FY22 Budget Adoption/Action on Resolution/Publication			June 15, 2021

Retreat Items:

Economic Development and City Building Strategy

February 2021

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1 <i>5:00 p.m.</i> - CNFR (Freel, Cathey)	2  <i>6:00p</i> -Council Meeting	3 <i>11:30a</i> -Drug Court (Engebretsen) <i>1:00 p</i> -Civil Service Commission (None)	4 <i>7:00p</i> -Youth Empowerment (Pacheco)	5	6
7 <i>4:30 p.m.</i> - Casper Youth Council (Gamroth, Pacheco)	8 <i>8:30a</i> -Historic Preservation (Engebretsen)	9 <i>4:30p</i> -Council Work Session	10 <i>6:00p</i> -Amoco Re-use JPB (Lutz)	11 <i>7:00a</i> -Advance Casper (Freel, Gamroth) <i>4:30p</i> -Leisure Services Board (Engebretsen) <i>7:00p</i> -Youth Empowerment (Pacheco)	12 <i>11:30a</i> -Chamber Coordination/ Infoshare (None)	13
14 	15  Presidents' Day City Offices Closed	16 <i>11:30a</i> -Regional Water JPB (Cathey, Powell, Knell, Freel) <i>4:00p</i> -Chamber of Commerce (Cathey, Freel) <i>6:00p</i> -Council Meeting	17	18 <i>7:30a</i> -Mayor/Commissioner <i>11:00a</i> -Housing Authority (Knell) <i>4:00p</i> -Contractors' Licensing Board (Knell) <i>5:30p</i> - City County Board of Health (Freel) <i>6:00p</i> - Planning & Zoning (Knell) <i>7:00p</i> -Youth Empowerment (Pacheco)	19 <i>3:00p</i> -LGBTQ Advisory Committee (Freel, Pacheco)	20
21	22 <i>12:30p</i> -Senior Services (Engebretsen) <i>2:00p</i> -CATC (Pacheco) <i>4:00p</i> -OYD Advisory Committee (Pollock, Freel)	23 <i>11:30a</i> -Travel & Tourism (Freel, Johnson) <i>4:30p</i> -Council Work Session	24 <i>7:00a</i> -CPU Advisory Board (Cathey) <i>11:30p</i> -NIC (None) <i>5:15p</i> -CAP (None)	25 <i>11:30a</i> - Disability Council (Pacheco) <i>1:00 p</i> -Civil Service Commission (None) <i>7:00p</i> -Youth Empowerment (Pacheco)	26	27
28						

**AGREEMENT FOR RESOLUTION
AND RELEASE OF CLAIMS**

This Agreement for resolution and release of claims (Agreement), is entered into this _____ day of January, 2021, by and between Jason Albat (Defendant) and City of Casper Wyoming (City), a municipal corporation.

RECITALS:

1. On August 16, 2020, an incident occurred between three (3) dogs owned by the Defendant, and a juvenile boy, and the boy's mother, four-year-old sister and the family's dog; the incident occurred in Casper, Natrona County, Wyoming.

2. As a result of that incident, the boy's family dog was severely injured and the boy suffered personal injuries. The event was traumatic for the mother, daughter, boy and the family's dog. Defendant had three dogs which broke through a door screen, charged out of the house, across the Albat's property and attacked the family dog and injured the boy. Defendant was subsequently charged with three (3) counts for his dogs Running at Large and three (3) counts, one for each of his dogs for Failure to Restrain a Vicious Animal filed in the Casper Municipal Court.

3. Defendant, who had pleaded guilty to all charges moved the Court for the opportunity to withdraw the guilty plea after the Court rendered a sentence, the Defendant filed a *Motion for Sentence Reduction*, in part, due to failure of the Court to advise Defendant of the possible penalty of euthanasia.

4. On November 20, 2020, the Court entered its Order Permitting Defendant to withdraw the Guilty Pleas. All six pleas were vacated, and the matter proceeded to trial on all counts.

5. On December 17, 2020, after trial, Defendant was convicted of all counts. The Court entered an order imposing the sentence of euthanasia of all three dogs of Defendant. In addition, Defendant was fined and kennel costs would be incurred.

AGREEMENT

6. For the considerations set forth below, the Parties agree to the terms hereof and to enter into this Agreement in order to permit the Defendant's dogs to be transported to Montana, never to be returned to the Defendant or returned to the State of Wyoming.

7. Upon entry of a Court Order granting the Stipulated Motion for Sentence Reduction in the form attached hereto, Defendant wrote a letter of apology, a copy of which is attached hereto which shall be signed and delivered to the Court's file and to the City Attorney's Office, pay the Casper Municipal Court Five Thousand Dollars (\$5,000.00) for resolution, satisfaction, of the fines and kenneling fees which currently exceed the Five Thousand Dollars (\$5,000.00) to be paid, and for the agreement of Defendant and his wife that they will own no dogs other than the one they currently own ("Daisy") for a period of three (3) years from the date of the Municipal Court's Order granting the stipulated Motion for Sentence Reduction filed in January, 2021. In addition, the Defendant raised the possibility of a civil suit potentially against the City, its agents, employees, City Council and Officers; Defendant expressly agrees that he releases and discharges the City, its agents, employees, City Council and Officers, from any and all past, present or future, state law or federal law, claims, demands, actions, causes of actions, attorney's fees, cost of litigation and expenses and compensation of any nature whatsoever, including without limitation, any and all known or unknown claims for loss, which have resulted or may result from the alleged acts or omissions of the City, its agents, employees, City Council and Officers, relating in any way to the incidents described in the Recitals hereto.

8. In entering into this Agreement for Resolution and Release of Claims, the Parties represent that they have relied upon the legal advice of the attorneys of their own choice and that the terms of this Agreement for Resolution and Release of Claims have been completely read and explained to them by their attorneys and that these terms are fully understood and voluntarily accepted by them.

9. This Agreement for Resolution and Release of Claims on the part of Defendant shall be fully binding and a complete release from the Defendant, and shall be binding upon his heirs, assigns, predecessors and successors.

10. Defendant acknowledges and agrees that the release and discharge set forth herein is a general release and is without limitation. Defendant acknowledges that he has accepted this Agreement receiving adequate consideration for the City permitting the dogs' release from confinement in the Metro Animal Shelter and for permitting the Defendant's agents to transport the three dogs of the Defendant which were involved in this incident out-of-state.

11. The Defendant has, according to Court records, fully paid for the medical treatment of the family's dog which was injured.

12. Each Party hereto shall bear all attorneys' fees and costs arising from actions of their own counsel in connection with the prosecution, defense of the underlying Municipal Court charges, the negotiations leading up to this Agreement, the matters and documents referred to herein, and the efforts made to obtain this result on behalf of the Defendant.

13. All fees donated to the Defendant through his GoFundMe page, except for attorney's fees paid by the Defendant, and the fine and fees paid by the Defendant, shall be donated to the Casper Humane Society for its spay and neuter program.

14. If any provision of this Agreement is held to be illegal, invalid or unenforceable under the present or future laws effective during the term of this Agreement, such provision shall be fully severable. In lieu thereof, there shall be added a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and legal, valid and enforceable.


15. All Parties agree to cooperate fully and execute any and all supplementary documents and to take all additional actions which may be necessary or appropriate to give full force and effect to the basic terms and intent of this Agreement for Resolution and Release of Claims.

16. This Agreement for Resolution and Release of Claims shall not be modified or amended except by an instrument in writing signed by all Parties.

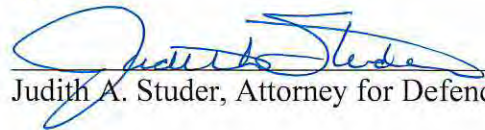
Dated this ___ day of January, 2021.

WHEREFORE, the Defendant and the City's representative have executed this Agreement for Resolution and Release of Claims:

Approved as to Form:

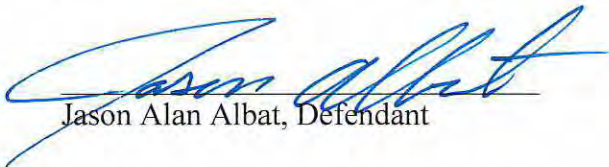


John Henley, City Attorney



Judith A. Studer, Attorney for Defendant

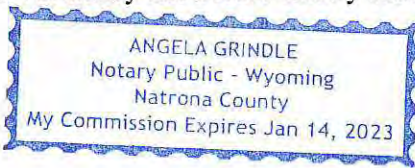
Parties' signatures affirming their assent:

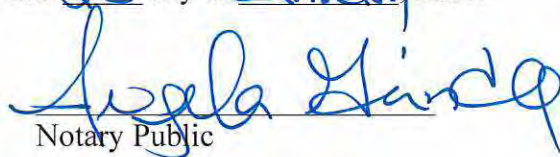


Jason Alan Albat, Defendant

STATE OF WYOMING)
) ss.
COUNTY OF NATRONA)


Subscribed and sworn to before me that the foregoing is true and was acknowledged as his free and voluntary act before me by Jason Alan Albat; this 25th day of January 2021.



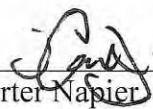


Notary Public

Attest:



Fleur Tremel
City Clerk



J. Carter Napier
City Manager

January 28, 2021

MEMO TO: J. Carter Napier, City Manager *JCN*
FROM: Tim Cortez, Parks and Recreation Director
Tom Pitlick, Finance Director
SUBJECT: Use of CARES funding to support Proud to Host the Best

Summary

Pursuant to the January 26th, 2021 Council Meeting, staff was asked to investigate the appropriateness of using the Coronavirus Aid, Relief and Economic Security (CARES) Act reimbursements to help fund Proud to Host the Best (PTHB). PTHB is getting ready to bid on having the State Championship Events to be held in Casper for another 4 years. These events result in about \$13.9M in economic benefit to the Casper area. PTHB has secured \$50K from Visit Casper and another \$50K from the Economic Development Joint Powers Board for each of the next four (4) years. The request was approved by Council to contribute another \$50K annually. The remaining question was from where to draw the funds. Council was inquiring if CARES funds could be used.

Currently, the City of Casper has received \$10.7M of cash in hand for CARES reimbursements from the State with another \$2.4M expected to be paid in the coming weeks.

Upon review of the guidance issued by the State for application of the CARES funding and having participated in previous meetings with the State Loan and Investment Board, staff believes this expenditure meets the spirit of the CARES funding for only the first year of the request. In particular, the Economic Security of Casper and how it relates to these annual events.

Since the request was for four (4) years and due to the fact the guidance has changed repeatedly with regard to the use of these funds, the appropriateness of using CARES funds for this purpose in future years may need to be revisited.

Financial Considerations

CARES Funding Requested and Approved	\$13,124,048
CARES Funding Received to Date	\$10,753,645

January 28, 2021

MEMO TO: J. Carter Napier, City Manager *JCN*
FROM: Tim Cortez, Parks and Recreation Director
Randy Norvelle, Parks Manager
SUBJECT: Concerns about Casper Speedway Infrastructure

Summary

Pursuant to concerns brought to Council recently, Dan Elston (Building Supervisor) met with Matt Thomason (Building and Structures Manager) along with Shawn Barrett (Electrical Inspector), Devin Garvin (Fire Battalion Chief), Mark Harshman (Fire Deputy Chief), and Ruth Heald (Natrona County Health Department) to inspect the concessions facility at the Casper Speedway. The following are the results of their inspection that took place on January 20, 2021:

- It was noted that the drains for the sinks needed to be replaced.
- The concession area does not have a hood system; therefore, the Lessee will be limited to the food items they can offer. A hood is only required should the concessionaire wish to cook foods which release smoke and grease into the air.
- The Lessee will need to install NSF approved appliances and submit a kitchen layout and food menu to the Natrona County Health Department before they could serve from this facility.
- It was recognized that the facility needed an approved fire extinguisher of proper size installed.
- There are no other structural or building component items that needed to be addressed.

On January 25, 2021, another inspection was performed by Dan Elston and Matt Thomason in regards to the two (2) Crow's nests at the Casper Speedway. They toured both facilities and found that all was in code compliance and no major upgrading or changes needed to occur. It was noted two (2) outlets needed covers and fire extinguishers needed updates.

All of the above items would be less than the \$750 threshold needed to require the City to act. These items would be the responsibility of the lease holder. The City is preparing to enter into a new lease for the speedway facility and although an agreement has not been presented to council, the potential lease holder is aware of the sink issue and is already prepared to take steps to rectify the issue. The potential lease holder is also aware of the limitations of the concessions area and has not presented proposals to change the area at this time. The potential lease holder did express an interest in improving the facility but did not express any urgent needs to staff. The concession area is usable in the same manner as in most facility concession areas in the City. Most other facilities do not have hood systems for cooking but utilize warming methods for simple concession items.

The major concerns brought to Council were unsubstantiated.

From: Timothy Cortez <tcortez@casperwy.gov>
Sent: Thursday, January 28, 2021 8:20 AM
To: Carter Napier <cnapier@casperwy.gov>
Cc: Renee Jordan-Smith <rjordansmith@casperwy.gov>
Subject: FW: City Park Trees

Hi Carter,

Just FYI, Dallas Laird was very upset that we had to cut down some 100+ year old trees in City Park yesterday. I did meet him on site and he did apologize to all involved after we showed him the internal rot of the trees. They certainly posed a liability to the community.

I just thought I would forward these pictures to you in case other concerned citizens came forward.

Take care,
Tim

From: Katy Hallock <khallowck@casperwy.gov>
Sent: Wednesday, January 27, 2021 5:26 PM
To: Timothy Cortez <tcortez@casperwy.gov>
Subject: City Park Trees

Hi Tim,

Here are some pictures of the trees that were removed at City Park. As you can see, these trees were hollow or rotted and extremely high risk. If you have any questions or concerns, I would be happy to visit with you more.

Thank you,

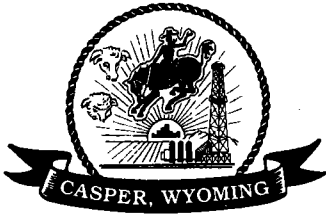
Katy











OFFICE OF THE CITY MANAGER

CITY OF CASPER

200 NORTH DAVID STREET
CASPER, WYOMING 82601-1815
PHONE (307) 235-8224
FAX: (307) 235-8313
www.cityofcasperwy.com

August 22, 2012

Natrona County Commissioners
200 North Center Street
Casper, Wyoming 82601

Dear Commissioners:

Please accept this letter as confirmation that the City of Casper desired and obtained use of Court Room #1 on the fifth floor of the Hall of Justice as of August 1, 2012.

Accordingly, consistent with the arrangement proposed between Commissioner Opella and V. H. McDonald, Administrative Services Director for the City of Casper, the rent for the space will be equivalent to the rent Natrona County pays for space in the Marathon Building (342 North Market Street). The County's current rent is \$4,320 per year (\$360 per month).

To simplify the rent payment process, Natrona County will no longer need to reimburse the City monthly rent. Likewise, the City will not pay Natrona County any additional rent for Court Room #1. Any rent payments received for the month of August 2012 or after will be refunded to you.

Sincerely,

John C. Patterson
City Manager

AT _____

AMENDMENT

JUN - 1 1991

City of Casper/Natrona County Hall of Justice

223

SECRETARY OF STATE

The City of Casper/Natrona County Joint Powers Board Agreement for the Hall of Justice, executed on October 7, 1975, is hereby amended to read as follows:

1. A new Paragraph 3.6 is added to the Agreement and reads as follows:

3.6 Use of Capital Reserve Fund

The Joint Powers Board shall review all expenditures for the Hall of Justice in excess of \$2,500, or such other lesser expenditures which are referred from the Board of County Commissioners. The Joint Power Board shall make recommendations as to whether expenditures should be paid out of a maintenance fund (for those items with a limited life expectancy and whose dollar amount is less than \$2,500), or from the Capital Reserve Fund (for those expenditures whose life expectancy exceeds three years, whether or not the dollar amount exceeds \$2,500).

EXECUTED this 19th day of June, 1991 by the parties hereto and to their appropriate officials.


SECRETARY OF STATE
WYOMING
JUL - 1 1991
P 4:30

CITY OF CASPER
A MUNICIPAL CORPORATION

NATRONA COUNTY BOARD OF COUNTY
COMMISSIONERS



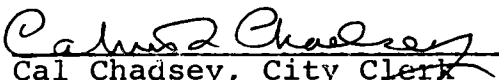
Michael E. Reid, Mayor




James K. Sandison, Chairman

ATTEST:

ATTEST:



Cal Chadsey, City Clerk



Mary Ann Collins, County Clerk

APPROVED AS TO FORM:

Attorney General

DATED this _____ day of _____, 1991

In accordance with W.S. 16-1-105(a)(ii), this amendment to a joint powers agreement has been reviewed and the Attorney General has determined that the amendment is compatible with the laws and the constitution of the State of Wyoming. The approval of this amendment by the Attorney General is limited to the terms and conditions of the amendment itself and the approval does not extend to any individual project, nor the financing of any individual project, contemplated under the amendment.

APPROVED this 27th day of June, 1991.

STATE OF WYOMING

Joseph B Meyer
Attorney General

DEC 2 1982

90

THYRA THOMSON
SECRETARY OF STATE

SECOND AMENDMENT

CITY OF CASPER-NATRONA COUNTY JOINT POWERS AGREEMENT

CITY-COUNTY BUILDING

THE CITY OF CASPER-NATRONA COUNTY JOINT POWERS AGREEMENT (City-County Building) executed October 7, 1975, is hereby amended to read as follows:

- 1. New paragraph 3.4 is added to the agreement, and reads as follows:
3.4--Duties of Joint Powers Board--Phase III.

During Phase III of this agreement, the Board shall have the following powers:

- 1. To advise and make recommendations to the County concerning the maintenance of the Project.
- 2. To report to the City and County on the conditions of the Project and recommend necessary capital improvements.
- 3. To mediate differences between agencies occupying the building, forwarding any recommendations therefor to the City and the County.
- 4. To recommend an equitable system of charges for general maintenance of the building.
- 5. To review and recommend an accounting and billing system to accomodate costs incurred in maintaining and operating the jail.
- 6. To recommend an agreement, or agreements, to be considered by the City and the County, setting forth the responsibilities of both concerning the capital reserve fund provided in paragraph 3.5.
- 7. To recommend to the City and County future use and allocation of space in the building.

- 2. A new paragraph 3.5 is added to the agreement, and reads as follows:
3.5 Capital Reserve Fund.

During Phase III of this agreement, the County shall maintain a capital reserve fund for the sole purpose of holding monies for use in replacing capital items in the building. Any monies held in this fund shall be invested in accordance with state law and standard business practices and any interest earned on said monies shall accrue to the fund. The City and County shall contribute such amounts to the capital reserve fund, as they may from time to time agree upon. In the event the County provides that a portion of jail use fees charged to other entities using the jail facility, excluding the City, shall be used for capital improvements in the building, said portion shall be contributed to the capital reserve fund, and shall be in addition to any amount which the City and County agree to contribute to said fund.

EXECUTED this 5 day of January, 1982, by the parties hereto by and through their appropriate official.

ATTEST:

CITY OF CASPER, WYOMING,

A Municipal Corporation

Calvin L. Chadsey
Calvin L. Chadsey
City Clerk

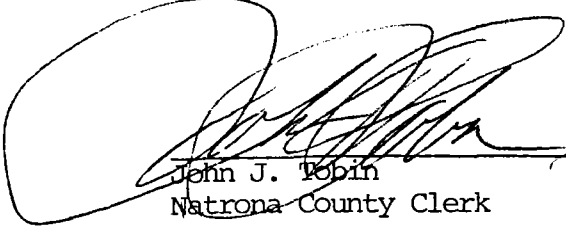
James K. Sandison
James K. Sandison
Mayor

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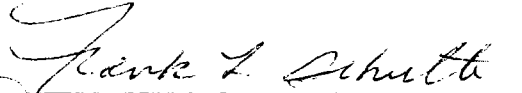
WYOMING
SECRETARY OF STATE

ATTEST:

NATRONA COUNTY, WYOMING
A Municipal Corporation

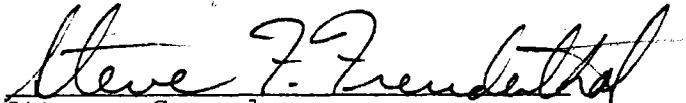


John J. Tobin
Natrona County Clerk



Frank L. Schulte
Chairman,
Board of County Commissioners

APPROVED AS TO FORM AND EXECUTION:



Steve F. Fendel
Attorney General

11-30-82

AUG 9 1976

27
THYRA THOMSON
SECRETARY OF STATE

A M E N D M E N T

CITY OF CASPER - NATRONA COUNTY
JOINT POWERS AGREEMENT

CITY - COUNTY BUILDING

The City of Casper - Natrona County Joint Powers Agreement (City-County Building) executed October 7, 1975, is hereby amended as follows:

1. Paragraph No. 1.3 of said Agreement is amended to read as follows:

(a) There is hereby created a Joint Powers Board hereinafter referred to as "Board". The Board shall consist of five members, all of whom shall be qualified electors of Natrona County, Wyoming. The members of the Board shall be appointed by the City Council, City of Casper, Wyoming, and the Board of County Commissioners, Natrona County, Wyoming, meeting in joint session. The initial appointments shall be by mutual agreement with staggered terms of one, two and three years, with right of reappointment. Thereafter appointments for a full term shall be for three years, staggered terms. Vacancies for unexpired terms shall be filled by appointment by the governing bodies of the City of Casper, Wyoming, and the Board of County Commissioners, Natrona County, Wyoming, acting jointly. Members of the Board may be removed for cause by the joint action of the governing bodies of the City of Casper and Natrona County.

The initial Board shall be appointed as follows:

One member for a three year term and one member for a two year term shall be appointed by the City.

One member for a three year term and one member for a two year term shall be appointed by the County.

One member appointed by mutual consent of the City and County for a one year term.

(b) Promptly following appointment of its members, a joint powers board shall meet, organize and elect from its membership a chairman,

vice chairman, secretary and treasurer. The secretary of the Joint Powers Board shall notify the participating agencies of the Board's organization and shall file a certificate showing its organization with the county clerk and the secretary of state. Upon filing the certificate, the Joint Powers Board shall automatically become a body corporate with power to sue and be sued under the name and style of "City of Casper-Natrona County Joint Powers Board." The corporation shall have perpetual existence unless otherwise terminated by amendment to this agreement. No individual member of the Joint Powers Board shall be personally liable for any actions or procedure of the Joint Powers Board. When actually engaged in the performance of their duties, members of the Joint Powers Board shall receive no compensation except per diem and mileage allowances authorized for state employees.

(c) The Joint Powers Board shall meet at the call of the chairman, upon oral or written request of a majority of the board members, within five (5) days after the request is given by any participating agency, or in any event not less than once each three (3) months.

2. Paragraph 2.10 of said Agreement is amended to read as follows:

2.10 - Fiscal Agent. The Board shall act as fiscal agent for the project. Prior to the start of construction the parties shall deposit in or commit to a special account for construction purposes only, sufficient funds to complete the project. The Board shall make necessary disbursements from said account; shall make and maintain detailed financial accounts; make progress payments to contractors on approval of contractor's progress requests by the governing bodies of the City of Casper and Natrona County; make monthly progress reports to the City and County.

3. Paragraph 2.11 is added to the Agreement to read as follows:

2.11 -The powers of the Joint Powers Board are limited to those expressly set forth herein to the present project and the Board

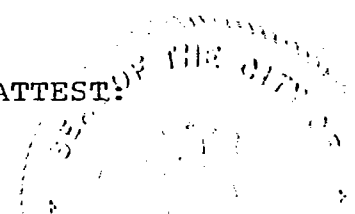
shall incur no indebtedness of whatever kind or nature except as may be expressly authorized by both the governing bodies of the City and the County.

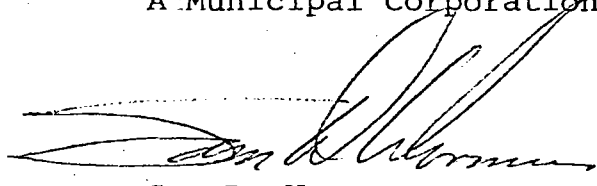
The Board shall have such other powers as City and County may from time to time provide.

EXECUTED THIS 7TH day of JUNE 1976.

ATTEST:

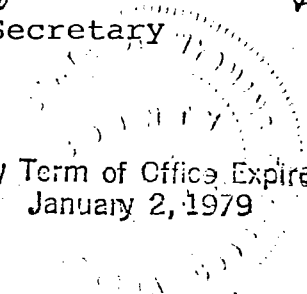
CITY OF CASPER, WYOMING,
A Municipal Corporation


Calvin L. Chadsey
Calvin L. Chadsey
City Clerk


Sam D. Wormus
Mayor

ATTEST:

NATRONA COUNTY, WYOMING


John P. Bunke
county clerk
By *make me deputy*
Secretary

John P. Bunke
Chairman

My Term of Office Expires
January 2, 1979

APPROVED AS TO FORM AND EXECUTION
V. FRANK MENDICINO, Attorney General

AUG 9 '76
By *Craig Newman*
Assistant Attorney General

188636

STATE OF WYOMING
FILED
at 10:35 A.M.

MAR 11 1976
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CITY OF CASPER - NATRONA COUNTY
JOINT POWERS AGREEMENT

MYRA THOMPSON
SECRETARY OF STATE

RECEIVING NO.

CITY-COUNTY BUILDING

76 APR 15 PM 2 34

PHOTOSTAT RECORDED

INDEXED

PHASE 1

RECORDED Apr. 15 19 76 AT 2:34 O'CLOCK PM
IN BOOK 171 OF AC&L PAGE 148
NO. 188636 JOHN J. TOBIN
COUNTY CLERK

CITY OF NATRONA, WYO.

THIS AGREEMENT entered into this 11 day of October, 1975.

CITY CLERK BY

between the CITY OF CASPER, WYOMING, A Municipal Corporation,
referred to as "City", and NATRONA COUNTY, A Municipal Corporation,
referred to as "County".

1.1 Authority. Wyoming Joint Powers Act and Chapter 148,
Section 1, Wyoming Session Laws, 1963, which authorizes any
County and the City constituting the County Seat of such County,
acting through the Board of County Commissioners, and the City
Council, respectively, to enter into an agreement for the joint
purchase or construction and use of a building to be used as a
County Courthouse and as City Hall and to be known as the "City-
County Building", or a public auditorium, athletic fields, civic
centers or other community buildings, as the Board and Council
may determine. The County and City may contribute to the cost
of purchase or construction of such City-County Building or
other community building in such respective amounts as shall
be agreed upon by the County Commissioners and the City Council
and by agreement between the County Commissioners and the City
Council to agree on details of construction, control of construc-
tion, maintenance and management and the division of expense of
maintenance and management.

1.2 Purpose. City and County propose to construct by and
through their joint efforts and expense a City-County Building,
referred to as "Project", to house:

- i. City Courtrooms and related facilities;
- ii. City Police administration offices and related facilities;
- iii. A County jail and related facilities for joint use with City as set forth herein;

- iv. A County Sheriff's office and related facilities;
- v. A Civil Defense office;
- vi. Such other facilities as the parties may, by written addendum hereto, agree upon.

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1.3 Committee. During Phases I and II hereof, the parties shall appoint a committee consisting of five (5) members; two (2) members who shall be members of the Board of County Commissioners, two (2) members who shall be members of the City Council and one (1) member who shall be appointed by the City and County jointly. This committee shall:

- i. Meet with the parties to make a preliminary determination of each party's needs;
- ii. Advise on site planning and architectural design;
- iii. Act as liaison between architect, as hereinafter set forth, and the parties;
- iv. Meet with local, State and Federal authorities, if necessary, to determine input and requirements.
- v. Meet periodically with the parties to advise and assist in the Project.

During Phase III hereof, the parties shall appoint a committee consisting of five (5) members, City to appoint two (2) members, County to appoint two (2) members and City and County jointly to appoint the fifth member, which committee shall:

- i. Meet at least quarterly to inspect the building operation and maintenance, reporting said conditions to the parties, recommending changes and reviewing suggested building improvements, where appropriate;
- ii. Act as an Appeals or Review Board for any complaints concerning maintenance, repair or building operations emanating from the Sheriff, Police or Court authorities;
- iii. Meet periodically with the parties, or at the parties' request, to

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advise on specific maintenance, operations or improvement requirements.

1.4 Location and Ownership. The City-County Building shall be located on the premises immediately to the west of the existing City-County Building on properties presently owned by County. The County shall own the building and shall lease portions thereof to the City for ninety-nine (99) years with an option to renew. The City shall pay a lease fee in an amount equal to the percentage of total construction costs, as construction proceeds, attributable to the space to be occupied by it and shall pay its prorata share of maintenance expenses. The parties shall execute such instruments that may be necessary to effect the intent of this paragraph.

1.5 Architect. City and County shall employ an architect, or architects, which is mutually acceptable to both for the preparation and submission of preliminary drawings and cost estimates for the Project. The architect shall confer with the Committee and prepare preliminary plans and drawings for submission and approval of the parties. Each party shall designate the portion or portions of the proposed structure as each intends to occupy. On approval of the architect's contract documents, each party shall finally designate the portion or portions of the Project which it intends to occupy and shall designate the percentage of the total construction costs which each party shall bear. Such designation shall constitute an agreement by the parties to proceed with Phase II (Construction).

1.6 Termination and Architectural Fees. If the parties determine not to proceed with Phase II, they shall bear the Architectural Fees in the following percentages:

City _____ %
County _____ %

and this agreement shall terminate. Otherwise, this agreement shall terminate upon the expiration of the lease herein, at which time the County shall retain ownership of the building and the City shall have the right to remove any non-permanent fixtures installed by it from the building.

PHASE II

Construction

2.1 Architect shall be instructed by the parties to proceed with final plans, drawings and cost estimates, and contract documents. The parties shall be jointly liable on all construction contracts and shall be liable to contractor or contractors in the percentages agreed upon for costs sharing. All contracts shall be subject to the approval of both the City and County.

2.2 Engineer. The parties shall designate one (1) engineer to represent them in the construction on the Project and related facilities and the engineer shall formally report on a regular basis (not less than monthly) on the progress of construction to the Committee and the parties hereto. The engineer shall have such authority over the Project as may be set forth in the contract documents. For minor change orders in the plans and specifications, he shall seek the advice of the Committee, and for major change orders regarding structural alterations, space allocations and the like, he shall seek the approval of each party.

2.3 Committee. The Committee shall meet with architects, the parties hereto, and the engineer from time to time; act as liaison between the parties; advise the engineer on minor changes in the plans and specifications; and make recommendations to the parties on any major change orders relating to structural changes,

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space requirements and any change order requiring the expenditure of more than Twelve Thousand Five Hundred Dollars (\$12,500.00) or one-half of one percent ($\frac{1}{2}$ of 1%) of anticipated construction costs, whichever is the greatest.

2.4 Special Facilities. The percentage of construction cost sharing shall not include special facilities. Such facilities that are ordered and used solely by one party shall be paid for by that party, i.e., special fixtures for the City Courtroom, radio and phone installations, and the like.

2.5 Construction of the County jail and related facilities shall be borne by the City and County in direct relation to their percentage construction cost of Police-Sheriff administrative areas.

2.6 Use and Occupancy of County Jail. The County jail shall be for the joint use of the City and County. City's share of the maintenance of the County jail shall be set forth under Phase III hereof.

2.7 Repairs and Alterations. After the construction of the Project, any special repairs or alterations for the sole use and benefit of either party shall be borne at the sole cost and expense of the using party unless otherwise mutually agreed upon by the parties.

2.8 Equipment and Furniture. Equipment and furniture and all installation charges thereto shall be borne by the party purchasing and using such furniture and equipment, except for fixed and permanent equipment in the jail, which will be financed as per 2.5 above.

2.9 Financing. City and County shall finance the Project and related facilities in the ratio set forth in paragraph 1.4 of this agreement. Out of the one percent (1%) of the County sales tax, each party shall set aside sufficient funds to the

end that, at the expiration of receipt of said optional tax, or within two (2) years from the date hereof, moneys from such tax shall be sufficient to construct said Project.

2.10 Fiscal Agent. City shall act as the fiscal agent for the Project. Prior to the start of construction, the parties shall deposit in, or commit to, a special account for construction purposes only, sufficient funds to complete the Project. The City shall make necessary disbursements from said account; shall make and maintain detailed financial accounts; make progress payments to contractor with the concurrence of the Committee; and make monthly progress reports to the City and County.

PHASE III

Maintenance

3.1 Prior to the commencement of Phase II, the parties shall agree on the maintenance of the Project which shall include the following:

3.2 Maintenance. County shall be responsible for the actual maintenance of the Project and related facilities. It shall make disbursements for all costs incurred in such maintenance. The parties shall agree in writing to a schedule of maintenance costs and percentage distribution thereof; maintenance of special facilities and estimated first year cost of maintenance.

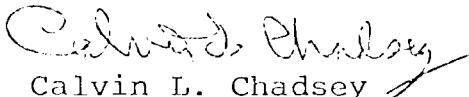
3.3 Accounting. County shall pay for all operational and maintenance costs and shall bill City on a quarterly basis. Immediately prior to the end of each fiscal year, County shall submit a final accounting showing the exact costs, then City shall be credited with such overage on the next quarterly payment. Underpayment, if any, shall be paid with the next

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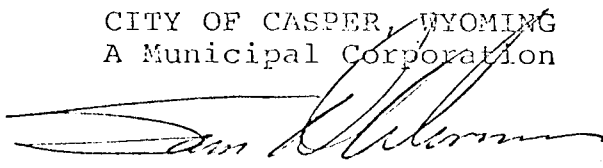
quarterly payment. For the first year's operational and maintenance costs, payments shall be made on a quarterly basis on an annual estimated costs basis and all future payments shall be made quarterly on the preceding yearly cost basis subject to a reasonable increase for anticipated cost increases.

Executed by the parties on the day and year first above written.

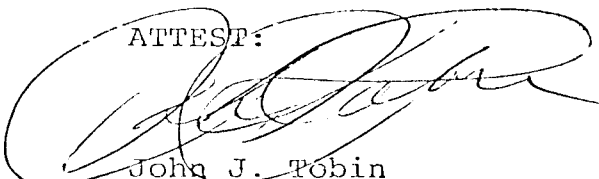
ATTEST:


Calvin L. Chadsey
City Clerk


CITY OF CASPER, WYOMING
A Municipal Corporation


Sam D. Wormus
Mayor

ATTEST:


John J. Tobin
County Clerk

NATRONA COUNTY, WYOMING
A Municipal Corporation


John P. Burke, Chairman
County Commissioners

APPROVED BY _____ ACTION



STATE OF WYOMING

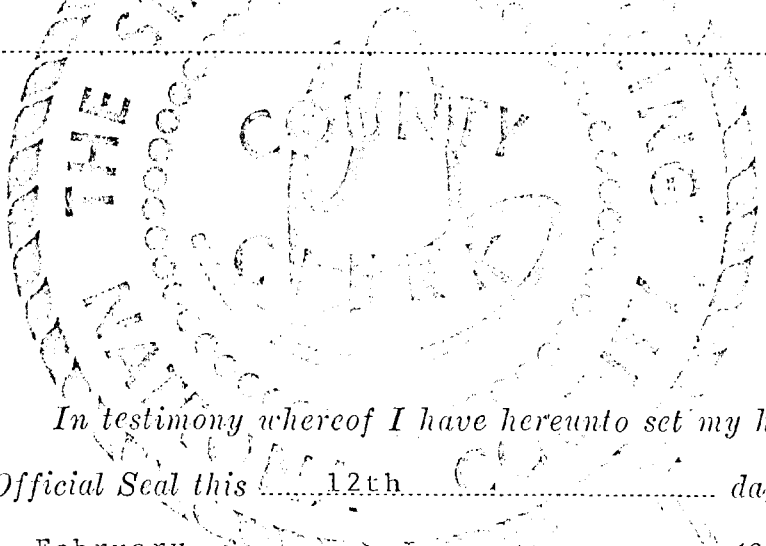
County of Natrona

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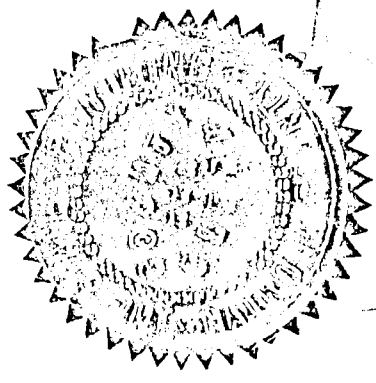
Certification

I, John J. "Jack" Tobin, clerk and recorder of Natrona County, do hereby certify that the foregoing is a full, true, and correct copy of a Resolution

as Recorded in ~~XXXXXX~~ Page ~~XXX~~ or



In testimony whereof I have hereunto set my hand and Official Seal this 12th day of February 19 76



John J. "Jack" Tobin
Clerk and Recorder

[Handwritten Signature]
COUNTY CLERK ~~XXXXX~~

**DETENTION CENTER JOINT POWERS BOARD
HALL OF JUSTICE JOINT POWERS BOARD
BY-LAWS**

HALL OF JUSTICE JOINT POWERS BOARD

1. **BACKGROUND**

The Hall of Justice Joint Powers Board was established in 1975 by the City of Casper, Wyoming (City) and the Board of County Commissioners of Natrona County, Wyoming (County) to monitor construction of the Hall of Justice Building. The County owns the building, subject to a 99-year lease to the City. The City pays a lease payment in an amount equal to the percentage of space occupied by the City.

After the building was constructed, the JPA was amended to convert the construction committee to a Joint Powers Board. In 1982 a Capital Reserve Fund was established to pay for capital improvements to the facility. In 1991 the JPA was amended to establish the level for Capital Improvements at a cost of more than \$2500.00 and a life expectancy of more than 2 years.

2. **PURPOSE**

The primary purposes of the JPB are to:

- a. Review capitol expenditures for the facility. Capitol expenditures are defined as those items with a useable life expectancy of more then three (3) years, and a cost of not less than two thousand five hundred dollars (\$2500.00). Items that do not meet this requirement are considered maintance items and are expensed by the County through the maintenance account. Item determined to be capital expenditures are paid out of the Capital Reserve Fund.
- b. Recommend funding for the Capital Reserve Fund to the City and County. The Fund is maintained at \$100,000.00.
- c. Mediate differences between the City and the County related to the building.

3. **MEMBERSHIP**

The Board consists of five (5) members. Two (2) members are appointed by the City Council, and the County appoints two (2) members. The fifth member is jointly selected and appointed by the City and County. Each member serves a term of three (3) years.

4. MEETINGS

The Board shall meet quarterly, or at such times as may be necessary.

January 25, 2021

MEMO TO: J. Carter Napier, City Manager

FROM: Tim Cortez, Director of Parks and Recreation
Phil Moya, Recreation Manager

SUBJECT: Mike Lansing Stadium and George Tani Baseball Field Rental Information

Meeting Type & Date

N/A

Action type

Information Only

Recommendation

None at this time.

Summary

To provide City Council the rental rates for Mike Lansing Stadium and George Tani Baseball Field.

City Rental Format – The Parks and Recreation Department will rent and manage the day to day operations. The rental format is designed to allow multiple user groups to utilize the facilities. This allows the City to rent the space for events outside of the baseball format, such as; outdoor concerts, movie nights and outdoor festivals.

Parks and Recreation Department Goal: To reduce the subsidy for Mike Lansing Stadium and George Tani Baseball Field.

Financial Considerations

None at this time

Oversight/Project Responsibility

Phil Moya, Recreation Manager
Paul Zowada, Recreation Supervisor

Attachments

Rental Rates for Mike Lansing Stadium
Rental Rates for George Tani Baseball Field

City of Casper
Parks and Recreation Department
Mike Lansing Stadium

Rates and Fees

City of Casper	2021	2022	2023
Pro-forma	Rates and Fees	Rates and Fees	Rates and Fees
	Pro rated 1st Year	Pro rated 2nd Year	10% Subsidy
	50% off Rental Fee	30% off Rental Fee	10% off Rental Fee

Field Rental (per Game)

Field Rental per Game (2hr min.)	Fee Per Game	\$150.00	\$75.00	\$105.00	\$135.00
Lights per hr (2 hr. min.)	As Needed	\$50.00	\$65.00	\$65.00	\$65.00

Practice Rentals

Field Rental per hr (2 hr. min.)	Fee Per Practice	\$25.00	\$12.50	\$17.50	\$22.50
Lights per hr (2 hr. min.)	As Needed	\$50.00	\$65.00	\$65.00	\$65.00

Tournament Rental Fees

Deposit for the Complex: Deductions will be taken out based on damages and cleaning.	Deposit Refundable	\$200.00	\$200.00	\$200.00	\$200.00
Field Rental with a 4-game max. usage per day	Per Tournament	\$600.00	\$300.00	\$420.00	\$540.00
Lights per hr (2 hr. min.)	As Needed	\$50.00	\$65.00	\$65.00	\$65.00

Facility Rental (Special Events)

No Pro-rate on fees

Deposit for the Complex: Deductions will be taken out based on damages and cleaning.	Deposit Refundable	\$400.00	\$400.00	\$400.00	\$400.00
Field Rental (per hr)	Per Hour	\$250.00	\$250.00	\$250.00	\$250.00
All day Rate: (12 hr maximum)	Per Day	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00
Lights per hr (2 hr. min.)	As Needed	\$65.00	\$65.00	\$65.00	\$65.00
City Staff Supervision	Per Hour	\$20.00	\$20.00	\$20.00	\$20.00

Flooring provided by Renter - As needed basis - evaluated by the City to determine need - Estimate for Denver rental: \$2.00 per sq. ft.

Security Required by Renter - Renter is responsible for security for all events. A security service must be provided and documented by the City

Cleaning Fee**No Pro-rate on fees**

Per staff member, and supplies	Per Hour	\$25.00	\$25.00	\$25.00	\$25.00
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Office Rental Rates

Annual	Per Month	\$30.00	\$15.00	\$21.00	\$27.00
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Locker Rooms

Annual - Large Locker Room (Storage) - CBC	Per Year	\$600.00	\$300.00	\$420.00	\$540.00
Annual - Small Locker Room - HH	Per Year	\$300.00	\$150.00	\$210.00	\$270.00

Concessions

Seasonal - Horseheads Baseball - Mike Lansing	Per Month	\$200.00	\$100.00	\$140.00	\$180.00
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Retail Sales/Showroom

Seasonal - Horseheads Baseball - Mike Lansing	Per Month	\$60.00	\$30.00	\$42.00	\$54.00
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Storage Space Rental Rates**(Indoor)**

Annual - Large - HH	Per Month	\$50.00	\$25.00	\$35.00	\$45.00
Annual - Medium - CBC	Per Month	\$40.00	\$20.00	\$28.00	\$36.00

Sponsorship/Banners/Signage

Horseheads Baseball - Mike Lansing	Per Banner	5%	5%	5%	5%
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Material and Clay Value

Mound and Home Plate Clay (Depends on the damage per game to repair) (on average 2-3 super sacks will get you through a season on the game mound and home plate only)	\$475/ Per Super Sack 2,000 Lbs	\$1,425.00	\$1,425.00	\$1,425.00	\$1,425.00
Infield Conditioner Turface (Depends on Weather for the Season) Typically 2-3 pallets of conditioner per year for upper level play	\$20/ Bag	\$2,400.00	\$2,400.00	\$2,400.00	\$2,400.00
Infield Mix (30 Tons a year)	\$76/ Ton	\$2,280.00	\$2,280.00	\$2,280.00	\$2,280.00
			\$6,105.00	\$6,105.00	\$6,105.00
Split: CBC and Horseheads - Per team			\$3,052.50	\$3,052.50	\$3,052.50

Material and Clay costs if provided will be deducted from the rent at the end of the season.

All facility (building) rentals will require the renter to assume all utilities expenses. This will include Water, Sewer, Gas and Electricity.

City of Casper
Parks and Recreation Department
George Tani Baseball Field

Rates and Fees

City of Casper	2021	2022
Pro-forma	Rates and Fees	Rates and Fees
	Pro rated 1st Year	10% Subsidy
	20% off Rental Fee	10% off Rental Fee

Daily Field Rental per Game

Field Rental per Game (2hr min.)	Fee Per Game	\$105.00	\$84.00	\$94.50
Lights per hr (2 hr. min.) -	As Needed	\$65.00	\$65.00	\$65.00

Practice Rentals

Field Rental per hr (2 hr. min.)	Fee Per Practice	\$20.00	\$16.00	\$18.00
Lights per hr (2 hr. min.)	As Needed	\$65.00	\$65.00	\$65.00

Tournament Rental Fees

Deposit for the Complex: Deductions will be taken out based on damages and cleaning.	Deposit Refundable	\$200.00	\$200.00	\$200.00
Field Rental with a 4-game max. usage per day	Per Tournament	\$420.00	\$336.00	\$378.00
Lights per hr (2 hr. min.)	As Needed	\$65.00	\$65.00	\$65.00

Cleaning Fee

Per staff member, and supplies	Per Hour	\$25.00	\$25.00	\$25.00
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Sponsorship/Banners/Signage

CYB and Crush	Per Banner	5 percent	5 percent	5 percent
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Material and Clay Value

Mound and Home Plate Clay (Depends on the damage per game to repair) (on average 2-3 super sacks will get you through a season on the game mound and home plate only)	\$475/ Per Super Sack 2,000 Lbs	\$1,425.00	\$950.00	\$950.00
Infield Conditioner Turface (Depends on Weather for the Season & amount of use) Typically 1-2 pallets of conditioner per year for lower level play	\$20/ Bag	\$1,600.00	\$1,600.00	\$1,600.00
Infield Mix (30 Tons a year)	\$76/ Ton	\$2,280.00	\$2,280.00	\$2,280.00
			\$4,830.00	\$4,830.00
Split: CYB and Crush - Per team			\$2,415.00	\$2,415.00

Material and Clay costs if provided will be deducted from the rent at the end of the season.

All facility (building) rentals will require the renter to assume all utilities expenses. This will include Water, Sewer, Gas and Electricity.

EAST LAND DEVELOPMENT, LLC

441 Landmark Drive, Ste 100
Casper, Wyoming 82609
307.234.0583

City of Casper
VH McDonald, City Manager
200 N. David Street
Casper, WY 82601

RE: Property Management and Landlord Notice Address Change

Dear Valued Tenant,

Property and Lease Management duties on behalf of Platte River Crossing, LLC have been officially transferred to East Land Development, LLC, a partner-owned management company. Platte River Crossing, LLC remains the Landlord for your leased premises at 441 Landmark Drive, Suite 320, Casper, Wyoming, however, all lease/property management and accounting functions are now being performed by the East Land Development team.

East Land Development's property management team can be contacted at 307-234-9421. During normal business hours, Amber Gifford will answer your call or promptly return your voicemail. After-hours emergency calls will be handled by the on-call property manager. Non-emergencies will be handled the next business day. Michelle Thompson, Lease Manager, can be reached at 307-268-7131 to assist you with any questions regarding your lease.

Additionally, effective October 1, 2016, the Landlord Mailing and Notice Address(es) per your Lease Agreement are hereby changed as detailed below (please note the addition of our Suite No.). We kindly ask that you **update your lease records** accordingly for all future rental payments as well as lease correspondence.

Payment/Mailing Address:

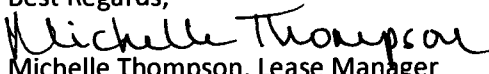
Platte River Crossing, LLC
PO Box 2390
Casper, WY 82602

Notice Address/Overnight Documents:

Platte River Crossing, LLC
441 Landmark Drive, Suite 100
Casper, WY 82609

Please feel free to contact me with any questions or concerns. We look forward to a great partnership with you and appreciate your continued business!

Best Regards,


Michelle Thompson, Lease Manager
East Land Development, LLC



LEASE AGREEMENT – 441 Landmark Drive, Suite 320

THIS LEASE AGREEMENT (“lease”) is made and entered into this 20th
day of March 2014, by and between the following parties:

1. PLATTE RIVER CROSSING, LLC, PO Box 2390, Casper, Wyoming, 82602 (“Lessor”).
2. THE CITY OF CASPER, Wyoming (“Lessee”), a municipal corporation, 200 North David Street, Casper, Wyoming 82601.

Throughout this lease, the Lessor and Lessee may be individually referred to as a “party” or collectively referred to as the “parties.”

IN CONSIDERATION of the covenants, agreements and obligations hereinafter contained Lessor hereby demises and leases unto Lessee the following described premises situated in the City of Casper, Natrona County, State of Wyoming:

Suite 320 of Lot 2, Blackmore Marketplace Addition No. 7, which is more commonly known as 441 Landmark Drive, Casper, Natrona County, Wyoming, Suite 320, containing a total of 6,506 square feet.

Lot 2, Blackmore Marketplace Addition No. 7, is more particularly described on the plat thereof, which was recorded as Instrument Number 941987 in the office of the Natrona County Clerk on December 14, 2012, and is attached hereto as Exhibit A.

LEASE TERM. Said lease shall be for a primary term of twenty-five (25) years, beginning February 1, 2014 and ending on January 31, 2039, unless sooner terminated as hereinafter provided. It is specifically agreed that said Lessee, at its option, may renew said lease for up to two (2), additional five (5) year periods under terms and conditions set forth below.

RENT FOR PREMISES. The Lessee covenants and agrees to pay Lessor as rent for said premises the liquidated sum of Two Million, Seven Hundred Forty-

Five Thousand, Seven Hundred Ninety-Four Dollars (\$2,745,794.00) for the whole and entire term hereof, which breaks down as follows:

YEARS	SQ. FT.	RATE	ANNUAL	MONTHLY	TOTAL LEASE
1-10	6,506	\$19.30	\$125,592.00	\$10,466.00	\$1,255,920.00
11-20	6,506	\$15.20	\$98,891.20	\$8,240.93	\$988,912.00
21-25	6,506	\$15.40	\$100,192.40	\$8,349.37	\$500,962.00
TOTAL TERM LEASE PAYMENTS					\$2,745,794.00

The Lessee desires to have the rent for the premises coincide with its annual fiscal year, which currently runs from July 1 through June 30, and Lessor finds that acceptable. Therefore, rent payments shall be made on the following schedule:

**Platte River Crossing LLC
Landmark Building
911 Lease Payments
Fiscal Year**

	1st Term Payment Due Dates	Annual Payment Amount	2nd Term Payment Due Dates	Annual Payment Amount	3rd Term Payment Due Dates	Annual Payment Amount
Partial Year	6/30/2014	52,330.00	6/30/2024	41,204.67	6/30/2034	41,746.85
	6/30/2015	125,592.00	6/30/2025	98,891.20	6/30/2035	100,192.40
	6/30/2016	125,592.00	6/30/2026	98,891.20	6/30/2036	100,192.40
	6/30/2017	125,592.00	6/30/2027	98,891.20	6/30/2037	100,192.40
	6/30/2018	125,592.00	6/30/2028	98,891.20	6/30/2038	100,192.40
	6/30/2019	125,592.00	6/30/2029	98,891.20	6/30/2039	58,445.55
	6/30/2020	125,592.00	6/30/2030	98,891.20		
	6/30/2021	125,592.00	6/30/2031	98,891.20		
	6/30/2022	125,592.00	6/30/2032	98,891.20		
	6/30/2023	125,592.00	6/30/2033	98,891.20		
	1/31/2024	73,262.00	1/31/2034	57,686.53		
		\$1,255,920.00		\$988,912.00		\$500,962.00

25-Year Grand Total \$2,745,794.00

All rent under this lease shall be payable without demand, demand being hereby waived by the Lessee, at the office of 747 West First Street, P.O Box 2390, Casper, Wyoming, 82602 or at such other place as the Lessor, his heirs, successors, devisees, grantees or assigns may from time to time designate by written notice to the Lessee.

- ◆ Lessee's renewal options. Lessee shall have the option to renew this lease for up to two (2), five (5) year terms. Lessee shall exercise said option by notifying Lessor in writing at least six months prior to the beginning of each renewal term. Rates for renewal option periods of five years beyond January 31, 2039 shall be determined by negotiation during the six month period prior to renewal.
- ◆ Sale of Building. The Lessor may, in the future, determine it is in its best interest to sell the building at 441 Landmark Drive, Casper, Wyoming. If the Lessor sells the building, the Lessee shall have the following options, which may be exercised at the sole discretion of the Lessee:
 1. Lessor shall include a provision in the sale agreement that the new building owner shall honor the provisions of this lease.
 2. The Lessee shall be given the first right of refusal to purchase the building at the offered price. The Lessee will have thirty (30) days, after receiving written notice from the Lessor about a bonafide offer, to match that offer.
 3. The Lessor will forego the remaining balance on the term of the existing lease.

INSURANCE:

Prior to commencement of work, Lessee shall procure and at all times maintain the following minimum insurance protecting the Lessee and Lessor against liability from damages because of injuries, including death,

suffered by persons, including employees of the Lessor, and liability from damages to property arising from and growing out of the Lessee's negligent operations in connection with the performance of this lease.

	<u>LIMITS</u>
Workers' Compensation	Statutory
Comprehensive General Liability	\$500,000 combined single unit

Lessee shall provide Lessor with certificates evidencing such insurance as outlined above prior to the execution of this lease. Lessee shall provide thirty (30) days advance written notice to the Lessor of cancellation or non-renewal, and except for Workers' Compensation and professional liability insurance (if any), shall list the City as an additional insured.

In addition, upon request by the Lessor, Lessee shall provide Lessor with copies of insurance policies and/or policy endorsements listing the Lessor as an additional insured. Lessor's failure to request or review such insurance certificates or policies shall not affect Lessor's rights or Lessee's obligations hereunder.

COVENANTS OF THE LESSEE:

1. Said Lessee does hereby covenant and agree with said Lessor that Lessee will:

(a) Pay rent at times and places without demand and in the manner aforesaid.

(b) Make all repairs, unless hereinafter provided, to the interior of the leased premises necessary for the occupancy of the Lessee (e.g., carpeting, painting), and to maintain such interior in the same condition of repair as it was at the commencement of this lease, ordinary wear and tear, and casualties set forth

hereafter in paragraph 3 (c) only, excepted. Lessee shall leave the leased premises at the expiration or prior termination of this lease, or any renewal or extension thereof, in as good a condition as received, or in which they may be put by the Lessor, excepting only reasonable wear and tear, and damage arising from the negligence or default of the Lessor, or Lessor's agents, employees, or for any cause set forth in paragraph 3 (c).

(c) The parties do not intend for the Lessee to pay for repairs or improvements to the building structure or building systems. Therefore, if the Lessee, its agents or employees did not negligently cause damage to the building structure or any of the building systems (e.g., roof, sidewalks, parking lot, HVAC, electrical, fire-sprinkler, natural gas, water, or sewer), Lessor will be responsible for all of those upgrades and repairs. But, if the Lessee, its agents or employees negligently cause damage to the building structure or any of its systems, Lessee shall be responsible to repair the building or system, or to pay for the reasonable cost of any such repair that is necessary.

(d) Any communications system that is proprietary to the Lessee's dispatch and emergency operations (e.g., roof top antennas for cellular service, microwave, 800 MHz system, or internet service) shall be repaired and upgraded at the sole cost of the Lessee.

(e) Use and occupy said premises in a careful, safe and proper manner, commit no waste therein or damage thereto, keep entire leased premises in a clean and sightly condition.

(f) Not use or occupy said premises for any unlawful purpose; conform to and obey all present and future laws, and ordinances, and all rules, regulations, requirements and orders of all governmental authorities or agencies, respecting the use and occupancy of the demised premises.

(g) Not use or occupy said premises, or permit the same to be used or occupied for any purpose deemed extra hazardous. The parties agree that police dispatch and emergency operations work is not deemed extra hazardous.

(h) Make no alterations or additions in or to said premises, nor use present floor or roof joists or trusses to support hoists or other similar equipment, without first securing the written consent of said Lessor; which consent shall not be unreasonably withheld. Provided, however, Lessee shall have the right to perform interior remodeling and to place exterior signage appropriate to Lessee's intended use of the premises.

(i) Assume all risk of breakage of any glass in said premises and promptly replace same at Lessee's expense any broken glass of same kind, quality and size; except, however, that any glass breakage due to structural defects of said premises or on account of fire or willful neglect of Lessor, shall be promptly replaced by and at the expense of Lessor.

(j) Not permit said demised premises to remain vacant or unoccupied for more than forty-five (45) consecutive days, excluding initial construction period not to exceed 120 days, at any time during the term of this lease without the written consent of the Lessor.

(k) Not assign or encumber this lease, nor underlet said demised premises, or any part thereof, without the written consent of the said Lessor; provided, however, Lessor shall not arbitrarily withhold consent to an assignment or sublease if the proposed assignee or sublessee is reputable, solvent, and the business operations will not increase fire or other insurance rates. Any granting by Lessor of his consent to an assignment or sublease by Lessee shall in no case be deemed a waiver of the requirement for prior written consent of Lessor to subsequent and successive assignments or subleases, and by such assignment or sublease shall not operate to eliminate, reduce or impair the Lessee's primary and continuous obligations and liabilities hereunder. Lessor specifically consents to the assignment or sublease of the premises for the purposes of the installation or upgrade of communications technology associated with police dispatch or emergency operations (e.g., roof top antennas for cellular, microwave, 800 MHz system, or internet service), provided that such can be accomplished while

maintaining the structural integrity of the building, and without violating the building code, or other local, state or federal law.

(l) Upon termination of this lease, promptly deliver up and surrender to Lessor, upon demand, the leased premises. Provided, however, Lessee shall have a six (6) month period of time from the termination of the lease to demobilize and move out of the leased space. During each month of that six month time period during which the Lessee has not moved out and surrendered the leased premises, Lessee shall pay monthly rent to the Lessor at the same rate as the previous month's rent before the lease terminated. Upon surrender of the premises at any time during the six month time period, no further rent shall be due, except for the current month's rent. All monthly payments shall be made by the last day of the month.

(m) Lessor and Lessee agree to equally share the costs of repair or replacement "as needed" to the generator located on the outside of the premise on the east side of the building. However, it is the parties' understanding that the current generator may be much larger than would what be required if an electrical load study was performed to size the generator to current demand/load. If the generator must be replaced, the Lessee and Lessor agree to have a demand/load study performed by a professional electrical engineering firm (or substantially similar consultant), and have the new generator sized properly for the current demand/load. The parties further understand that the tenancy in various parts of the building could change over time, and that a tenant could be brought in who spikes the electrical demand/load. Currently, the Lessee is thought to be the highest demand/load user in the building, and thus has agreed to pay half of the generator cost. If, however, at the time of generator replacement, the study shows that the Lessee is no longer the highest demand/load user, then the Lessee will pay a pro-rata, proportionate share of the generator cost based upon its demand/load, as determined by the demand/load study. For example, if the demand/load study shows that thirty percent (30%) of the sizing of the generator is due to the actual or

projected electrical load of the Lessee, then the Lessee will pay thirty percent (30%) of the cost of the generator.

COVENANTS OF LESSOR:

2. Lessor does hereby covenant and agree with Lessee:

(a) Lessor will maintain the exterior of the demised premises in good repair and condition, ALLOWING FOR NORMAL WEAR AND TEAR;

(b) Lessor will promptly and seasonably pay any and all taxes and assessments legally assessed against said premises;

(c) If the Lessee will pay the rent as herein provided, and will keep and observe and perform all of the material provisions of this lease to be kept, performed and observed by the Lessee, said Lessee shall and may peaceably have, hold and enjoy the said demised premises for the term aforesaid;

(d) Lessor shall pay all operating expenses during the term of this lease or any subsequent extension thereof. "Operating Expenses" shall mean all operating expenses of any kind or nature which are necessary, ordinary, or customarily incurred in connection with the operation, maintenance, repair and replacement of the Building components, Building systems, Building structure and the Building Complex. Operating Expenses shall include, but are not limited to: real property taxes, supplies, electricity, natural gas, water, fire alarm system, fire suppression system, HVAC system, sanitation, janitorial, general maintenance and repairs, roofing, siding, landscaping maintenance, snow removal, insurance, professional building management, legal and accounting.

MUTUAL COVENANTS:

3. It is mutually agreed by and between the Lessor and the Lessee that:

(a) All fixtures and/or equipment, except all permanent type remodeling or repairs and wiring equipment, which shall be permanently affixed thereto, shall continue to be the property of the Lessee, and may be removed by

the Lessee at the expiration or termination of this lease, or any renewal extension thereof; provided, however, that Lessee is not in default of any material provisions of this lease, or extensions or renewals thereof, and that Lessee shall at his own expense repair any injury to the premises resulting from such removal, and leave said premises in same condition as when received, usual wear and tear only excepted;

(b) All personal property of Lessee or Lessee's customers or invitees upon said demised premises shall be there at Lessee's sole risk and the Lessor shall not be liable for any loss or damage done to, or loss of such personal property, or for any damage or loss suffered by the business or occupation of the Lessee arising from any act or neglect of Lessee, or Lessee's employees or third persons, or from bursting water, sewer or gas lines, or overflowing or leaking water, sewer or gas lines, or from heating or plumbing fixtures, or from electric wires, or from gas, odors, or caused in any manner whatsoever, except if chargeable to negligent acts of Lessor or breach of any of Lessor's obligations hereunder;

(c) In event the leased premises shall become unfit for Lessee's use above specified, by reason of fire, explosion, or other cause beyond the control of the parties hereto, the Lessor shall have the option of restoring said premises to substantially the same of equal condition prior thereto within ninety (90) days after such event occurs; however, during the period of restoration, if the premises are wholly unsuitable for Lessee's intended use, latter shall pay no rent during said period, and upon completion of restoration Lessee may reoccupy and the primary term of this said lease shall be extended for a period equal to that during which Lessee shall be out of possession. If said premises cannot be restored within such ninety (90) day period after any such casualty, using local contractor and the available materials and at reasonable expense to Lessor, or Lessor should elect not to restore said premises, Lessee shall have the right to immediately cancel and

terminate this lease by giving written notice of such election to terminate, provided that rentals shall be adjusted and paid or repaid to date of casualty.

(d) The parties acknowledge that as of the date of this lease, there is currently an abundance of parking at the leased premises to which the Lessee has access. It is anticipated the Lessee will primarily park on the northeast side of the leased premises, but it is not required. If parking becomes inadequate for any reason, the parties agree to cooperatively amend this lease and assign an adequate number of spaces to the Lessee for its employees, agents or contractors.

(e) Lessor acknowledges that the Lessee's governmental operations are critical in protecting the peace, safety, health and welfare of the citizens of Casper, Wyoming. Those operations may occur seven days per week, twenty four hours per day. Lessor further acknowledges that information the Lessor receives in its course of operations may be confidential, sensitive or otherwise protected by law. Therefore, unless an imminent, potentially life-threatening emergency exists (e.g., fire in the building, terrorist attack, etc.), Lessor may not access or inspect the leased premises without the written permission of the Lessee. However, Lessor may access the leased premises to the same extent that the general public may do so, all in accordance with City of Casper policy and guidelines.

(f) If a petition in bankruptcy be filed by or against the Lessee, or if the Lessee be declared insolvent, or if the Lessee shall make an assignment for the benefit of creditors or otherwise, or if Lessee's leasehold interest shall be levied upon under execution or other process or a receiver to appointed for the Lessee whether under the operation of federal or state statutes, then and in any of said cases the whole rent for the full and entire term of this lease shall at once become due and payable and shall become a fixed liability absolutely owing to the Lessor in the same manner as if by the terms of this lease the whole rent for the full and entire term were payable in advance, and shall constitute a debt provable in bankruptcy or receivership; provided, however, that Lessor may by written

notice mailed to Lessee, waive any claim hereunder for the unpaid balance of rent for the full term hereof, and may without further notice to the Lessee or any assigns, transferee, receiver, trustee or any other person or persons, terminate this lease and immediately retake possession of said premises.

(g) If any installment of rent provided for herein shall not be paid when due, or within forty-five (45) days after written notice of such default has been mailed to Lessee, or if Lessee defaults under any of the other material provisions of this lease and remains in default thereof for a period of forty five (45) days after written notice of such default or defaults has been mailed to Lessee, Lessor may thereupon and at its election:

1. Declare immediately due and payable the whole rent for one full year, and, and the Lessor may by suit or otherwise proceed to collect the same, or

2. Terminate the lease, or pursue any other appropriate remedy or remedies based upon Lessee's default or defaults. Delay in the enforcement of any of the Lessor's remedies under any specific default or defaults by Lessee shall in no case be deemed a waiver of Lessor's rights thereafter to enforce any of such remedies under this same or any subsequent default of Lessee.

(h) If, after the expiration of this lease, Lessee shall remain in said premises, without a written agreement as to such holding, then such holding over shall be deemed and taken to be a holding upon a tenancy from month to month, on the same general conditions as provided in this lease, and rental for such tenancy unless otherwise agreed by the parties hereto, shall be the current rate plus ten percent (10%), which rental shall be payable in advance on the same day as provided in this lease.

(i) That all notices given pursuant to this agreement shall be in writing and shall be delivered to the parties hereto or sent by fax or regular mail to the addresses listed below:

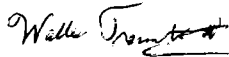
NEIL A. MCMURRY, MANAGING MEMBER
PLATTE RIVER CROSSING, LLC
PO Box 2390
CASPER, WY 82602
Fax: 307.234.9817

JOHN C. PATTERSON, CITY MANAGER
CITY OF CASPER
200 N DAVID STREET
CASPER, WY 82601
Fax: 307.235.8313

(j) Time and manner of performance are of the essence of the within lease, all provisions of which are codependent, for the benefit of and binding upon the lessor and lessee, their respective heirs, successors, assigns and devisees as of the day and year first above written.

(k) The parties agree that this lease shall be recorded in the real estate records of the Natrona County Clerk's Office. Each party shall pay one-half of the cost of recording.

Approved as to form:

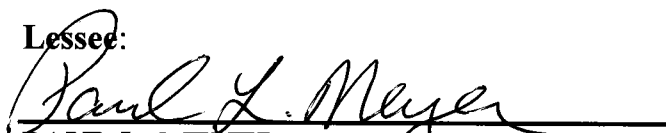


Lessor:



NEIL A. MCMURRY, MEMBER
PLATTE RIVER CROSSING, LLC

Lessee:

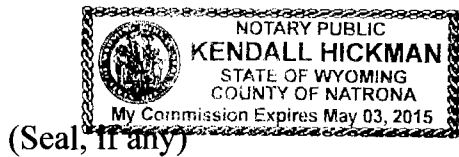


PAUL L. MEYER, MAYOR
CITY OF CASPER

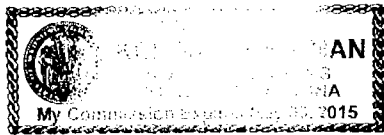
STATE OF WYOMING

COUNTY OF NATRONA

This instrument was acknowledged before me on March 5, 2014 by Neil A. McMurry as the Managing Member of Platte River Crossing, LLC.



Kendall Hickman
(Signature of notarial officer)



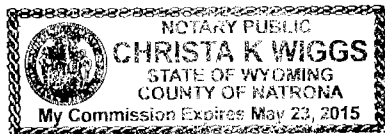
[My commission expires: 05-03-2015]

STATE OF WYOMING

COUNTY OF NATRONA

This instrument was acknowledged before me on March 20th, 2014 by Paul L. Meyer as the Mayor of the City of Casper, Wyoming.

(Seal, if any)

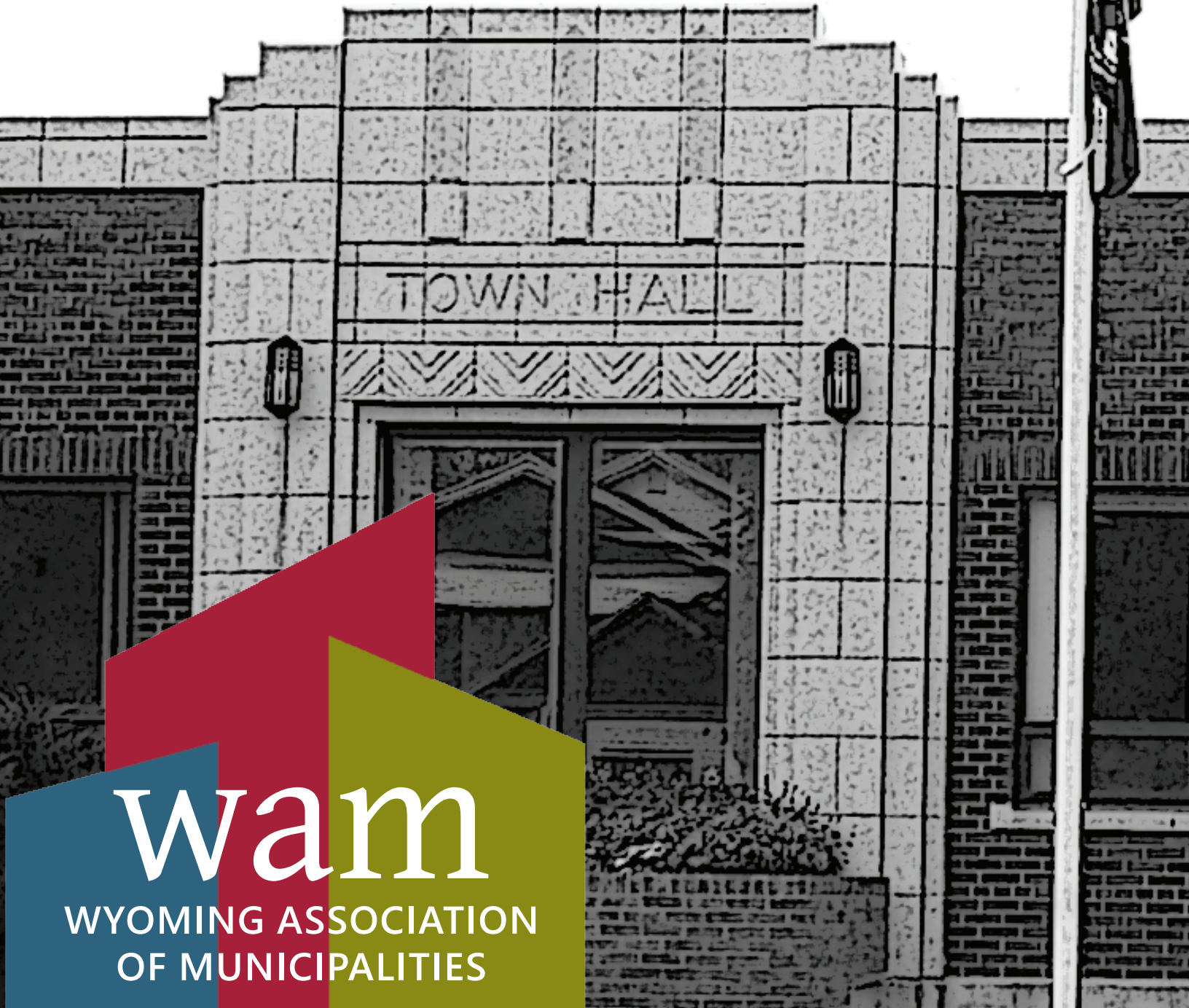


Christa K Wiggs
(Signature of notarial officer)

[My commission expires: 05/23/15]

Municipal Finance Report

October 2016



wam

WYOMING ASSOCIATION
OF MUNICIPALITIES

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Town of Saratoga, Incorporated in 1900

ACKNOWLEDGEMENTS

Development of this report relied upon the time and dedication of Wyoming municipal leaders. Members of the Municipal Finance Task Force included: Rick Kaysen, Mayor, Cheyenne; Andi Summerville, Council Member, Laramie; Jim Harmon, Treasurer, Sheridan; Barry Cook, City Administrator, Cody; V.H. McDonald, City Manager, Casper; Bob McLaurin, Town Manager, Jackson; Reed Clevenger, City Administrator, Green River; Charri Lara, Treasurer, Lander; Janine Jordan, City Manager, Laramie; Lois Huff, Treasurer, Cheyenne; Kelley Millar, Deputy Clerk, Upton. WAM Staff were also instrumental in producing this report: Shelley Simonton, Executive Director; Scott Badley, Legislative Manager; Laurie Heath, Deputy Director; Earla Checchi, Finance Manager; Katie Waldner, Member Services Manager.

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Wyoming
Association of
Municipalities
Building Strong Communities

WYOMING CITIES AND TOWNS HAVE LITTLE CONTROL AND ABILITY TO PREDICT THEIR FINANCIAL CONDITIONS

Sales and use taxes primarily fund Wyoming cities and towns. The State Legislature determines the share of, the maximum amount of, the uses of, and even any exemptions from sales and use taxes.

State aid, including statutory (under-the-cap), discretionary (over-the-cap), and State Grant and Loan programs are the second source of income for municipalities in the State of Wyoming (State). The State determines whether or not these programs receive appropriations, and the State agencies determine the rules that govern the use of the appropriated funds.

LOSS OF REVENUE, EXPECTED SERVICES

In early 2015, the State realized a significant downturn in its perennial revenue sources of coal, oil, and natural gas production. While all three commodity market values plunged, the timing was more of a coincidence rather than a structural statement on fossil fuels. Nonetheless, between the Environmental Protection Agency's (EPA) Clean Power Plan greatly impacting the coal industry and a global over-supply of oil and natural gas reducing the drilling and extraction industry, Wyoming faced an unprecedented and seemingly long-term reduction in mineral extraction royalties and taxes.

Concurrent with the commodity decline, Wyoming communities experienced a quick and drastic reduction in sales and use tax receipts typically generated from personal and business sources. Currently, some cities and towns in Wyoming are seeing local sales and use tax revenue losses of 50% or more over the previous years' (FY 2015 to current) receipts; this too is unprecedented. However, to the Wyoming resident, the link between the downturned economy and unplowed streets or large potholes, is often not understood.

THE REPORT

Because of the obvious effects the economic downturn will have on the fiscal programs of Wyoming's cities and towns, and because of the many discussions and decisions from the 2016 Legislative Budget Session the Wyoming Association of Municipalities (WAM) embarked on a collaborative endeavor to review, analyze, and develop recommendations related to municipal finance in Wyoming. WAM members formed a Municipal Finance Task Force with a charge to review current State-to-Municipal funding mechanisms, examine sources of available municipal revenue, consider typical and mandated municipal expenses, evaluate other national municipal funding models, and prepare reasonable recommendations for presentation to the Governor and Legislature. WAM acknowledges that funding for Local Government will only become more challenging in the coming years, and submits this report as a proactive resource to initiate change that will collaboratively manage Wyoming through these difficult times.

Recommendations in Order of Priority

1. **Secure the \$105 Million appropriation for direct distribution in this biennium**
2. Modify the Direct Distribution Formula adopted by the 2016 Legislature
3. Ensure funding for State Grant and Loan programs to fund capital construction
4. Provide more autonomy and revenue generating authority to Local Government
5. Increase State Sales Tax to 5%
6. Pass a constitutional amendment raising the municipal Property Tax
7. Evaluate Sales and Use Tax exemptions
8. Incentivize operating efficiencies

WHAT IS THE DIFFERENCE BETWEEN A CITY AND TOWN?

State of Wyoming Statute distinguishes a city and town by population size and by process. A city that has more than 4000 in population and has executed the State process, is called a First Class City.

HOW MANY INCORPORATED MUNICIPALITIES ARE IN WYOMING?

As of 2016, there are 99 incorporated cities and towns ranging in population from 4 to 63,335; 19 First Class Cities and 80 Towns.

WHAT PERCENTAGE OF THE POPULATION OF WYOMING LIVES IN AN INCORPORATED CITY OR TOWN?

69% live in a city or town.

WHAT DOES LOCAL GOVERNMENT INCLUDE?

Cities, towns, and counties are considered Local Government. Municipal Government refers specifically to the city or town government system.

DOES A MUNICIPALITY HAVE THE AUTHORITY TO RAISE TAXES?

No. Municipal tax authority is set by the State Legislature. Currently, statutorily Local Government can vote for up to 3% local sales tax options for capital construction, infrastructure, or economic development. A municipality can impose up to 8 mills for business and residential property tax within the municipal boundary, which is below the national average (see page 29).

WHAT SERVICES ARE A MUNICIPALITY EXPECTED TO PROVIDE?

While no two communities are alike, most communities provide, at a minimum, clean drinking water, sanitary sewer systems, storm water sewer systems, solid waste collection and landfills, administration services and finance, street construction and maintenance, parks and law enforcement (see page 22).

HOW DO JOINT POWERS BOARDS (JPB) AND SPECIAL DISTRICTS CONTRIBUTE TO PROVIDING MUNICIPAL SERVICES?

Utilization of JPBs and Special Districts target services that can be shared by the municipality or common interest. Common services provided in this manner could be solid waste collection, ambulance and fire protection services, weed and pest control, cemeteries, and hospitals.

WHAT ARE THE MAIN MUNICIPAL REVENUE STREAMS?

1. State shared – statutorily allotted sales and use tax, severance tax, and Federal Mineral Royalties (FMRs), all of which are ‘under-the cap’ funding. Additionally, cigarette tax, fuel tax, and pari-mutuel/lottery proceeds are state shared.
2. State appropriated - funds appropriated to Local Government from severance and FMRs; ‘over the cap’ funding.
3. Locally generated revenue – local option sales tax, income on restricted investments, property tax, fees, licenses, and fines.

WHAT IS THE ‘CAP’? WHAT ARE FUNDING SOURCES FROM OVER-THE-CAP AND UNDER-THE-CAP?

The 2000 and 2001 Wyoming Legislature reworked (de-earmarked) the revenue distributions from severance taxes and FMRs. The State Statutes were modified to limit the amount of tax or royalty going to various entities, including cities, towns and counties. This limit is referred to as the ‘cap’. At that time, annual revenue amounts over-the-cap were retained by the State to build their savings or to appropriate to funds for projects and other purposes like Local Governments. Under-the-cap revenues flow to Local Governments and other State programs directly by State Statute. Under-the-cap funds also support State Grant and Loan programs for Local Government infrastructure and capital construction projects.

BRC– Business Ready Community Program provides financing for publicly owned infrastructure and economic development, administered by the Wyoming Business Council

DEQ– Wyoming Department of Environmental Quality

DOA– Wyoming Department of Audit

DOR– Wyoming Department of Revenue

ENTERPRISE FUNDS – municipal government funds that function similar to businesses and should be self-sustaining thru collection of user fees (i.e., water, sanitary sewer, or solid waste services).

FY – the Fiscal Year is a 12-month period beginning July 1st and ending June 30th.

FMR – Federal Mineral Royalties, the distribution of federal revenue back to states that have mineral production on federally owned surface or subsurface lands

GENERAL FUND – municipal government’s primary operating fund used to fund non-enterprise services (i.e., operating expenses, road maintenance, parks and recreation, law enforcement, etc.).

JOINT POWERS BOARDS - entity whereby two or more agencies may create a board to conduct a joint or cooperative undertaking as allowed by Statute (i.e., utility, tourism, economic development, etc.).

LOCAL GOVERNMENT – used to describe incorporated cities, towns and counties within Wyoming.

MILL LEVY –in relation to property tax, 1 mill is equal to \$1 in property tax, which is levied per every \$1,000 of a property’s determined taxable value.

MRG –Mineral Royalty Grant Program

MUNICIPALITY - a public corporation created by the legislature for political purposes, with political powers, to be exercised for purposes related to the public good, in the administration of civil government.

MUNICIPAL REVENUE CAPACITY - the ability of a community to generate revenues, and ensure control, from its own sources.

MUNICIPAL SOLID WASTE – solid waste and other refuse collections from homes, businesses and the public to be sent to landfills approved by the state meeting federal regulations for temporary or permanent storage.

NCSL – National Conference of State Legislators

OVER-THE-CAP – portion of severance taxes and FMR revenues the Legislature has discretion to appropriate to Local Governments which is in addition to the statutory distributions of those revenues.

DIRECT DISTRIBUTION – an appropriation for Local Governments that is formula derived and disbursed bi-annually for a designated biennium.

COUNTY CONSENSUS FUNDING – an appropriation to counties for capital projects where counties and municipalities are required to agree on the expenditure before the state will reimburse project funding. In the 2016 Legislative Session, no consensus funding was appropriated for FY 2017-2018.

PILT – Payment in Lieu of Taxes, Federal payments to Local Government that offset losses of property taxes due to non-taxable Federal lands within their boundaries.

SANITARY SEWER – a system of pipes, drains, pumps and related equipment to transfer human waste from homes and businesses to a water treatment facility.

SEVERANCE TAX - a tax on nonrenewable natural resources ‘severed’ or produced within a taxing jurisdiction.

SLIB - State Land and Investment Board which is made up of the five top elected officials including the Governor, the Secretary of State, the State Treasurer, the State Auditor, and the Superintendent of Public Instruction who make final decisions on many grant and loan programs.

STORM WATER SEWER - a system of pipes, drains, pumps and related equipment to transfer storm water away from streets, residences, and businesses in order to protect property and people from flooding.

SPECIAL DISTRICT – established to provide specialized services to persons living within a designated geographic area and may contract to provide services outside the area. Examples are fire districts and conservation districts.

UNDER-THE-CAP – severance taxes and FMR revenues that flow to Local Governments and other State programs statutorily up to the maximum cut off amounts. Severance Tax has a \$155 Million cap with 9.25% appropriated to Local Government. Federal Mineral Royalties has a \$200 Million cap with 9.375% appropriated to Local Government.

WAM – Wyoming Association of Municipalities

WBC – Wyoming Business Council

WCCA – Wyoming County Commissioners Association

WWDC – Wyoming Water Development Commission



View of Front Street in Evanston from the 1930's.

CITY OF EVANSTON, INCORPORATED IN 1888

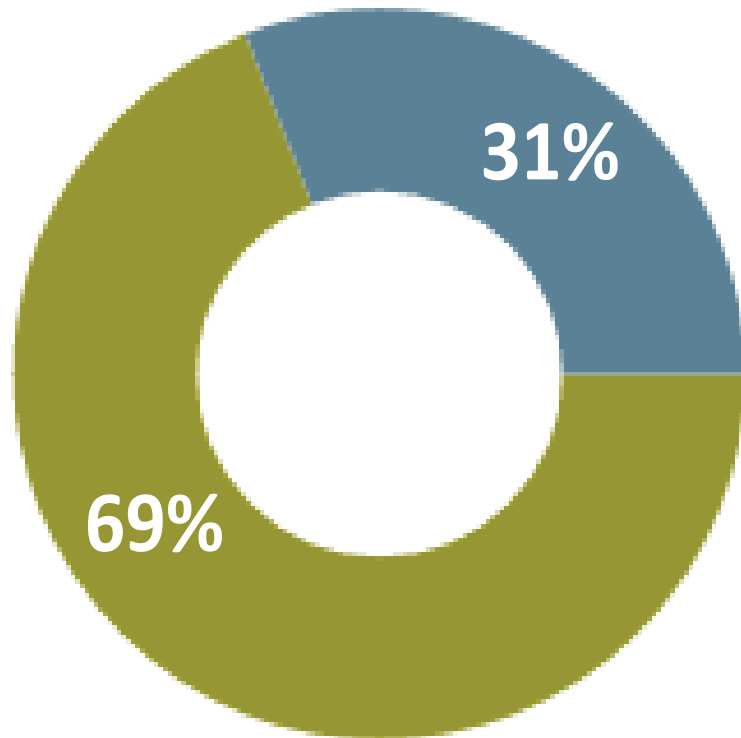
BACKGROUND AND HISTORY



WHO IS WAM?

WAM is a non-partisan trade association representing and serving the 99 incorporated cities and towns of Wyoming (Appendix A). WAM’s mission is to advocate for cities’ and towns’ common interests and provide educational opportunities for WAM members. WAM employs four staff and is governed by a twenty-three-member Board of Directors (Board), elected by their peers, and composed of Mayors, Council members, and representatives from associated organizations. WAM’s Board represents 6 regions across Wyoming. WAM’s constituents are the Mayors and Council members, the clerks and treasurers, the administrators, and the staff of cities and towns across the state.

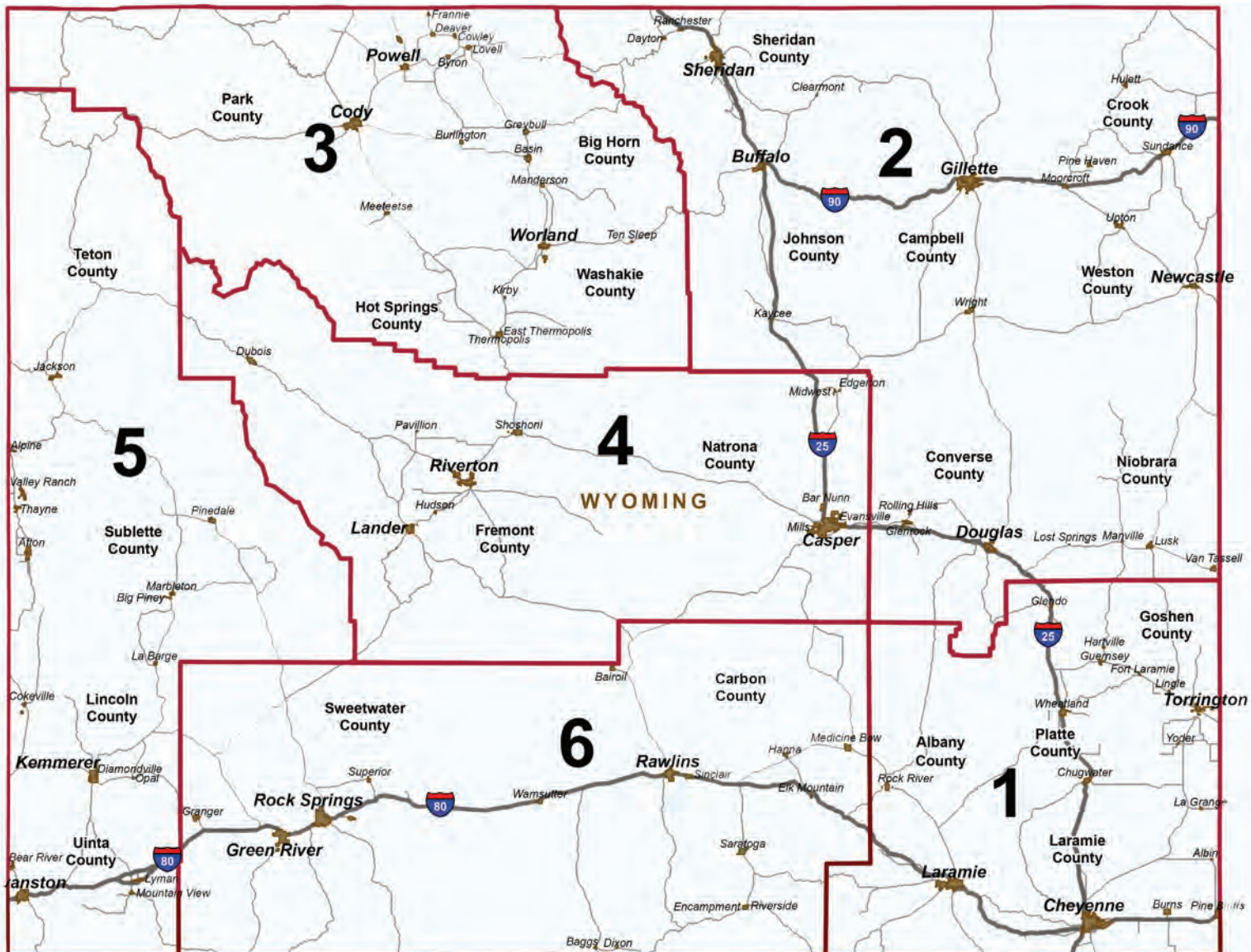
**100% of Wyoming Citizens
are impacted by Local Government**



69% of Wyoming’s Citizens reside in a city or town. 31% live in unincorporated Wyoming.

“One of the major benefits of being an incorporated community is being able to establish our own rules and regulations as well as provide specific services that our residents choose to have,” Laramie City Council Member Andrea Summerville shares. “However, we have a limited ability to generate our own sources of revenue and would like to work with State Legislators to improve this.”

WAM'S SIX REGION STRUCTURE



WAM Region Map

- Regions are geographically divided based on population and with a fair balance between the number of cities and towns.
- Regions elect 3 WAM Board members, one from a city, one from a town and one at-large to represent the Region's municipal voice.
- Regions meet at least quarterly, including at bi-annual WAM summer convention and winter workshop.
- The purposes of the Regions are:
 - to foster better and more frequent communications among WAM members.
 - to identify issues and solutions specific to that region.
 - to streamline communication of advocacy needs from the Regions to the WAM staff and then ultimately to the WAM Board.
 - to foster relationships with local Legislators and other area stakeholders to forward municipal solutions.

HISTORY OF MUNICIPAL REVENUES

Wyoming municipal revenues are historically received from two main sources- sales and use tax and State-aid or directed funds. The history of both revenue sources are germane to this report.

SALES AND USE TAX HISTORY

Since the inception of the statewide sales tax in the 1930's, the importance of sales and use tax to a Local Government's financial stability cannot be overstated. Sales tax is defined as a tax on applicable goods and services across Wyoming. Use tax is the sales tax on goods or services purchased outside of Wyoming but used in Wyoming.

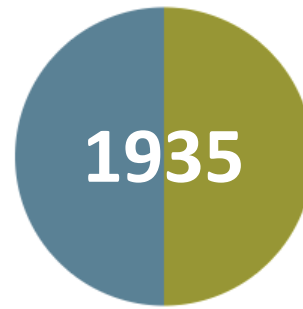
Wyoming municipalities are dependent on sales and use tax revenues. Throughout this report the terms 'sales and use tax' and 'sales tax' are interchangeable.

Wyoming's population has increased by 27% (132,519 Citizens) since 1993. Neither the sales tax percent nor the ratio of sales tax distributed to the Local Government has changed significantly. With increased population comes increased municipal services such as miles of road to pave and maintain, numbers of garbage cans to pick up, and multiple households needing water and sewer.

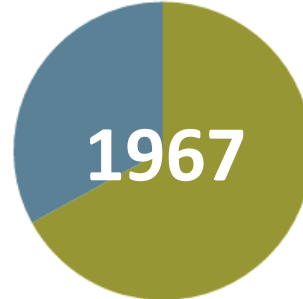
In addition to the statewide sales and use tax of 4%, voters within each county have the ability to impose optional local taxes for general purposes (5th penny), specific purposes (6th penny), economic development, lodging and resort taxes. Any combination of the 5th, 6th and economic development tax cannot exceed 3%. Counties across Wyoming vote on these local tax options on a regular frequency. On the opposite page is an illustration of how one municipality use their local opton tax.

Wyoming municipalities share in the State's economic cycle on a local level. As the trend graph on the next page indicates, Local Government tax revenues mirror the State's gross revenue cycle.

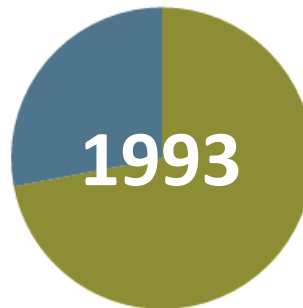
History of WY Sales & Use Tax



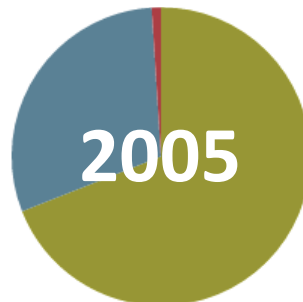
225,565 Population
2% Sales Tax
 Tax Split:
 State/ Local Government
50/50



330,067 Population
3% Sales Tax
 Tax Split:
 State/ Local Government
67/33



493,782 Population
4% Sales Tax
 Tax Split:
 State/ Local Government
72/28



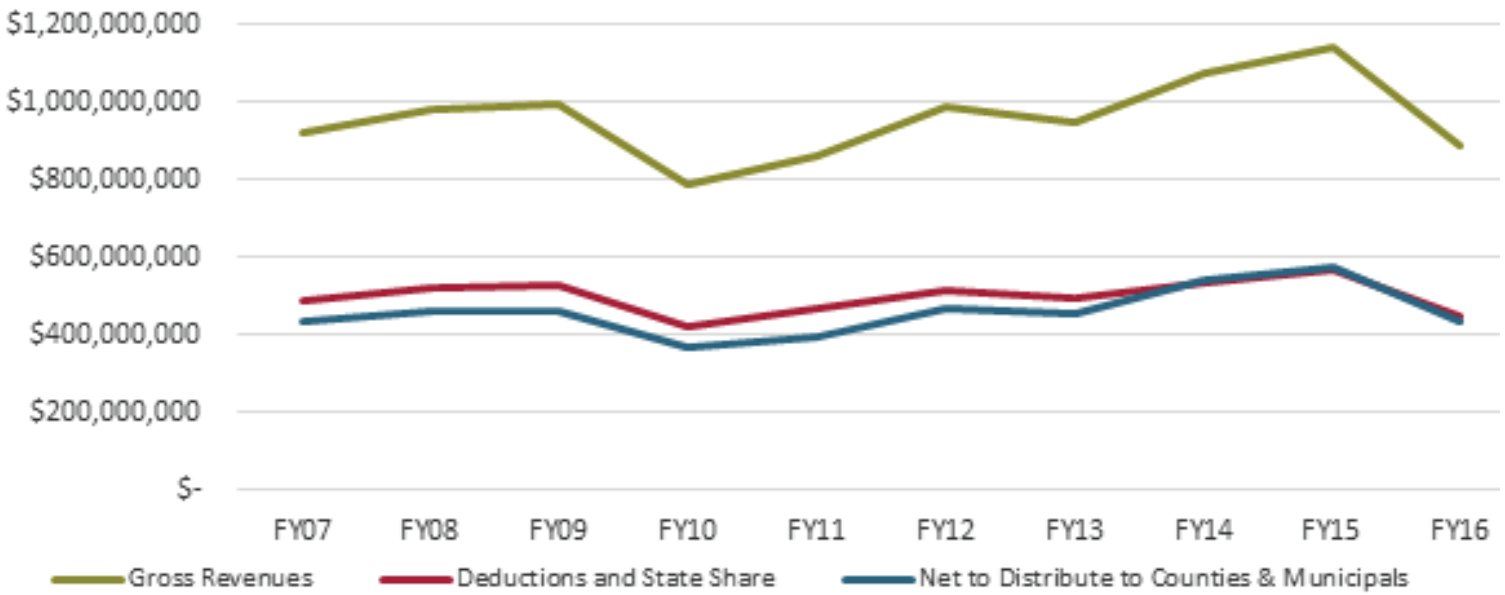
514,157 Population
4% Sales Tax
 Tax Split:
 State/ Local Government/
 Administrative Fee
69/30/1

State (green) In 1935, Wyoming goods and services were taxed at a 2% rate with 50% of the tax distributed to Local Government based on a population formula and 50% distributed to the State Government. The tax rate increased in 1967 to 3% with the State Government percentage increasing to 67% while the Local Government allocation was decreased to 33%. **The last sales tax rate increase to 4% occurred in 1993 with a similar split as in 1967 but an additional 1% administration fee was allocated to the Department of Revenue.**

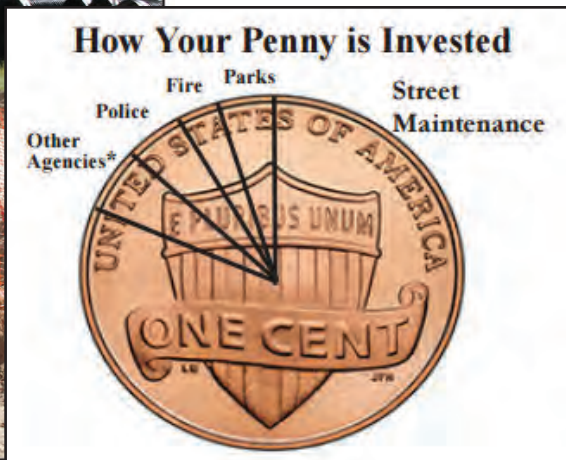
Local Government (blue)

Administrative Fee (red)

Wyoming Sales and Use Tax Revenue and Distribution FY 2007 - FY 2016



Cheyenne's 5th Penny Sales Tax Information



Voters in Cheyenne and Laramie County have voted YES every four years on the collection of a 5th Penny sales tax since 1978. Primarily this tax funds street and road maintenance (including construction and renovation), street maintenance equipment, traffic safety devices, storm water protection, and human services through agencies like United Way. The funds are also used as grant matching funds to fund other projects and services.

DIRECT DISTRIBUTION HISTORY

The State has historically shared its mineral tax and royalty revenues with Local Governments through distributions of severance taxes and Federal Mineral Royalties (FMRs). The history of the direct distributions illustrates the complex appropriation system created from an abundance of mineral resource revenues (Data source - Dean Temte of the Legislative Service Office (LSO)).

- 1921 - Distributions of FMRs to counties began, shortly after the passage of the Mineral Leasing Act of 1920.
- 1969 - Wyoming's first severance tax was enacted.
- 1974 - The Permanent Wyoming Mineral Trust Fund (PWMTF) was created by constitutional amendment.
- 1977 - Distributions of FMRs to cities and towns began.
- Pre-1982 – Distribution of severance tax were “earmarked” to specific accounts or entities (including Local Government) but at variable and uncertain rates.
- FY 1982 – Distribution of severance tax to cities, towns, and counties at a fixed, statutory 9.25% rate.
- 1995 - FMR distributions to counties were discontinued in order to maximize federal Payments In lieu of Taxes (PILT). This decrease was offset by an increase in severance tax distributions (known as PILT swap).
- FY 2000 and 2001 - the Wyoming Legislature revised the Statutes related to the complex distribution system of severance taxes and FMRs. The statute revisions eliminated the earmarked revenue distributions above a set amount or ‘cap’, then these ‘over-the-cap’ revenues which would have been previously distributed to other entities like Local Government automatically were redirected into State accounts. This new distribution methodology made it possible for the State to accumulate substantial savings when mineral revenues started their dramatic increase in the early 2000’s. This process has been referred to as “de-earmarking”.

THIS WAS THE BEGINNING OF OVER-THE-CAP AND UNDER-THE-CAP FUNDING

- The caps were set at \$155 Million for severance tax and \$200 Million for FMRs.
- Cities and towns statutorily receive 9.25% of under-the-cap severance funds, and 9.375% of under-the-cap FMRs.
- Over-the-cap distributions are at the discretion of the Legislature.
- 2004 – Wyoming Legislature appropriated funds to Local Governments from amounts that accumulated in State funds as a replacement for the loss of revenues created when the distributions for severance taxes and FMR’s were capped in 2001. These funds are often referred to as direct distribution, over-the-cap, and county consensus funds.

The tables on the next two pages show the history of State-aid revenue to Local Government since de-earmarking (1). In addition to the direct distribution, the table illustrates grants and loans distributed by the State Loan and Investment Board (SLIB) - Mineral Royalty Grant Program (MRG) and the Wyoming Business Council (WBC) - Business Ready Community Program (BRC). These grants and loans are widely used to fund capital construction projects. The MRG and BRC programs are funded from a percentage of severance taxes and FMRs. Available FY 2017/2018 information has been added in green to illustrate the recent \$105 Million distribution, removal of the County Consensus funding, and available BRC funds. The 2016 Legislature approved the distribution of the \$105 Million but split the annual distributions into two payments, August and January for each FY 2017 and 2018. The Legislature retained the ability to retract the payments at subsequent legislative sessions.

Table 2
Direct Distributions to Local Governments and Appropriations to Grant Loan Programs
2003-04 Biennium with FY 2017-2018 added in Green

	FY 2003-04	FY 2005-06	FY 2007-08	FY 2009-10	FY 2011-12	FY 2013-14	FY 2015-16	FY 2017-18	Total
Direct Distributions									
Jobs & Growth Reconciliation Act of 2003 to cities, towns & counties	\$5,000,000								\$5,000,000
FY 2005-06 Distribution to cities, towns & counties, Ch. 95, 2004 Session Laws		\$57,500,000							\$57,500,000
FY 2006 Distribution to cities, towns & counties, Ch. 191, 2005 Session Laws		\$27,300,000							\$27,300,000
FY 2006 Distribution to county road funds, Ch. 191, 2005 Session Laws		\$6,100,000							\$6,100,000
FY 2007-08 Distribution to cities, towns & counties, Ch. 35, 2006 Session Laws			\$93,000,000						\$93,000,000
FY 2007-08 Distribution to counties for libraries, Ch. 35 2006 Session Laws			\$2,900,000						\$2,900,000
FY 2007-08 food tax exemption hold-harmless, Ch. 35, 2006 Session Laws			\$46,600,000						\$46,600,000
FY 2008 Distribution to cities, towns & counties, Ch. 136, 2007 Session Laws			\$25,115,500						\$25,115,500
FY 2009-10 Distribution to cities, towns & counties, Ch. 48, 2008 Session Laws				\$149,000,000					\$149,000,000
FY 2010 5% budget reduction in direct distribution to cities, towns and counties				(\$3,225,000)					(\$3,225,000)
FY 2011-12 Distributions to cities, towns & counties, Ch. 39, 2010 Session Laws					\$87,456,560				\$87,456,560
FY 2012 Distributions to cities, towns & counties, Ch. 88, 2011 Session Laws					\$10,000,000				\$10,000,000
FY 2013-14 Distributions to cities, towns & counties, Ch. 26, 2012 Session Laws						\$81,000,000			\$81,000,000
FY 2014 Distributions to cities, towns & counties, Ch. 73, 2013 Session Laws						\$20,000,000			\$20,000,000
FY 2015-16 Distributions to cities, towns & counties, Ch. 26, 2014 Session Laws							\$105,000,000		\$105,000,000
FY 2017-18 Distributions to cities, towns & counties, Ch. 111, 2016 Session Laws								\$105,000,000	\$105,000,000
Total Direct Distributions	\$5,000,000	\$90,900,000	\$167,615,500	\$145,775,000	\$97,456,560	\$101,000,000	\$105,000,000	\$105,000,000	\$817,747,060
GF, BRA, and S4 Appropriations to Grant Programs									
Appropriations from Local Government CapCon Account (S4)	\$35,000,000	\$35,000,000	\$33,400,000	\$33,400,000	\$33,400,000	\$33,400,000	\$30,400,000	\$33,400,000	\$267,400,000
Local Govt. CapCon., Ch. 83, 2002 Session Laws	\$7,500,000								\$7,500,000
Local Govt. CapCon., Ch. 191, 2005 Session Laws		\$28,000,000							\$28,000,000
Local Govt. CapCon., Ch. 35, 2006 Session Laws		\$4,401,364	\$138,399,318						\$142,800,682
Impact Mitigation - Capital Projects, Ch. 136, 2007 session laws			\$6,534,500						\$6,534,500
County Block Distribution - Capital Projects, Ch. 136, 2007 session laws			\$18,665,500						\$18,665,500
Emergency Reserve - Capital Projects, Ch. 136, 2007 session laws			\$934,500						\$934,500
County Block Distribution - Capital Projects, Ch. 48, '08 Session Laws				\$191,000,000					\$191,000,000
Emergency Capital Project Grants, Ch. 48, 2008 Session Laws				\$10,000,000					\$10,000,000
Matching Grant Funds for Wamsutter Infrastructure, Ch. 159, 2009 Session Laws				\$3,500,000					\$3,500,000
Emergency Capital Project Grants, Ch. 159, 2009 Session Laws				\$4,700,000					\$4,700,000
County Block Distribution - Capital Projects, Ch. 88, 2011 Session Laws					\$35,000,000				\$35,000,000
Rural Fire District Grants, Ch. 88, 2011 Session Laws					\$1,000,000				\$1,000,000
Energy Impacted County Road Program, Ch. 191, 2011 Session Laws					\$6,000,000				\$6,000,000
County Block Distribution - Capital Projects, Ch. 26, 2012 Session Laws						\$54,000,000			\$54,000,000
County Block Distribution - Capital Projects, Ch. 26, 2014 Session Laws							\$70,000,000		\$70,000,000
County Block Distribution - Capital Projects, Ch. 26, 2016 Session Laws								\$0	\$0
Total GF, BRA and S4 Appropriations to Grant Programs	\$42,500,000	\$67,401,364	\$197,933,818	\$242,600,000	\$75,400,000	\$87,400,000	\$100,400,000	\$33,400,000	\$847,035,182
Total Direct Distributions and Grant Appropriations	\$47,500,000	\$158,301,364	\$365,549,318	\$388,375,000	\$172,856,560	\$188,400,000	\$205,400,000	\$138,400,000	\$1,664,782,242

Table 2
Direct Distributions to Local Governments and Appropriations to Grant Loan Programs
2003-04 Biennium with FY 2017-2018 added in Green

Direct Distributions	FY 2003-04	FY 2005-06	FY 2007-08	FY 2009-10	FY 2011-12	FY 2013-14	FY 2015-16	FY 2017-18	Total
GF Appropriations to Business Ready & Comm. Facilities Program									
Business Ready Communities, Ch. 211, 2003 Session Laws	\$5,000,000								\$5,000,000
Business Ready Communities, Ch. 95, 2004 Session Laws		\$25,000,000							\$25,000,000
Business Ready Communities, Ch. 191, 2005 Session Laws		\$11,700,000							\$11,700,000
Community Facilities, Ch. 233, 2005 Session Laws		\$7,500,000							\$7,500,000
Business Ready Communities, Ch. 35, 2006 Session Laws		\$8,732,802	\$37,267,198						\$46,000,000
Community Facilities, Ch. 35, 2006 Session Laws			\$15,000,000						\$15,000,000
Business Ready Communities, Ch. 136, 2007 session laws (net of reversion)			\$28,250,000	\$79,250,000					\$28,250,000
Business Ready Communities - Ch. 48, 2008 Session Laws				\$15,000,000					\$15,000,000
Community Facilities - Ch. 48, 2008 Session Laws				(\$4,000,000)					(\$4,000,000)
FY 2010 Budget reduction to Business Ready Community grants				(\$3,500,000)					(\$3,500,000)
FY 2010 Budget reduction to Community Facilities grants				\$50,000,000					\$50,000,000
Business Ready Communities, Ch. 39, 2010 Session Laws				\$8,500,000					\$8,500,000
Community Facilities, Ch. 39, 2010 Session Laws				\$15,000,000					\$15,000,000
Data Center Recruitment Grants, Ch. 88, 2011 Session Laws						\$50,000,000			\$50,000,000
Business Ready Communities, Ch. 26, 2012 Session Laws						\$8,500,000			\$8,500,000
Community Facilities, Ch. 26, 2012 Session Laws						(\$4,370,000)			(\$4,370,000)
FY 2014 Budget reduction to Community Facilities, 2013 HB 1, Sec. 2						\$10,000,000	\$64,130,000		\$74,130,000
Business Ready Communities, Ch. 26, 2014 Session Laws								\$41,588,050	\$41,588,050
Business Ready Communities, Ch. 31, 2016 Session Laws									
Total GF Appropriations to Bus. Ready & Comm Fac. Programs	\$5,000,000	\$52,932,802	\$80,517,198	\$86,750,000	\$73,500,000	\$64,130,000	\$64,130,000	\$41,588,050	\$468,548,050
Total Direct Distributions and Grant Program Funding	\$52,500,000	\$211,234,166	\$446,066,516	\$475,125,000	\$246,356,560	\$252,530,000	\$269,530,000	\$179,988,050	\$2,133,330,292

GF-General Fund; BRA - Budget Reserve Account; S4 - Severance and Federal Mineral Royalty

Resource: 2015 Budget Fiscal Data Book, page 108 (revised with WAM adding FY16-17 information): <http://legisweb.state.wy.us/budget/2015databook.pdf>



CITY OF RIVERTON, INCORPORATED IN 1906

MUNICIPAL REVENUE

WHERE MUNICIPAL MONEY COMES FROM

Understanding municipal finance is complex and oftentimes unique to the community. Wyoming municipalities are statutorily bound to the revenues they receive and may generate. Moreover, municipalities are statutorily required to maintain balanced budgets. This is challenging when revenue streams are unpredictable and expenses ever increasing.

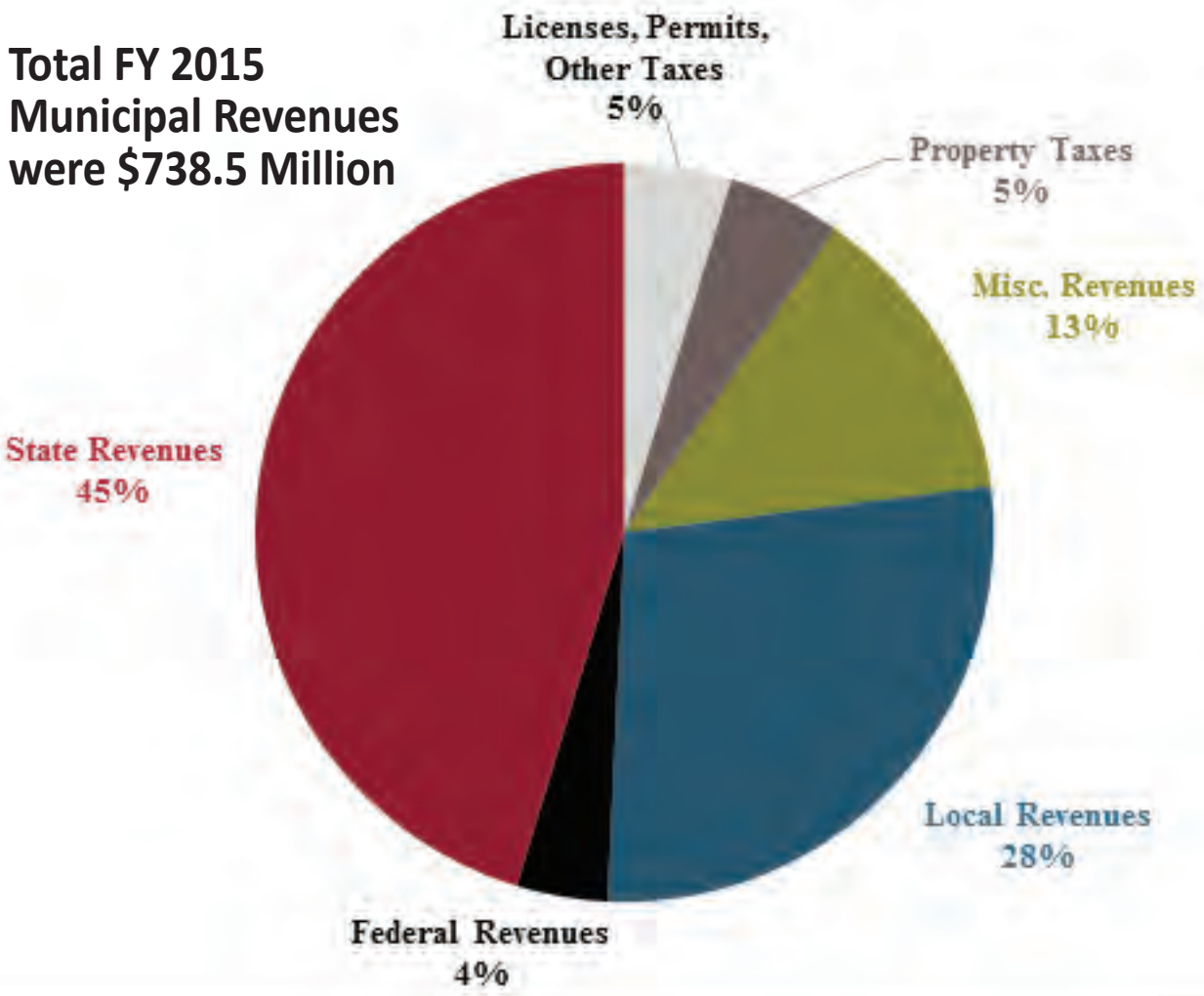
No appropriation in the final budget of any fund can be in excess of the estimated expendable revenue of the fund for the budget year (§16-4-110)

Utilizing the Department of Audit (DOA) 2015 data, the following revenue streams are what fund cities' and towns' General Funds, not Enterprise Funds (2). This section only refers to General Fund revenue streams since Enterprise Funds (self-sustaining user fee programs) vary dramatically between municipalities. The figure and table on the next page represents an aggregate (average) of all 99 cities and towns for FY 2015. For reference, a supporting chart and table for cities and one for towns is attached in Appendix B. State-aid or shared funds are typically distributed into a municipality's General Fund.

Out of the 99 Wyoming cities and towns, only 18 are over 4,000 in population, and of the 99 nearly 50% are under 500 in population. The smaller the population the fewer locally generated revenue options and thus more dependence on State-shared distributions.

As the pie chart on the next page illustrates, Wyoming municipalities are heavily dependent on revenues from the State, both shared and appropriated, in a manner that may become unsustainable given the State's economic conditions. Additionally, the data from the DOA proves that revenue generating authority at the local level is a significant piece to a stabilizing local budget (i.e., local option sales taxes, property taxes, etc.).

**Total FY 2015
Municipal Revenues
were \$738.5 Million**



Revenue Source	2015 Municipal Revenues	Percent
State Revenues	\$334,508,195	45.3%
Federal Revenues	\$29,304,678	4.0%
Local Revenues	\$204,785,876	27.7%
Miscellaneous. Revenues	\$98,341,193	13.3%
Property Taxes	\$36,898,124	5.0%
Licenses, Permits, Other Fees	\$34,612,044	4.7%
Total Non-Enterprise Revenues	\$738,450,110	100%

FY 2015 Non-Enterprise Fund Revenues, average for all 99 Municipalities.
Source Wyoming DOA Cost of Government Reports

STATE REVENUES – this portion of the FY 2015 municipal revenue picture represents the Local Government portion of the State sales and use tax, the State-aid from severance tax and FMRs distributed both under statute (under-the-cap), or at the Legislature discretion (over-the-cap funds of direct distribution or County Consensus funds). Revenues from State Grant and Loan programs add to the State revenue percentage identified in the pie chart. State Grant and Loan programs include BRC and MRG grants appropriated through SLIB, Wyoming Water Development Commission (WWDC) Grants, and the Wyoming Department of Environmental Quality (DEQ) Cease and Transfer and Remediation Grant and Loan Program. All grants and loans are distributed per application process for essential infrastructure and services. Also included in this State Revenue category are revenues from State-shared taxes like cigarette, gasoline and diesel fuels. Most of these are distributed to the municipality by a derived legislative formula model with the exception of cigarette tax which is distributed by point-of-sale.

FEDERAL REVENUES – the 4% portion represents federal funding through loans, grants and other aid directly from the Federal Government typically passed through the State. For example, the State Revolving Fund loans money for clean drinking water system projects.

LOCAL REVENUES – the Local Government revenues allocated on the previous page chart (28%) represents the DOA categories that include local option sales taxes. This includes the 5th penny tax for general purposes, the 6th penny tax for special purposes and optional economic development taxes. Also, depending upon the county, it may include revenues from services provided from related entities. The 5th penny is time limited to four years whereas the 6th penny is limited to a set dollar amount based on the project and ends when the amount is reached.

MISCELLANEOUS REVENUES – This represents the revenues from activities such as contracted services to other entities, like mosquito abatement fees, proceeds from lottery and pari-mutuel betting, or other revenues not fitting into other categories.

PROPERTY TAXES – this represents the revenue from property tax generated from a mill levy applied for not charge more than 8 mills. Note, that in 2015 the average revenue stream into the 99 municipalities was only 5%.

LICENSES, PERMITS, AND OTHER FEES – this represents locally generated revenue from licenses (business, contractor, liquor, towing, etc.), permits (building, sign, electrical, sales, water tap, plumbing, etc.), fees (franchise, fines, special use, etc.). Some communities may include lodging tax receipts in this category.

“Lander’s permit and license fees are ~1.5% of our municipal budget revenue; although very important for municipal compliance they do not significantly contribute to meeting the community’s needs.”
Charri Lara, Lander Treasurer



CITY OF TORRINGTON, INCORPORATED IN 1908

MUNICIPAL EXPENSES

COSTS TO RUN A CITY OR TOWN

GENERAL FUND EXPENSES

The Wyoming DOA requires municipalities to complete an annual revenue and expense report titled a F66 Form. It seeks to delineate the different revenues and expenses that cities and towns incur (2). Generally speaking, WAM believes the DOA's F66 report to be a good general review, but it cannot be used as a one-size-fits-all report to illustrate the operational functions of cities and towns in Wyoming. For instance, one municipality may code animal shelter operations separately, while another may code it with law enforcement. Or, some municipalities may fund a municipal airport, museum, or hospital, while in other locales with similar services these facilities fall under a private, county or a Special District jurisdiction. Hence, the DOA's F66 report can be used best in the aggregate, rather than as a tool for comparison among communities.

According to the F66 report, in FY 2015, General Fund expenses for cities was \$649,354,056, and for towns was \$129,477,549. The total expenses for FY 2015 of all Wyoming cities and towns was \$778,831,605.

Although the typical list of services remains consistent across municipalities, the flexibility to budget and manage these services is critical for the varying cities and towns. A typical list of services can be found in Appendix C.

In order to better understand the varying expenses of the cities and towns in Wyoming, WAM submitted a survey to its members requesting information on expenditures, use of State grants, and mandated programs. The 2016 survey reiterated that cities and towns are unique in their operations and functionality, one-size-does-not-fit-all. General information from the 80 municipalities that responded reflected that 100% have street departments to maintain their roads, 69% provide some sort of law enforcement out of their municipal budgets, and 67% have a fire department with 34% paid from their budgets and 33% being volunteer. The overall message is Wyoming municipalities are very different in how they manage their required services.

ENTERPRISE FUND EXPENSES

The F66 report offers little in terms of examination of municipal Enterprise Funds. Enterprise Funds should be operated as financially self-sustaining and the expenses incurred are typically paid by user fees. In Wyoming, Enterprise Funds pay for services like water and sanitary sewer systems, electricity, and solid waste. Enterprise Funds should be sufficient enough to pay for the current service as well as future maintenance and upgrades, however many are not able to provide sufficient revenues to cover all the capital outlay or even all of the operating costs. Enterprise Funds are also those which most often must respond to and pay for changing regulations.

FEDERALLY MANDATED EXPENSES

Municipalities, regardless of size, have mandated expenses directed from other governmental bodies. In many cases, these are pass-through mandates from the Federal Government to a State agency. If the municipality fails to respond to regulations and their associated mandated expenses, the services could be removed or they could be subject to costly fines and penalties. Examples of such mandated programs are: regular sampling and analysis of drinking water, monitoring landfill soils and groundwater, wastewater discharge evaluations, and OSHA training. A list can be found in Appendix C.

Should a municipality become unable to meet its financial obligations, the Federal mandates and regulations will still apply. If a municipality fails to meet its fiduciary responsibilities, they dissolve as an incorporated entity and their assets and liabilities go either to the next closest municipality willing to take on the responsibility, or to the State of Wyoming.

In recent years, the Federal Government has been cost shifting more and more of the regulatory costs and liabilities to State and Local Governments. According to the National Conference of State Legislators (NCSL) 2009 Mandate Monitor, “Congress shifted at least \$131 billion in costs to States over the five-year period of 2004 to 2008.” (3). With Wyoming’s current economic downturn, these types of cost-shifts become challenging in the short-term, and may be insurmountable in the long-term.

CAPITAL CONSTRUCTION, INFRASTRUCTURE AND MAINTENANCE EXPENSES

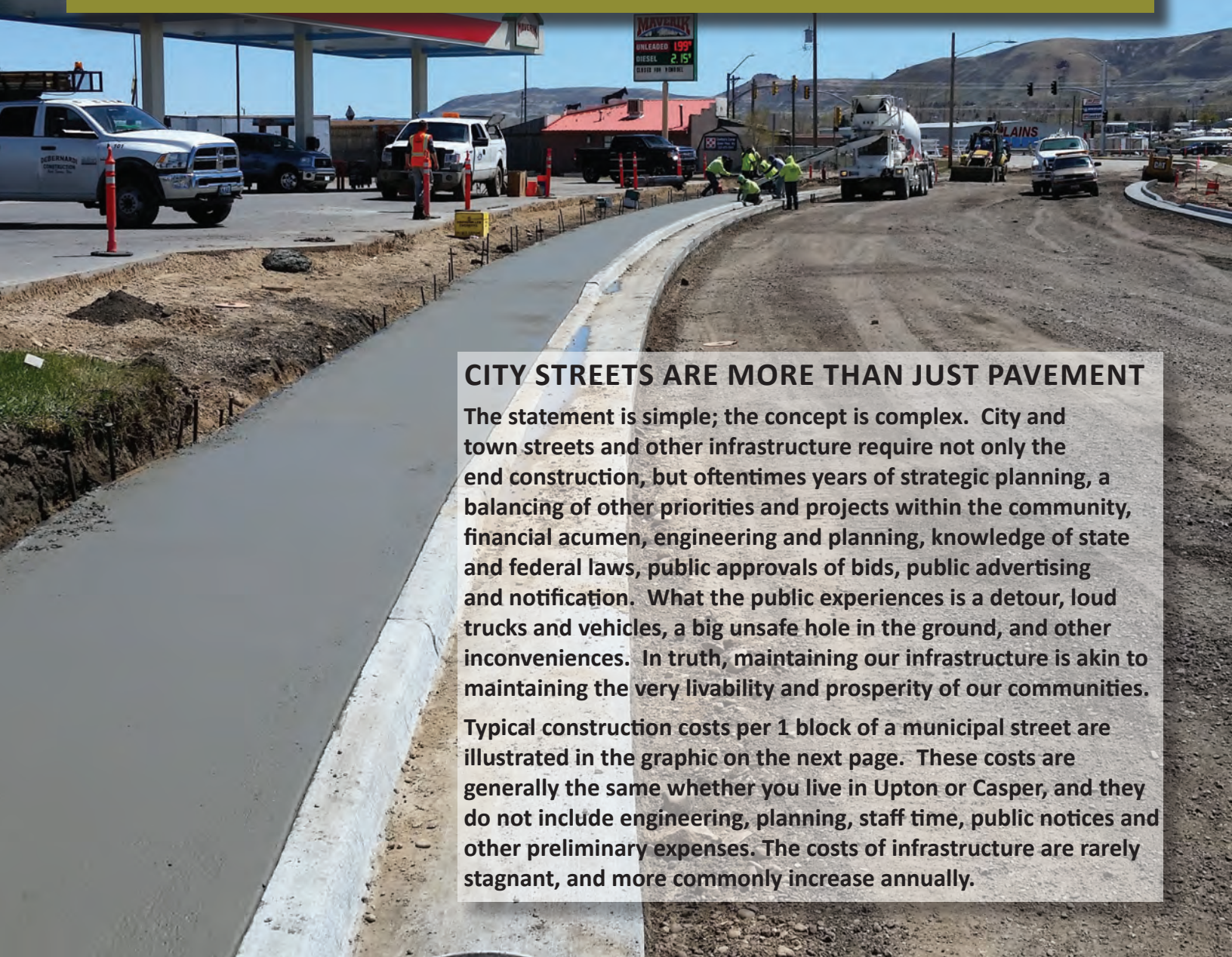
In addition to the day-by-day expenses accrued at a municipal level, there are often expenses related to expensive infrastructure (roads, storm and sanitary sewers) or capital construction for buildings or economic development. The State has supported these types of projects for Local Government through several grant and loan programs such as the MRG, WBC Grants and Loans, WWDC Grants and Loans, and the DEQ’s Cease and Transfer and Remediation Grant and Loan Program. Most of these grant and loan programs require matching funds from the Local Government. Until this year, cities and towns would often utilize County Consensus funding for their match as well as their project costs. This funding was removed from the current biennium budget. Infrastructure maintenance costs do not get less expensive as time goes on, quite the opposite. In terms of expenses to municipalities, even now the costs out stretch the revenues. If grant and loan programs and other State aid is reduced or removed, without additional sources of revenues, Local Governments will fall farther and farther behind. To illustrate the use of the State’s Grant and Loan programs, see attached examples from various towns and cities over the past 5 years (Appendix D). The data in the attached appendix is specific to MRG program and from available SLIB reports.

To illustrate that city streets are more than just pavement, WAM presents the following example compiled from surveying multiple cities and towns.

MUNICIPAL EXPENSES

Element	Low Cost	High Cost
Pavement – Asphalt	\$50,000	\$85,000
Pavement – Concrete	\$84,000	\$117,000
Curb & Gutter	\$35,000	
Sidewalks	\$16,000	\$51,000
Water	\$37,000	\$82,500
Sewer	\$55,000	\$91,000
Storm Drainage	\$28,000	\$76,000
Electrical	\$12,000	\$16,000
Gas	\$34,500	
Telecommunications	\$5,000	\$12,000
Landscaping	\$10,000	\$75,000
Street Lighting	\$7,500	\$20,000
Totals for 1 block:	\$374,000	\$625,500

Typical costs for one block (400 feet) of a municipal street



CITY STREETS ARE MORE THAN JUST PAVEMENT

The statement is simple; the concept is complex. City and town streets and other infrastructure require not only the end construction, but oftentimes years of strategic planning, a balancing of other priorities and projects within the community, financial acumen, engineering and planning, knowledge of state and federal laws, public approvals of bids, public advertising and notification. What the public experiences is a detour, loud trucks and vehicles, a big unsafe hole in the ground, and other inconveniences. In truth, maintaining our infrastructure is akin to maintaining the very livability and prosperity of our communities.

Typical construction costs per 1 block of a municipal street are illustrated in the graphic on the next page. These costs are generally the same whether you live in Upton or Casper, and they do not include engineering, planning, staff time, public notices and other preliminary expenses. The costs of infrastructure are rarely stagnant, and more commonly increase annually.

Wyoming Association of MUNICIPALITIES



CITY STREETS ARE MORE THAN JUST PAVEMENT.

Note: A block is equal to 400 feet for this graphic. The dollar figures were collected from multiple cities in Wyoming. The costs vary based upon the street classification (i.e. local residential vs. high-end commercial).



Building Strong Communities

Graphic Credit, City of Gillette's GIS Department



View of the Croell building in Sundance, Wyoming. Croell, Inc. has been a producer of quality concrete since 1968. They have 130 locations in 6 states. In addition to Redi-Mix, their product line includes paving, asphalt, seal coating, gravel, sand, and stone.

“Sundance has been awarded over \$1.5 Million in State grants over the past 5 years. One economic development project funded by these grants was the Croell concrete plant, bringing 10 jobs with a 540K payroll.” Sundance Mayor Paul Brooks



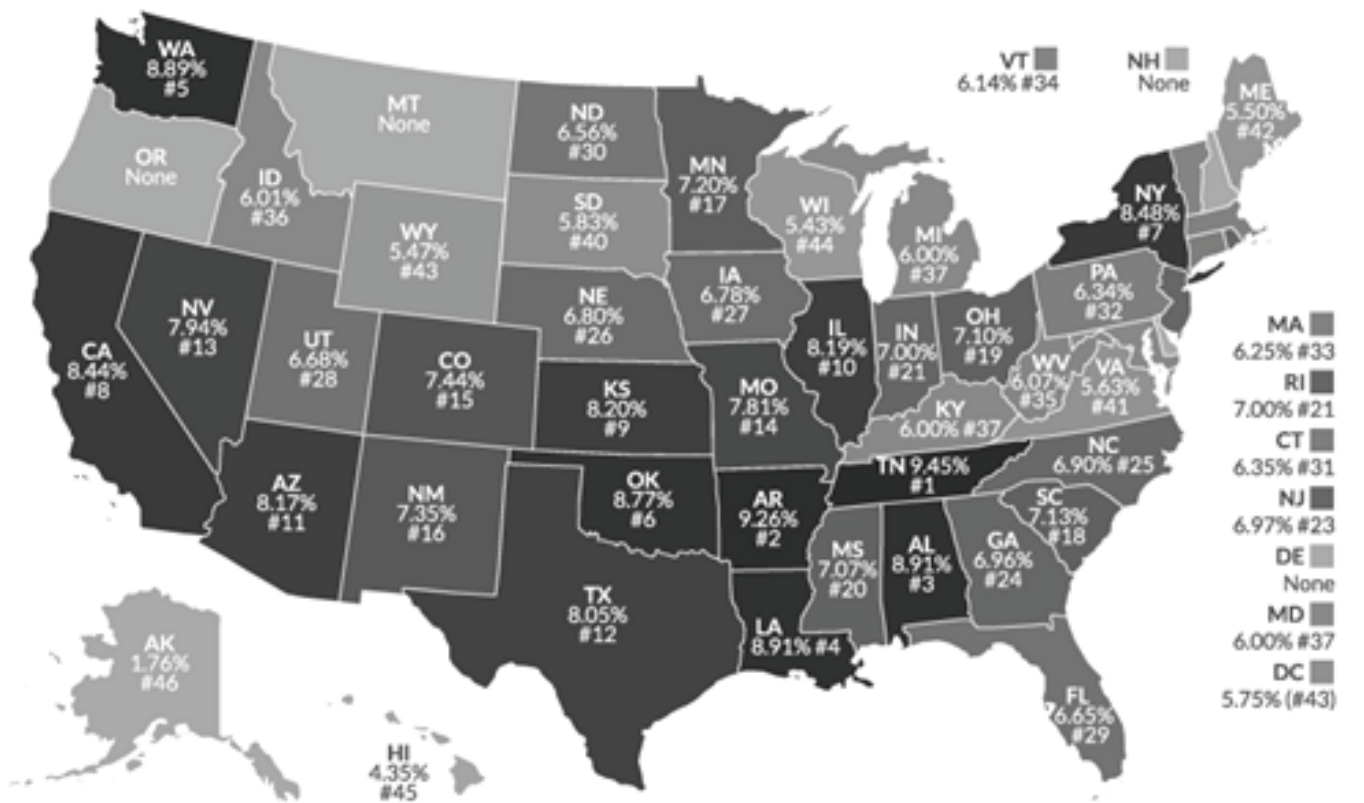
TOWN OF FORT LARAMIE, INCORPORATED IN 1923

MUNICIPAL FINANCE FACTS

To explore the spectrum of municipal finance, a review of the national perspective was performed and compared to Wyoming municipal funding models. The literature review of State-to-local funding practices throughout the nation indicates a series of best practices which could be initiated by the State of Wyoming to effectively address current and future municipal funding concerns for all of Wyoming's 99 cities and towns.

How High Are Sales Taxes In Your State?

Combined State & Average Local Sales Tax Rates in 2015



Note: Three states levy mandatory, statewide, local add-on sales taxes: CA (1%), UT (1.25%), VA (1%). We include these in their state sales tax. The sales taxes in HI, NM, and SD have broad bases that include many services. Due to data limitations, this table does not include sales taxes in local resort areas in MT. Salem County, NJ is not subject to the statewide sales tax rate of 7% and collects a total rate of 3.5%. New Jersey's average local rate is represented as a negative.

Sources: Sales Tax Clearinghouse, Tax Foundation calculations, State Revenue Department websites.



Sales Tax Comparison across the United States

FACT #1

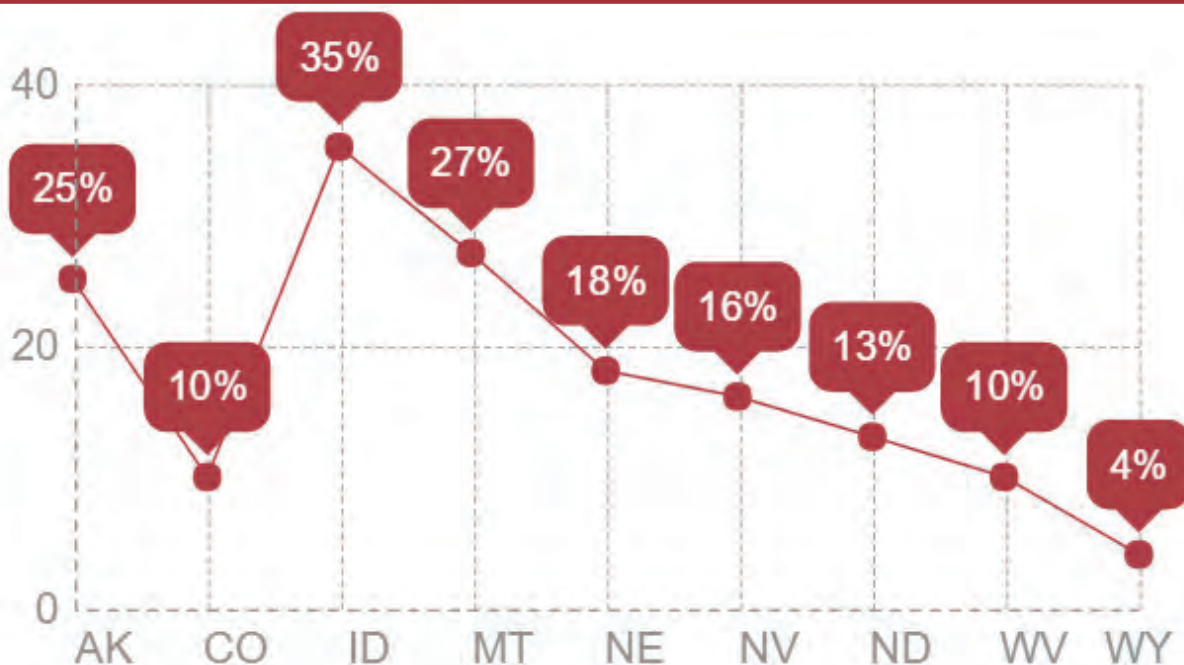
Restrictions on local taxation authority and municipal access to the local tax base cause Wyoming cities and towns to have the least local fiscal authority and the highest reliance upon State resources among the 50 States.

Wyoming's Tax Reform 2000 Report noted the lack of local taxation authority in the State, requiring cities and towns "to request funding aid from State government when funds are not adequate to provide local government services and infrastructure." (4)

The NCSL "gives special attention to State-Local Government relationships," notes that high-quality revenue systems allow municipalities "authority to raise sufficient revenues to meet obligations." (8). Local authority to tax requires a municipality have the option to directly levy the tax, to control the tax rate, and to determine the needed purposes for the revenue. Wyoming does not have the flexibility at a Local Government level to raise sufficient revenues needed to meet local obligations.

Wyoming cities and towns have limited local and state sales tax and even more limited property tax revenue generating options. Wyoming municipalities do not have independent taxation authority for sales and use tax. State law does allow municipal voters to self-assess local option sales and use tax at the county level. Statutory restrictions exist on both the total sales tax rate, and how the tax may be used by Local Governments. Local option sales tax has been implemented by voters in most Wyoming cities and towns but, even so, Wyoming municipalities still fall below the national average. NCSL data indicates sales tax is a local tax in 38 States (5).

Wyoming cities and towns are granted access to the property tax, but at a capped rate of 8 mills. On a national level, U.S. municipalities derive on average 24% of their General Fund revenues from property tax. In comparison, Wyoming's cities and towns fall remarkably below the national average with only 4% of General Fund revenue derived from property tax - the lowest rate in the nation. (6). This aligns with the information detailed in the Municipal Revenue section of this report, where DOA's FY 2015 report showed that property tax was only 5% on average of Wyoming's cities and towns revenue stream.



The U.S. Total Average is 24%

Property Tax Comparison with Other States

29 "Communities that don't matter don't exist."

FACT #2

Wyoming’s tax and legal framework provide insufficient fiscal autonomy to municipalities preventing the ability to provide for critical community needs.

The system a State utilizes for funding cities and towns can drive growth and directly affect the overall economic vitality of the State, or not. Optimal State fiscal systems “provide sufficient fiscal autonomy for localities to fund their share of resident needs.” (6) Wyoming municipalities have the absolute lowest local revenue capacity of any State. A municipal revenue capacity is the ability of a community to generate revenues, and ensure control, from its own sources. This is not a new occurrence but has been a persistent problem for decades as it is intrinsic to the State’s tax and legal framework. When compared to neighboring States, or to States with similar degrees and types of economic activity, the difference is striking.

FACT #3

The time is now for Wyoming to make revisions to the tax and legal framework to ensure the future vitality and sustainability of cities and towns.

State records repeatedly reference the need for reform; the 1990 report Heritage Society: Blue Print for Business – Strategic Plan for Wyoming asserted the tax base should be broadened including changing “the State’s constitution pertaining to mill levy rates for residential and commercial property in cities... so the communities can set their own mill levy rates” (7). The Tax Reform 2000 Report recommended the State “study the ability of Local Governments to generate sufficient revenue to meet requirements.” These historical recommendations remain unaddressed, but the need to empower cities and towns with sufficient fiscal authority is perhaps most imminent now with the State experiencing a distinct, and likely long-lasting, economic downturn.

High-quality revenue systems promote stability by imposing a mix of taxes, with some responding less sharply to economic change (8). Of the

“I’m not sure that our town survives this bust cycle,” Mayor Tim Patrick, Manderson

three primary revenues used to fund municipal services in Wyoming (sales and use tax, State-aid, and property tax), two of the three closely trend with overall economic activity, and are volatile in nature. Cities and towns typically experience less sales tax at the same time State government is tightening its belt and appropriating less aid during ‘bust’ cycles. Consider too that sales tax collections are projected to continue shrinking nationally as the economy becomes increasingly service and technology based. Additionally, online activity - even grocery shopping - in which purchases are made sales tax-free are expected to increase over time, thereby further eroding Wyoming municipalities ability to provide services.

The issue of municipal funding in Wyoming has been kicked, like the proverbial can, down the road for many decades. Additionally, solutions have been approached as bites around the edges, with no holistic, complete analysis and vision for the future. Without a high level, collaborative discussion about the sustainability of cities and towns in Wyoming, there is great concern that some communities will simply not weather the current economic storm.

Undoubtedly it is property tax that is the stable source of funds for municipalities, and which can balance out the highs and lows of Wyoming’s volatile economy, especially for municipalities.

FACT #4

Because Wyoming cities and towns are extremely reliant upon revenue from State aid it is imperative that Wyoming ensures equitable methodologies for these appropriations and some predictability of the process for distribution to municipalities.

The importance of equitability in intergovernmental revenue sharing was extensively researched and addressed by the Federal Government Accountability Office in studies of the U.S. General Revenue Sharing Program that existed from 1972 through 1986, as well as within the body of work created by the U.S. Advisory Commission on Intergovernmental Relations (ACIR) (9). The literature repeatedly asserts the importance of population as a key factor in equitably distributing revenue, with weighted consideration of municipal revenue capacity and the slate of governmental services. Services provided by a jurisdiction equate to the expenditure side (needs) of a municipality, which should then be considered against the revenue-raising ability (ability to pay) to determine the municipality's overall fiscal capacity.

“Well-structured State aid increases the overall capacity of municipal governments and, in many instances, provides a level of equalization and base support for municipalities that may lack other resources,” notes the National League of Cities Center for City Solutions and Applied Research (6).

The Tax Reform 2000 Committee stated bluntly that “local governments do not have equal funding” in Wyoming, and this statement remains true today. Additionally, Wyoming's formula for direct distributions do not consider municipal services or other economic impacts in any regard. While, the formula adopted by the 2016 Legislature for over-the-cap funding attempted to include elements of municipal revenue capacity, there are still more factors to be considered.

The 2009 Wyoming Legislature Select Committee on Local Government Finance recommended that Local Government be treated as a State agency for budgeting purposes and Section 300 was used for Local Government. In the 2016 budget session, the Joint Appropriations Committee removed Local Government from the State's budget and wrote an independent bill for funding of cities, towns, and counties. Being so dependent on State aid, this structural change in how Local Government is funded created insecurities and uncertainties on a local level. This new procedure, not initially communicated to local officials, requires a bill to be drafted every budget session in order for Local Government to be funded, adding a potential obstacle of uncertainty in the funding process, and reducing predictability.

FACT #5

State direct appropriations to cities and towns, even when corrected for equity, will not provide long-term financial security to cities and towns.

Wyoming's diverse communities have always faced quite different economic and demographic realities. The Tax Reform 2000 Report noted that municipalities may reap disproportionate benefits and consequences if they are in proximity to Wyoming's mineral wealth. Tourism communities may have significant sales tax revenue to help offset visitor impacts. These regional market variations directly affect the amount of sales tax revenue municipalities generate, resulting in "large discrepancies" in the municipal revenue capacity.

Mineral wealth revenue (severance and FMR) was de-earmarked and capped for cities and towns in 2002, effectively ending the practice of the State sharing revenue with municipalities *in proportion to collections*. The cost of providing services increases over time for both private and public sector providers. State capping of shared revenues does not take into account increasing costs for material, labor, and professional services.

The State's discretionary direct appropriation (largely "over-the-cap" and "consensus" funding) does change year to year with the State frequently sharing more revenue in times of plenty; but, the unpredictability of direct appropriations makes it nearly impossible for local officials to properly exercise the fiduciary diligence and responsibility necessary to ensure basic governmental services into the future.

State reports (example DOA F66) often aggregate all funding appropriated to cities and towns; as said earlier in this report, this practice is shortsighted and does not provide adequate context for policy makers as they tackle the issue of municipal funding. Discussions at the June 2016 meeting of the Joint Appropriations Committee considered the "\$2.2 Billion the State appropriated directly to Local Governments since 2001" with little ensuing discussion about the restricted uses and/or pass-through nature of much of that funding. It would be erroneous to allow any perception that the referenced \$2.2 Billion over fifteen years was provided to municipalities in support of their provision of governmental services. Much of this funding is restricted for specific uses or earmarked as pass-through funding in support of economic development.

"It would be erroneous to allow any perception that the referenced \$2.2 billion over fifteen years was provided to municipalities in support of their provision of governmental services," Janine Jordan, Laramie City Manager. "A great deal of State funding is earmarked to subsidize rates for municipal enterprise activities like solid waste, drinking water, and sewerage, or is pass-through funding for private businesses and economic development."



CITY OF SHERIDAN, INCORPORATED IN 1907

MUNICIPAL FINANCE RECOMMENDATIONS

Wyoming State Capitol, Cheyenne



The Wyoming State Legislature can empower Wyoming's diverse municipalities by creating a menu of Local Government revenue generating options that will allow every city and town to take advantage of the relative strengths within their local economies. The recommendations that follow can be addressed with thoughtful dialogue on how best to position Wyoming and its people to meet the challenges both now and into the future. WAM recognizes these recommendations will require significant effort to bring various perspectives together and could likely encompass several sessions of legislative action to achieve. However, Wyoming has faced similar circumstances before and these fundamental questions need to be addressed in a comprehensive, collaborative and communicative fashion in order to ensure the viability of our communities. WAM presents the recommendations in order of priority. WAM appreciates the Governor, Legislature, and other relative stake holder's consideration of these priority options.

PRIORITIZED RECOMMENDATIONS

1. SECURE THE \$105 MILLION APPROPRIATION FOR DIRECT DISTRIBUTIONS IN THIS BIENNIUM

Funding for Local Government was approved in the 2016 Wyoming Legislative Budget Session in the amount of \$105 Million for direct distributions only, with the funds coming from the Legislative Stabilization Reserve Account (LSRA). This was a 43% reduction from the previous biennium for Local Government, and did not include County Consensus funds for infrastructure. The balance in the LSRA before the session was \$1.8 Billion. These funds for Local Government approved for this biennium do

“We budgeted for a 25% reduction over last fiscal year,” Green River City Administrator Reed Clevenger. “When our first receipts for this fiscal year, 2017, came in for July, they were another 17% below our estimates. We are back to 1998 levels of revenues, and we will have to find ways to meet the expectations of the 2016 citizen.”

not come from the State’s General Fund, and this funding for Local Government does not compete with State agencies or education. Until other sources of revenue are explored, and as mentioned throughout this report, Wyoming cities and towns depend on the direct distribution funding from the State. Local Governments are already impacted by the downturn in the economy on a local level with their own reduced sales tax revenues, along with increased municipal challenges such as unemployment and social service needs. Some communities have realized up to 50% declines in their sales and use tax revenues over the last fiscal year. These are significant reductions similar to what the University of Wyoming and the State agencies are experiencing.

2. MODIFY THE DIRECT DISTRIBUTION FORMULA ADOPTED BY THE 2016 LEGISLATURE

WAM’s Municipal Finance Task Force reviewed the funding formula approved in the 2016 Legislative session, otherwise known as the Madden Matrix with the Rothfuss amendment. The former formula, developed by the Legislative Select Committee on Local Government Financing, had been in place for more than 10 years and admittedly was less than perfect, yet it was predictable. WAM advocated to keep this formula in place while it took the time to review with all 99 cities and towns, Mayors and Councils, treasurers and clerks. Yet, the Legislature adopted in the 2016 session. While the revised distribution formula seeks to provide more State aid to the communities with the least ability to raise their own revenues, the timing of the new formula coupled with the severe economic downturn was a double negative to many of Wyoming’s larger cities.

AS SUCH WAM HAS 3 SUGGESTIONS AT THIS TIME:

- WAM recommends weighting sales tax 90% to property tax 10%. This more accurately weights the two main components of the municipal formula with the revenue generated by them.
- WAM suggests restructuring the base amounts which have not changed in a decade, by redistributing the existing base amount of \$1.96M per year to the towns only so the smaller communities see slightly higher base distributions. In this scenario, rather than distributing to 99 municipalities, we suggest distributing to 80 towns.
- WAM believes there is a need for continued research on national best practices specific to municipal capacity to provide services. As such, WAM is committed financially to submit Requests for Proposals from research firms and the University of Wyoming to look at the State’s funding model.

“Due to the revised over-the-cap distribution formula the 2016 Legislature approved, Gillette will receive almost a million dollars less than in the FY 2015-2016 biennium. This decrease, combined with the other hardships in Gillette, has created a great strain on the municipal budget.”
Carter Napier, Gillette Administrator.

3. ENSURE FUNDING FOR STATE GRANT AND LOAN PROGRAMS TO FUND CAPITAL CONSTRUCTION PROJECTS

Due to the economic circumstances and the continued downward spiral of Wyoming's economy in the winter of 2016, the Local Government associations WAM and the Wyoming County Commissioners Association (WCCA) agreed to put County Consensus funds into abeyance for the current biennium.

County Consensus funds pay for the critical infrastructure 100% of our citizens expect. The citizens pay taxes and they expect adequate facilities for those taxes. These funds also served as the match for grants and loans from the State and the Federal governments. Permanent loss of this funding will only cause projects to cost more in the future, as well as jeopardize the investments made in communities in the past. Schools, small businesses, industry and residents all expect reliable infrastructure. Moreover, an economic downturn is a good time to do larger projects due to the fact that consulting and construction are usually more affordable.

WAM'S RECOMMENDATIONS ARE:

- Fully fund grant and loan programs from the WBC, MRG, WWDC, and other programs.
- Develop a plan for long-term capital construction projects and maintenance funds.

4. PROVIDE MORE AUTONOMY AND REVENUE GENERATING AUTHORITY TO LOCAL GOVERNMENT

Create a tool box of funding alternatives for Local Governments that more directly addresses the uniqueness of Wyoming's municipalities and addresses the issues that one size does NOT fit all.

Wyoming approved a Constitutional Amendment in 1972 – 44 years ago – to allow for Home Rule. Home Rule has since been used in a somewhat hybrid manner where cities and towns have some control, and the State has some control. Allowing for a tool box of alternative, local option taxes, puts municipalities back to a place where they are making decisions relative to their direct needs and constituents. Local options that respond to industry impacts or unique needs should be considered and allowed.

- Wyoming should allow for the imposition of a **local option real estate transfer fee**. This local option – meaning voted on locally only – would be a fee assessed when a property is transferred/sold from one owner to another. A draft bill to allow this option could include specific details such as exempting agricultural and mining properties, as well as set a base threshold, such as \$1 million, for the fee to apply. The intent is for the fee to apply to residential properties only. A concept similar to this was identified in the State of Wyoming Tax Reform 2000. Percentages of the transfer fee revenues would be distributed to the Local Government and the State. Because Wyoming has low taxes, and no state income tax, some communities are seeing impacts, in terms of expected services, from residents who claim Wyoming as their residence but have other homes they use throughout the world. This practice exacerbates the struggles in the middle class housing market. These funds would be for General Fund use, but would fulfill many of the expected services such as increased fire protection and ambulance service. This concept has been successful in other states.
- Allow for **online publication of public notices**. Cities and towns are required by Statute to publish public notices in a newspaper of general circulation when available. In 2016, the public and the publications themselves are turning more and more to online sources of information.

The argument from those opposed to this notion say it is the public's right to know, however, many of the larger newspapers in the state are moving their operations away from print, printing fewer copies, moving away from delivery, and featuring more information on their own websites. Additionally, in a 2015 survey of WAM members, where 19 responded (18%), the cost to those 19 for public notices was \$469,595. The City of Cheyenne spent more than \$120,000, and the City of Worland spent \$30,000. In most cities this is the cost of an employee, many who are being laid off in the downturn.

- WAM recommends the Wyoming Department of Revenue (DOR) require **all sales taxes be due by the 15th** of the month for all vendors to mirror the federal payroll tax deadline. Currently, the State receives all penalties and interest on late sales tax collected. For FY 2016, this amounted to interest of \$2,296,686 and penalties of \$1,239,168. Additionally, the State provides a discount to vendors for early payment of sales tax. This discount offered to vendors for a reduction of the sales tax they are required to pay effects the amount distributed to the municipalities. For the FY 2016, this discounted amount equaled \$4,429,460. With an increase in electronic payments this could be eliminated.
- Return the **1% administration fee to the Local Governments**. The 1% administration charge from sales tax totaled \$5,785,411 for the fiscal year ending June 30, 2016.
- **Conduct a complete review of liquor licensing statutes**. Using Home Rule, allowing each municipality to determine its own level of local governance they choose to utilize.
 - **Removing** the upper statutory amount for each of the annual licensing permits and allowing the market conditions and local licensing authorities to determine. Work with local licensees to develop a transition process for existing licenses.
 - **Removing** the population formulas for issuance of the various types of licenses.
 - **For newly** issued licenses, or any to be issued that come back to municipalities, implementing the same provisions that exist for Bar and Grill licenses that require the license to be returned if the ownership changes preventing a lottery effect of license issuance.
 - **Modifying** the resort license requirements of at least 100 sleeping rooms downward so more locations can qualify as a resort.

WAM recommends a complete review of existing statutes and Wyoming Liquor Division rules as they pertain to the issuance of liquor licenses, and the types of licenses both available and perceived to be needed by local communities with an eye toward moving the authority and responsibility from the State to local control by the towns and cities of Wyoming. It has been twenty years since the establishment of the Wyoming Liquor Division and approaching one hundred years since the main Wyoming laws were approved. The State of Wyoming has progressed in so many different ways; however, liquor laws have not kept pace. Thus, a review of these laws and regulations is long overdue. Perhaps a bit of history will help in this discussion. In 1870, Cheyenne with a population of just 1,450, had twenty-seven saloon-keepers, four brewers, seven wholesale liquor merchants, nine bar keepers and five liquor store merchants. Saloons were carefully run business establishments, each designed for a particular clientele.

On May 15, 1933, the Wyoming voters elected to ratify the 21st Amendment to the U.S. Constitution and Prohibition ended. On April 1, 1935, legislative bills creating the Wyoming Liquor Commission became law. In 1996, under government reorganization, the legislature dissolved the Liquor Commission and created a separate division within the DOR.

RECOMMENDATIONS

Wyoming's economy with the current downturn is becoming more of a hospitality based and tourist driven economy and granting local communities the control of liquor licenses makes sense at this time. A middle ground to shifting all authority to Local Governments would be to do so only for First Class cities as defined in Wyoming Statutes.

Removing the upper limit on the amount a liquor licenses that can be issued or renewed would also assist those communities where the market can determine the amount. Requiring newly issued licenses by the Local Government to be governed by the same rules as the existing Bar and Grill licenses would remove the lottery effect of creating a private property right. Local licensing authorities could then receive the benefit and the market demand would determine the value.

A specific example of where current statutes inhibit Local Government is W.S. 12-4-401. Resort retail liquor licenses...(iii) Include motel, hotel or privately owned condominium, town house or home accommodations approved for short term occupancy with a minimum of one hundred (100) sleeping rooms... For example, the City of Sheridan has a short term occupancy hotel, the Historic Sheridan Inn (where Buffalo Bill Cody sat on the porch and interviewed acts for his Wild West Show) that does not have 100 rooms and would benefit by having a resort liquor license.

5. INCREASE STATE SALES TAX TO 5%

WAM recommends the State increase the sales tax rate to 5%, using the existing distribution, while not changing the local option taxing.

A one percent tax change in the State sales tax has the potential to bring in an additional \$138,821,642 annually (based on FY 2016 4% sales and use collected). It is of the opinion of WAM that changes to the State sales tax percent would benefit all 99 municipalities under existing allocations. Sales tax is the largest source of income for all cities and towns regardless of size. When looking at the diverse makeup of the 99 cities and towns with only 19 of those being First Class Cities, the budget size of each municipality is quite unique. State sales tax allocation helps large cities with many businesses along with towns like Rolling Hills and Albin that have few or no businesses located within their town limits, because the sales tax comes back to the county and is then dispersed by population.

In a report submitted by Dean Runyan and Associates' dated April, 2016, \$170 million dollars in 2015 was generated by travel (10). This is a large share of the State of Wyoming's sales tax being paid by the visitors traveling throughout Wyoming. Nonresident visitors accounted for approximately three-quarters of all travel spending in Wyoming in 2015. These intenerate dollars earned have the greatest impact on cities and towns as they do not incur any long-term use of our services and help offset the burden of running Local Government for the citizens of each city and town. Hence, we strongly support the Wyoming Office of Tourism.

Total sales tax collected is down State-wide by 24% for fiscal year ending June 30, 2016, and already down State-wide 15% for FY 2017. This has put a strain on all cities and towns in Wyoming to provide services. WAM believes the time is now to make a change in sales tax. This tax could be a

“temporary emergency measure,” as in 1935, with a sunset date.

Buck McVeigh of the Wyoming Taxpayers Association states, “Wyoming citizens receive approximately \$30,000 worth of services and pay \$3,000 in taxes.” Historically, tax revenues from Wyoming's mineral industry has paid for these services but in the future Local Government may need tools to fill this gap.

6. PASS CONSTITUTIONAL AMENDMENT RAISING MUNICIPAL PROPERTY TAX

WAM recommends a **consideration of an increase in municipal property tax**. This amount of increase above 8 mills can be determined through a collaborative effort of Local Governments and the Legislature in order to present a workable level to the vote by the State electorate. Property taxes for cities and towns could act as a balancer between the volatility of sales tax and State revenues. Recently, some communities have seen swings in sales tax receipts as much as \$1M. Rather than communities being so dependent on sales and use tax, which is a volatile revenue stream, a more proportionate amount of property tax availability would create predictability and stability. Considerable study will be needed to present this issue to the voters so the voters can address the long established disparity between the level of services desired and the burden placed upon the taxpayer within those communities.

7. EVALUATE SALES AND USE TAX EXEMPTIONS

Relying heavily on sales and use tax, municipalities are detrimentally effected by sales and use tax exemptions. However, at this time, it is clear that Wyoming residents and elected officials are not in favor of removing long-held exemptions. Tax policy should provide a blue print for the future as how the State of Wyoming, in cooperation with Local Governments, economic development organizations, the business community and citizens can work together to strengthen and diversify the economy. It is critical to foster a climate that will enable fledging industries to become established while not overly favoring one sector of the economy over another and still provide the necessary revenues to provide for the citizens of the State.

A broad tax base applied consistently, where limited number of exemptions are allowed, ultimately results in a higher level of collections than one with more exemptions at a higher rate.

WAM'S COMMENTS IN THIS REGARD ARE:

- WAM SUPPORTS exemptions for economic development that include sunset dates.
- WAM does NOT SUPPORT sales tax exemptions that can be considered tax relief.
- WAM believes that all exemptions should have sunset dates for review and reconsideration.
- WAM believes broadening tax base benefits all.

8. INCENTIVIZE OPERATING EFFICIENCIES

WAM recommends **incentives for consolidation of services** through modifications to Special Districts formation, consolidation or dissolution Statutes. This could remove barriers to regionalization and cooperation between local entities. This year, WAM has provided the Special Districts Task Force with testimony of the need to incentivize the intergovernmental combination of services in these difficult economic times. Several examples were given to combine, through regionalization or other means, the combination of services to spend resources more efficiently and also has the potential to increase the level of service. Such items as regionalization of E911 dispatch services, combination of fire districts and potentially other emergency services savings were discussed.

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CITY OF CASPER, INCORPORATED IN 1889

APPENDICES

Appendix A
Wyoming Municipalities by Incorporation Date and Population

Municipality Name	Year Incorporated	**Population 2010 Census	**Population 2015 Estimate
Lost Springs	1911	4	4
Van Tassell	1915	15	15
Riverside	1902	52	53
Hartville	1900	62	62
Kirby	1915	92	92
Manville	1910	95	96
Dixon	1887	97	95
Opal	1914	96	100
Bairoil	1980	106	105
Manderson	1923	114	117
Granger	1914	139	138
Clearmont	1919	142	140
Yoder	1921	151	159
Frannie	1954	157	163
Deaver	1919	178	186
Albin	1930	181	190
Elk Mountain	1909	191	196
Edgerton	1925	195	201
Glendo	1922	205	200
Chugwater	1886	212	216
Fort Laramie	1925	230	224
Pavillion	1939	231	238
Rock River	1909	245	244
East Thermopolis	1947	254	248
Ten Sleep	1933	260	254
Kaycee	1913	263	261
Medicine Bow	1909	284	270
Burns	1917	301	304
Meeteetse	1901	327	326
Burlington	1984	288	341
Superior	1911	336	323
Thayne	1947	366	363
Hulett	1951	383	409
Midwest	1975	404	410
Sinclair	1925	433	413
Baggs	1910	440	431
Rolling Hills	1984	440	442
Encampment	1901	450	438
LaGrange	1938	448	455
Hudson	1909	458	456
Lingle	1918	468	462
Pine Haven	1987	490	519
Wamsutter	1914	451	493
Bear River	2001	518	518
Big Piney	1913	552	531
Cokeville	1910	535	541
LaBarge	1973	551	553
Byron	1910	593	617
Shoshoni	1906	649	648
Cowley	1907	655	735
Diamondville	1901	737	738
Dayton	1906	757	804
Hanna	1935	841	814
Alpine	1989	828	850
Ranchester	1911	855	940

Appendix A
Wyoming Municipalities by Incorporation Date and Population

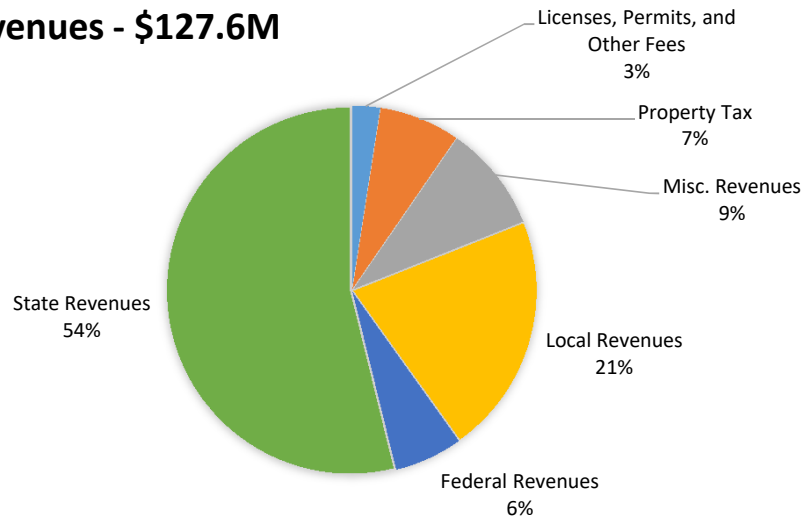
Municipality Name	Year Incorporated	**Population 2010 Census	**Population 2015 Estimate
Dubois	1914	971	987
Moorcroft	1906	1,009	1,062
Upton	1909	1,100	1,109
Marbleton	1914	1,094	1,090
Pine Bluffs	1909	1,129	1,146
Guernsey	1902	1,147	1,195
Sundance	1887	1,182	1,272
Basin	1902	1,285	1,305
Mountian View	1973	1,286	1,294
Star Valley Ranch	2005	1,503	1,548
Lusk	1898	1,567	1,628
Saratoga	1900	1,690	1,677
Wright	1985	1,807	1,862
Greybull	1909	1,847	1,879
Pinedale	1912	2,030	1,923
Afton	1902	1,911	1,972
Lyman	1915	2,115	2,074
Lovell	1906	2,360	2,422
Glenrock	1909	2,576	2,598
Kemmerer*	1899	2,656	2,739
Bar Nunn	1982	2,213	2,820
Evansville	1923	2,544	2,931
Thermopolis	1899	3,009	2,974
Newcastle*	1889	3,532	3,534
Wheatland	1906	3,627	3,659
Mills	1921	3,461	3,785
Buffalo	1884	4,585	4,632
Worland*	1906	5,487	5,372
Powell*	1910	6,314	6,462
Douglas*	1887	6,120	6,531
Torrington*	1908	6,501	6,669
Lander*	1890	7,487	7,686
Rawlins*	1886	9,259	9,040
Cody*	1901	9,520	9,792
Jackson*	1914	9,577	10,523
Riverton*	1906	10,615	10,873
Evanston*	1888	12,359	12,133
Green River*	1891	12,515	12,465
Sheridan*	1907	17,444	17,873
Rock Springs*	1888	23,036	23,962
Gillette*	1892	29,087	32,649
Laramie*	1868	30,816	32,158
Casper*	1889	55,316	60,285
Cheyenne*	1869	59,466	63,335

**2010 Population is based on the 2010 Census and the 2015 is based on the estimate information
(<http://eadiv.state.wy.us>).

Appendix B

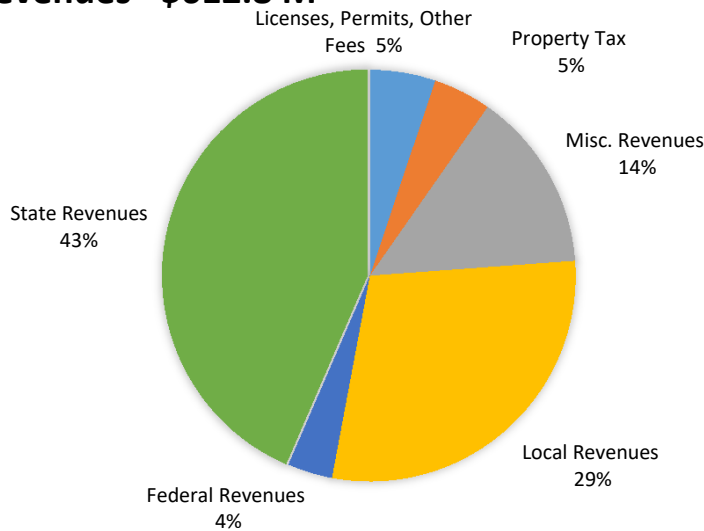
Wyoming Department of Audit Cost Of Government Reports - FY 2015

FY 2015 Town Revenues - \$127.6M



Revenues	FY 2015 Town Revenues - \$127.6 M	Percent
State Revenues	\$68,682,849	54%
Federal Revenues	\$7,718,577	6%
Local Revenues	\$26,989,528	21%
Misc. Revenues	\$11,965,523	9%
Property Taxes	\$9,101,137	7%
Licenses, Permits, Other Fees	\$3,144,099	3%
Total Non-Enterprise Revenues	\$127,601,713	100%

FY 2015 Cities Revenues - \$612.8 M



Revenues	FY 2015 Cities Revenues - \$612.8 M	Percent
State Revenues	\$265,825,346	43%
Federal Revenues	\$21,586,101	4%
Local Revenues	\$177,796,348	29%
Misc. Revenues	\$86,375,670	14%
Property Taxes	\$27,796,987	5%
Licenses, Permits, Other Fees	\$33,467,945	5%
Total Non-Enterprise Revenues	\$612,848,397	100%

Appendix C

Municipal Services and Mandated Programs

MUNICIPAL SERVICES	MANDATED PROGRAMS
Administration, Human Resources	EPA water testing
Animal Control	EPA waste water (sewer) discharge testing
Boards and Commissions	Solid Waste, landfill closure, cease & transfer
Building, code enforcement, inspections	Capital facilities design elements, ADA-compliant
Cemetery	OSHA requirements, testing of personnel
Clerk	Reporting and advertising
Economic Development	Audits
Engineering	Financial reporting
Financial Administration	
Fire Prevention and Protection	
Fleet	
Health and Hospitals	
Housing and community development	
Law Enforcement	
Legal and Judicial	
Libraries	
Municipal Airports	
Municipal Court	
Parking	
Parks, recreation, museums	
Police, animal control	
Public Buildings and facilities	
Streets, alleys, roadways, pathways	
Transit (bus, bus storage, staffing)	
Treasurer	
Weed and Pest	

Appendix D
Representative Mineral Royalty Grant Awards 2011-2016

SLIB Date	Municipality	Description	Amount Requested	Award Amount	Comments
2016					
January 21, 2016	Town of Fort Laramie	Electrical System Upgrade	\$1,256,250	\$1,000,000	Match Funding Pending
June 16, 2016	City of Sheridan	Wastewater Treatments Emergency Generator Replacement	\$187,500	\$187,500	Fully Funded
June 16, 2016	Town of Pine Haven	Sanitary Sewer Improvements Phase 3 & 4	\$275,050	\$0	Match Pending (Joint Powers Act Loan)
2015					
June 18, 2015	City of Green River	2014 Lift Station Replacement	\$77,970	\$77,970	Fully Funded
January 15, 2015	Town of Manville	Landfill Closure	\$75,000	\$75,000	Fully Funded
January 15, 2015	City of Evanston	Bear River Bridge Project	\$809,200	\$0	No Funding Recommended
2014					
June 19, 2014	Town of Glendo	Town of Glendo Street Repair Phase 2	\$470,835	\$180,000	Partial Funding Recommended
January 16, 2014	City of Cody	16th Street Storm Sewer Project	\$214,662	\$214,662	Fully Funded
May 6, 2014	Town of Manderson	Dike Repair	\$900,040	\$900,040	Fully Funded
2013					
October 3, 2013	Town of Dubois	Sewer Waste Water Treatment Plant Repair	\$31,648	\$31,648	Fully Funded
January 17, 2013	Town of Lovell	Lovell Main Street Infrastructure Improvements	\$3,600,259	\$3,600,259	Used Wyoming Water Development Grant
January 17, 2013	City of Torrington	City Engine Fire Apparatus Replacement	\$487,500	\$487,000	Board Recommended Funding
2012					
August 9, 2012	City of Newcastle	Repainting & Repairs to Tank	\$100,000	\$100,000	Match with Joint Powers Act Loan at 4.89%
August 9, 2012	Town of Upton	East & Kellogg Street Reconstruction	\$792,983	\$321,000	Partial Funding Recommended
August 9, 2012	Town of Yoder	Sewer Lagoon Project	\$401,175	\$0	No Funding Recommended
2011					
January 20, 2011	City of Cheyenne	Early Warning System for the City's Drinking Water	\$490,556	\$490,556	Fully Funded
January 20, 2011	City of Gillette	Zone 2 Transmission Improvement Project	\$1,080,500	\$1,080,500	Fully Funded
January 20, 2011	Town of Saratoga	2011 Water System Improvement Project	\$700,000	\$700,000	Fully Funded

* Table only represents a random selection of Mineral Royalty Grant awards. It does not indicate other Grant or Loan Program sources the municipality may have been utilized to complete the project. Information from Board Matters meeting notes - <http://lands.wyo.gov/boards/slib>.

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9. Advisory Commission on Intergovernmental Relations. (1986). “Measuring State Fiscal Capacity; Advisory Commission on Intergovernmental Relations, Tax Capacity of the States.”
10. Wyoming Travel Impacts 200-2015. Dean Runyan Associates April 2016

PHOTO CREDITS

FRONT COVER

- Wyoming State Capitol:

ACKNOWLEDGMENTS

- Town of Saratoga: Pam Meyer

BACKGROUND & HISTORY

- City of Evanston: City of Evanston
- City of Laramie Pedal House, Brian Harrington, BHP Photo

MUNICIPAL REVENUE

- City of Riverton Balloon Festival, Sandy Luers, Community Development Director

MUNICIPAL EXPENSES

- City of Torrington: City of Torrington
- Town of Sundance: City of Sundance
- Green River Street: City of Green River

MUNICIPAL FINANCE FACTS

- Town of Ft. Laramie: Town of Ft. Laramie

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RECOMMENDATIONS

- City of Sheridan Parade, Sheridan Travel and Tourism
- Wyoming State Capitol, Pam Meyer

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- City of Casper, City of Casper

BACK COVER

- City Park: City of Cody
- Firemen: City of Cheyenne
- Solid Waste Truck: City of Casper
- Street Paver: City of Green River
- Officer Larson: Town of Upton
- Recreation Center: City of Laramie
- Sewer Mixer: Town of Jackson
- Snowplow: City of Cheyenne

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wam

315 West 27 Street
Cheyenne, WY 82001
tel: 307.632.0398
wam@wyomuni.org
www.wyomuni.org

Municipal Finance Report Volume II, September 2017



wam
WYOMING ASSOCIATION
OF MUNICIPALITIES

Continuation of WAM's
October 2016 Municipal
Finance Report

ACKNOWLEDGMENTS

Development of this report relied upon the time and dedication of the Municipal Finance Task Force: Bruce Jones, Mayor, Douglas; Andi Summerville, Mayor, Laramie; Kelly Krakow, Mayor, Albin; Chris Schock, Mayor, Clearmont; Jim Harmon, Finance Director, Sheridan; Charri Lara, Treasurer, Lander; Janine Jordan, City Manager, Laramie; Kelley Millar, Clerk/Treasurer, Upton; Carter Napier, City Manager, Casper; Rick Kaysen, WAM Executive Director; Laurie Heath, WAM Deputy Director; Katie Waldner, WAM Member Services Manager. Additionally, this report was prepared with expert knowledge and research by Joe Coyne, Community Builders, Inc.; Scott Badley, Independent Contractor; and Anne Alexander, University of Wyoming.



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Wyoming
Association of
Municipalities
Building Strong Communities

EXECUTIVE SUMMARY

WYOMING'S CITIES AND TOWNS HAVE LIMITED REVENUE GENERATING CAPACITY

As identified in the October 2016 Municipal Finance Report, Sales and Use taxes primarily fund Wyoming cities and towns. The State Legislature determines the share of, the maximum amount of, the uses of, and any exemptions from Sales and Use taxes. State aid, including statutory (under-the-cap), discretionary (over-the-cap), and State Grant and Loan programs are the second sources of income for municipalities in the State of Wyoming. The State Legislature determines whether or not these programs receive appropriations, and various State agencies determine the rules that govern the use of the appropriated funds. Two-thirds of Wyoming's population live in a municipality, and it is fair to say that the entire population relies on municipal services for work, shopping, healthcare, etc. Of the 99 incorporated Wyoming cities and towns, only 18 are over 4,000 in population, and nearly 50% are under 500 in population. The smaller the population the fewer locally generated revenue options and thus more dependence on State Sales and Use taxes and State-shared distributions. But for the larger cities, Wyoming's existing tax and statutory framework does not allow the required authority to increase the municipal revenue capacity that is necessary to provide for their community's critical needs. Legislative changes are required to continue the State-shared distributions and to provide increased local authority. Without these critical legislative decisions, the public health and welfare of all Wyoming citizens is at risk.

COLLABORATE TO FIND SOLUTIONS

The current fiscal condition of Wyoming's municipalities is bleak, with little relief on the horizon. As Wyoming is looking ahead to increase the diversity of the economy, this growth depends on thriving local communities. That is why WAM members are committed to staying engaged with key stakeholders and leaders as contributing partners to find solutions for Wyoming's financial concerns. This report addresses national practices specific to increase a municipality's revenue capacity. In Wyoming, this can be particularly challenging as a 'One Size Solution Does Not Fit All' municipalities. The intent of this report is to introduce new options or 'tools' for the Municipal Toolbox, and to identify legislative changes that would be required to implement these options. WAM understands that all the recommendations may not currently be acceptable, but believes that solutions spring from evaluating all options. WAM members present this information to Legislators and key stakeholders to initiate a collaborative discussion for long-term, certain, equitable and sustainable municipal revenue solutions.

THE REPORT – VOLUME TWO

This report presents recommendations to increase revenues to Local Governments, particularly at the municipal level. This report presents current conditions detailing budget concerns in Wyoming's cities and towns. The report compares Wyoming's bordering states and states with a similar natural resource tax base to support the recommendations. Finally, legislative action is offered to revise tax laws or make statutory changes that are necessary to increase the municipal fiscal capacity so Wyoming's municipalities can sufficiently provide their citizens needed and reliable services.

WAM's Recommendations

1. Secure at least \$105 Million appropriation for cities, towns, and counties until other **ADEQUATE FUNDING OPTIONS** are in place
2. Revise tax laws to allow **INCREASED MUNICIPAL REVENUE CAPACITY**
3. **INCREASE THE CAP** for Severance Tax and Federal Mineral Royalties
4. **REMOVE TAX EXEMPTIONS** that do not support economic development

WAM's Legislative Recommendations

RECOMMENDATIONS

SUPPORTIVE INFORMATION

1. Secure at least **\$105 MILLION APPROPRIATION FOR CITIES, TOWNS AND COUNTIES** until other **ADEQUATE** funding options are in place

Restrictions on local taxation authority and municipal access to the local tax base cause Wyoming cities and towns to have the **LEAST LOCAL FISCAL AUTHORITY** and the **HIGHEST RELIANCE UPON STATE RESOURCES** among the 50 States. Until municipalities have the ability to create stable funding for themselves, State-aid should continue to support cities and towns efforts of providing essential services for two-thirds of Wyoming's population.

2. Revise Tax Laws to allow **INCREASED MUNICIPAL REVENUE CAPACITY**

If Wyoming wants a **DIVERSIFIED ECONOMY, WYOMING'S CITIES AND TOWNS MUST BE ABLE TO PROVIDE SERVICES AND QUALITY OF LIFE THAT NEW BUSINESSES EXPECT.** The following tax revisions could provide additional tools in the Municipal Revenue Toolbox: Local Option Tax Revisions; Property Tax Revisions; Municipal Sales and Use Tax Options; Increase State Sales Tax to 5%; and Revise Sales Tax Allocations.

3. **INCREASE THE CAP FOR SEVERANCE TAX AND FEDERAL MINERAL ROYALTIES**

WYOMING IS THE WEALTHIEST STATE FOR FEDERAL MINERALS OF ALL 50 STATES WITH 50% OF THE TOTAL FEDERAL MINERAL ROYALTIES NATIONWIDE DISTRIBUTED BACK TO OUR STATE. Increasing the cap from \$155 M to \$214 M for Severance Tax Revenues and from \$200M to \$275M for FMR while maintaining the same allocation could help restore lost revenue for many State funded entities.

4. **REMOVE TAX EXEMPTIONS** that do not support economic development

Tax policy should provide a blue print for the future in cooperation with the State, Local Governments, economic development organizations, the business community, and citizens to strengthen and diversify the economy. For example, Wyoming exempts tax for professional services, sporting fees and the repair, maintenance, and alteration of real property but these do not directly support economic development.

TERMS & DEFINITIONS

ALL STATES - LOCAL GOVERNMENT (CENSUS BUREAU USE)- The United States Census Bureau collects local government data from a representative sample of counties, municipalities, townships, special districts, and school districts within all 50 states and Washington, DC. The Census Bureau's definition of "local government" is much broader than what many people think of in Wyoming (where the term typically references only municipalities and counties, not school districts or special districts).

ALL STATES - MUNICIPAL GOVERNMENT (CENSUS BUREAU USE)- According to the Census Bureau, municipalities are sub-county general-purpose governments established to provide general services for a specific population concentration in a defined area. Data related to All States - Municipal Government are gathered from a representative sampling of municipalities in all states. In Wyoming, the Census Bureau gathers fiscal data from every county seat and from the next largest 25 municipalities (i.e., 48 municipalities are surveyed, and then the Census Bureau creates estimates for all municipalities in the state).

ANNUAL SURVEY OF LOCAL GOVERNMENT FINANCES

(CENSUS BUREAU USE)- The U.S. Census Bureau gathers data from all fifty (50) state governments and a sample of 90,056 local governments (counties, municipalities, townships, special districts, and school districts) and the District of Columbia. The survey coverage includes all states and all local governments in the United States. The comprehensive nature of this data allows for long-term trends to be studied for local governments generally, but not for each type of local government.

BORDER STATES— Colorado, Idaho, Montana, Nebraska, South Dakota, and Utah.

BRC— Business Ready Community grants funded by mineral revenues and distributed by the State Land and Investment Board.

CHARGES & FEES (CENSUS BUREAU USE)- For Census Bureau statistics, this term includes revenue from several broad categories, including: Education; Hospitals; Highways (which includes municipal roads and streets); Air transportation (airports); Parking facilities; Seas and inland port facilities; Natural resources; Parks and recreation; Housing and community development; Sewerage; Solid Waste Management; and Other charges.

COG12 (CENSUS BUREAU USE) - The Census of Governments (2012), which is a more robust examination of state and local finance than the Annual Surveys. Conducted every five (5) years, the Census of Government provides detailed finance estimates for each type of "Local Government," including municipalities, allowing more specific analysis into municipal finance in each state. COG12 data is a series of estimates, and therefore should not be used to understand long term trends.

CPI – Consumer Price Index

DEQ – Wyoming Department of Environmental Quality

DOR – Wyoming Department of Revenue

DOA – Wyoming Department of Audit

ENDOW – Economically Needed Diversity Options for Wyoming, Governor Mead's initiative to increase economic diversity and growth.

ENERGY STATES – Alaska, New Mexico, North Dakota, Oklahoma, and Texas.

FY – The Fiscal Year is the 12-month period from July 1 through June 30 of the following calendar year.

FMR'S— Federal Mineral Royalties, the distribution of federal revenue back to states that have mineral production on federally owned surface or subsurface lands.

GENERAL FUNDS – A municipal government budgetary fund that is used for non-enterprise services (i.e., operating expenses, road maintenance, law enforcement, etc.)

GENERAL REVENUE (CENSUS BUREAU USE) – For Census Bureau statistics, all revenue comes from three sources: (1) Intergovernmental Revenue; (2) General revenue from own sources; and (3) Other sources, which includes liquor store tax revenue, insurance trust revenue, and utility revenue.

GENERAL REVENUE FROM OWN SOURCES (CENSUS BUREAU USE)- For Census Bureau statistics, this term includes revenue from 3 sources: (1) Taxes; (2) Charges and Fees; and (3) Miscellaneous revenue, which includes interest earnings, special assessments, sale of property, and other general revenue.

INTERGOVERNMENTAL REVENUE – Financial support from one level of government to another (federal, state, and local governments). For example, the State of Wyoming has appropriated funding to counties and municipalities for many years as part of their “Direct Distribution” to support local government.

INTERGOVERNMENTAL REVENUE FROM LOCAL GOVERNMENTS (CENSUS BUREAU USE) – For Census Bureau statistics, this term includes financial support from other local governments for activities administered by the recipient locality, including its dependent agencies. Also included is state aid channeled through other local governments which have some discretion as to its distribution (an example in Wyoming might be county consensus funding for local governments), reimbursements for services provided to other local governments, and payments-in-lieu-of-taxes on other local governments’ property.

JRC – Joint Revenue Committee

LOCAL GOVERNMENT (WYOMING) – This term is typically used to describe municipalities and counties within Wyoming.

LOCAL GOVERNMENT (CENSUS BUREAU USE) – Census Bureau includes all counties, municipalities, townships, special districts, and school districts in all fifty (50) states and Washington, DC. With this broad definition, the Census Bureau essentially lumps together all American governmental entities that are not state or federal. By comparison, most people in Wyoming would understand the term “local government” to include only towns, cities, and counties (not special districts nor schools; and Wyoming does not have any townships).

LSRA – Legislative Stabilization Reserve Account

LSO – Legislative Service Office

MRG – Mineral Royalty Grant, a mineral revenue funding program administered by the State of Wyoming.

MUNICIPALITY (WYOMING)- A city or town that is incorporated and that maintains a legal framework (Mayor, Council, etc.) to provide municipal governance and services for its citizens.

MUNICIPALITY (CENSUS BUREAU USE) - According to the Census Bureau, municipalities are sub-county general-purpose governments that are established to provide general services for a specific population concentration in a defined area. For Census data, municipal governments include cities, boroughs (except in Alaska), villages, and towns (except in the six New England states, Minnesota, New York, and Wisconsin). Consolidated city-county governments are treated as municipal governments for Census Bureau statistics.

MUNICIPAL FISCAL AUTHORITY - Refers to the State’s proscribing and granting access to a municipality to impose general taxes, that is, a general tax on sales, income, and property (NLC 2015).

MUNICIPAL REVENUE RELIANCE AND CAPACITY (OWN-SOURCE

REVENUE)- Refers to the proportion of total revenues that a municipality generates from its own-sources, determining the ability of the municipality to control the majority of its revenues (NLC 2015). The Census Bureau definition includes taxes, charges, fees, and miscellaneous receipts as own-source revenue. In Wyoming, local option taxes and property taxes along with charges, fees, and miscellaneous receipts make up the municipality's own-source revenue stream.

NLC – National League of Cities

OVER-THE-CAP – Severance Taxes and FMR revenues above the allocated limits (cap) that the Legislature has discretion to appropriate to Local Governments which is in addition to the statutory under-the-cap distributions of those revenues. For example, this would include Direct Distribution and County Consensus funding.

OWN SOURCE CAPACITY – See definition above for Municipal Revenue Reliance and Capacity.

PER CAPITA (CENSUS BUREAU USE)– Amount of revenue, expenditure, or other fiscal measure divided by the local population (as estimated by the Census Bureau annually as of July 1st each year). These annual estimates are based on the most recent 10-year census, while Wyoming's current distribution formula uses only the 10-year census populations counts (no annual changes) and allocates per the local point of collection.

SALES & GROSS RECEIPTS TAXES (CENSUS BUREAU USE) – For Census Bureau statistics, this term includes all General excise taxes (Sales and Use taxes) on goods and services; and Selective sales taxes (which are specific taxes on sales of Motor Fuel; Alcoholic beverages; Tobacco products; Public Utilities; and Other selective goods and services). In Wyoming (according to the Census methodology), no general sales taxes are collected by local governments (which is technically true, since all Sales and Use taxes first go to the State). The other types of taxes, including local option taxes, are considered by the Census Bureau to be Selective sales taxes. In Wyoming, there are no Gross Receipts Tax.

STATE AID - The amount of state support for a municipality.

TAX REVENUE (CENSUS BUREAU USE) – For Census Bureau statistics, this term includes several types of taxes: Property; Sales and Gross Receipts; Individual and Corporate income taxes; Motor vehicle licenses; and Other taxes.

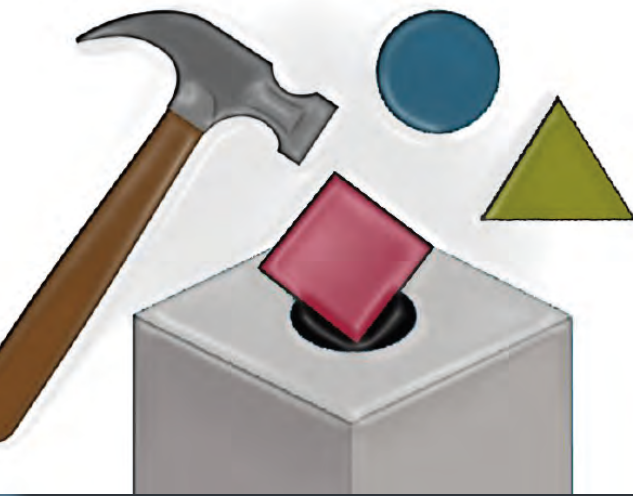
UNDER-THE-CAP – Severance Taxes and FMR revenues that flow to Local Governments statutorily up to the maximum cut off amounts. Severance Tax has a \$155 Million cap with 9.25% appropriated to Local Government Federal Mineral Royalties has a \$200 Million cap with 9.375% appropriated to Local Government.

WAM – Wyoming Association of Municipalities, a non-partisan association representing Wyoming's 99 incorporated cities and towns.



The City of Laramie's public safety staff serve both Laramie residents as well as thousands of fans and visitors to the University of Wyoming. Last year, the Laramie Police & Fire Departments provided more than 1,600 hours of support to UW.

INTRODUCTION



One size does not fit all...

Any analysis of state-local fiscal structures should begin with a caveat about the wide variation that exists. Because states largely determine the structure [of local government], there are in essence fifty different state-local fiscal systems in the United States. Within those fifty systems lie distinct sets of rules for different levels of government – municipalities, counties, towns, townships, villages, etc. – at which point the variation spreads from 50 states to 19,000 municipalities, 16,000 towns and villages, and 4,000 counties. The capacity for variation, therefore, makes analysis difficult, context important, and some level of generalization necessary for the sake of comparison.

Cities and State Fiscal Structure - 2015
National League of Cites

WHO IS WAM

WAM is a non-partisan association representing and serving the 99 incorporated cities and towns of Wyoming. WAM's mission is to advocate for cities' and towns' common interests and provide educational opportunities for WAM members. WAM employs four staff and is governed by a twenty-three-member Board of Directors (Board), elected by their peers, and composed of Mayors, Council Members, and Representatives from associated organizations. WAM's Board represents 6 Regions across Wyoming. WAM's constituents are the Mayors and Council members, the Clerks and Treasurers/ Finance Directors, the Administrators/ Managers, and the staff of cities and towns across the state.



As a sequel to WAM's October 2016 Municipal Finance Report, Wyoming's municipal leaders and a team of expert municipal finance consultants prepared this report to further support recommendations that will increase municipal funding capacity. As identified in the October report, legislative changes that provide more autonomy and revenue generating authority to cities, towns and counties will augment financial support to Wyoming's 99 municipalities (WAM 2016). This report utilizes national comparison data to support funding alternatives that may need legislative action.

Following the 2017 Legislative Session, it was apparent that Wyoming must bind together to evaluate all options that increase Local and State Government financial stability. Wyoming's municipalities stand alongside the Governor, Legislature, and other state entities to bring forth long term, sustainable solutions to the current financial challenges. This report will further support ideas presented to the Joint Revenue Committee (JRC) on May 11, 2017 in Saratoga and aligns with other JRC interim topics to shore up new revenue generating ideas.

Throughout this report WAM will emphasize that **One Size Does Not Fit All**. Wyoming is unique from other states in many ways, but notably from the cities and towns perspective, there is not one new revenue stream that will sustain all communities or replace the current funding sources. We continue to stress that municipal government finance sustainability will require many tools in the Municipal Toolbox. Some solutions may work for larger cities, but not for small towns with no tax base. Other tools may work better for communities in counties with mineral development, but are a negligible solution for those without. Change to any state funding to Wyoming cities and towns must be done thoughtfully and over time. **It is imperative that the current revenue streams, like the Direct Distribution, remain until other tools are in place.** WAM's goal is to find certain, equitable and consistent funding sources both from the State and the municipal level.

Within this report, resources such as the U.S. Census Bureau, the National League of Cities' Center for City Solutions and Applied Research, and the Tax Foundation are utilized. Additionally, in an effort to maintain consistency with other reports that are presented to the Legislature, the same Bordering and Energy states are used for comparison that the Legislative Service Office (LSO) used in their May 2017 presentation to the JRC. Findings from these national data and studies, prove that **'cities with a stronger mix of revenue sources are better able to buffer against economic downturns and to capture revenue growth during periods of economic expansion'** (NLC 2016).

In Wyoming, local municipalities are the primary providers of the most basic of all government and community services: police and fire protection, clean drinking water, streets and sidewalks, parks, wastewater, storm water, solid waste, sanitation, and landfills. Some municipal services are operated as self-sustaining enterprises, where customer user fees largely cover the operating and replacement costs of the service. However, all municipal services have real costs that must be paid by someone. If those costs cannot be passed on to users or consumers, then municipalities must look elsewhere for revenue. **Two-thirds of Wyoming residents live in a municipal boundary, and 100% utilize these services.**

The Wyoming Constitution and state statutes limit the ability of municipalities to raise revenue for any purpose.

The legislature shall restrict the powers of such corporations to levy taxes and assessments, to borrow money and contract debts so as to prevent the abuse of such power, and no tax or assessment shall be levied or collected or debts contracted by municipal corporations except in pursuance of law for public purposes specified by law.

Wyoming Constitution, Article 13, Section 3

INTRODUCTION

“Municipalities, in their right to tax, are tightly hemmed in this section,” according to the Wyoming Supreme Court (*Wiesenberger v. State*, 1978). For example, the Wyoming Constitution Title 15 Chapter 1 and State Statute 139-13-104 restricts the power of municipalities to impose property taxes to just eight (8) mills in any one year. Additionally, the Wyoming legislature also regulates the purposes for which those funds can be used.

The time is now for Wyoming to make revisions to the tax and legal framework to ensure the future vitality and sustainability of Wyoming cities and towns (WAM 2016 page 30). Current revenue streams that fund Wyoming’s municipal operating needs have been declining for years. Wyoming’s municipalities’ revenues come from the following sources: state, federal, local option, property taxes, licenses/permits/fees, and a selection of miscellaneous sources (WAM 2016, pages 19-20). The state sources, largely funded by mineral extraction industries, are Sales and Use Tax, Severance Taxes and Federal Mineral Royalties (FMR). The same sources fund State Government, higher education, and the K-12 education. According to the Department of Audit’s (DOA) Cost of Government reports, state and local option revenues fund ~75% of the general

**Wyoming Municipal
General Fund Revenue is
DOWN \$67 Million from
2015 to 2016.**

revenues of Wyoming cities and towns (WAM 2016, page 19; DOA 2015-16). Federal source revenues are below 5% with own-source municipal generating revenue (property taxes, licenses/permits/fees) making up the remaining ~20% general revenue sources. Those findings are supported by national data and studies cited in this report. Accordingly, WAM members implore the Legislature to evaluate tax and regulatory statutes to increase flexibility and add own-source revenue generating tools for Wyoming’s municipalities.

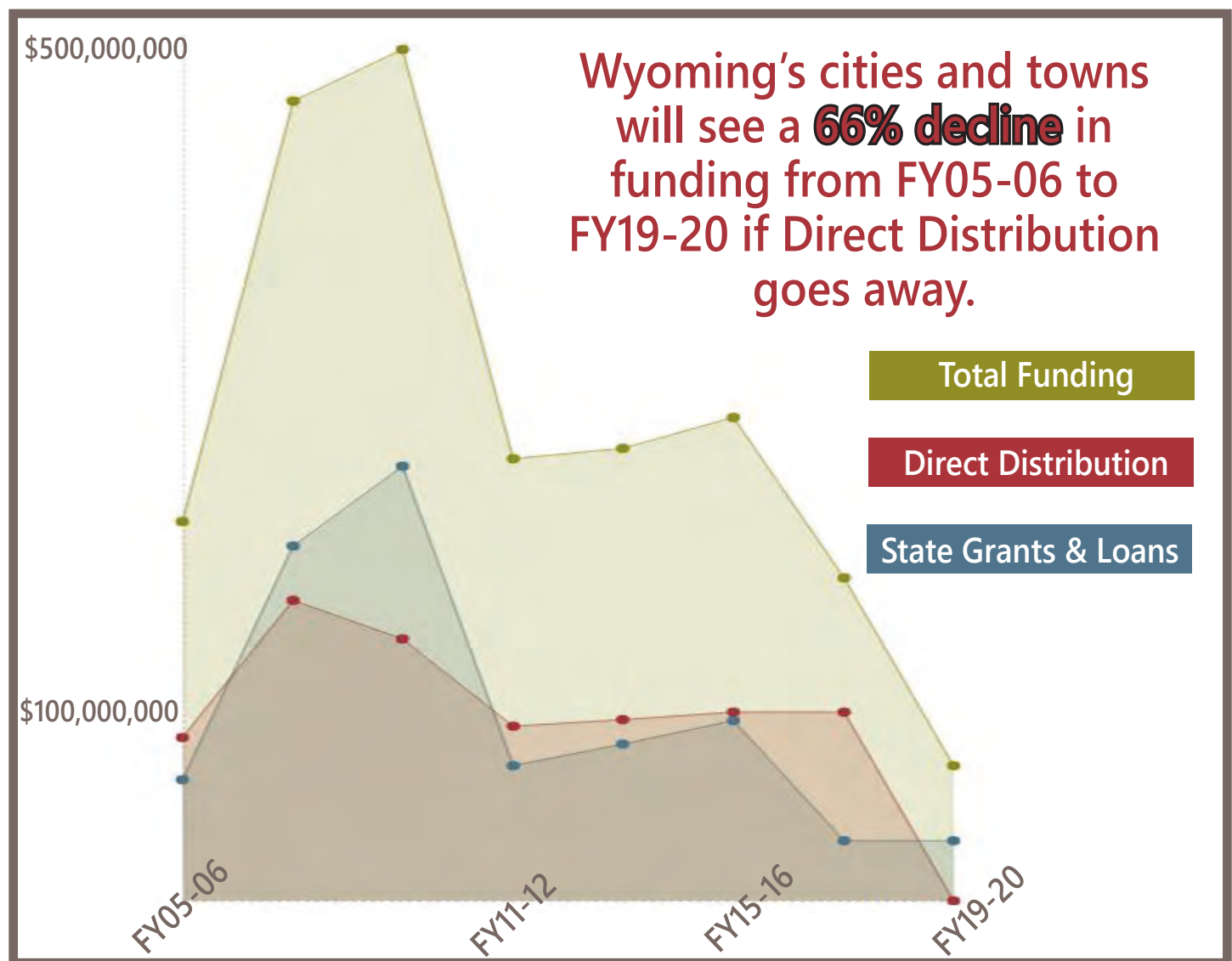
The primary source of municipal revenue comes from state and local option Sales and Use taxes. From FY 2015 to FY 2016, the Sales and Use tax collections dropped from \$739 Million to \$629 Million, a total of \$164 Million. WAM members recognize that Sales and Use taxes reflect the “boom/bust” economic cycles of Wyoming, rising and falling rather quickly. During the most recent bust, some communities have experienced as much as a 40% decline in revenue, which even if that revenue source was returned it will take time to recover. The economic volatility of this primary revenue stream, is especially obvious when Wyoming’s economy is in a downturn, as it is now. Yet, even though municipal revenues have significantly decreased, citizen needs for services and their expectations for quality of life amenities do not change.

Municipal state funding from Severance Taxes and FMRs has been adjusted by the Legislature multiple times over the past fifteen years. Many decreases were implemented with promise of backfill with other funding, but those promises were not realized. In 2001, the Legislature reduced Local Government (towns, cities, and counties) funding from Severance Taxes and FMRs when a set amount (aka ‘cap’) was applied. In 2004, the Legislature appropriated funds to Wyoming Local Governments to replace the loss of revenue when the cap was added. These newly appropriated funds are referred to as Direct Distribution and County Consensus funds. In 2006, a tax exemption was placed on sales tax for groceries with a promise that this municipal revenue stream would be replaced. The backfill appropriation from the Budget Reserve Account (BRA) was only honored for two years, the FY 2007-08 biennium. Continuing the uncertainty and state-aid decline, the Legislature in 2016 moved the Local Government appropriation from the State’s General Fund to the Legislative Stabilization Reserve Account (LSRA) and further reduced the amount of Direct Distribution to \$105 million, while removing all of the County Consensus funds. Based on this 2016 decision, a bill must be passed every two years to renew the Direct Distribution payments. Wyoming cities and towns rely on the Direct Distribution to support many operational needs, match grant funds, and supplement programs during this period of fluctuating Sales and Use tax. (WAM 2016, pages 14). If the Direct Distribution funds are removed without equal or greater revenue replacement, then there will be direct consequences to the citizens of Wyoming. A bill to sustain the Direct Distribution at a minimum of \$105 Million is of upmost priority to Wyoming towns, cities and counties.

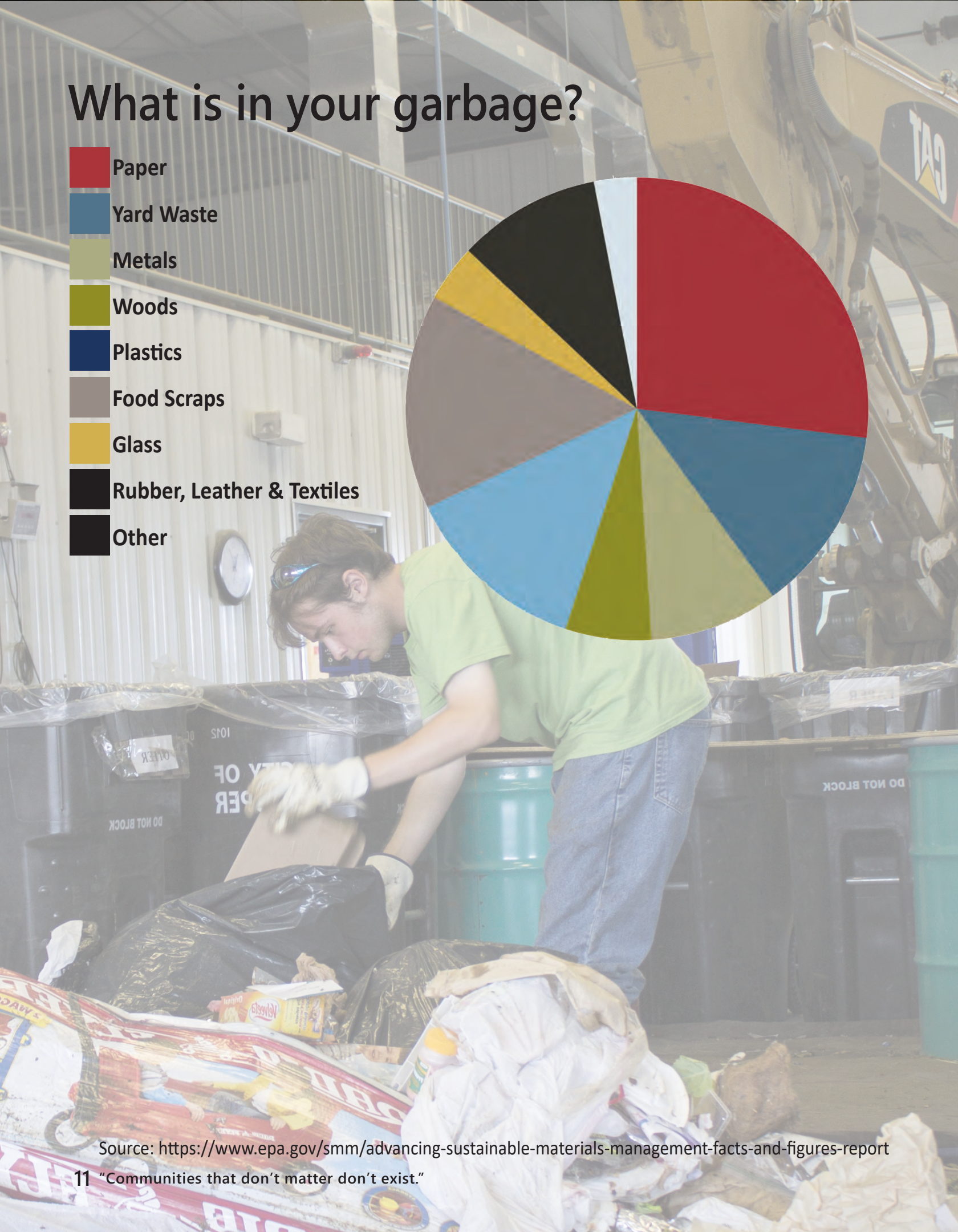
Finally, Wyoming Local Governments have access to state-aid Grants or Loans to fund large capital improvement projects or to use for emergency situations. The Mineral Royalty Grant Program (MRG) and the Business Ready Community Program (BRC) are funded from the State’s General Fund which is funded partially by Severance Tax and FMRs. As income from the minerals has declined, so has the availability of funds for emergency or planned projects. The following table is an example of how state-aid from Direct Distribution, County Consensus and Grant/Loan programs have declined to cities, towns, and counties over the past 10+ years (App A, Table 1). If the Direct Distribution would be removed in FY 2019-20, then the amount of state-aid to Wyoming’s Local Government would have decreased by 66% since FY 2005-06; declined 84% from the peak in FY 2009. For Wyoming municipalities, the population has overall increased over the past 15 years, therefore the funding required to maintain essential and community services has also increased.

WAM members are very appreciative of the State’s generosity during the good times and understand the need to cut back during the lean times. Yet, with the reduction in these three major revenue streams (Sales and Use Taxes, Over-the Cap Funds, and Grant/Loan programs), WAM members support finding broader and sustainable revenue streams to create a thriving not just surviving Wyoming.

Following the Introduction, this report answers the question, “How Bad Is It?” by providing municipal statistics across Wyoming. This report compares Wyoming to other states to identify national trends in municipal finance. The compilation of ideas and thoughtful research from Wyoming’s municipal leaders and municipal finance experts are presented in the prioritized recommendations – each with a legislative action.



What is in your garbage?



Source: <https://www.epa.gov/smm/advancing-sustainable-materials-management-facts-and-figures-report>



On average in the United States ONE person generates ONE TON of garbage every year.

WYOMING'S CURRENT MUNICIPAL CONDITION

"Communities that don't matter don't exist." 12

Legislators and citizens have asked their municipal leaders, "How bad is it?"

ALPINE saw a **DECREASE** of 8% in FY17 and projecting 12% in FY18; they've **REDUCED** their operational budget by 12% by **CUTTING EMPLOYEE** hours and benefits, reducing maintenance, **ELIMINATING** capital improvements, **CUTTING EMERGENCY MANAGEMENT SERVICES** and reducing community programs.

Municipal Leaders in **DOUGLAS** saw a **30% DECREASE** from FY16 to FY17 in & they anticipate minimal relief from FY17 and project a 1.5% increase for FY18.

GILLETTE After a **\$9 MILLION DROP IN SALES TAXES** for the last two years, they anticipate a **26% REDUCTION** in General Fund Revenue from FY17 to FY18. Gillette has managed to **REDUCE** their operating expenses by 8.3%

Cuts in personnel in **KEMMERER**, along with capital projects and dipping into reserves, they **decreased operational costs** by 7% with a total budget **decline** of 16%.

HANNA has experienced an **18% DECLINE** combining both FY17 and FY18.

FY16 ended **MEETEETSE'S**

Reserves. They rely on **Business Council, SLIB, USDA, TAPS**, and any other **GRANTS** available for infrastructure projects.

BUFFALO used reserves to balance the FY17 budget and will use reserves to balance the FY18 budget. Buffalo estimates their General Fund **reserves will be depleted in another year.**

What measurable efforts have municipalities made to gain efficiencies and reduce redundancy? What essential services would be cut if funding is not available? If the current \$105 Million Direct Distribution would be eliminated without additional revenue sources added, what could be the outcome to Wyoming cities and towns? **The answers are best told by your Wyoming's cities and towns.**



If Direct Distribution goes away?

Without Direct Distribution, we can only afford to pay staff 15 hours per week, which is barely enough time to take utility payments.

~ MAYOR CHRIS SCHOCK, CLEARMONT

We would lose either a personnel position or funding to operate the town properly. This would affect all future operations for the Town.

~MAYOR ERIC BACKMAN, DIAMONDVILLE

The matching grant funds would be gone for much needed upkeep and improvements; like grants from EPA, WYDOT, Forestry, and USDA. It's very possible that the Town would have to cut back on the upkeep and maintenance of our parks and recreation areas.

~ MAYOR TWILA BLAKEMAN, DUBOIS

If eliminated we would have a reduction of personnel and maybe change our operations as to how we clear snow or fix our roads. This would happen over the first year of removal.

~MAYOR KATHY BUYERS, STAR VALLEY RANCH

Eventually no maintenance done on buildings, streets, properties, leads to destruction of roads, water, sewer lines, and buildings. All properties have to be maintained, which takes money.

~MAYOR ROBB PHIPPS, WAMSUTTER

Direct Distribution funds our infrastructure and capital improvements efforts, further reductions will force us to decide whether to continue to replace and upgrade infrastructure or fund these efforts by reducing operations services.

~BOB McLAURIN, JACKSON MANAGER

We would completely re-evaluate all our General Fund expenditures, re-prioritize city services and programs and aggressively pursue any potential revenue streams.

~MAYOR ROGER MILLER, SHERIDAN

Our budget has no fluff so if we were to not get the direct distribution it would be catastrophic. Basic needs would have to be cut including repair and maintenance of equipment and buildings. Cutting fire department assistance, upkeep of parks and cemetery and overall services provided.

~ MAYOR VIVIAN ODELL, HULETT

Wyoming municipalities are being devastated with a triple blast of declining Sales and Use tax revenue, declining Grant and Loan funds, and the threats of removing or reducing Direct Distribution. The municipal budgets over the past few years are reflecting this drastic downturn. *One way that cities prepare for economic downturns is to maintain adequate levels of General Fund ending balances. Ending balances are similar to reserves or what might be thought of as cities' equivalent to a rainy-day fund to provide cushion during economic downturns of local unforeseen needs (NLC 2016).* Per Wyoming Statutes, municipalities are required to balance their annual budgets, and many municipalities over the past few years have had to utilize reserves to meet their community's needs. Wyoming's municipalities often are forced to use their reserves or rainy-day fund to provide essential services to their communities just as is expected from the State of Wyoming.

"If current conditions don't improve and we were cut another quarter million, [Direct Distribution] our service provision will be severely impacted in our community," shared Mayor Bruce Jones, Douglas. "We will have to start picking and choosing what we can support. For example we provide funds for aid and support for Douglas residence and our local economic development group."

Mayor Bruce Jones, Douglas

Regardless of geographic location, number of citizens served, first class city or small town the challenges of securing reliable and stable funding is the same for all municipalities. A review of fiscal year 2015 through fiscal year 2018 reflects that municipalities have had to use reserves to achieve an approved beginning balanced budget and/or reserves for year-end balanced budgets. The effect on small towns appears to be more profound as projections are made for future years reserve balances; however, a similar impact is also expected for mid-size and larger cities. Uncertainties do exist. One thing that appears to be certain under the current funding model is that should Direct Distribution cease to exist or be lessened then needed services will be diminished or eliminated.

As if the reduction in state directed funding and Sales and Use tax revenue was not enough strain on Wyoming's municipal financial picture, additional pressures related to healthcare and pension liabilities weigh on the scales. In this age of rising healthcare costs, municipal leaders nationwide struggle to fund adequate benefits. *As cities move to shore up healthcare and pension liabilities, the additional expenditures required in their General Funds will compete for scarce resources with other city services, confronting city leaders with difficult choices among employee and retiree benefits, city service levels, and raising new revenues (NLC 2016).*

As if the reduction in state directed funding and Sales and Use tax revenue was not enough strain on Wyoming's municipal financial picture, additional pressures related to healthcare and pension liabilities weigh on the scales. In this age of rising healthcare costs, municipal leaders nationwide struggle to fund adequate benefits. *As cities move to shore up healthcare and pension liabilities, the additional expenditures required in their General Funds will compete for scarce resources with other city services, confronting city leaders with difficult choices among employee and retiree benefits, city service levels, and raising new revenues (NLC 2016).*

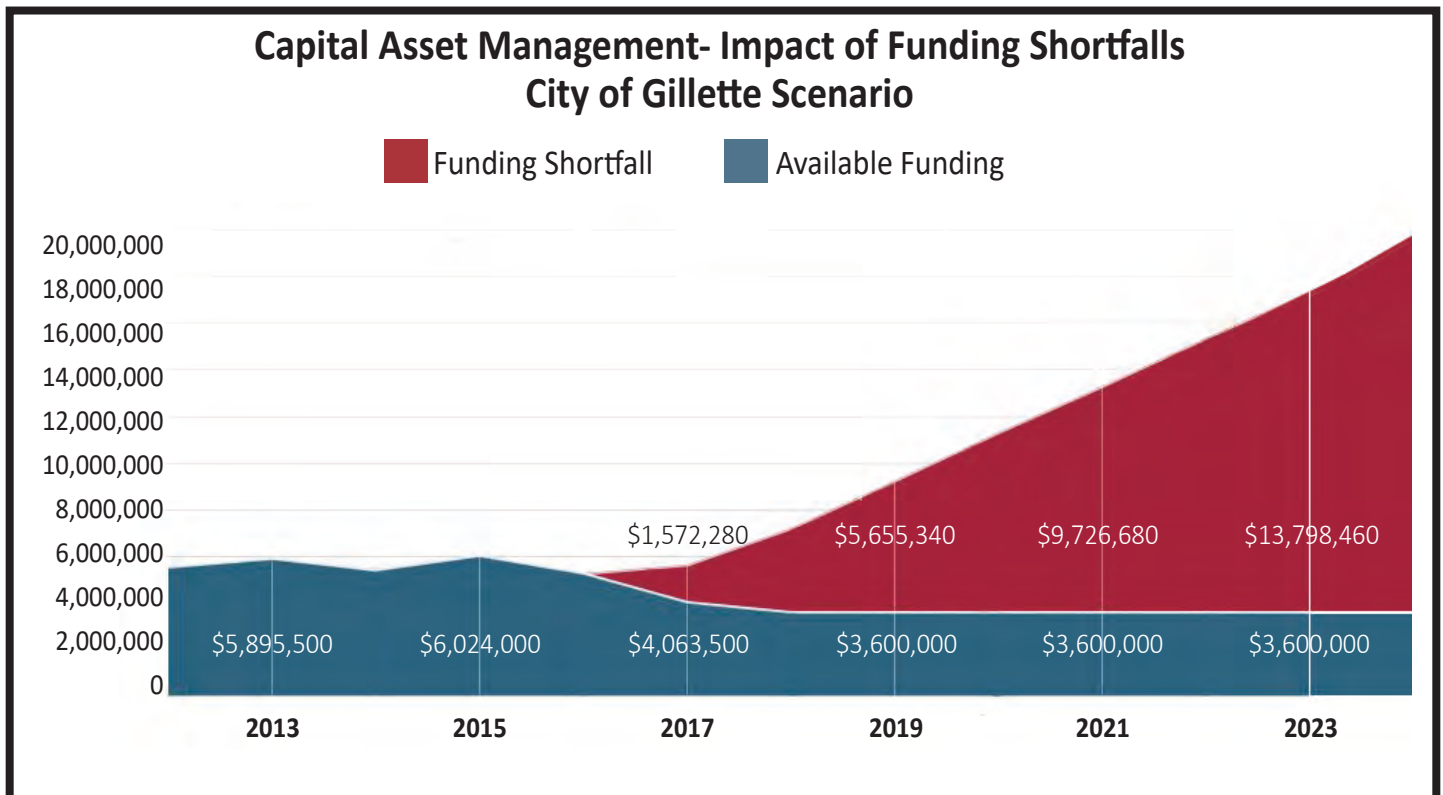
- In Kemmerer, population of 2,739, healthcare premiums in their self-insured program increased as much as 23% from 2017 to 2018. After evaluating a dozen proposals with extreme levels of copays, deductibles, coinsurance, and out-of-pocket maximums, the city designed a hybrid approach. "In order to remain competitive for employee recruitment, we designed a "third way" hybrid approach to healthcare", according to Andrew Nelson, Kemmerer City Administrator. They purchased a policy through a fully-insured third party and designed a Health Reimbursement Arrangement in which the City covers the difference between the FY 2017 family out-of-pocket max (\$3,000) and the FY 2018 family out-of-pocket max (\$14,300). By making these two decisions, they decreased their financial exposure and preserved the employee benefit without raising their contributions. In order to offer these competitive benefits, difficult decisions to lay off workforce had to happen. Mr. Nelson continues, "Since summer 2016, we have trimmed the City workforce by nearly 20% and we are still only barely keeping our head above water. In the long term, I do not believe even this is sustainable and I'll be looking at other ways to limit what I foresee to be continuous, out-of-control health costs."

- In Cheyenne, population of 66,335, the Capital City’s insurance carrier required a 64% increase in premiums for existing coverage. Cheyenne’s Mayor Marian Orr replied, “This would have cost the city an additional \$5 Million, which would be a total of \$12 Million in a \$48 Million annual budget.” She further explained that the city negotiated a new plan with a different insurance carrier which has typical deductibles and co-payments. The City of Cheyenne municipal leadership chose not to pass the increase onto their employees, but will to continue to pay all of the employee premiums. The result is the City of Cheyenne had to absorb an additional cost of ~\$1.5 Million in their annual budget.

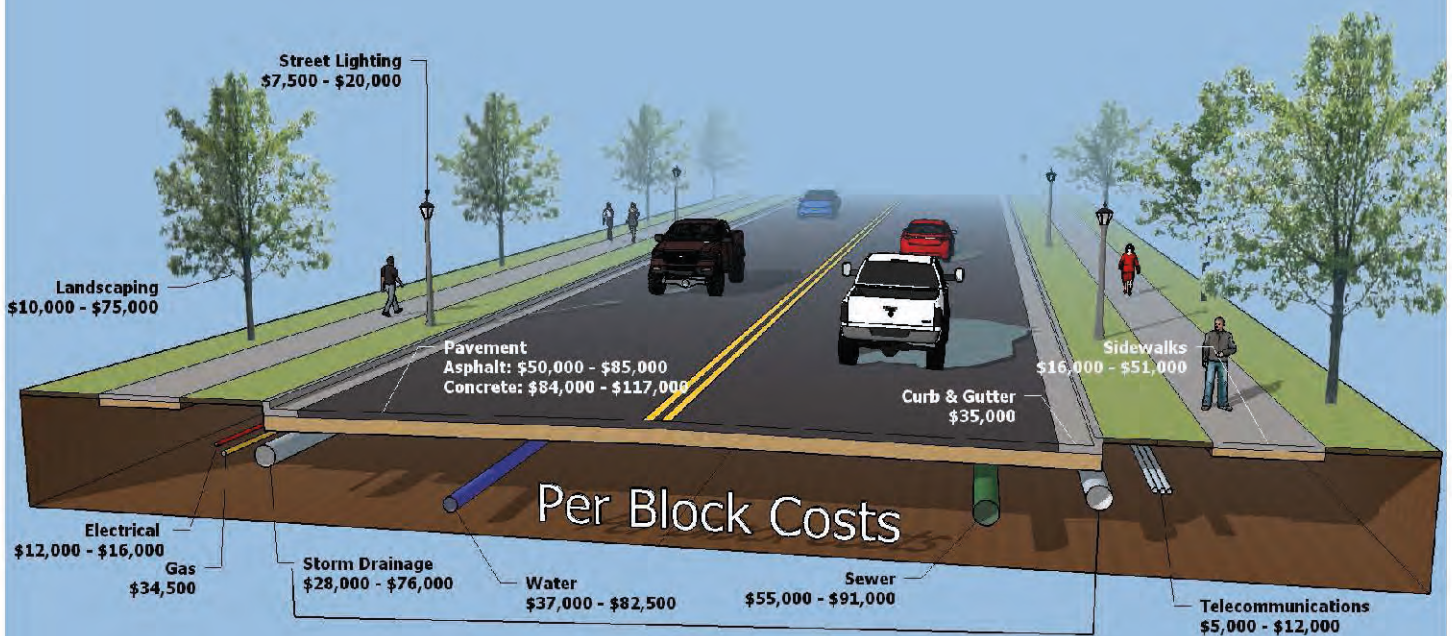
Finally, as this report examines Wyoming’s municipalities current conditions it is important to stress that retaining qualified and committed municipal employees is only part of the long-term challenge facing our Wyoming cities and towns. Wyoming citizens rightfully expect the streets and sidewalks to meet transportation standards. Yet, construction costs on average are one-half million dollars per city block not accounting for the long-term maintenance or replacement costs (WAM 2016, pages 24-25). What is further staggering are the long-term costs if maintenance is delayed. The City of Gillette recently completed an evaluation of the financial investment required to maintain the cities’ assets (drainage/street/pathway/sidewalks), but does not include Enterprise Fund projects like water or sewer infrastructure. This evaluation compared actual budgeted amounts from 2012 to 2016, 2017-2018 budgeted amounts, and then projected available funding into 2023. The conclusion is lack of funding maintenance in the near future will result in considerably higher costs over time due to inflation and the likelihood of replacement. The following graph illustrates that as the available funding is decreased the amount of dollars to maintain or replace the assets jumps four-fold (Figure 2).

In addition to the day-by-day expenses accrued at a municipal level, there are often expenses related to expensive infrastructure (roads, storm and sanitary sewers) or capital construction for buildings or economic development.

WAM October 2016 Municipal Finance Report



Wyoming Association of MUNICIPALITIES



CITY STREETS ARE MORE THAN JUST PAVEMENT.

Note: A block is equal to 400 feet for this graphic. The dollar figures were collected from multiple cities in Wyoming. The costs vary based upon the street classification (i.e. local residential vs. high-end commercial).





The City of Cheyenne maintains 364 lane miles of asphalt surface, which is close to the distance between the City of Cheyenne to the Town of Pinedale.

NATIONAL COMPARISON OF MUNICIPAL FINANCE

"Communities that don't matter don't exist." 18

METHODOLOGY

STATE-TO-STATE COMPARISON

This study compares data from all 50 states and Washington D.C. for national trends, but primarily this report focuses on two sets of states – Border and Energy. The two groupings were defined in the May 2017 Wyoming Legislative Service Office (LSO) presentation and are used in this report to aid in legislative decision making. Border States are those adjacent or bordering Wyoming - Colorado, Idaho, Montana, Nebraska, South Dakota, and Utah. The Energy States are states with similar natural resource economics - Alaska, New Mexico, North Dakota, Oklahoma, and Texas. Throughout the report, when a state-to-state comparison is described then it primarily will compare with Border or Energy states.

U.S. CENSUS BUREAU DATA

Under contract with WAM, Community Builders, Inc. (or CBI, a Wyoming-based consulting firm) compared U.S. Census Bureau data for all 50 states and Washington D.C. CBI prepared a detailed national comparison report which is attached as Appendix B. Excerpts of the text and charts are reiterated within this section but additional information can be found in the Appendix. The Census Bureau data is the same data source used in the May 2017 LSO presentation to the JRC and often the primary source for other referenced information. Note, the Census Bureau data is not available for 2001 and 2003, and data for years prior to 1993 is inconsistent and therefore not used in this report (Census 2017). The Census Bureau data collection methodology is the same nationwide.

To evaluate municipal data, the Census Bureau gathers data from the largest municipalities in each county across the nation. For Wyoming, the Municipal Government Only data includes data from 48 of the largest municipalities, including every county seat. The Census Bureau then creates estimates for all of Wyoming's 99 municipalities. For Municipal Government Only, the detailed data is from the 2012 Census of Governments (COG12). Every five years (2012 being the most recent), the Census Bureau enhances its annual methodology to create detailed estimates for each kind of local government, including municipalities. The COG12 data allows us to glimpse a snapshot of municipalities as of that point in time (2012) while removing the other “local government” entities like special districts and school district data.

Comparisons in charts and text throughout CBI's report and this section is organized at two comparative levels. The first level of analysis illustrates long-term trends for the Census Bureau's definition of “local government” (which includes counties, school districts, special districts and municipalities). At this level, fiscal data for all these types of local government in all 50 states is compared to Wyoming. The second level of analysis is a snapshot of the Municipalities Only fiscal conditions, as of 2012. The Municipalities Only data for Wyoming can then be directly compared to the same data set for All States, Border States, and Energy States. Unlike the broader category of “local government” finance, municipal government-only data cannot easily be gathered in a time series.

NATIONAL LEAGUE OF CITIES

The National League of Cities (NLC) is the nation's leading advocacy organization devoted to strengthening and promoting cities as centers of opportunity, leadership and governance. NLC's Center for City Solutions and Applied Research provides research and analysis on key topics and trends important to cities aiding local officials to tackle tough issues and opportunities (NLC 2015 and NLC 2016).

TAX FOUNDATION ORGANIZATION

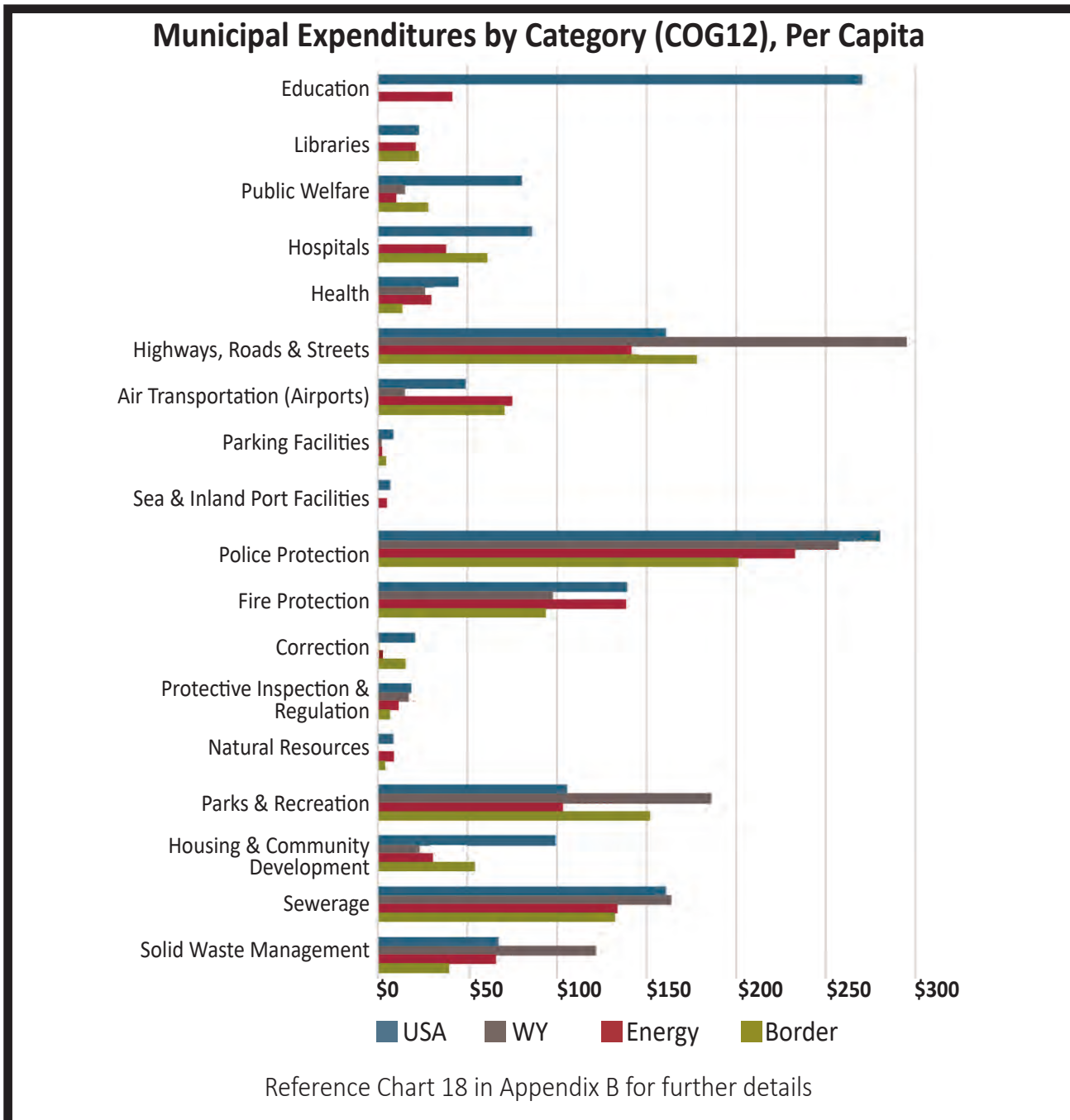
The Tax Foundation is the nation's leading independent tax policy research organization. According to the their Website, research and analysis is guided by Simplicity, Transparency, Neutrality, and Stability (TAXFF 2017).

EXPENDITURE AND REVENUE COMPARISONS

Comparison of National and Wyoming Municipal Expenditures

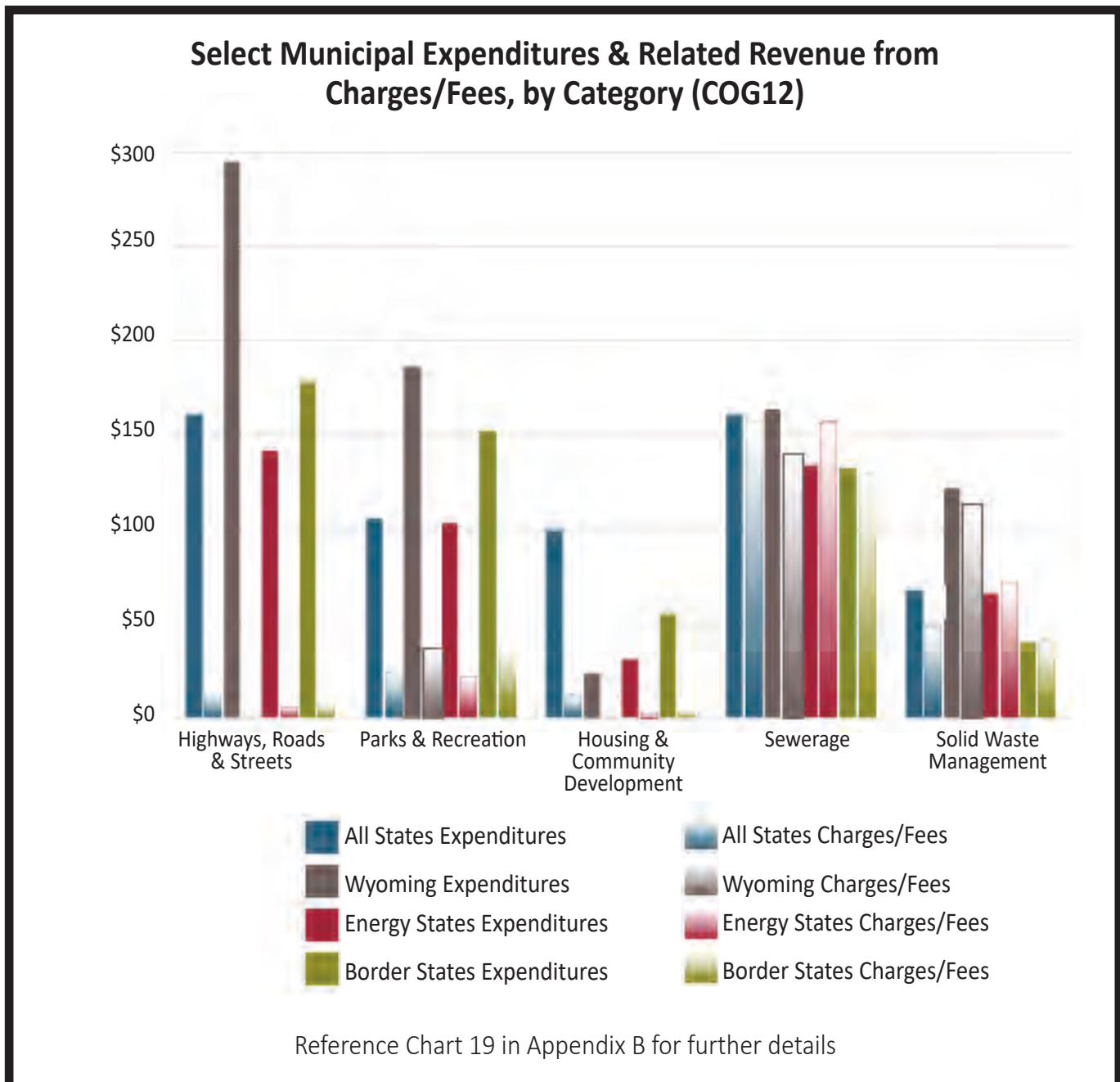
The Census Bureau provides COG12 data for all major categories of municipal revenue and expenditures. Per capita expenditures, as of 2012, for each major category are provided in the CBI report's Chart 18 below. The chart illustrates several facts with which many observers are already familiar. The bulk of municipal expenditures in Wyoming is on streets, public safety, parks, sewer and solid waste management. Wyoming highways, roads and streets are expensive to fix (even the relatively "short" streets within municipal boundaries). Similarly, it is expensive to provide police protection and maintain parks.

- The largest expenditures for Wyoming municipalities are for streets (\$295 per capita, much more than in other states), police protection (\$257 per capita, about the same as other states) and parks (\$185).
- While some services are not relevant to Wyoming (e.g., sea ports), Wyoming municipalities generally expend less per capita than most other states for most other services, as seen below.



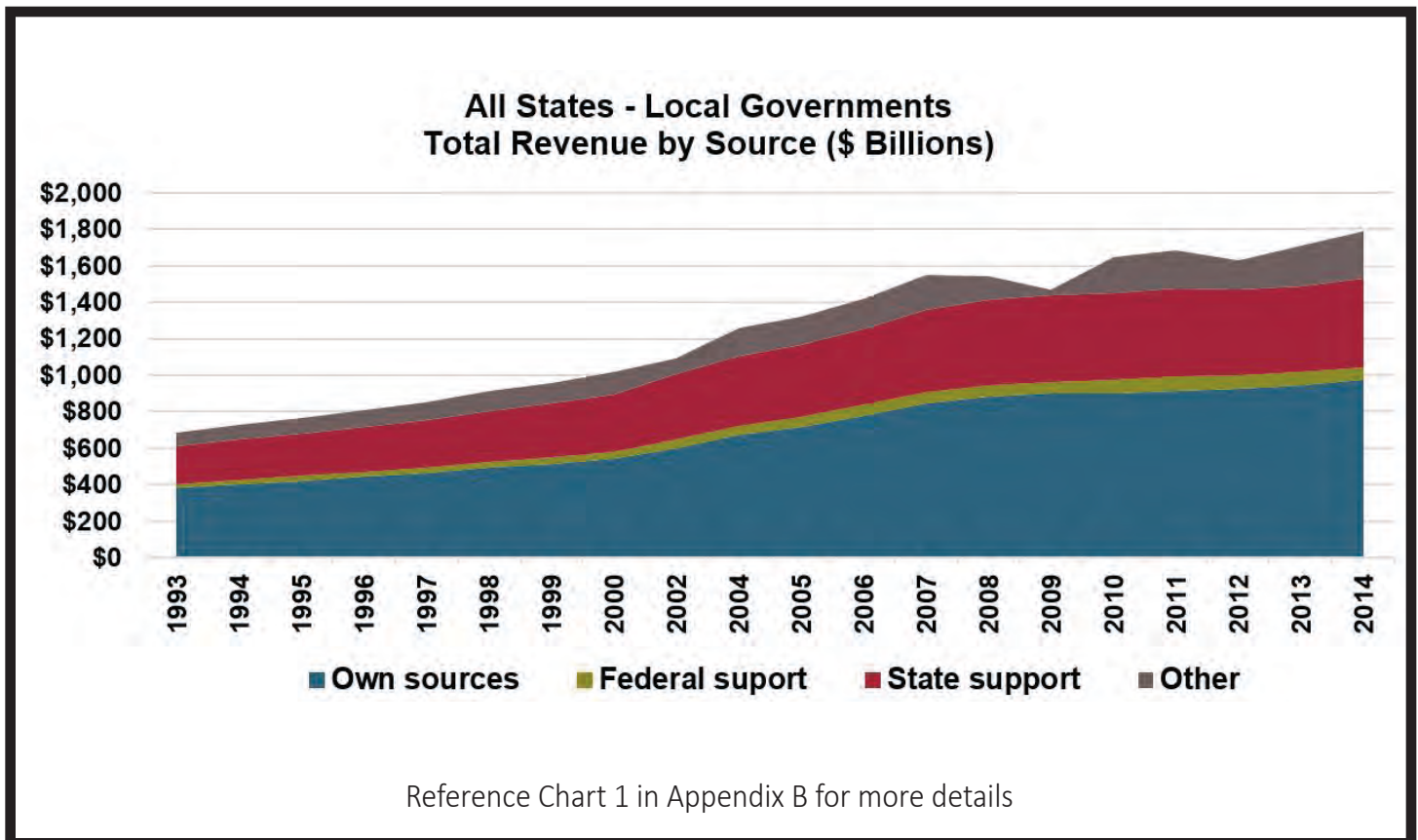
NATIONAL COMPARISON

Municipal Revenue from Charges & Fees helps fund some municipal services, but others (such as streets) do not generate sufficient revenue to support them. For example, Wyoming municipalities paid about \$295 on streets in 2012, yet generated only \$0.37 in related Charges & Fees. It is these services that are at risk of failure when there is insufficient general revenue to pay for them. Sewerage and Solid Waste Management generate more revenue per capita in Wyoming than other states. (Note: Revenue for these services is typically mandated within the rules for operating enterprise funds). CBI report's Chart 19 below illustrates the gap between municipal expenditures and revenue from Charges & Fees. Municipalities are forced to use general revenue to make up the difference. For enterprise funds (e.g., Sewerage), the gap is small, but for other services (like streets), the gap is so large that downturns in municipalities' general revenue leave communities at risk.



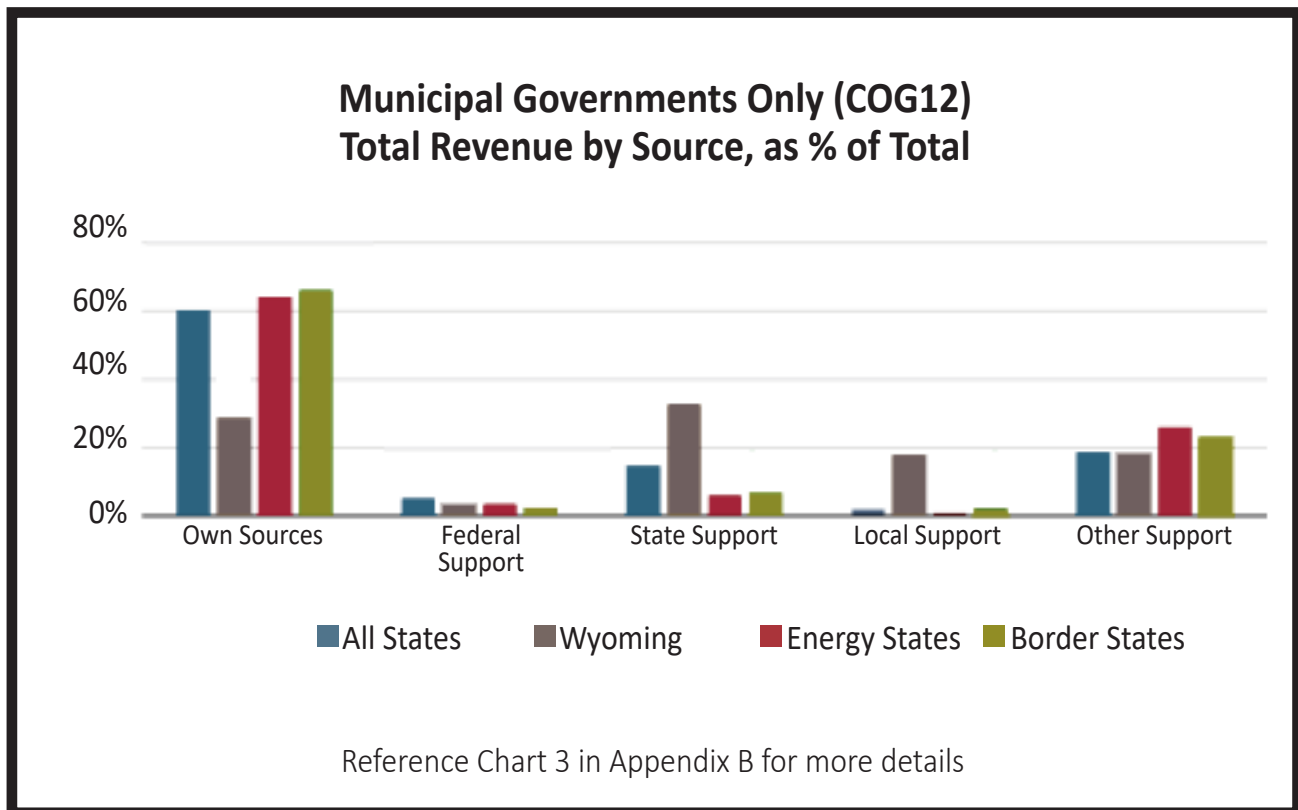
Comparison of National and Wyoming Municipal Revenue

Census Bureau data indicates that municipal general revenue funding in most states is generated from their “own sources”. Own Source revenue includes local option taxes, user fees, and other charges. In a few states, municipalities also receive other types of revenue, including utility revenue, liquor sales revenue, and insurance trusts. The latter three are negligible in our report and are consolidated into the Other category in figure below. As CBI report’s Chart 1 illustrates, there has been a general growth trend for All States - Local Governments revenue streams, with occasional volatility driven by economic conditions (e.g., the impact of the 2008 recession is obvious in 2009). Note, again, that the term “Local Government” includes counties, schools, special districts and municipalities. Therefore, it is important to remember that any particular revenue stream might be dominated by a certain type of “local government” (e.g., public schools).



Nationally, the mix of revenue streams is very similar to revenue for the broader group of all local governments. However, municipal revenue includes local government revenue sources, also. An example of this might be a county paying a municipality for a joint powers board service (like a dispatch center). In Wyoming, less than 30% of municipal revenue comes from “own sources,” compared to 60% nationwide (even higher in Energy States and Border States). It appears that revenue from other local governments and the State of Wyoming makes up the difference, as CBI report’s Chart 3 illustrates.

Note: While ‘State support’ is significant for Wyoming municipalities, the percentage of ‘Local support’ for municipalities is unmatched anywhere in the nation because this includes local option taxes (5th, 6th and 7th penny). Also, own source capacity percentages can be higher depending on how the miscellaneous categories are evaluated. For example, NLC concludes that Wyoming has 34% own source capacity (App A, Table 3) while CBI’s report indicates 28%.

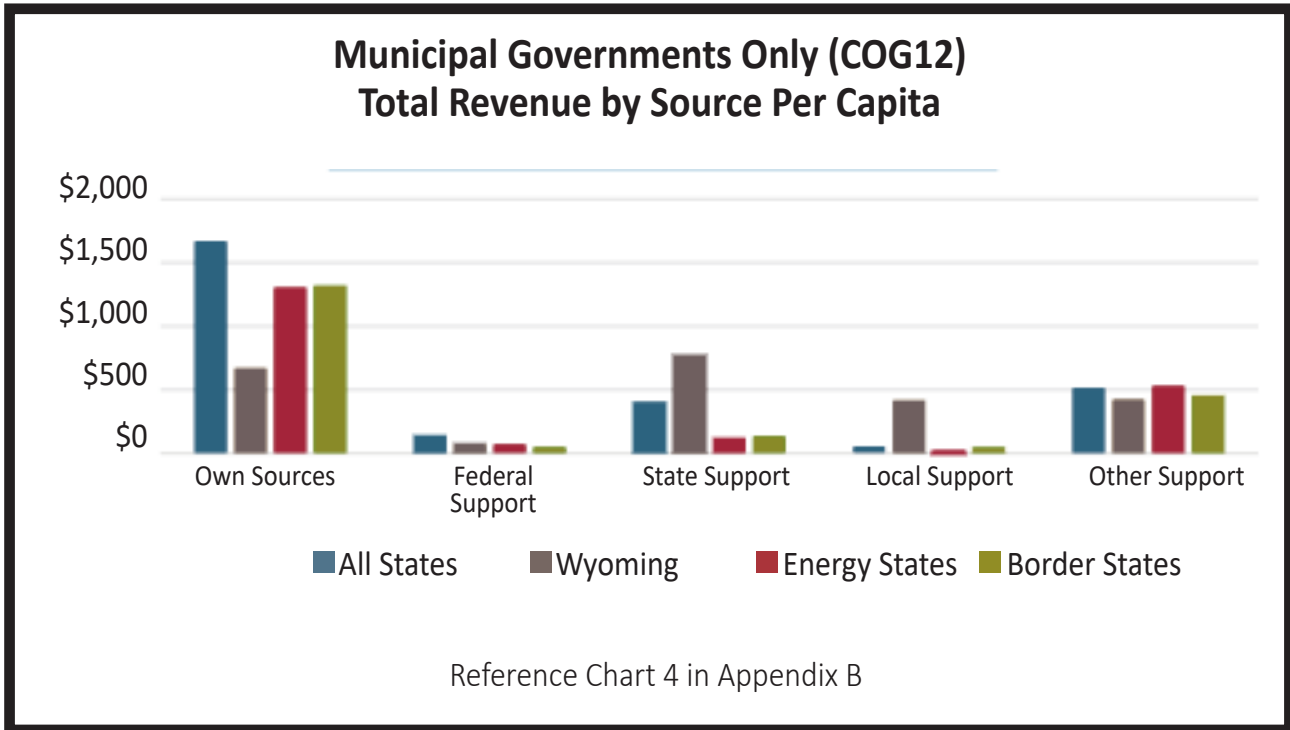


In Wyoming, municipal revenues are dramatically different from national averages. These differences are readily apparent when analyzing revenue on a per capita basis. For example:

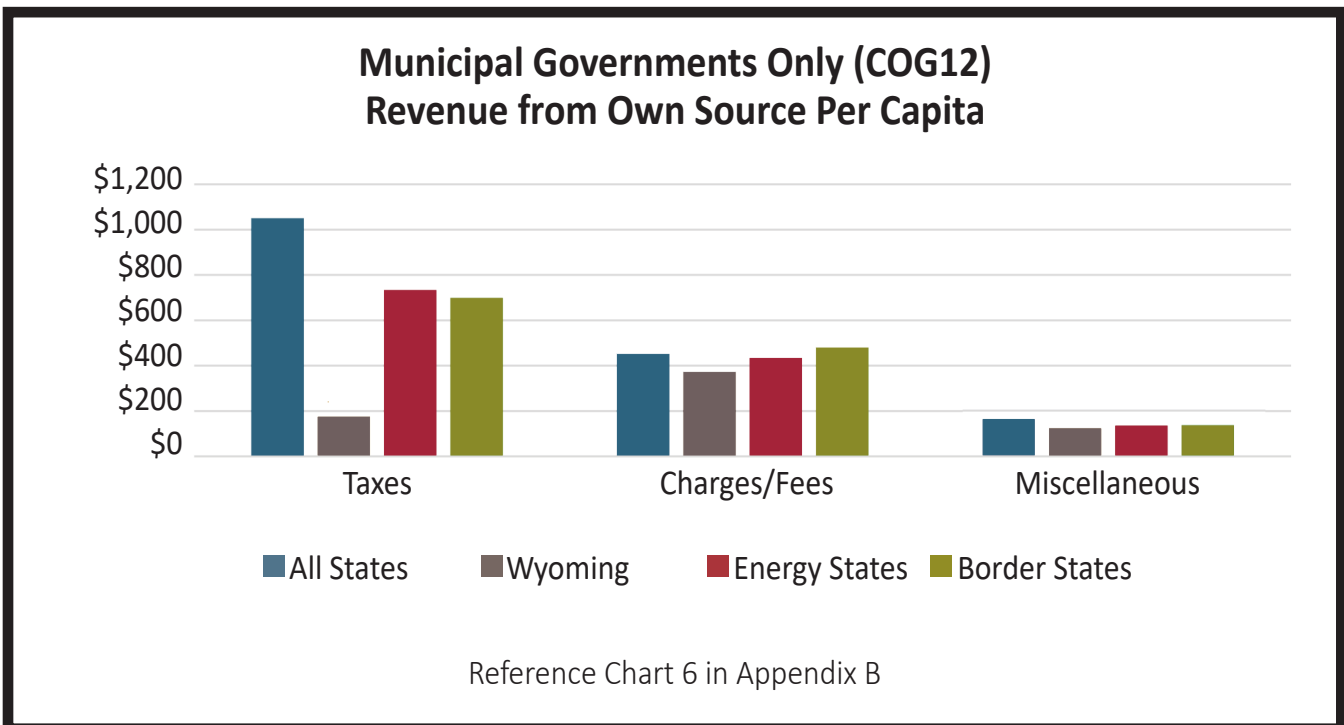
- On average, Wyoming municipalities generate just \$670 per capita from their ‘own sources,’ which is nearly \$1,000 less than municipalities in other states
- Federal support for municipalities in Wyoming is much lower than other states
- Municipal revenue from utilities in Wyoming is about the same as other states (this is included in category of ‘Other support’ in charts below)
- Compared to other states, Wyoming provides strong state support to its municipalities (\$766 per capita, which is much higher than the national average of \$402)

Even more impressive is the amount of revenue that Wyoming municipalities receive from other local governments (\$416, which is the most in the nation; Appendix B, page 11). Wyoming’s cities and towns are generating about \$1,000 per capita LESS than other states from their “own sources”. This shortfall is partially made up by increased support from other local governments and the State of Wyoming, as shown in CBI report’s Chart 4 below. It should be noted that, while State support for municipalities is very strong (\$766 per capita), the amount of Local support for municipalities is the most of any state (\$416 per capita). Only one other state has a similar revenue structure for municipalities (Kentucky, where revenue from the State is \$612 and from Local governments is \$312 per capita).

Wyoming’s cities and towns are generating about \$1,000 per capita LESS than any other state from their “own sources.”



The lack of capacity to generate municipal revenue in Wyoming is directly tied to extreme limitations on the ability of municipalities to generate local tax revenue. CBI report’s Chart 6 below illustrates that Wyoming municipalities raise just \$175 per capita in taxes. Other “own source” revenue streams in Wyoming are comparable to other states’, but the lack of tax authority prevents municipalities from closing the gap. This is true regardless of whether one compares Wyoming to all states, Border States or Energy States, as shown below.



Just as water, sewer, and public safety are considered essential public services, parks are vitally important to establishing and maintaining the quality of life in a community, ensuring the health of families and youth, and contributing to the economic and environmental well-being of a community and a region.

Parks & Recreation have 3 values that make them essential services to communities:



**Health &
Environmental
Benefits**



**Social
Importance**



**Economic
Value**



The \$4.4 million Mike Sedar facility in Casper opened to the public June 4, 2016. This project was funded by a 1 cent optional tax. This facility had over 80,000 visitors in it's first year, a 125% percent INCREASE in visitors to the old facility.

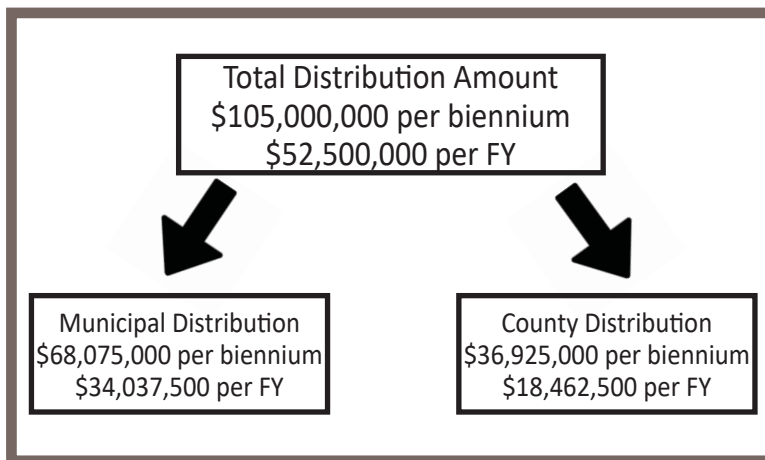
MUNICIPAL REVENUE CAPACITY RECOMMENDATIONS

"Communities that don't matter don't exist."26

RECOMMENDATION #1

Secure at least \$105 Million Appropriation for Cities, Towns, and Counties until other ADEQUATE municipal funding options are in place

Funding for Local Government was approved in the 2016 Wyoming Legislative Budget Session in the amount of \$105 Million for Direct Distributions only, with the funds coming from the LSRA. If the Direct Distribution were removed for FY 2019-20, state-aid to Local Governments would be in a 10-year decline of greater than 80% (DOA 15-16). Until other sources of revenue are approved and implemented, Wyoming cities and towns depend on the Direct Distribution funding from the State. These dollars must be secured again this biennium for at least the \$105 Million funding level. **The \$105 Million is distributed to municipalities and counties over a 2-year period with \$34 Million shared among the 99 municipalities per year.**



While it could be argued that too much state aid makes municipalities beholden to the state, in general, well-structured state aid increases the overall capacity of municipal governments and in many instances provides a level of equalization and base support for municipalities that may lack other resources.

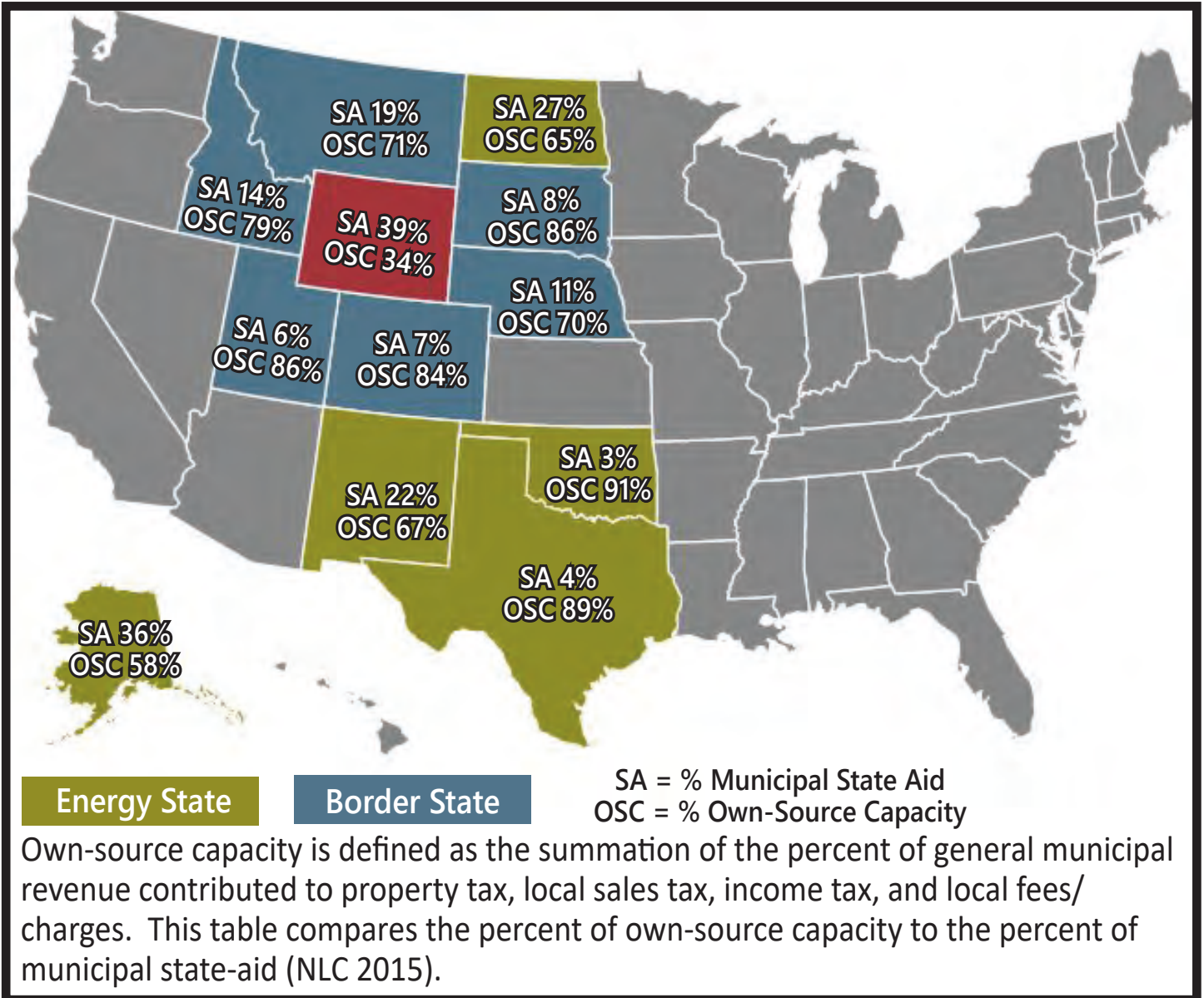
Cities and State Fiscal Structure - 2015, NLC

In order for Wyoming municipalities to meet the essential needs and quality of life amenities required with economic growth, certainty of funding must be available. Additional own source options could be valuable tools for larger Wyoming municipalities, but it cannot be over-stated that most of the Wyoming towns with very limited populations have little to no ability to generate revenue to offset the current state funding. **Any reduction in state funding should not take place without other certain, equitable and sustainable replacement revenue streams.**

STATE-TO-STATE COMPARISON

Wyoming provides the highest amount of state-aid to Local Government due to our existing tax structure that shares the benefits of our natural resources. This is good in a state where 81 of the 99 municipalities have less than 4,000 people and therefore have a very limited municipal fiscal capacity to generate own-source revenues to sustain their community's needs. As this report continues to stress, the remaining cities with greater than 4,000 people do not have statutory authority for own-source revenue funding so their fiscal capacity is very limited.

The National League of Cities' 2015 report identifies the percent of a state's municipal General Revenue from property tax, municipal or local option Sales and Use tax, income tax, and local fees, charges, and miscellaneous (App A, Table 3). NLC's summation of the locally generated taxes, fees and charges makes up the municipality's 'own-source capacity'. The following map compares the own-source capacity and state aid percentage between Wyoming and the Border and Energy states. According to NLC, Wyoming municipality's have little own-source capacity (34%), but a high percentage of state-aid (39%). In comparison, other states with natural resource wealth like Oklahoma and Texas offer very little state-aid to their municipalities (3% and 4%, respectively), but their municipalities have a high percentage of own-source capacity (91% and 89%, respectively). Among the Energy states Alaska provides a similar percentage of state-aid to its municipalities as Wyoming, but the difference is Alaska's percent state-aid includes aid to their school districts.



LEGISLATIVE ACTION #1

WAM strongly suggests that legislation is passed to fund Wyoming's towns, cities, and counties at a minimum of \$105 Million. A new 2018 budget appropriation bill for Local Government should identify that the funding be secured from the LSRA or another certain source. State-aid should continue until other municipal own-source capacity tools are fully in place to replace the required revenue stream. Also, understanding that many Wyoming municipalities may not have the population or tax base to generate sufficient own-source revenues, therefore sustainable state-aid should be solidified.

RECOMMENDATION #2

Revise tax laws to INCREASE Municipal Revenue Capacity

Wyoming Sales and Use tax percentage has not increased since 1993, but the population has increased by 27%, with ~70% of Wyoming citizens living within a municipal boundary (WAM 2016, pages 10 and 30). If Wyoming wants a diversified economy as current initiatives support (i.e., ENDOW), Wyoming's towns and cities must be able to provide the essential services and quality of life amenities that new businesses expect. On the current trajectory, that will just not be possible. **More population growth, means a greater volume of public services, and without a change in the state's tax structure, an increased volume of public services only means increased taxes on existing taxpayers (TR 2000).** WAM members offer the following revisions for the Legislature to consider as additional tools in the Municipal Revenue Toolbox.

Wyoming's tax and legal framework provides insufficient fiscal autonomy to municipalities; municipal revenue capacity is so severely constrained that the majority of cities and towns cannot provide for the critical needs of either individual or residents.

Janine Jordon, Laramie City Manager

LOCAL OPTION TAX REVISIONS

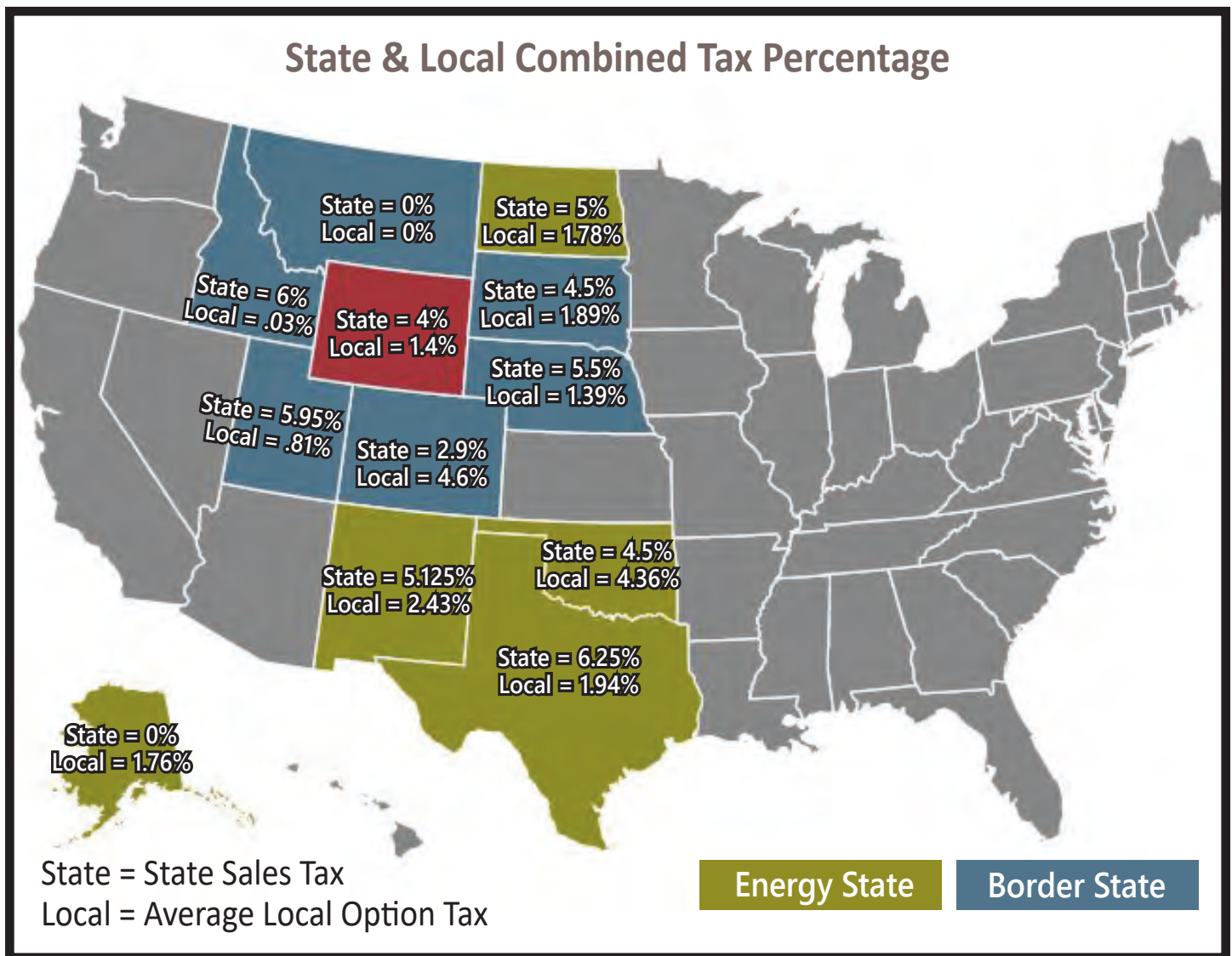
Currently, W.S. 39-15-204 provides local option tax authority. This includes options for general purposes, capital outlays and economic development which in combination cannot exceed an additional 3%. The general purpose is commonly referred to as the 1-cent optional Sales and Use tax or 5th penny, and can be used for general purposes. The specific purpose is commonly referred to as the Capital Facilities Sales and Use tax or 6th penny, and can be used for construction of buildings, roads or other infrastructure projects. Both the general and specific purpose tax can be up to 2%, but at this time no local governments have more than 1% of both of the tax options in place. The optional economic development tax cannot exceed 1% (App C). Projects that this local option tax would support must be approved by at least two-thirds of the incorporated municipalities' and the county' governing body before presenting a ballot to the county residents for majority vote.

Enhanced flexibility to the existing local option statutes should be considered. Revisions approved during the 2017 Legislative session in House Bill 82, granted that local option taxes may be imposed through separate propositions up to the allotted percentage. This allows for increased incremental flexibility without jeopardizing the entire tax. WAM members passed a resolution at their 2017 Convention seeking to allow an optional general revenue tax for a specified purpose that can be used for capital and operational expenses, that is in addition to all current taxes that may be levied in W.S. 39-15-204, and that allows such a tax to be implemented in increments of one-tenth of one percent (.01%) not to exceed a rate of 2%, and that would follow the same imposition and removal procedures as a general revenue tax as identified in W.S. 39-15-204(a) (i). For example, if the specific purpose tax or 6th penny tax fulfilled the amount of funding required for the approved projects then the tax would continue to be collected to fund priorities such as general purpose use, transportation, street repair and maintenance, facilities maintenance. The additional revenue to general purpose use would be clearly identified in the ballot initiative.

More flexibility could be gained within the existing local option tax structure and revenues could be maximized – if all local governments within a county agreed. One major disadvantage of the existing local option tax structure is the implementation of this revenue stream is dependent on a county consensus. If a municipality wanted to impose a general or special purpose tax as an own-source revenue tool, but the county board of commissioners do not agree, then the municipality would not have access to the additional revenue source. In essence, the residents of a municipality are not be able to cast a vote for the betterment of their community under the existing statutes.

STATE-TO-STATE COMPARISON OF LOCAL OPTION TAXES

According to the Tax Foundation (matches data presented by LSO to the JRC in May 2017), the state Sales and Use tax rate for all Border and Energy states, except for Alaska, is greater than Wyoming (TAXFF 2017). If the average local option tax rate was added to the state Sales and Use tax rate, then Wyoming would be second to last for the combined tax rates. In Colorado, the state Sales and Use tax rate is only 2.9%, but on average Colorado cities and towns have a local option municipal tax rate of 4.6% which lends to a combined average of 7.5% (App A, Table 4). It is interesting that Alaska has a low combined tax rate of 1.76%, but according to the COG12 data Alaskan municipalities on average gain 25% of their municipal General Revenue from property taxes, 9% from municipal local taxes, and 24% from fees, charges and miscellaneous - with a total own-source capacity of 58% (App A, Table 3).



PROPERTY TAX REVISION

Although raising taxes is never the preferred option, WAM believes that evaluating existing property tax laws to increase the fiscal capacity is imperative. Increasing property tax is not a solution to replace large revenue sources like state Sales and Use tax or Direct Distribution, but it could be a tool in the Municipal Toolbox to supplement Local Government revenue.

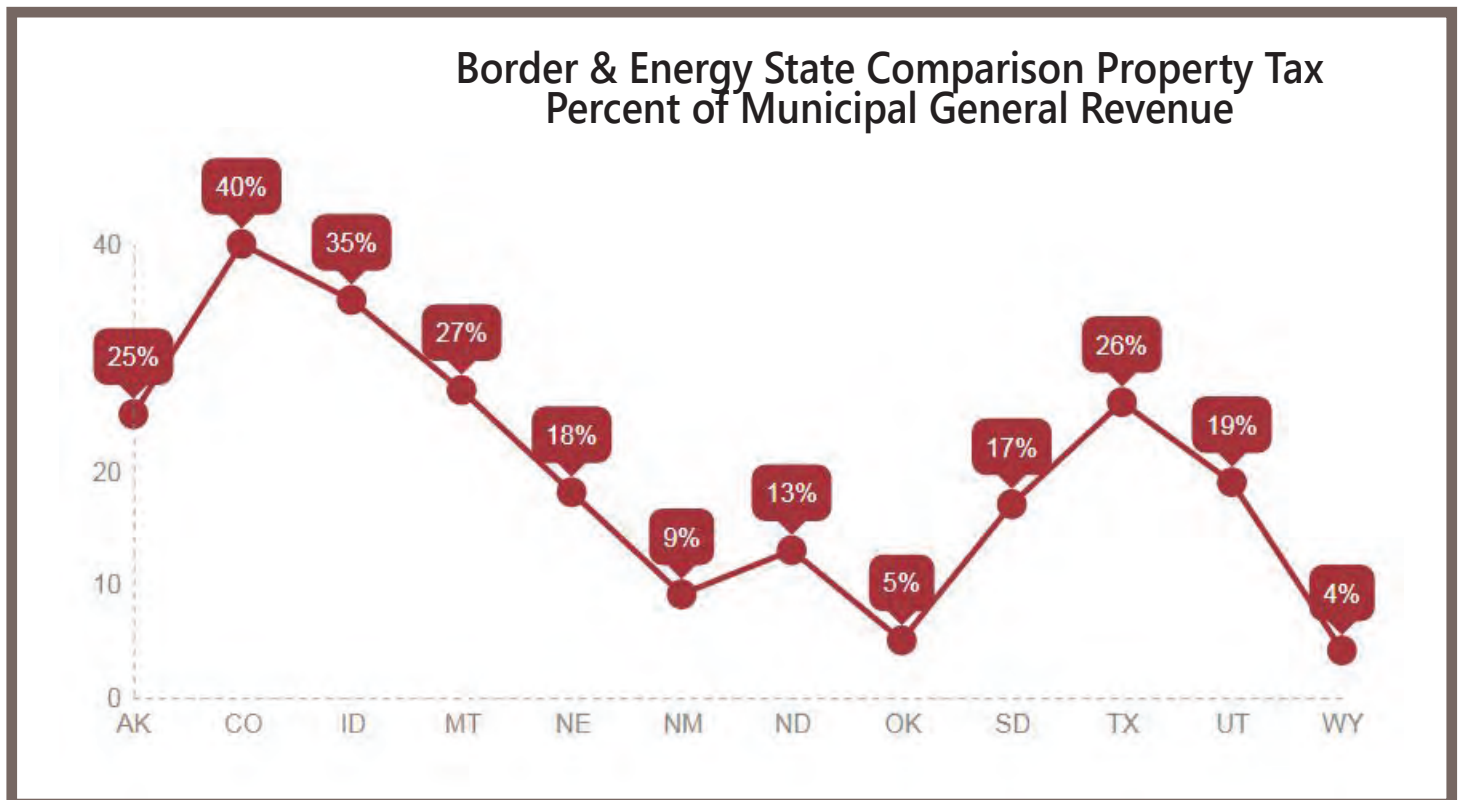
WAM prepared an estimate of increasing the statutory assessment by 1% for residential and commercial, not industrial or state. This data analysis utilized populations estimates from the Department of Administration and Information, Economic Analysis Division and county assessed valuations from the Department of Revenue. In the data analysis, the county assessed valuations are a proxy of the local assessed on the same percentage as the distribution of the population and it assumes all municipalities impose all 8 mills on the valuation. Appendix A, Table 4 is an example of a 1% increase which can be incrementally adjusted for additional percentage points. In short, increasing the assessment percentage by 1% for residential and commercial property increases the total tax realized cumulatively across all 99 municipalities by \$3.6 Million or 12%.

“As has been the case for much of the past two decades, regardless of state of national, regional, or local economies, the most common action taken to boost city revenues has been to increase fees charged for services. The second most common revenue action is increasing property tax.”

NLC 2016

STATE-TO-STATE COMPARISON OF PROPERTY TAX

According to NLC’s *Fiscal Structure of Cities and Towns 2015* publication, Wyoming’s municipalities gain the least percentage of revenue from property tax, much less than any of the other Border or Energy states. All other comparable states utilize property tax, local option taxes, and municipal fees to increase revenues and thus increase their municipalities’ own source capacity.

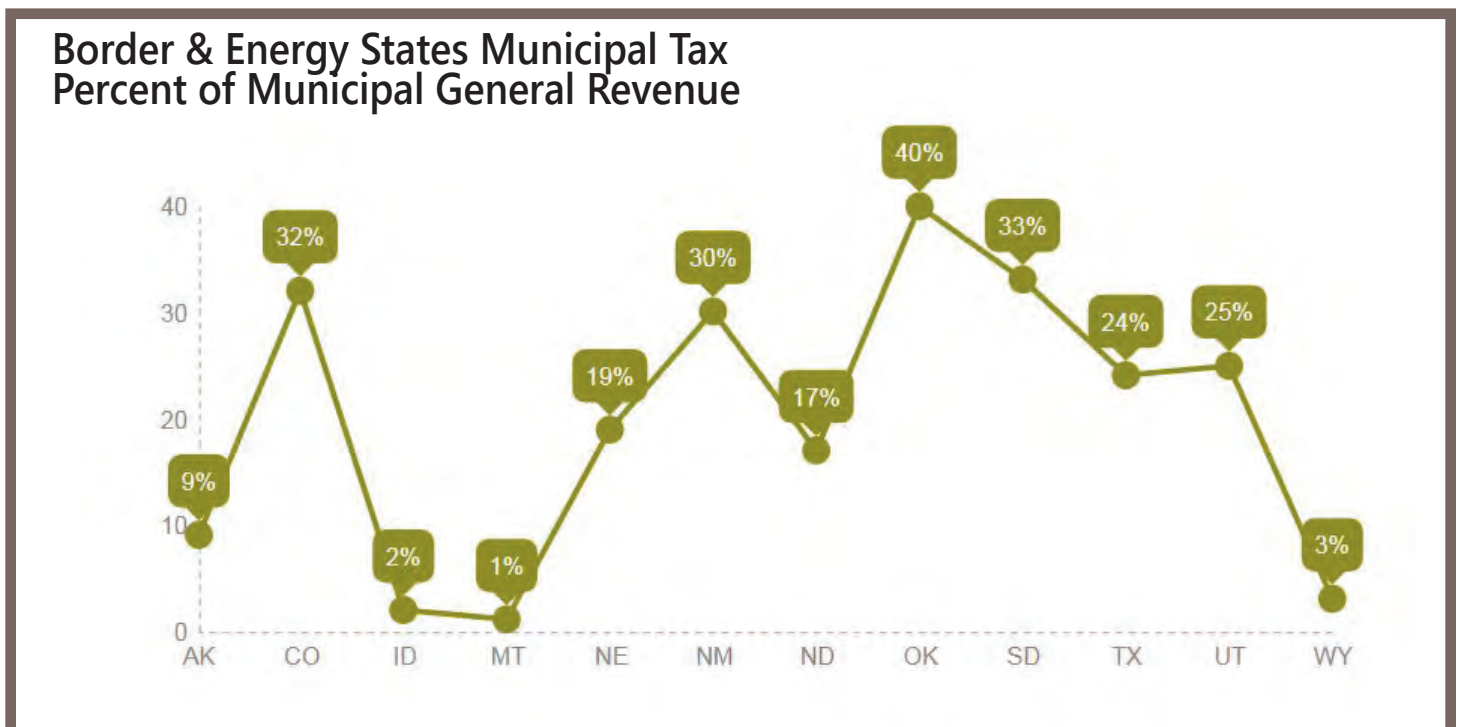


MUNICIPAL SALES AND USE TAX

Restrictions on local taxation authority and municipal access to the local tax base cause Wyoming cities and towns to have the least local fiscal authority and the highest reliance upon State resources among the 50 States. Although, a municipal tax could compete with the existing county local option tax, WAM considers it a worthy consideration as a tool for the Municipal Toolbox. As noted previously for scenarios where the county cannot agree on the local option tax, a municipality can be blocked from a needed revenue source. Across the nation, many states give authority to their municipalities to impose and often collect local sales tax. This allows the local community to vote to add 1-2 cents on a dollar to support the general fund, provide necessary capital improvements, or to build community amenities. Home Rule, implemented in many states, allows municipalities to impose and collect their own taxes. In Wyoming, this would likely be a tool for first-class cities and if legislation allowed, it could be expected that the local municipal government would be responsible to collect. Not only the allowance of a municipality to impose their own Sales and Use taxes, but WAM members believe local control should be given to increase fees like liquor license or other fees currently set by the state.

STATE-TO-STATE COMPARISON FOR MUNICIPAL SALES AND USE TAX

Data in the NLC 2015 report illustrates that Wyoming has one of the lowest state sales tax rates (4%), and the lowest own-source capacity (34%) compared to the Border and Energy states. Municipal fiscal authority is given to a municipality if they can levy a tax, control a tax rate or use the tax revenue for general use (NLC 2015). Municipalities in all 50 states can impose some level of authority on municipal property tax while 29 states have authority to impose a municipal sales tax (NLC 2015, App A, Table 3). According to the Colorado Municipal League staff, Colorado's State and Local Sales and Use tax fund 50-75% of the municipal operating budget while property taxes and fees make up the remainder. As below figure indicates, on average Colorado municipalities add 32% to their general revenue through a municipal tax while Wyoming municipalities' taxes only add up to 3% of their general revenues. As stated throughout this report, most Wyoming towns do not have the population or local tax base to practically impose a municipal tax, but WAM suggests that the option to impose a municipal tax should be another tool for the larger cities to utilize.



INCREASE STATE SALES TAX TO 5%

Another option to provide revenue to Wyoming's cities and towns would be to increase the statewide sales tax from 4% to 5%. The state Sales and Use tax was last increased from 3% to 4% in 1993 when the population of Wyoming was 493,782. Now almost 25 years later, Wyoming has an increased population of 585,501 – a 16% increase in residents to serve. By adding one penny to every dollar, it would increase the state revenue by an estimated \$157 Million. Considering the existing allocation of 69% to the state and 31% to the Local Government (municipalities and counties), this would add an additional \$32 Million and \$17 Million, respectively.

Another option to help municipalities to steady their revenue would be to make permanent each county's local option 5th penny. WAM evaluated what a permanent additional 5th penny Sales and Use tax at the existing distribution would offer to the 99 municipal budgets (App A, Table 6).

STATE-TO-STATE COMPARISON TO INCREASE STATE SALES TAX

As noted throughout this report, Wyoming has a low state Sales and Use tax rate especially when the average Local Option Tax is combined. Wyoming at 4% has the lowest combined tax rate compared to all Border or Energy states except Alaska (TAXFF 2017, App A, Table 4). For example, the state level Sales and Use tax for Border states is mostly higher than Wyoming - Idaho (6%), Nebraska (5.5%), and South Dakota (4.5%). *All data clearly indicates that Wyoming Local Government, particularly municipalities, have little fiscal authority and are severely limited with own-source revenue generating capacity.*

REVISE SALES TAX ALLOCATION

In considering multiple options of tax law reform, WAM believes it is valuable to not only evaluate the percentage of the state Sales and Use tax, but also consider changes in the current allocation. The current allocation of 69% to the state and 31% to local government was implemented in 2005. WAM suggests evaluating a sliding scale approach such that as the Sales and Use tax in Wyoming increases then a higher percentage would be allocated to the local government. This plan assumes success of the current initiatives to increase economic diversity and as implemented captures costs that will be required to maintain the increased population and services. Also, this idea could offset tax exemptions that may be needed to entice economic development. Understandable the state is reliant on their portion, but if this step-wise approach were thoughtfully implemented it should not reduce the current dollar amount. This option would likely have 3-4 benchmark limits that if met would be automatically adjusted by the DOR. The intent would be to keep it simple and easy to administer by the DOR. WAM members prepared an example attached in Appendix D.

STATE-TO-STATE COMPARISON FOR SALES TAX ALLOCATION REVISION

In our research, we have not found other states with similar sliding scale programs. Yet it is evident that the states with economic diversity impose a variety of tax options that maximize the economic growth and thus share the tax burden across a broader base.

LEGISLATIVE ACTION FOR RECOMMENDATION #2

LOCAL OPTION TAX REVISION

WAM would suggest continued evaluation of the existing local option tax policies to increase flexibility and consistency as a local government revenue source. WAM requests that a bill be presented during the 2018 Budget Session to allow an optional general revenue tax for a specified purpose that can be used for capital and operational expenses, in addition to current taxes levied under W.S. 39-15-204.

PROPERTY TAX REVISION

WAM aligns with current JRC discussion to evaluate the existing assessment percentage. WAM supports a bill during the 2018 session that will increase assessment percentage on property tax for all types of property (residential, commercial, and industrial).

MUNICIPAL SALES AND USE TAX

WAM suggests that a bill is brought forth to allow municipalities to increase the own-source revenue generating capacity and flexibility. The legislation would allow local control and flexibility to impose a Sales and Use tax used for general or special purpose within their municipality boundary or adjust state determined fees. For example, if the state does not impose additional taxes or fees on liquor and tobacco then a local governing body could.

INCREASE SALES TAX TO 5%

WAM would support a statewide increase from 4% to 5% with no less than the current allocation of 31% to Local Government. WAM would also support legislation or county approval to make the 5th penny permanent at the existing distribution of the local option tax.

REVISE SALES TAX ALLOCATION

WAM understands that this tax law change is not beneficial until Wyoming begins to experience a significant rebound of Sales and Use tax. WAM would appreciate that this idea be considered as a topic during the 2018 interim session.

RECOMMENDATION #3

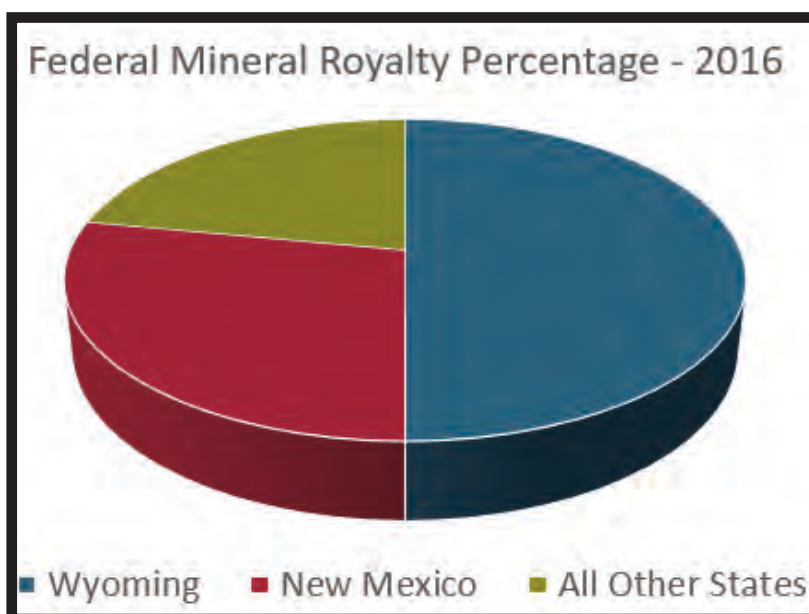
Increase CAP for Severance Tax and Federal Mineral Royalties

Taxes and royalties from Wyoming's natural resources will continue to be a significant stream of revenue. A cap was applied in 2001 on the amount of Severance Tax and Federal Mineral Royalties (FMR) that would be shared to various state and local government entities. Revenue above this cap is placed into savings. Increasing the cap from \$155 Million to \$214 Million for Severance Tax revenues and from \$200 Million to \$275M for FMRs while maintaining the same allocations could help restore lost revenue for many state funded entities. To alleviate some of the erosion in funding from the state sources of revenue, WAM believes the time has come to raise the level of the cap on the Severance Tax and FMRs. WAM is proposing the FMR cap be raised by the Consumer Price Index (CPI) inflation amount to \$275 Million from the current \$200 Million. Similarly, WAM believes the time has also come to raise the Severance Tax cap by the CPI inflation amount to \$214 Million from the current \$155 Million (App A, Table 7).

WAM does not suggest that this would be a replacement of the funding from the Direct Distribution, only another tool in the Municipal Toolbox to increase sustainable fiscal capacity. Many small towns or municipalities in mineral-poor counties would not benefit as much as others.

STATE-TO-STATE COMPARISON

Wyoming is by far the wealthiest state for federal minerals of all 50 states with 50% of the total FMRs nationwide distributed back to the state (App A, Table 8). FMRs are based on the production of the mineral unlike the coal lease bonus that is time-limited and based on an original lease agreement. The FMR revenue should be consistent over the next few years and increase as the production increases for trona, uranium, oil and natural gas. Coal production is expected to stay steady or decline unless new uses of the large amounts of coal materialize. Severance taxes vary considerably across the Border and Energy states. WAM contends that revenues from Severance Tax and FMRs will continue to be a consistent and generous revenue source that many other states envy.



LEGISLATIVE ACTION #3

WAM suggests that legislation be passed to increase the caps for Severance Tax and FMRs, but not change the current allocation percentages. The increase in the caps per the CPI would benefit not only towns, cities and counties, but also the University of Wyoming, School Foundation Program, State of Wyoming General Fund, Highway Fund for County Roads, School Capital Construction, and Water Development Funds.

RECOMMENDATION #4

Remove Tax Exemptions that DO NOT Support Economic Development

As the 2016 October report indicated, municipalities can be detrimentally effected by too many Sales and Use tax exemptions. WAM understands that often tax incentives are critical to maintain business or to stay competitive when a business can locate elsewhere. Wyoming has had many exemptions added over time, without any sunsets. Appendix E lists the current taxable events and exemptions in Wyoming.

WAM believes a broad tax base applied consistently, where limited number of exemptions are allowed, ultimately results in a higher level of collections than one with more exemptions at a higher rate. This topic is not new to the discussion as the Tax Reform 2000

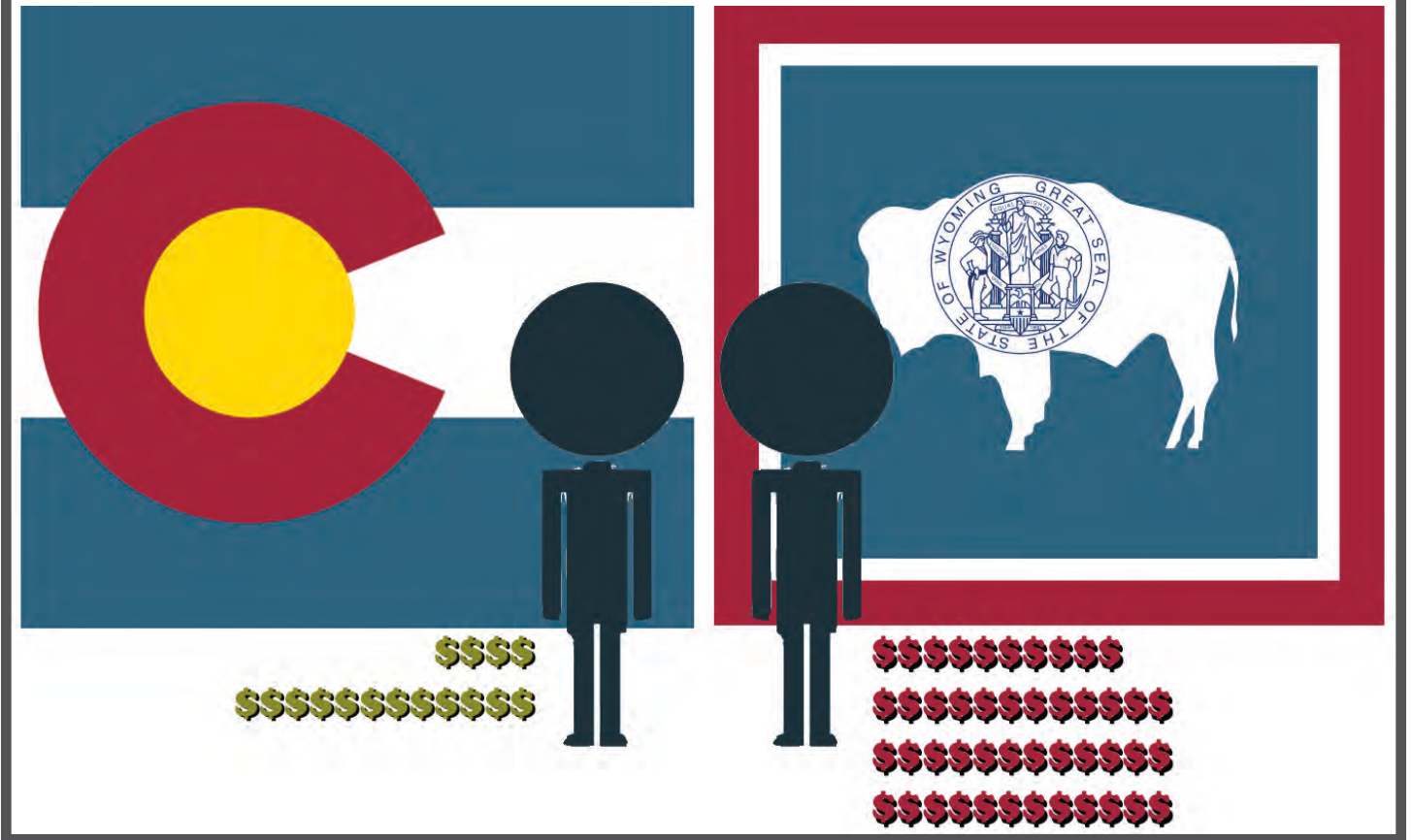
written almost 20 years ago noted, “many exemptions and exclusions may have outgrown their usefulness. The state does not tax personal and professional services, sporting fees, and the repair, maintenance, and alteration of real property. Lower income individuals pay a greater percentage of their income in sales and use taxes than those at higher incomes. Broadening the tax to include services used by higher income individuals would not only generate additional funds to the state, but will also make the tax less regressive (TR 2000).”

As noted earlier in this report, previous tax revenues gained from the sale of groceries or other food was exempted in 2006 with a commitment to replace the loss of revenues for cities, towns and counties. This replacement funding was appropriated for only two years, and is an example of an exemption that was implemented without long term plans like sunsets or if it supports efforts like economic development. WAM members passed a resolution at their 2017 Convention supporting and advocating that the Legislature reinstate taxation on food products for financial support for cities and towns. Taxation on food sales provides a stable source of revenue for local governments, allowing funding for social services. As a tool in the Municipal Toolbox, WAM members request that the exemption on food be removed at the statewide level since imposed at the statewide level. To further illustrate the potential revenue to Wyoming municipalities, WAM coordinated with DOR to generate an estimate of this revenue stream based on projected 2015 population numbers (App A, Table 9).

Tax policy should provide a blue print for the future as how the State, in cooperation with Local Governments, economic development organizations, the business community and citizens can work together to strengthen and diversify the economy.

WAM 2016

Colorado has 14 exemptions compared to Wyoming's 39



STATE-TO-STATE COMPARISON

Further research is needed to understand how other states utilize exemptions. One example though is Colorado, which has a similar geography, but a much more diverse economy. Colorado has 14 basic exemptions compared to Wyoming's 39, with no Colorado exemption in the areas of professional services, sporting fees, or real property alterations. The exemptions for Colorado state-collected local jurisdictions can be found listed on the Colorado Department of Revenue's Form DR-1002.

Data from the Tax Foundation's Facts & Figures How Does Your State Compare? report indicates that 33 states including the District of Columbia do have a food tax exemption, 7 states tax groceries within their base state Sales and Use tax, 6 states have an additional tax on groceries, and 5 states do not have a state Sales and Use tax (App A, Table 10). Certain states that do exempt groceries apply a Sales and Use tax to candy and soda. WAM will coordinate with the LSO to provide any other information that the Legislature may need regarding other states' tax exemptions.

LEGISLATIVE ACTION #4

WAM supports the continual review of the state tax exemptions by the JRC and other Legislative committees. WAM supports bills to remove exemptions that do not promote economic development or do not have a sunset. Any legislation that will broaden the tax base should decrease the burden on the currently limited number of sectors.

37 "Communities that don't matter don't exist."



Part of community survival is based on people believing that something worth doing is worth doing right. Evidence of this is seen when municipalities are able to emphasize on quality in business and community life.

APPENDICES

Appendix A, Table 1
WAM Municipal Finance Report, Volume 2
Direct Distributions to Local Governments and Appropriations to Grant Loan Programs
2005-06 Biennium with Estimated FY 2019-20 in Green

39 "Communities that don't matter don't exist."

Direct Distributions	FY 2005-06	FY 2007-08	FY 2009-10	FY 2011-12	FY 2013-14	FY 2015-16	FY 2017-18	Hypothetical FY 2019-20 ¹	Total with assumed FY 2019- 20
Jobs & Growth Reconciliation Act of 2003 to cities, towns & counties									\$0
FY 2005-06 Distribution to cities, towns & counties, Ch. 95, 2004 Session Laws	\$57,500,000								\$57,500,000
FY 2006 Distribution to cities, towns & counties, Ch. 191, 2005 Session Laws	\$27,300,000								\$27,300,000
FY 2006 Distribution to county road funds, Ch. 191, 2005 Session Laws	\$6,100,000								\$6,100,000
FY 2007-08 Distribution to cities, towns & counties, Ch. 35, 2006 Session Laws		\$93,000,000							\$93,000,000
FY 2007-08 Distribution to counties for libraries, Ch. 35 2006 Session Laws		\$2,900,000							\$2,900,000
FY 2007-08 food tax exemption hold-harmless, Ch. 35, 2006 Session Laws		\$46,600,000							\$46,600,000
FY 2008 Distribution to cities, towns & counties, Ch. 136, 2007 Session Laws		\$25,115,500							\$25,115,500
FY 2009-10 Distributions to cities, towns & counties, Ch. 48, 2008 Session Laws			\$149,000,000						\$149,000,000
FY 2010 5% budget reduction in direct distribution to cities, towns and counties			(\$3,225,000)						(\$3,225,000)
FY 2011-12 Distributions to cities, towns & counties, Ch. 39, 2010 Session Laws				\$87,456,560					\$87,456,560
FY 2012 Distributions to cities, towns & counties, Ch. 88, 2011 Session Laws				\$10,000,000					\$10,000,000
FY 2013-14 Distributions to cities, towns & counties, Ch. 26, 2012 Session Laws					\$81,000,000				\$81,000,000
FY 2014 Distributions to cities, towns & counties, Ch. 73, 2013 Session Laws					\$20,000,000				\$20,000,000
FY 2015-16 Distributions to cities, towns & counties, Ch. 26, 2014 Session Laws						\$105,000,000			\$105,000,000
FY 2016 Distributions to cities, towns & counties, Ch. 143, 2015 Session Laws						\$8,000,000			\$8,000,000
FY 2017-18 Distributions to cities, towns & counties, Ch. 111, 2016 Session Laws							\$105,000,000		\$105,000,000
Assumed Decrease if no Distribution to Cities, towns & counties								\$0	\$0
Total Direct Distributions	\$90,900,000	\$167,615,500	\$145,775,000	\$97,456,560	\$101,000,000	\$113,000,000	\$105,000,000	\$0	\$820,747,060
GF, BRA, and S4 Appropriations to Grant Programs	FY 2005-06	FY 2007-08	FY 2009-10	FY 2011-12	FY 2013-14	FY 2015-16	FY 2017-18	FY 2019-20	Total
Appropriations from Local Government CapCon Account (S4)	\$35,000,000	\$33,400,000	\$33,400,000	\$33,400,000	\$33,400,000	\$30,316,578	\$36,146,091	\$33,400,000	\$268,462,669
Local Govt. CapCon., Ch. 83, 2002 Session Laws									\$0
Local Govt. CapCon., Ch. 191, 2005 Session Laws	\$28,000,000								\$28,000,000
Local Govt. CapCon., Ch. 35, 2006 Session Laws	\$4,401,364	\$138,399,318							\$142,800,682
Impact Mitigation - Capital Projects, Ch. 136, 2007 session laws		\$6,534,500							\$6,534,500
County Block Distribution - Capital Projects, Ch. 136, 2007 session laws		\$18,665,500							\$18,665,500
Emergency Reserve - Capital Projects, Ch. 136, 2007 session laws		\$934,500							\$934,500
County Block Distribution - Capital Projects, Ch. 48, '08 Session Laws			\$191,000,000						\$191,000,000
Emergency Capital Project Grants, Ch. 48, 2008 Session Laws			\$10,000,000						\$10,000,000
Matching Grant Funds for Wamsutter Infrastructure, Ch. 159, 2009 Session Laws			\$3,500,000						\$3,500,000
Emergency Capital Project Grants, Ch. 159, 2009 Session Laws			\$4,700,000						\$4,700,000
County Block Distribution - Capital Projects, Ch. 88, 2011 Session Laws				\$35,000,000					\$35,000,000
Rural Fire District Grants, Ch. 88, 2011 Session Laws				\$1,000,000					\$1,000,000
Energy Impacted County Road Program, Ch. 191, 2011 Session Laws				\$6,000,000					\$6,000,000
County Block Distribution - Capital Projects, Ch. 26, 2012 Session Laws					\$54,000,000				\$54,000,000
County Block Distribution - Capital Projects, Ch. 26, 2014 Session Laws						\$70,000,000			\$70,000,000
County Block Distribution - Capital Projects, Ch. 26, 2016 Session Laws							\$0		\$0
Assume no County Block Distribution funding								\$0	\$0
Total GF, BRA and S4 Appropriations to Grant Programs	\$67,401,364	\$197,933,818	\$242,600,000	\$75,400,000	\$87,400,000	\$100,316,578	\$36,146,091	\$33,400,000	\$840,597,851
Total Direct Distributions and Grant Appropriations	\$158,301,364	\$365,549,318	\$388,375,000	\$172,856,560	\$188,400,000	\$213,316,578	\$141,146,091	\$33,400,000	\$1,661,344,911

Appendix A, Table 1
WAM Municipal Finance Report, Volume 2
Direct Distributions to Local Governments and Appropriations to Grant Loan Programs
2005-06 Biennium with Estimated FY 2019-20 in Green

Direct Distributions	FY 2005-06	FY 2007-08	FY 2009-10	FY 2011-12	FY 2013-14	FY 2015-16	FY 2017-18	Hypothetical FY 2019-20 ¹	Total with assumed FY 2019- 20
GF Appropriations to Business Ready & Comm. Facilities Program	FY 2005-06	FY 2007-08	FY 2009-10	FY 2011-12	FY 2013-14	FY 2015-16	FY 2017-18	FY 2019-20	Total
Business Ready Communities, Ch. 211, 2003 Session Laws									\$0
Business Ready Communities, Ch. 95, 2004 Session Laws	\$25,000,000								\$25,000,000
Business Ready Communities, Ch. 191, 2005 Session Laws	\$11,700,000								\$11,700,000
Community Facilities, Ch. 233, 2005 Session Laws	\$7,500,000								\$7,500,000
Business Ready Communities, Ch. 35, 2006 Session Laws	\$8,732,802	\$37,267,198							\$46,000,000
Community Facilities, Ch. 35, 2006 Session Laws		\$15,000,000							\$15,000,000
Business Ready Communities, Ch. 136, 2007 session laws (net of reversion)		\$28,250,000							\$28,250,000
Business Ready Communities - Ch. 48, 2008 Session Laws			\$79,250,000						\$79,250,000
Community Facilities - Ch. 48, 2008 Session Laws			\$15,000,000						\$15,000,000
FY 2010 Budget reduction to Business Ready Community grants			(\$4,000,000)						(\$4,000,000)
FY 2010 Budget reduction to Community Facilities grants			(\$3,500,000)						(\$3,500,000)
Business Ready Communities, Ch. 39, 2010 Session Laws				\$50,000,000					\$50,000,000
Community Facilities, Ch. 39, 2010 Session Laws				\$8,500,000					\$8,500,000
Data Center Recruitment Grants, Ch. 88, 2011 Session Laws				\$15,000,000					\$15,000,000
Business Ready Communities, Ch. 26, 2012 Session Laws					\$50,000,000				\$50,000,000
Community Facilities, Ch. 26, 2012 Session Laws					\$8,500,000				\$8,500,000
FY 2014 Budget reduction to Community Facilities, 2013 HB 1, Sec. 2					(\$4,370,000)				(\$4,370,000)
Business Ready Communities, Ch. 26, 2014 Session Laws					\$10,000,000	\$64,130,000			\$74,130,000
Business Ready Communities, Ch. 31, 2016 Session Laws, net of Gov's Rec. reduction							\$38,588,050		\$38,588,050
Assume same BRC funding as FY 2017-18								\$38,588,050	\$38,588,050
Total GF Appropriations to Bus. Ready & Comm Fac. Programs	\$52,932,802	\$80,517,198	\$86,750,000	\$73,500,000	\$64,130,000	\$64,130,000	\$38,588,050	\$38,588,050	\$460,548,050
Total Direct Distributions and Grant Program Funding	\$211,234,166	\$446,066,516	\$475,125,000	\$246,356,560	\$252,530,000	\$277,446,578	\$179,734,141	\$71,988,050	\$2,121,892,961

Source: 2017 Budget Fiscal Data Book, page 140 <http://legisweb.state.wy.us/budget/2017databook.pdf>

GF-General Fund; BRA - Budget Reserve Account; S4 - Severance and Federal Mineral Royalty

¹ - Values in green are assumed amounts if no Direct Distribution were appropriated by the Wyoming Legislature during the 2018 Session. This assumes the S4 appropriations are same as FY 2013-14 and the BRC grants are same as FY 2017-18

Appendix A, Table 2
WAM Municipal Finance Report, Volume 2
Direct Distribution Fiscal Year 2018
Incorporated Cities and Towns
According to 2016 Legislative Session, Chapter 111

City or Town	County	Estimated August 15, 2017 Allocation	Estimated January 15, 2018 Allocation	Total Estimated Fiscal Year 2018 Allocation
Afton	Lincoln	\$86,860	\$86,860	\$173,721
Albin	Laramie	\$19,659	\$19,659	\$39,318
Alpine	Lincoln	\$42,013	\$42,013	\$84,025
Baggs	Carbon	\$27,911	\$27,911	\$55,822
Bairoil	Sweetwater	\$12,150	\$12,150	\$24,300
Bar Nunn	Natrona	\$89,048	\$89,048	\$178,096
Basin	Big Piney	\$97,220	\$97,220	\$194,441
Bear River	Uinta	\$37,187	\$37,187	\$74,374
Big Piney	Sublette	\$21,964	\$21,964	\$43,928
Buffalo	Johnson	\$165,610	\$165,610	\$331,220
Burlington	Big Horn	\$27,675	\$27,675	\$55,349
Burns	Laramie	\$22,313	\$22,313	\$44,625
Byron	Big Horn	\$50,228	\$50,228	\$100,457
Casper	Natrona	\$1,944,250	\$1,944,250	\$3,888,500
Cheyenne	Laramie	\$2,350,832	\$2,350,832	\$4,701,664
Chugwater	Platte	\$18,369	\$18,369	\$36,739
Clearmont	Sheridan	\$16,980	\$16,980	\$33,961
Cody	Park	\$328,984	\$328,984	\$657,967
Cokeville	Lincoln	\$35,063	\$35,063	\$70,126
Cowley	Big Horn	\$51,569	\$51,569	\$103,139
Dayton	Sheridan	\$44,971	\$44,971	\$89,942
Deaver	Big Horn	\$21,236	\$21,236	\$42,472
Diamondville	Lincoln	\$45,783	\$45,783	\$91,566
Dixon	Carbon	\$14,131	\$14,131	\$28,261
Douglas	Converse	\$139,451	\$139,451	\$278,902
Dubois	Fremont	\$64,936	\$64,936	\$129,872
E. Thermopolis	Big Horn	\$22,948	\$22,948	\$45,896
Edgerton	Natrona	\$18,133	\$18,133	\$36,266
Elk Mountain	Carbon	\$17,712	\$17,712	\$35,424
Encampment	Carbon	\$26,979	\$26,979	\$53,958
Evanston	Uinta	\$741,247	\$741,247	\$1,482,494
Evansville	Natrona	\$96,739	\$96,739	\$193,477
Ft Laramie	Big Horn	\$26,748	\$26,748	\$53,497
Frannie-PK	Park	\$789	\$789	\$1,578
Frannie-BH	Goshen	\$19,268	\$19,268	\$38,536
Gillette	Campbell	\$609,437	\$609,437	\$1,218,874
Glendo	Platte	\$17,711	\$17,711	\$35,422
Glenrock	Converse	\$72,057	\$72,057	\$144,113
Granger	Sweetwater	\$13,710	\$13,710	\$27,419
Green River	Sweetwater	\$391,158	\$391,158	\$782,316
Greybull	Big Horn	\$137,273	\$137,273	\$274,545
Guernsey	Platte	\$54,653	\$54,653	\$109,306
Hanna	Carbon	\$47,002	\$47,002	\$94,004
Hartville	Platte	\$12,485	\$12,485	\$24,969
Hudson	Fremont	\$36,328	\$36,328	\$72,655
Hulett	Crook	\$27,924	\$27,924	\$55,848
Jackson	Teton	\$148,495	\$148,495	\$296,990
Kaycee	Johnson	\$19,689	\$19,689	\$39,378
Kemmerer	Lincoln	\$126,880	\$126,880	\$253,760
Kirby	Hot Springs	\$14,124	\$14,124	\$28,247
LaBarge	Lincoln	\$34,537	\$34,537	\$69,073
LaGrange	Goshen	\$49,328	\$49,328	\$98,655
Lander	Fremont	\$470,644	\$470,644	\$941,287
Laramie	Albany	\$2,134,617	\$2,134,617	\$4,269,234

Appendix A, Table 2
WAM Municipal Finance Report, Volume 2
Direct Distribution Fiscal Year 2018
Incorporated Cities and Towns
According to 2016 Legislative Session, Chapter 111

City or Town	County	Estimated August 15, 2017 Allocation	Estimated January 15, 2018 Allocation	Total Estimated Fiscal Year 2018 Allocation
Lingle	Goshen	\$44,688	\$44,688	\$89,376
Lost Springs	Converse	\$5,058	\$5,058	\$10,116
Lovell	Big Horn	\$175,673	\$175,673	\$351,346
Lusk	Niobrara	\$86,370	\$86,370	\$172,741
Lyman	Uinta	\$133,493	\$133,493	\$266,985
Manderson	Big Horn	\$17,183	\$17,183	\$34,366
Manville	Niobrara	\$14,592	\$14,592	\$29,184
Marbleton	Sublette	\$34,471	\$34,471	\$68,943
Medicine Bow	Carbon	\$21,651	\$21,651	\$43,303
Meeteetse	Park	\$23,408	\$23,408	\$46,816
Midwest	Natrona	\$28,411	\$28,411	\$56,822
Mills	Natrona	\$134,721	\$134,721	\$269,441
Moorcroft	Crook	\$62,392	\$62,392	\$124,784
Mountain View	Uinta	\$81,251	\$81,251	\$162,502
Newcastle	Weston	\$166,959	\$166,959	\$333,918
Opal	Lincoln	\$14,999	\$14,999	\$29,998
Pavillion	Fremont	\$24,315	\$24,315	\$48,629
Pine Bluffs	Laramie	\$56,690	\$56,690	\$113,381
Pine Haven	Crook	\$32,245	\$32,245	\$64,491
Pinedale	Sublette	\$41,431	\$41,431	\$82,861
Powell	Park	\$251,276	\$251,276	\$502,552
Ranchester	Sheridan	\$51,015	\$51,015	\$102,029
Rawlins	Carbon	\$371,186	\$371,186	\$742,373
Riverside	Carbon	\$11,731	\$11,731	\$23,462
Riverton	Fremont	\$672,531	\$672,531	\$1,345,062
Rock River	Albany	\$24,961	\$24,961	\$49,921
Rock Springs	Sweetwater	\$644,663	\$644,663	\$1,289,326
Rolling Hills	Converse	\$20,348	\$20,348	\$40,696
Saratoga	Carbon	\$69,246	\$69,246	\$138,492
Sheridan	Sheridan	\$872,457	\$872,457	\$1,744,913
Shoshoni	Fremont	\$48,133	\$48,133	\$96,266
Sinclair	Carbon	\$22,380	\$22,380	\$44,760
Star Valley Ranch	Lincoln	\$66,256	\$66,256	\$132,513
Sundance	Crook	\$69,934	\$69,934	\$139,867
Superior	Sweetwater	\$26,380	\$26,380	\$52,759
Ten Sleep	Washakie	\$24,554	\$24,554	\$49,108
Thayne	Lincoln	\$27,781	\$27,781	\$55,563
Thermopolis	Big Horn	\$155,284	\$155,284	\$310,568
Torrington	Goshen	\$538,965	\$538,965	\$1,077,929
Upton	Weston	\$56,093	\$56,093	\$112,186
Van Tassell	Niobrara	\$5,661	\$5,661	\$11,323
Wamsutter	Sweetwater	\$22,587	\$22,587	\$45,173
Wheatland	Platte	\$150,319	\$150,319	\$300,638
Worland	Washakie	\$375,911	\$375,911	\$751,822
Wright	Campbell	\$52,412	\$52,412	\$104,823
Yoder	Goshen	\$21,683	\$21,683	\$43,366
	Totals	\$17,018,750	\$17,018,750	\$34,037,500

Source: Office of State Lands & Investments, 2016 Legislative Session, Chapter 111 - <http://slf-web.state.wy.us/osli/reports/distribution2017.pdf>

Appendix A, Table 3
WAM Municipal Finance Report, Volume 2
Municipal Revenue Reliance Own Source Capacity
as a % of General Revenue

State	% General Revenue from Property Tax	% General Revenue from Local Sales Tax	% General Revenue from Income Tax	% General Revenue from Fees, Charges, Misc.	Total Own-Source Capacity
Alabama	11%	41%	2%	23%	77%
Alaska ^E	25%	9%	0%	24%	58%
Arizona	8%	29%	0%	31%	68%
Arkansas	7%	28%	0%	39%	74%
California	25%	18%	0%	38%	80%
Colorado ^B	10%	32%	0%	41%	84%
Connecticut	49%	0%	0%	8%	57%
Delaware	22%	2%	15%	34%	73%
Florida	24%	14%	0%	39%	77%
Georgia	19%	11%	0%	40%	70%
Hawaii	37%	16%	0%	26%	78%
Idaho ^B	35%	2%	0%	42%	79%
Illinois	22%	16%	0%	29%	67%
Indiana	30%	1%	7%	34%	72%
Iowa	30%	7%	0%	40%	78%
Kansas	22%	20%	0%	42%	85%
Kentucky	13%	8%	25%	37%	82%
Louisiana	14%	28%	0%	30%	72%
Maine	46%	0%	0%	24%	71%
Maryland	28%	3%	6%	18%	55%
Massachusetts	44%	1%	0%	15%	60%
Michigan	29%	3%	5%	36%	73%
Minnesota	30%	4%	0%	45%	80%
Mississippi	17%	3%	0%	49%	69%
Missouri	9%	29%	6%	37%	81%
Montana ^B	27%	1%	0%	43%	71%
Nebraska ^B	18%	19%	0%	33%	70%
Nevada	16%	9%	0%	28%	54%
New Hampshire	51%	0%	0%	18%	68%
New Jersey	50%	1%	0%	15%	65%
New Mexico ^E	9%	30%	0%	29%	67%
New York	22%	9%	16%	15%	61%
North Carolina	35%	13%	0%	32%	79%
North Dakota ^E	13%	17%	0%	34%	65%
Ohio	8%	1%	38%	29%	76%
Oklahoma ^E	5%	40%	0%	46%	91%
Oregon	33%	8%	0%	33%	74%
Pennsylvania	14%	8%	23%	21%	65%
Rhode Island	51%	1%	0%	15%	67%
South Carolina	26%	11%	0%	31%	67%
South Dakota ^B	17%	33%	0%	36%	86%
Tennessee	23%	8%	0%	26%	57%
Texas ^E	26%	24%	0%	39%	89%
Utah ^B	19%	25%	0%	42%	86%
Vermont	37%	4%	0%	41%	83%
Virginia	30%	12%	0%	16%	57%
Washington	18%	25%	0%	38%	80%
West Virginia	10%	9%	0%	55%	74%
Wisconsin	38%	1%	0%	27%	66%
Wyoming	4%	3%	0%	26%	34%

Source: U.S. Census of Governments, 2012 (COG12); NLC Cities and State Fiscal Picture 2015 page 18. "General Revenue" is used as defined by the COG12 to include all local revenues except revenues from utilities and liquor store operations. The U.S. Census definition of "General Revenue" is broader than most cities' definitions of "General Fund Revenue." The measure of "own-source revenue capacity" is determined by first assessing the local authority over a given tax source and, if that authority exists, counting that revenue toward the measure. Revenues from fees, charges, and miscellaneous revenue were then added since these sources are determined locally. The combined revenues, as a percentage of total general revenues, results in the "own-source revenue capacity" measure. **This measure differs from a commonly used U.S. census definition of "own-source revenues" in that local revenues are not counted as own source if there is no local authority (authority based on a local option that can be used for general purposes).**

B=Border states to Wyoming; E= similar natural resource/energy states to Wyoming

Appendix A, Table 4
WAM Municipal Finance Report, Volume 2
State and Average Local Tax Rates with National Ranking

State	State Tax Rate	Rank of State Tax Rate	Avg. Local Tax Rate ¹	Combined Rate	Rank of Combined Tax Rate
Alabama	4.00%	40	5.01%	9.01%	4
Alaska ^E	--	--	1.76%	1.76%	46
Arizona	5.60%	28	2.65%	8.25%	11
Arkansas	6.50%	9	2.80%	9.30%	3
California ²	7.25%	1	1.00%	8.25%	10
Colorado ^B	2.90%	45	4.60%	7.50%	16
Connecticut	6.35%	12	0.00%	6.35%	32
Delaware	--	--	--	--	--
Florida	6.00%	16	0.80%	6.80%	28
Georgia	4.00%	40	3.00%	7.00%	23
Hawaii ³	4.00%	40	0.35%	4.35%	45
Idaho ^B	6.00%	16	0.03%	6.03%	37
Illinois	6.25%	13	2.39%	8.64%	7
Indiana	7.00%	2	0.00%	7.00%	21
Iowa	6.00%	16	0.80%	6.80%	27
Kansas	6.50%	9	2.12%	8.62%	8
Kentucky	6.00%	16	0.00%	6.00%	38
Louisiana	5.00%	33	4.98%	9.98%	1
Maine	5.50%	29	0.00%	5.50%	42
Maryland	6.00%	16	0.00%	6.00%	38
Massachusetts	6.25%	13	0.00%	6.25%	35
Michigan	6.00%	16	0.00%	6.00%	38
Minnesota	6.88%	6	0.42%	7.30%	17
Mississippi	7.00%	2	0.07%	7.07%	20
Missouri	4.23%	39	3.66%	7.89%	14
Montana ^{B 4}	--	--	--	--	--
Nebraska ^B	5.50%	29	1.39%	6.89%	25
Nevada	6.85%	8	1.13%	7.98%	13
New Hampshire	--	--	--	--	--
New Jersey ⁵	6.88%	6	-0.03%	6.85%	26
New Mexico ^{E 3}	5.13%	32	2.43%	7.55%	15
New York	4.00%	40	4.49%	8.49%	9
North Carolina	4.75%	36	2.15%	6.90%	24
North Dakota ^E	5.00%	33	1.78%	6.78%	29
Ohio	5.75%	27	1.39%	7.14%	19
Oklahoma ^E	4.50%	37	4.36%	8.86%	6
Oregon	--	--	--	--	--
Pennsylvania	6.00%	16	0.34%	6.34%	33
Rhode Island	7.00%	2	0.00%	7.00%	21
South Carolina	6.00%	16	1.22%	7.22%	18
South Dakota ^{B 3}	4.50%	37	1.89%	6.39%	31
Tennessee	7.00%	2	2.46%	9.46%	2
Texas ^E	6.25%	13	1.94%	8.19%	12
Utah ^{B 2}	5.95%	26	0.81%	6.76%	30
Vermont	6.00%	16	0.18%	6.18%	36
Virginia ²	5.30%	31	0.33%	5.63%	41
Washington	6.50%	9	2.42%	8.92%	5
West Virginia	6.00%	16	0.29%	6.29%	34
Wisconsin	5.00%	33	0.42%	5.42%	43
Wyoming	4.00%	40	1.40%	5.40%	44
D.C.	5.75%	27	0.00%	5.75%	-41

Source: Sales Tax Clearinghouse; Tax Foundation calculations <https://taxfoundation.org/facts-figures-2017>.

B=Border states to Wyoming; E= similar natural resource/energy states to Wyoming

¹ City, county, and municipal rates vary. These rates are weighted by population to compute an average local tax rate.

² Three states levy mandatory, statewide, local add-on sales taxes at the state level: California (1%), Utah (1.25%), and Virginia (1%). We include these in their

³ The sales taxes in Hawaii, New Mexico, and South Dakota have broad bases that include many business-to-business services.

⁴ Due to data limitations, the table does not include sales taxes in local resort areas in Montana.

⁵ Some counties in New Jersey are not subject to statewide sales tax rates and collect a local rate of 3.5%. Their average local score is represented as a

Note: D.C.'s ranks do not affect states' ranks, but the figures in parentheses indicate where it would rank if included.

Appendix A, Table 5
WAM Municipal Finance Report, Volume 2
Estimate of Municipal Revenue if Increased
Residential and Commercial Property Tax Assessment by 1%

City or Town	County	Increased Estimated Residential Tax	Increased Estimated Commercial Tax	Residential + Commercial Additional Revenue
Afton	Lincoln	\$16,683	\$2,112	\$18,796
Albin	Laramie	\$1,167	\$515	\$1,681
Alpine	Lincoln	\$7,234	\$916	\$8,149
Baggs	Carbon	\$2,397	\$729	\$3,126
Bairoil	Sweetwater	\$491	\$179	\$670
Bar Nunn	Natrona	\$16,706	\$6,654	\$23,360
Basin	Big Piney	\$5,668	\$1,314	\$6,982
Bear River	Uinta	\$2,336	\$615	\$2,951
Big Piney	Sublette	\$4,734	\$1,119	\$5,853
Buffalo	Johnson	\$37,980	\$8,156	\$46,137
Burlington	Big Horn	\$1,500	\$348	\$1,847
Burns	Laramie	\$1,770	\$781	\$2,551
Byron	Big Horn	\$2,677	\$620	\$3,298
Casper	Natrona	\$355,851	\$141,741	\$497,592
Cheyenne	Laramie	\$371,555	\$163,921	\$535,476
Chugwater	Platte	\$1,229	\$257	\$1,485
Clearmont	Sheridan	\$1,181	\$258	\$1,439
Cody	Park	\$81,957	\$17,649	\$99,606
Cokeville	Lincoln	\$4,574	\$579	\$5,153
Cowley	Big Horn	\$3,248	\$753	\$4,001
Dayton	Sheridan	\$6,515	\$1,421	\$7,937
Deaver	Big Horn	\$811	\$188	\$999
Diamondville	Lincoln	\$6,213	\$787	\$7,000
Dixon	Carbon	\$530	\$161	\$691
Douglas	Converse	\$40,972	\$10,749	\$51,720
Dubois	Fremont	\$4,991	\$1,314	\$6,306
E. Thermopolis	Big Horn	\$1,373	\$354	\$1,727
Edgerton	Natrona	\$1,182	\$471	\$1,652
Elk Mountain	Carbon	\$1,092	\$332	\$1,425
Encampment	Carbon	\$2,464	\$750	\$3,213
Evanston	Uinta	\$54,622	\$14,386	\$69,008
Evansville	Natrona	\$17,713	\$7,056	\$24,769
Ft Laramie	Big Horn	\$1,006	\$250	\$1,256
Frannie-PK	Park	\$619	\$144	\$763
Frannie-BH	Goshen	\$158	\$34	\$192
Gillette	Campbell	\$148,192	\$60,005	\$208,198
Glendo	Platte	\$1,176	\$246	\$1,422
Glenrock	Converse	\$16,255	\$4,264	\$20,519
Granger	Sweetwater	\$646	\$236	\$883
Green River	Sweetwater	\$58,063	\$21,222	\$79,285
Greybull	Big Horn	\$8,162	\$1,892	\$10,054
Guernsey	Platte	\$6,786	\$1,418	\$8,205
Hanna	Carbon	\$4,526	\$1,377	\$5,903
Hartville	Platte	\$354	\$74	\$427
Hudson	Fremont	\$2,301	\$606	\$2,906
Hulett	Crook	\$2,544	\$514	\$3,058
Jackson	Teton	\$481,485	\$66,450	\$547,935
Kaycee	Johnson	\$2,176	\$467	\$2,644
Kemmerer	Lincoln	\$23,172	\$2,934	\$26,106
Kirby	Hot Springs	\$512	\$132	\$644
LaBarge	Lincoln	\$4,666	\$591	\$5,257
LaGrange	Goshen	\$2,044	\$508	\$2,552
Lander	Fremont	\$38,841	\$10,228	\$49,068
Laramie	Albany	\$170,740	\$59,488	\$230,228

Appendix A, Table 5
WAM Municipal Finance Report, Volume 2
Estimate of Municipal Revenue if Increased
Residential and Commercial Property Tax Assessment by 1%

City or Town	County	Increased Estimated Residential Tax	Increased Estimated Commercial Tax	Residential + Commercial Additional Revenue
Lingle	Goshen	\$2,081	\$517	\$2,598
Lost Springs	Converse	\$25	\$7	\$32
Lovell	Big Horn	\$10,555	\$2,447	\$13,002
Lusk	Niobrara	\$6,872	\$1,982	\$8,854
Lyman	Uinta	\$9,361	\$2,465	\$11,827
Manderson	Big Horn	\$514	\$119	\$634
Manville	Niobrara	\$400	\$115	\$515
Marbleton	Sublette	\$9,712	\$2,296	\$12,008
Medicine Bow	Carbon	\$1,505	\$458	\$1,963
Meeteetse	Park	\$2,725	\$587	\$3,311
Midwest	Natrona	\$2,399	\$956	\$3,355
Mills	Natrona	\$22,872	\$9,110	\$31,982
Moorcroft	Crook	\$6,611	\$1,337	\$7,948
Mountain View	Uinta	\$5,815	\$1,531	\$7,346
Newcastle	Weston	\$17,724	\$2,643	\$20,367
Opal	Lincoln	\$878	\$111	\$989
Pavillion	Fremont	\$1,196	\$315	\$1,511
Pine Bluffs	Laramie	\$6,686	\$2,950	\$9,636
Pine Haven	Crook	\$3,271	\$662	\$3,933
Pinedale	Sublette	\$17,217	\$4,070	\$21,287
Powell	Park	\$53,385	\$11,496	\$64,882
Ranchester	Sheridan	\$7,482	\$1,632	\$9,115
Rawlins	Carbon	\$50,582	\$15,394	\$65,976
Riverside	Carbon	\$307	\$93	\$400
Riverton	Fremont	\$55,725	\$14,674	\$70,399
Rock River	Albany	\$1,287	\$448	\$1,735
Rock Springs	Sweetwater	\$112,091	\$40,969	\$153,060
Rolling Hills	Converse	\$2,750	\$721	\$3,471
Saratoga	Carbon	\$9,397	\$2,860	\$12,257
Sheridan	Sheridan	\$142,310	\$31,046	\$173,355
Shoshoni	Fremont	\$3,263	\$859	\$4,123
Sinclair	Carbon	\$2,313	\$704	\$3,017
Star Valley Ranch	Lincoln	\$13,129	\$1,662	\$14,791
Sundance	Crook	\$7,954	\$1,609	\$9,563
Superior	Sweetwater	\$1,496	\$547	\$2,043
Ten Sleep	Washakie	\$1,337	\$391	\$1,728
Thayne	Lincoln	\$3,069	\$389	\$3,458
Thermopolis	Big Horn	\$16,524	\$4,263	\$20,787
Torrington	Goshen	\$30,441	\$7,561	\$38,001
Upton	Weston	\$5,545	\$827	\$6,372
Van Tassell	Niobrara	\$64	\$0	\$64
Wamsutter	Sweetwater	\$2,284	\$835	\$3,119
Wheatland	Platte	\$20,898	\$4,367	\$25,265
Worland	Washakie	\$28,434	\$8,305	\$36,740
Wright	Campbell	\$8,389	\$3,397	\$11,786
Yoder	Goshen	\$721	\$179	\$900
	Total	\$2,743,439	\$810,170	\$3,553,609

Source: Wyoming Department of Revenue – County, Residential and Commercial Property Value Calculations

Note: The county assessed valuations are a proxy of the local assessed using the current distribution and assumes all municipalities impose 8 mills on the valuation.

Appendix A, Table 6
WAM Municipal Finance Report, Volume 2
Municipal Revenue Option if Permanent 1% Optional Sales Tax

City or Town	County	Estimate 2017	Proposed Permanent 1% Optional Sales Tax (5th Penny)²
Afton	Lincoln	1,995	\$407,555
Albin	Laramie	201	\$39,428
Alpine	Lincoln	865	\$176,124
Baggs	Carbon	430	\$101,792
Bairoil	Sweetwater	104	\$34,062
Bar Nunn	Natrona	2,785	\$519,645
Basin	Big Piney	1,300	\$181,473
Bear River	Uinta	517	\$85,492
Big Piney ¹	Sublette	521	\$373,759
Buffalo	Johnson	4,590	\$1,155,861
Burlington	Big Horn	344	\$40,673
Burns	Laramie	305	\$65,568
Byron	Big Horn	614	\$83,746
Casper	Natrona	59,324	\$12,990,635
Cheyenne	Laramie	64,019	\$12,991,184
Chugwater	Platte	212	\$50,712
Clearmont	Sheridan	149	\$25,620
Cody ¹	Park	9,836	\$2,367,826
Cokeville	Lincoln	547	\$113,800
Cowley	Big Horn	745	\$92,502
Dayton	Sheridan	822	\$137,912
Deaver	Big Horn	186	\$25,138
Diamondville	Lincoln	743	\$156,768
Dixon	Carbon	95	\$22,440
Douglas	Converse	6,541	\$2,690,942
Dubois	Fremont	985	\$153,471
E. Thermopolis	Big Horn	244	\$46,979
Edgerton	Natrona	197	\$45,789
Elk Mountain	Carbon	196	\$44,187
Encampment	Carbon	442	\$104,106
Evanston	Uinta	12,090	\$2,040,431
Evansville	Natrona	2,953	\$595,255
Frannie-BH	Big Horn	222	\$19,489
Frannie-PK ¹	Park	142	\$4,725
Ft Laramie	Goshen	19	\$28,453
Gillette	Campbell	32,398	\$13,483,016
Glendo	Platte	203	\$49,037
Glenrock	Converse	2,595	\$1,133,329
Granger	Sweetwater	137	\$44,667
Green River	Sweetwater	12,305	\$4,021,635
Greybull	Big Horn	1,872	\$260,841
Guernsey	Platte	1,171	\$274,371
Hanna	Carbon	812	\$194,562
Hartville	Platte	61	\$14,831
Hudson	Fremont	454	\$72,047
Hulett	Crook	409	\$75,100
Jackson	Teton	10,529	\$6,034,716
Kaycee	Johnson	263	\$66,301
Kemmerer	Lincoln	2,771	\$564,961
Kirby	Hot Springs	91	\$17,016
LaBarge	Lincoln	558	\$117,204
LaGrange	Goshen	451	\$55,421
Lander	Fremont	7,665	\$1,187,296
Laramie	Albany	32,382	\$4,565,918

Appendix A, Table 6
WAM Municipal Finance Report, Volume 2
Municipal Revenue Option if Permanent 1% Optional Sales Tax

City or Town	County	Estimate 2017	Proposed Permanent 1% Optional Sales Tax (5th Penny) ²
Lingle	Goshen	459	\$57,895
Lost Springs	Converse	4	\$1,760
Lovell	Big Horn	2,421	\$333,290
Lusk	Niobrara	1,599	\$332,570
Lyman	Uinta	2,072	\$346,578
Manderson	Big Horn	118	\$16,100
Manville	Niobrara	93	\$20,162
Marbleton ¹	Sublette	1,069	\$719,586
Medicine Bow	Carbon	270	\$65,703
Meeteetse ¹	Park	327	\$81,332
Midwest	Natrona	400	\$94,865
Mills	Natrona	3,813	\$813,162
Moorcroft	Crook	1,063	\$198,365
Mountain View	Uinta	1,287	\$212,493
Newcastle	Weston	3,535	\$551,934
Opal	Lincoln	105	\$20,420
Pavillion	Fremont	236	\$36,415
Pine Bluffs	Laramie	1,152	\$245,935
Pine Haven	Crook	526	\$96,332
Pinedale ¹	Sublette	1,895	\$1,347,395
Powell ¹	Park	6,407	\$1,570,426
Ranchester	Sheridan	944	\$155,719
Rawlins	Carbon	9,075	\$2,142,035
Riverside	Carbon	55	\$12,030
Riverton	Fremont	10,997	\$1,671,465
Rock River	Albany	244	\$36,302
Rock Springs	Sweetwater	23,755	\$7,402,509
Rolling Hills	Converse	439	\$192,776
Saratoga	Carbon	1,686	\$390,976
Sheridan	Sheridan	17,954	\$3,170,702
Shoshoni	Fremont	644	\$101,429
Sinclair	Carbon	415	\$100,173
Star Valley Ranch	Lincoln	1,570	\$319,705
Sundance	Crook	1,279	\$232,377
Superior	Sweetwater	317	\$107,329
Ten Sleep	Washakie	250	\$40,804
Thayne	Lincoln	367	\$77,852
Thermopolis	Big Horn	2,937	\$556,530
Torrington	Goshen	6,715	\$804,229
Upton	Weston	1,106	\$171,845
Van Tassell	Niobrara	15	\$3,183
Wamsutter	Sweetwater	484	\$144,926
Wheatland	Platte	3,606	\$867,606
Worland	Washakie	5,316	\$861,108
Wright	Campbell	1,834	\$817,221
Yoder	Goshen	159	\$18,680
Totals		403,421	97,808,042

Source: 2017 DOR Revenue Reports, compiled by Charri Lara, Lander Treasurer

¹ - Estimated revenue since the respective county does not currently impose any optional taxes.

² - Assume 100% of the 5th Penny would be distributed to cities and towns

Appendix A, Table 7
WAM Municipal Finance Report, Volume 2
Municipal Revenue Adjustment by Increasing Cap on Mineral Severance Tax and Federal Mineral Royalty

City	Population ¹	SevTax Annual (Existing Cap \$155M) ²	SevTax Annual (Increase Cap \$214M) ²	FMR Annual (Existing Cap \$200M) ²	FMR Annual (Increase Cap to 275M) ²	Existing SevTax+FMR	Proposed SevTax+FMR	Proposed minus Existing= Additional Revenue
Afton	1,916	\$71,133	\$98,225	\$143,033	\$192,690	\$214,166	\$290,915	\$76,748
Albin	181	\$6,720	\$9,279	\$20,031	\$23,289	\$26,751	\$32,568	\$5,817
Alpine	828	\$30,740	\$42,448	\$70,330	\$91,990	\$101,070	\$134,438	\$33,368
Baggs	440	\$16,335	\$22,557	\$29,677	\$36,179	\$46,012	\$58,736	\$12,724
Bairoil	106	\$3,935	\$5,434	\$16,466	\$18,295	\$20,401	\$23,729	\$3,328
Bar Nunn	2,213	\$82,159	\$113,451	\$97,668	\$130,831	\$179,827	\$244,282	\$64,454
Basin	1,285	\$47,707	\$65,876	\$95,011	\$127,998	\$142,718	\$193,875	\$51,157
Bear River	519	\$19,268	\$26,607	\$40,931	\$51,704	\$60,199	\$78,310	\$18,111
Big Piney	562	\$20,865	\$28,811	\$61,997	\$80,430	\$82,862	\$109,241	\$26,379
Buffalo	4,585	\$170,222	\$235,053	\$239,650	\$330,900	\$409,872	\$565,953	\$156,080
Burlington	288	\$10,692	\$14,765	\$29,932	\$37,326	\$40,625	\$52,090	\$11,466
Burns	301	\$11,175	\$15,431	\$25,356	\$30,774	\$36,531	\$46,205	\$9,674
Byron	593	\$22,016	\$30,401	\$51,923	\$67,146	\$73,939	\$97,547	\$23,608
Casper	55,323	\$2,053,913	\$2,836,170	\$2,081,620	\$2,910,299	\$4,135,533	\$5,746,468	\$1,610,935
Cheyenne	59,638	\$2,214,241	\$3,057,381	\$2,661,234	\$3,724,031	\$4,875,475	\$6,781,411	\$1,905,937
Chugwater	212	\$7,871	\$10,868	\$21,310	\$25,195	\$29,180	\$36,063	\$6,883
Clearmont	141	\$5,216	\$7,228	\$18,054	\$20,505	\$23,270	\$27,734	\$4,463
Cody	9,520	\$353,438	\$488,049	\$444,317	\$622,663	\$797,755	\$1,110,712	\$312,958
Cokeville	535	\$19,862	\$27,427	\$50,750	\$64,746	\$70,613	\$92,173	\$21,560
Cowley	655	\$24,317	\$33,579	\$55,784	\$72,598	\$80,101	\$106,177	\$26,076
Dayton	759	\$28,179	\$38,911	\$47,532	\$60,341	\$75,711	\$99,251	\$23,540
Deaver	178	\$6,608	\$9,125	\$23,083	\$27,653	\$29,692	\$36,778	\$7,086
Diamondville	737	\$27,362	\$37,783	\$64,249	\$83,528	\$91,610	\$121,311	\$29,701
Dixon	97	\$3,601	\$4,973	\$15,236	\$16,669	\$18,837	\$21,642	\$2,805
Douglas	6,114	\$226,987	\$313,438	\$316,062	\$440,023	\$543,050	\$753,461	\$210,411
Dubois	982	\$36,458	\$50,343	\$73,905	\$98,826	\$110,362	\$149,169	\$38,807
East Thermopolis	254	\$9,430	\$13,021	\$20,705	\$24,336	\$30,135	\$37,357	\$7,222
Edgerton	195	\$7,240	\$9,997	\$19,284	\$22,207	\$26,524	\$32,203	\$5,679
Elk Mountain	191	\$7,091	\$9,792	\$18,371	\$21,193	\$25,462	\$30,985	\$5,523
Encampment	450	\$16,707	\$23,070	\$30,010	\$36,660	\$46,717	\$59,730	\$13,013
Evanston	12,387	\$459,878	\$635,028	\$633,900	\$890,713	\$1,093,778	\$1,525,741	\$431,963
Evansville	2,535	\$94,114	\$129,958	\$109,696	\$148,156	\$203,810	\$278,114	\$74,304
Fort Laramie	230	\$8,539	\$11,791	\$21,401	\$25,211	\$29,940	\$37,002	\$7,063
Frannie	157	\$5,829	\$8,049	\$21,449	\$25,348	\$27,278	\$33,397	\$6,118
Gillette	29,813	\$1,106,851	\$1,528,383	\$1,586,864	\$2,186,986	\$2,693,715	\$3,715,368	\$1,021,653
Glendo	205	\$7,611	\$10,509	\$21,002	\$24,759	\$28,613	\$35,269	\$6,656
Glenrock	2,575	\$95,599	\$132,009	\$141,797	\$193,899	\$237,396	\$325,908	\$88,512
Granger	139	\$5,161	\$7,126	\$17,856	\$20,254	\$23,017	\$27,380	\$4,364
Green River	12,515	\$464,630	\$641,590	\$542,250	\$758,190	\$1,006,879	\$1,399,779	\$392,900
Greybull	1,847	\$68,571	\$94,688	\$130,004	\$177,419	\$198,575	\$272,106	\$73,531
Guernsey	1,147	\$42,583	\$58,802	\$65,368	\$86,391	\$107,951	\$145,193	\$37,241

Appendix A, Table 7
WAM Municipal Finance Report, Volume 2
Municipal Revenue Adjustment by Increasing Cap on Mineral Severance Tax and Federal Mineral Royalty

City	Population ¹	SevTax Annual (Existing Cap \$155M) ²	SevTax Annual (Increase Cap \$214M) ²	FMR Annual (Existing Cap \$200M) ²	FMR Annual (Increase Cap to 275M) ²	Existing SevTax+FMR	Proposed SevTax+FMR	Proposed minus Existing= Additional Revenue
Hanna	841	\$31,223	\$43,114	\$43,052	\$55,480	\$74,275	\$98,595	\$24,319
Hartville	62	\$2,302	\$3,178	\$14,723	\$15,859	\$17,024	\$19,037	\$2,013
Hudson	461	\$17,115	\$23,633	\$42,653	\$54,539	\$59,768	\$78,172	\$18,405
Hulett	382	\$14,163	\$19,583	\$41,254	\$51,808	\$55,418	\$71,391	\$15,973
Jackson	9,621	\$357,188	\$493,227	\$511,577	\$700,582	\$868,765	\$1,193,808	\$325,044
Kaycee	263	\$9,764	\$13,483	\$24,886	\$30,120	\$34,650	\$43,603	\$8,953
Kemmerer	2,656	\$98,606	\$136,162	\$192,482	\$261,962	\$291,089	\$398,123	\$107,035
Kirby	92	\$3,416	\$4,716	\$15,153	\$16,468	\$18,569	\$21,184	\$2,616
La Barge	551	\$20,456	\$28,247	\$51,820	\$66,233	\$72,276	\$94,481	\$22,205
La Grange	448	\$16,632	\$22,967	\$33,311	\$40,733	\$49,943	\$63,700	\$13,757
Lander	7,597	\$284,218	\$389,465	\$468,912	\$661,350	\$753,130	\$1,050,815	\$297,685
Laramie	30,815	\$1,144,033	\$1,579,751	\$714,758	\$995,353	\$1,858,791	\$2,575,104	\$716,313
Lingle	468	\$17,375	\$23,992	\$34,128	\$41,882	\$51,503	\$65,874	\$14,371
Lost Springs	4	\$149	\$205	\$12,197	\$12,278	\$12,345	\$12,483	\$137
Lovell	2,360	\$87,617	\$120,987	\$161,946	\$222,530	\$249,563	\$343,517	\$93,954
Lusk	1,567	\$58,176	\$80,333	\$174,463	\$242,015	\$232,639	\$322,349	\$89,709
Lyman	2,104	\$78,113	\$107,863	\$120,124	\$164,861	\$198,236	\$272,724	\$74,488
Manderson	114	\$4,232	\$5,844	\$19,098	\$22,025	\$23,331	\$27,869	\$4,538
Manville	95	\$3,527	\$4,870	\$21,668	\$25,763	\$25,195	\$30,633	\$5,439
Marbleton	1,082	\$40,170	\$55,469	\$105,482	\$144,674	\$145,652	\$200,143	\$54,492
Medicine Bow	284	\$10,544	\$14,559	\$21,473	\$25,670	\$32,017	\$40,229	\$8,212
Meeteetse	327	\$12,140	\$16,764	\$29,746	\$35,872	\$41,887	\$52,636	\$10,750
Midwest	404	\$14,999	\$20,711	\$30,092	\$36,146	\$45,091	\$56,857	\$11,767
Mills	3,463	\$128,567	\$177,533	\$144,362	\$196,152	\$272,929	\$373,685	\$100,756
Moorcroft	1,009	\$37,460	\$51,727	\$84,302	\$111,969	\$121,762	\$163,696	\$41,934
Mountain View	1,290	\$47,892	\$66,133	\$79,453	\$106,121	\$127,345	\$172,254	\$44,908
Newcastle	3,533	\$131,166	\$181,122	\$164,031	\$223,222	\$295,196	\$404,344	\$109,148
Opal	96	\$3,564	\$4,922	\$18,415	\$20,926	\$21,979	\$25,848	\$3,869
Pavillion	233	\$8,650	\$11,945	\$25,976	\$31,942	\$34,627	\$43,887	\$9,260
Pine Bluffs	1,129	\$41,915	\$57,879	\$65,097	\$85,418	\$107,012	\$143,297	\$36,285
Pine Haven	490	\$18,192	\$25,120	\$48,655	\$62,091	\$66,847	\$87,211	\$20,364
Pinedale	2,026	\$75,217	\$103,864	\$184,423	\$255,620	\$259,640	\$359,484	\$99,844
Powell	6,314	\$234,413	\$323,691	\$299,738	\$418,024	\$534,150	\$741,715	\$207,565
Ranchester	857	\$31,817	\$43,935	\$51,733	\$66,210	\$83,550	\$110,145	\$26,595
Rawlins	9,259	\$343,748	\$474,669	\$323,843	\$460,668	\$667,592	\$935,336	\$267,745
Riverside	52	\$1,931	\$2,666	\$13,735	\$14,503	\$15,665	\$17,169	\$1,504
Riverton	10,695	\$397,061	\$548,286	\$656,532	\$931,389	\$1,053,593	\$1,479,675	\$426,082
Rock River	245	\$9,096	\$12,560	\$17,564	\$19,794	\$26,659	\$32,354	\$5,695
Rock Springs	23,036	\$855,231	\$1,180,955	\$985,493	\$1,382,968	\$1,840,724	\$2,563,924	\$723,200
Rolling Hills	438	\$16,261	\$22,454	\$36,568	\$45,557	\$52,829	\$68,012	\$15,183
Saratoga	1,690	\$62,743	\$86,639	\$71,372	\$96,346	\$134,114	\$182,984	\$48,870

Appendix A, Table 7
WAM Municipal Finance Report, Volume 2
Municipal Revenue Adjustment by Increasing Cap on Mineral Severance Tax and Federal Mineral Royalty

City	Population ¹	SevTax Annual (Existing Cap \$155M) ²	SevTax Annual (Increase Cap \$214M) ²	FMR Annual (Existing Cap \$200M) ²	FMR Annual (Increase Cap to 275M) ²	Existing SevTax+FMR	Proposed SevTax+FMR	Proposed minus Existing= Additional Revenue
Sheridan	17,450	\$647,846	\$894,586	\$762,943	\$1,059,809	\$1,410,789	\$1,954,395	\$543,606
Shoshoni	649	\$24,095	\$33,271	\$53,930	\$71,028	\$78,024	\$104,299	\$26,275
Sinclair	433	\$16,075	\$22,198	\$29,443	\$35,842	\$45,519	\$58,040	\$12,521
South Superior	1,503	\$55,800	\$77,052	\$29,092	\$34,953	\$84,892	\$112,005	\$27,113
Star Valley Ranch	1,182	\$43,883	\$77,052	\$115,435	\$154,753	\$159,318	\$231,805	\$72,487
Sundance	334	\$12,363	\$60,596	\$96,185	\$128,595	\$108,548	\$189,191	\$80,643
Ten Sleep	260	\$9,653	\$13,329	\$24,086	\$29,384	\$33,739	\$42,713	\$8,974
Thayne	366	\$13,588	\$18,763	\$39,457	\$49,032	\$53,045	\$67,795	\$14,749
Thermopolis	3,009	\$111,712	\$154,258	\$118,129	\$161,132	\$229,840	\$315,390	\$85,550
Torrington	6,501	\$241,355	\$333,278	\$280,709	\$388,420	\$522,064	\$721,698	\$199,633
Upton	1,100	\$40,838	\$56,392	\$61,401	\$79,848	\$102,239	\$136,241	\$34,002
Van Tassell	15	\$557	\$769	\$13,526	\$14,173	\$14,083	\$14,942	\$859
Wamsutter	451	\$16,744	\$23,121	\$34,000	\$41,782	\$50,744	\$64,903	\$14,159
Wheatland	3,627	\$134,655	\$185,941	\$174,272	\$240,749	\$308,928	\$426,690	\$117,762
Worland	5,487	\$203,710	\$281,295	\$270,058	\$381,861	\$473,768	\$663,155	\$189,387
Wright	1,807	\$67,086	\$92,637	\$110,273	\$149,932	\$177,360	\$242,569	\$65,210
Yoder	151	\$5,606	\$7,741	\$18,172	\$20,673	\$23,778	\$28,415	\$4,637
Totals	386,126	\$14,337,500	\$19,854,930	\$18,562,500	\$25,523,438	\$32,900,000	\$45,378,367	\$12,478,367

Source: The Severance Tax (SevTax) and Federal Mineral Royalty (FMR) figures are derived from the CREG report and existing law as depicted in LSO 2017 Budget/Fiscal Databook <http://legisweb.state.wy.us/budget/2017databook.pdf>. The proposed caps were calculated by applying a Consumer Price Index inflation value.

¹- According to the Department of Treasury, the population used to calculate severance tax is based on April 1, 2010 Estimate Base <http://eadiv.state.wy.us/pop/Place-16EST.pdf>

Appendix A, Table 8
WAM Municipal Finance Report, Volume 2
Federal Mineral Royalty Payments per State

State	2013	2014	2015	2016	State % of Total for 2016
Alabama	\$6,052,116	\$7,007,553	\$5,306,940	\$1,900,708	0.14%
Alaska	\$18,636,102	\$20,144,615	\$18,158,676	\$13,259,281	1.00%
Arizona	\$35,280	\$17,821	\$14,769	\$55,271	0.00%
Arkansas	\$1,321,553	\$1,862,042	\$1,375,212	\$920,844	0.07%
California	\$102,272,570	\$100,470,116	\$64,345,636	\$38,841,434	2.93%
Colorado	\$129,661,230	\$168,757,595	\$123,861,022	\$83,895,364	6.32%
Connecticut					0.00%
Delaware					0.00%
Florida	\$656,027	\$38,256	\$36,855	\$73,540	0.01%
Georgia					0.00%
Hawaii					0.00%
Idaho	\$5,033,536	\$5,377,122	\$6,971,144	\$5,521,236	0.42%
Illinois	\$211,968	\$170,754	\$78,439	\$277,234	0.02%
Indiana	\$3,148	\$6,482	\$5,403	\$5,263	0.00%
Iowa					0.00%
Kansas	\$1,214,099	\$1,354,120	\$695,041	\$453,748	0.03%
Kentucky	\$446,887	\$88,263	\$72,700	\$106,113	0.01%
Louisiana	\$27,236,380	\$24,282,509	\$14,477,499	\$7,320,895	0.55%
Maine					0.00%
Maryland					0.00%
Massachusetts	\$23,835	\$23,835	\$23,835	\$23,835	0.00%
Michigan	\$135,489	\$343,237	\$216,504	\$96,175	0.01%
Minnesota	\$23,305	\$17,701	\$13,854	\$12,505	0.00%
Mississippi	\$1,287,435	\$2,460,314	\$1,514,816	\$690,825	0.05%
Missouri	\$2,974,767	\$2,242,481	\$2,589,889	\$1,808,751	0.14%
Montana	\$36,168,221	\$37,718,221	\$33,984,476	\$23,008,074	1.73%
Nebraska	\$26,735	\$38,770	\$14,539	\$8,554	0.00%
Nevada	\$8,818,687	\$8,344,816	\$5,980,484	\$4,612,559	0.35%
New Hampshire					0.00%
New Jersey					0.00%
New Mexico	\$478,760,958	\$579,094,211	\$496,043,426	\$368,616,183	27.77%
New York					0.00%
North Carolina	\$37	\$110	\$110	\$110	0.00%
North Dakota	\$90,290,490	\$68,413,591	\$47,164,777	\$32,521,124	2.45%
Ohio	\$266,027	\$265,855	\$162,664	\$71,846	0.01%
Oklahoma	\$4,283,474	\$5,353,242	\$4,850,761	\$6,682,274	0.50%
Oregon	\$372,931	\$350,705	\$187,720	\$159,369	0.01%
Pennsylvania	\$69,968	\$73,003	\$35,842	\$18,528	0.00%
Rhode Island			\$170	\$170	0.00%
South Carolina		\$2,077	\$515	\$776	0.00%
South Dakota	\$1,036,874	\$1,333,211	\$1,303,351	\$306,901	0.02%
Tennessee					0.00%
Texas	\$16,674,291	\$12,256,476	\$7,031,639	\$3,342,136	0.25%
Utah	\$138,285,907	\$170,817,555	\$116,366,543	\$68,060,351	5.13%
Vermont					0.00%
Virginia	\$42,863	\$52,626	\$48,959	\$23,235	0.00%
Washington	\$6,653	\$6,863	\$6,311	\$6,451	0.00%
West Virginia	\$163,547	\$322,062	\$225,606	\$184,631	0.01%
Wisconsin					0.00%
Wyoming	\$932,475,424	\$1,007,269,375	\$885,980,925	\$664,312,371	50.05%
Total	\$2,004,968,815	\$2,226,377,584	\$1,839,147,052	\$1,327,198,665	100.00%

Source: US Department of Interior, Office of Natural Resource Revenue

Appendix A, Table 9
WAM Municipal Finance Report, Volume 2
Estimate of Food Tax Revenue for Wyoming Municipalities

City or Town	2010 Census¹	DOR 2015 Adjusted Census²	DOR Estimated Municipal Food Tax Revenue/Year
Afton	1,911	1,818	\$77,850
Albin	181	120	\$6,909
Alpine	828	550	\$23,552
Baggs	440	348	\$20,247
Bairoil	106	97	\$5,680
Bar Nunn	2,213	936	\$44,568
Basin	1,285	1,238	\$33,865
Bear River	518	477	\$24,419
Big Piney	552	408	\$29,799
Buffalo	4,585	3,900	\$208,107
Burlington	288	250	\$6,839
Burns	301	285	\$16,408
Byron	593	557	\$15,236
Casper	55,316	49,644	\$2,363,826
Cheyenne	59,466	53,011	\$3,052,028
Chugwater	212	244	\$9,045
Clearmont	142	115	\$7,824
Cody	9,520	8,835	\$239,949
Cokeville	535	506	\$21,668
Cowley	655	560	\$15,318
Dayton	757	678	\$46,130
Deaver	178	177	\$4,842
Diamondville	737	716	\$30,660
Dixon	97	79	\$4,596
Douglas	6,120	5,288	\$199,249
Dubois	971	964	\$24,155
E. Thermopolis	254	274	\$9,256
Edgerton	195	169	\$8,047
Elk Mountain	191	192	\$11,171
Encampment	450	443	\$25,774
Evanston	12,359	11,507	\$589,080
Evansville	2,544	2,255	\$107,373
Ft Laramie	230	243	\$7,281
Frannie-BH	138	180	\$4,924
Frannie-PK	19	29	\$788
Gillette	29,087	20,238	\$1,518,202
Glendo	205	229	\$8,489
Glenrock	2,576	2,231	\$84,063
Granger	139	146	\$8,550
Green River	12,515	11,808	\$691,461
Greybull	1,847	1,815	\$49,648
Guernsey	1,147	1,147	\$42,521
Hanna	841	873	\$50,791
Hartville	62	76	\$2,817
Hudson	458	407	\$10,198
Hulett	383	408	\$18,021
Jackson	9,577	8,647	\$1,113,963
Kaycee	263	249	\$13,287
Kemmerer	2,656	2,651	\$113,521
Kirby	92	57	\$1,926

Appendix A, Table 9
WAM Municipal Finance Report, Volume 2
Estimate of Food Tax Revenue for Wyoming Municipalities

City or Town	2010 Census ¹	DOR 2015 Adjusted Census ²	DOR Estimated Municipal Food Tax Revenue/Year
LaBarge	551	431	\$18,456
LaGrange	448	332	\$9,948
Lander	7,487	6,867	\$172,069
Laramie	30,816	27,204	\$1,543,606
Lingle	468	510	\$15,282
Lost Springs	4	1	\$38
Lovell	2,360	2,361	\$64,584
Lusk	1,567	1,447	\$68,825
Lyman	2,115	1,938	\$99,212
Manderson	114	104	\$2,845
Manville	95	101	\$4,804
Marbleton	1,094	720	\$52,587
Medicine Bow	284	274	\$15,941
Meeteetse	327	351	\$9,533
Midwest	404	408	\$19,427
Mills	3,461	2,591	\$123,372
Moorcroft	1,009	807	\$35,644
Mountain View	1,286	1,153	\$59,026
Newcastle	3,532	3,249	\$129,885
Opal	96	102	\$4,368
Pavillion	231	165	\$4,134
Pine Bluffs	1,129	1,153	\$66,382
Pine Haven	490	222	\$9,806
Pinedale	2,030	1,412	\$103,129
Powell	6,314	5,373	\$145,925
Ranchester	855	701	\$47,694
Rawlins	9,259	9,006	\$523,966
Riverside	52	59	\$3,433
Riverton	10,615	9,310	\$233,284
Rock River	245	235	\$13,334
Rock Springs	23,036	18,708	\$1,095,516
Rolling Hills	440	449	\$16,918
Saratoga	1,690	1,726	\$100,418
Sheridan	17,444	15,804	\$1,075,267
Shoshoni	649	635	\$15,911
Sinclair	433	423	\$24,610
Star Valley Ranch	1,503	1,465	\$62,734
Sundance	1,182	1,161	\$51,280
Superior	336	244	\$14,288
Ten Sleep	260	304	\$11,572
Thayne	366	341	\$14,602
Thermopolis	3,009	3,172	\$107,152
Torrington	6,501	5,776	\$173,071
Upton	1,100	872	\$34,860
Van Tassell	15	18	\$856
Wamsutter	451	261	\$15,284
Wheatland	3,627	3,548	\$131,529
Worland	5,487	5,250	\$199,851
Wright	1,807	1,347	\$101,048
Yoder	151	169	\$5,064
Totals	384,960	338,335	\$17,876,292

Source: The Department of Revenue (DOR) provided an estimate of the revenue from tax on food from domestic home consumption if the exemption. The data, provided in May 2017, is based on FY 2006 tax data and 2015 adjusted census data. The DOR calculated the distribution using the backfill estimations that each county would receive and then what would be received at the municipality level.

¹ - 2010 census population data http://eativ.state.wy.us/demog_data/demog_data.html

² - Adjusted 2015 census data used by the DOR is an adjusted value and does not reflect actual population estimates but used by DOR in an attempt to conservatively estimate the revenue per municipality if the food tax exemption was removed.

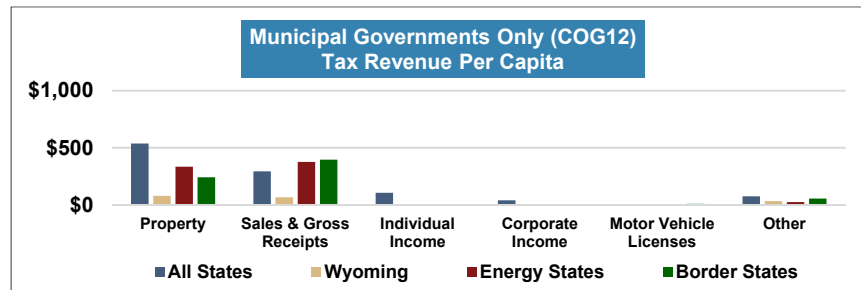
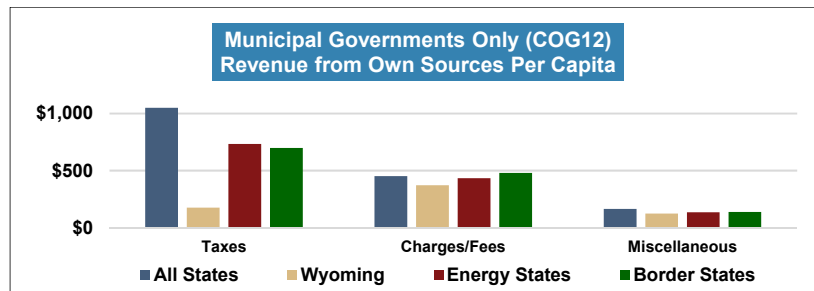
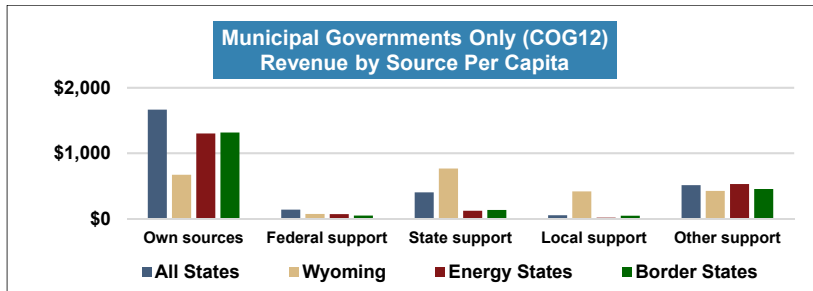
Appendix A, Table 10
WAM Municipal Finance Report, Volume 2
State Comparison of Sales Tax Treatment of Groceries, Candy Soda

State	State General Sales Tax	Grocery Treatment	Candy Treated as Groceries?	Soda Treated as Groceries?
Alabama	4.00%	Included in Base	Yes	Yes
Alaska ^E	--	--	--	--
Arizona	5.60%	Exempt	Yes	Yes
Arkansas	6.50%	0.015	Yes	Yes
California ¹	7.25%	Exempt	Yes	No
Colorado ^B	2.90%	Exempt	No	No
Connecticut	6.35%	Exempt	No	No
Delaware	--	--	--	--
Florida	6.00%	Exempt	No	No
Georgia	4.00%	Exempt	Yes	Yes
Hawaii	4.00%	Included in Base	Yes	Yes
Idaho ^B	6.00%	Included in Base	Yes	Yes
Illinois	6.25%	0.01	No	No
Indiana	7.00%	Exempt	No	No
Iowa	6.00%	Exempt	No	No
Kansas	6.50%	Included in Base	Yes	Yes
Kentucky	6.00%	Exempt	No	No
Louisiana	5.00%	Exempt	Yes	Yes
Maine	5.50%	Exempt	No	No
Maryland	6.00%	Exempt	No	No
Massachusetts	6.25%	Exempt	Yes	Yes
Michigan	6.00%	Exempt	Yes	Yes
Minnesota	6.88%	Exempt	No	No
Mississippi	7.00%	Included in Base	Yes	Yes
Missouri	4.23%	0.01225	Yes	Yes
Montana ^B	--	--	--	--
Nebraska ^B	5.50%	Exempt	Yes	Yes
Nevada	6.85%	Exempt	Yes	Yes
New Hampshire	--	--	--	--
New Jersey	6.88%	Exempt	No	No
New Mexico ^E	5.13%	Exempt	Yes	Yes
New York	4.00%	Exempt	No	No
North Carolina	4.75%	Exempt	No	No
North Dakota ^E	5.00%	Exempt	No	No
Ohio	5.75%	Exempt	Yes	No
Oklahoma ^E	4.50%	Included in Base	Yes	Yes
Oregon	--	--	--	--
Pennsylvania	6.00%	Exempt	Yes	No
Rhode Island	7.00%	Exempt	No	No
South Carolina	6.00%	Exempt	Yes	Yes
South Dakota ^B	4.00%	Included in Base	Yes	Yes
Tennessee	7.00%	0.05	Yes	Yes
Texas ^E	6.25%	Exempt	No	No
Utah ^{B 1}	5.95%	0.0175	Yes	Yes
Vermont	6.00%	Exempt	Yes	Yes
Virginia ¹	5.30%	0.025	Yes	Yes
Washington	6.50%	Exempt	Yes	No
West Virginia	6.00%	Exempt	Yes	No
Wisconsin	5.00%	Exempt	No	No
Wyoming	4.00%	Exempt	Yes	Yes
D.C.	5.75%	Exempt	No	No

Source: As of January 1, 2017. Tax Foundation, "Overreaching on Obesity: Governments Consider New Taxes on Soda and Candy" (October 2011); Bloomberg BNA.

¹- Three states levy mandatory, statewide, local add-on sales taxes at the state level: California (1%), Utah (1.25%), and Virginia (1%). The Tax Foundation included these in their state sales tax.

Municipal Finance Comparison



Prepared for
Wyoming Association of Municipalities
August 29, 2017



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Introduction

In Wyoming, local municipalities are the primary providers of the most basic of all government services: Police and fire protection, drinking water, local streets, parks, wastewater and landfills. Some of these services are operated as self-sustaining enterprises, where customers pay fees that cover the operating and replacement costs of the operation. For municipal services that are operated as an enterprise fund, their customers are required to pay the actual costs of the services. However, many core services (such as police and fire protection, streets, and parks) cannot be operated in this way, and so municipalities must look elsewhere for revenue. For many towns and cities, that means they must generate sufficient general revenue to sustain these services.

The most significant municipal revenue stream in Wyoming is excise taxes (sales and use taxes), which are collected on the sale of many products and some services in Wyoming. Excise taxes have historically reflected the “boom/bust” economic cycles that Wyoming endures, rising and falling rather quickly. Additionally, state statutes create many excise tax exemptions, ranging from food sales to repairs of railroad cars. With economic volatility, these revenue constraints are especially obvious when Wyoming’s economy is in a downturn, as it is now. Wyoming currently is in a situation where most municipalities are frantically seeking new sources of revenue, lest they fail to provide some services (or even fail completely).

To address Wyoming’s legal limitations to generate revenue, Wyoming municipalities have turned to the State Legislature for help. The Wyoming Association of Municipalities (WAM), acting on behalf of all towns and cities in Wyoming, prepared a Municipal Finance Report in October 2016. WAM’s report detailed the history behind many factors that have led to the current situation.

In 2017, the Legislative Service Office (LSO) studied Wyoming’s local government tax structure alongside other states’ structures, in an effort to identify how other states fund their local governments. LSO based their study on U.S. Census Bureau data and other official sources, especially the Annual Surveys of State and Local Government Finance. For comparisons, LSO identified two groups of states:

Bordering States – Colorado, Idaho, Montana, Nebraska, South Dakota, and Utah. These are the states whose borders are adjacent to Wyoming. This report compiles comparative data for these same states, referring to them as “**Border States**”.

Selected States with Significant Mineral Production – Alaska, New Mexico, North Dakota, Oklahoma, and Texas. These are states that rely upon natural resources extraction (coal, oil, gas, uranium, etc.), as does Wyoming. This report compiles comparative data for these same states, referring to them as “**Energy States**”.

LSO presented their findings to the Joint Revenue Committee on May 21, 2017. At that same legislative hearing, WAM leaders offered to use LSO's approach and data sources in an effort to dig deeper into municipal finance.

WAM retained the services of Community Builders, Inc. (CBI, a Wyoming-based consulting firm) to prepare this study. The primary goal of this study is to identify and analyze municipal government finance in other states. This report summarizes those findings, including three key observations:

1. Wyoming municipalities have the ability to raise less than 30% of their revenue from their "own sources." Municipalities in nearly every other state have twice that capacity (i.e., 60% or more).
2. Wyoming municipalities are particularly underfunded with regard to their ability to generate tax revenue (only \$175 per capita, compared to \$1,049 per capita nationally).
3. Wyoming municipalities property taxes (\$79 per capita) and sales taxes (\$65 per capita) are extremely low compared to other states.

Methodology

For this study, CBI has used the same primary source of data as the LSO presentation (U.S. Census Bureau data, downloaded from <https://www.census.gov/govs/local/> in May 2017). Comprehensive state and local government fiscal data is available for each year, going back decades, though there are limitations to using this data:

- Data for 2001 and 2003 are not available at all from the Census Bureau
- Data for years prior to 1993 is inconsistent and likely less reliable

It is helpful that the Census Bureau data collection methodology is the same nationwide. The agency collects data from all recognized levels of American Government:

- States – Comprehensive data from all 50 states, plus Washington, DC.
- Local Governments – All local governments in all states, including counties, townships, municipalities, special districts, and public-school districts.

At the state level, this data is not simply a survey, but rather is a 100% collection from all states (plus Washington, D.C.). At the local government level, however, the Census Bureau conducts a sample survey, which has been designed to measure a sample size of all types of local governments (which include counties, townships, municipalities, special districts, and public-school districts).

In Wyoming, the Census Bureau methodology gathers data from all 23 counties, the largest municipality in each county (all 23), plus the 25 largest remaining municipalities. Also included are sample sizes for schools and special districts. For municipalities, the Census Bureau analyzes the actual financial data from 48 municipalities, and then creates estimates for all 99 municipalities. However, because their estimating process is different for every state, there is no way to “reverse engineer” these estimates.

Because of the data limitations identified by the Census Bureau, this study respects the cautionary advice from the Census Bureau and uses illustrations over time to show fiscal trends at the local government level only. Again, the term “local government” as used by the Census Bureau means much more than just municipalities. However, local government data is the most granular level that can reliably be analyzed and presented as a time series.

For municipal government-only data, CBI uses the very detailed data from the 2012 Census of Governments (COG12). Every five years (2012 being the most recent), the Census Bureau enhances its usual methodologies to create detailed estimates for each kind of local government, including municipalities. The COG12 data therefore allows us to compare municipal finance to the broader category of local governments, and it provides a snapshot of municipal finances as of that point in time (2012).

For comparisons to other states' municipal revenue streams, CBI has organized its findings at several comparative levels:

- USA (this is a national total and/or average including all 50 states and Washington, D.C.)
- Wyoming local governments (and Wyoming municipal-only data, where available)
- Energy States (these are the same states that the LSO report identified as "Selected states with significant mineral production," i.e., Alaska, New Mexico, North Dakota, Oklahoma, and Texas)
- Bordering States (same as LSO: Colorado, Idaho, Montana, Nebraska, South Dakota, and Utah)

Municipal revenues are also discussed in this report on a per capita basis. To calculate per capita figures, CBI used additional data from the U.S. Census Bureau (i.e., population estimates by level of government, which follow the same definitions and data aggregations as the fiscal data). Per capita figures can be misleading if one tries to read too much into them. For example, the per capita expenditure for Wyoming municipalities to provide police protection is \$257, but one should not expect every municipality to uniformly achieve that efficiency of scale or provide the same levels of police service. Nonetheless, per capita comparisons give a perspective that is consistent from state to state.

Definitions

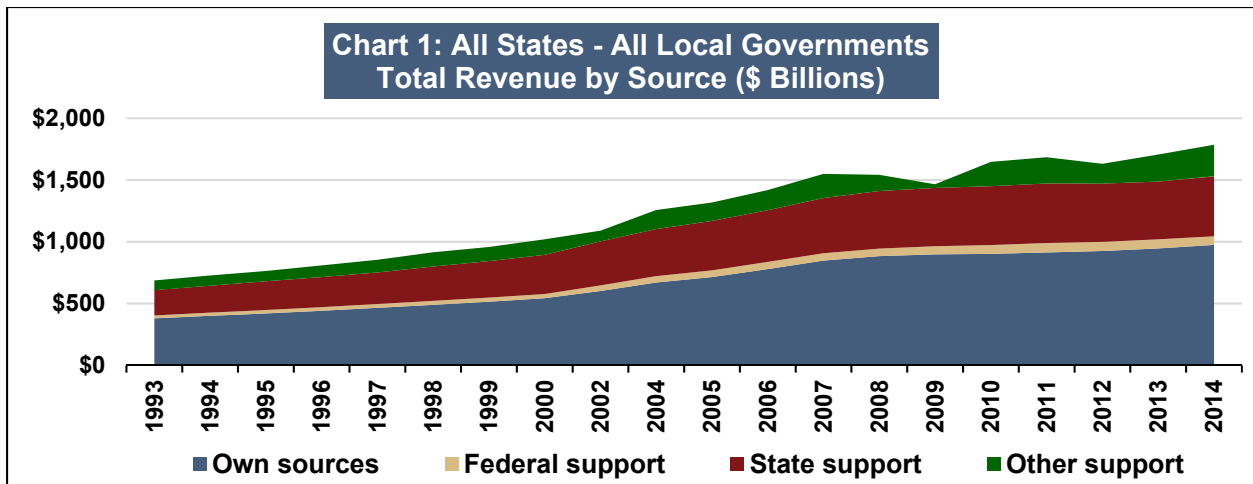
- **ANNUAL SURVEY OF LOCAL GOVERNMENT FINANCES** – The U.S. Census Bureau gathers data from all fifty (50) state governments and a sample of 90,056 local governments (counties, municipalities, townships, special districts, and school districts) and the District of Columbia. The survey coverage includes all states and all local governments in the United States. The comprehensive nature of this data allows for long-term trends to be studied for local governments generally, but not for each type of local government.
- **BORDER STATES** – A comparative group of states that includes Colorado, Idaho, Montana, Nebraska, South Dakota, and Utah.
- **CHARGES & FEES** – For Census Bureau statistics, this term includes revenue from several broad categories, including: Education; Hospitals; Highways (which includes roads and streets); Air transportation (airports); Parking facilities; Seas and inland port facilities; Natural resources; Parks and recreation; Housing and community development; Sewerage; Solid Waste Management; and Other charges.
- **COG12** – The Census of Governments (2012), which is a more robust examination of state and local finance than the Annual Surveys. Conducted every five (5) years, the Census of Government provides detailed finance estimates for each type of “Local Government,” including municipalities, allowing more specific analysis into municipal finance in each state. COG12 data is a series of estimates, and therefore should not be used to understand long term trends.
- **ENERGY STATES** – A comparative group of states that includes Alaska, New Mexico, North Dakota, Oklahoma, and Texas.
- **GENERAL REVENUE** – For Census Bureau statistics, all revenue comes from three sources: (1) Intergovernmental Revenue; (2) General revenue from own sources; and (3) Other support, which includes liquor store tax revenue, insurance trust revenue, and utility revenue.
- **GENERAL REVENUE FROM OWN SOURCES** – For Census Bureau statistics, this term includes revenue from 3 sources: (1) Taxes; (2) Charges and Fees; and (3) Miscellaneous revenue, which includes interest earnings, special assessments, sale of property, and other general revenue.
- **INTERGOVERNMENTAL REVENUE** – Financial support from one level of government to another (federal, state, and local governments). For example, Wyoming has appropriate funding to counties and municipalities for many years as part of their “direct distribution” to support local government.
- **INTERGOVERNMENTAL REVENUE FROM LOCAL GOVERNMENTS** – For Census Bureau statistics, this term includes financial support from other Local Governments for activities administered by the recipient locality, including its dependent agencies. Also included is state aid channeled through other Local Governments which have some discretion as to its distribution (an example in Wyoming might be county consensus funding for local governments), reimbursements for services provided to other Local Governments, and payments-in-lieu-of-taxes on other Local Governments’ property.

- **LOCAL GOVERNMENT** - Census Bureau includes all counties, municipalities, townships, special districts, and school districts in all fifty (50) states and Washington, DC. With this broad definition, the Census Bureau essentially lumps together all American governmental entities that are not state or federal. By comparison, most people in Wyoming would understand the term “local government” to include only towns, cities, and counties (not special districts nor schools; and Wyoming does not have any townships).
- **MUNICIPAL GOVERNMENT** - According to the Census Bureau, municipalities are sub-county general-purpose governments that are established to provide general services for a specific population concentration in a defined area. For Census data, municipal governments include cities, boroughs (except in Alaska), villages, and towns (except in the six New England states, Minnesota, New York, and Wisconsin). Consolidated city-county governments are treated as municipal governments for Census Bureau statistics. Whenever possible, this report identifies this specific data as “Municipal Governments Only.”
- **MUNICIPALITY (WYOMING)** – a city or town that is incorporated and that maintains a legal framework (Mayor, Council, etc.) to provide municipal governance and services for its citizens.
- **SALES & GROSS RECEIPTS TAXES** – For Census Bureau statistics, this term includes all excise taxes (sales and use taxes) on goods and services; and Selective sales taxes (which are specific taxes on sales of Motor Fuel; Alcoholic beverages; Tobacco products; Public Utilities; and Other selective goods and services). For Wyoming, the only current taxes that fall into this category are excise taxes (sales and use taxes); there are currently no gross receipts taxes. In Wyoming (according to the Census methodology), no general sales taxes are collected by municipal governments (which is technically true, since all sales and use taxes first go to the State). The other types of taxes, including local option taxes, are considered by the Census Bureau to be Selective taxes, because they are gathered at the county level and then redistributed to that county’s municipalities.
- **TAXES** – For Census Bureau statistics, this term includes several types of taxes: Property; Sales and gross receipts; Individual and Corporate income taxes; Motor vehicle licenses; and Other taxes.

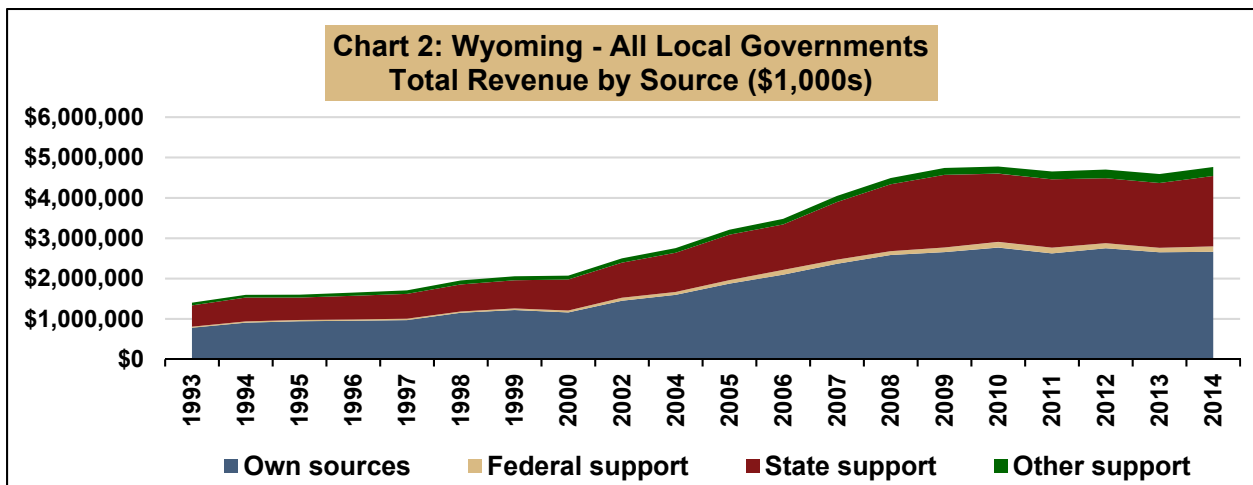
Municipal Revenue

Total Revenue by Source

- Nationwide, there has been a steady increase in revenue for all local governments since at least 1993 (the term “local governments” includes municipalities, counties, special districts and public schools). This trend is illustrated in Chart 1, below.

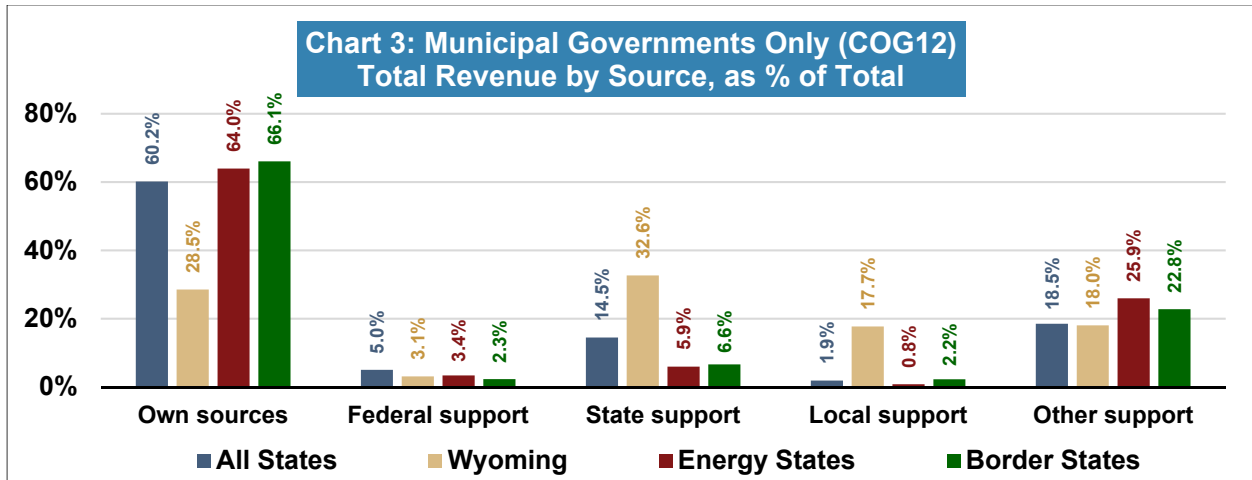


- In Wyoming, the period between 2000 and 2010 marked a dramatic increase in funding for local governments, as shown in Chart 2 below.



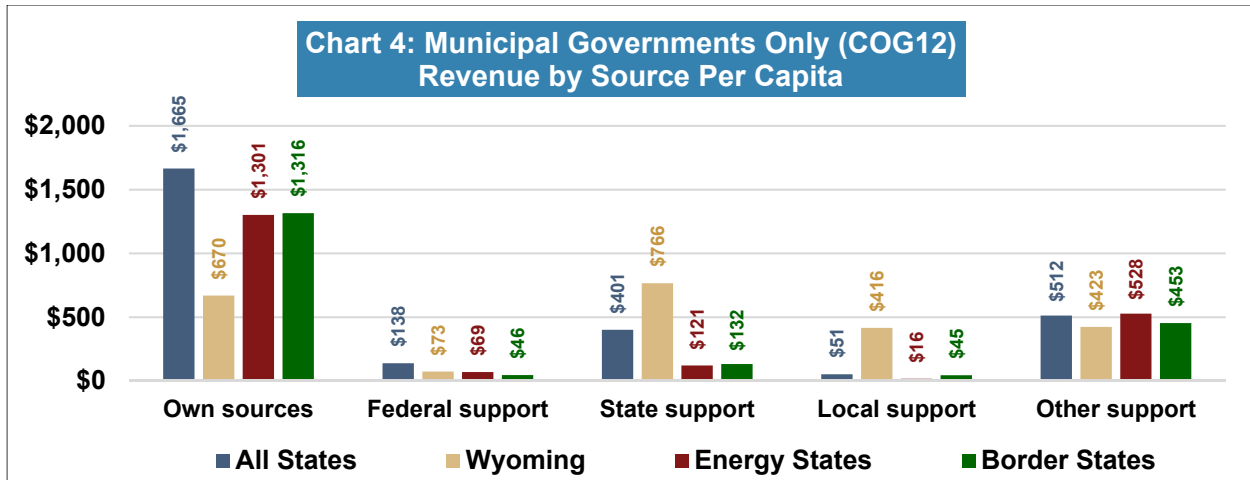
- The sources of revenue for Wyoming local governments are very similar to other states’.
- Nationwide, municipalities generate more than 60% of revenue from their “own sources”.
- “Local support” is intergovernmental revenue coming to municipalities from other local governments for providing direct services to them or for projects on which they have collaborated (such as revenue for a joint dispatch center or a regional landfill).

- In Wyoming, less than 30% of municipal revenue comes from “own sources,” compared to 60% nationwide (even higher in Energy States and Border States). It appears that revenue from other local governments and the State of Wyoming makes up the difference, as Chart 3 illustrates. (Note: While State support is significant for Wyoming municipalities, the percentage of Local support for municipalities is unmatched anywhere in the nation, due to the optional sales taxes that can be collected at the county level.)
- “Other support” includes money generated from utilities, which in Wyoming are enterprise funds, such as for water and electricity



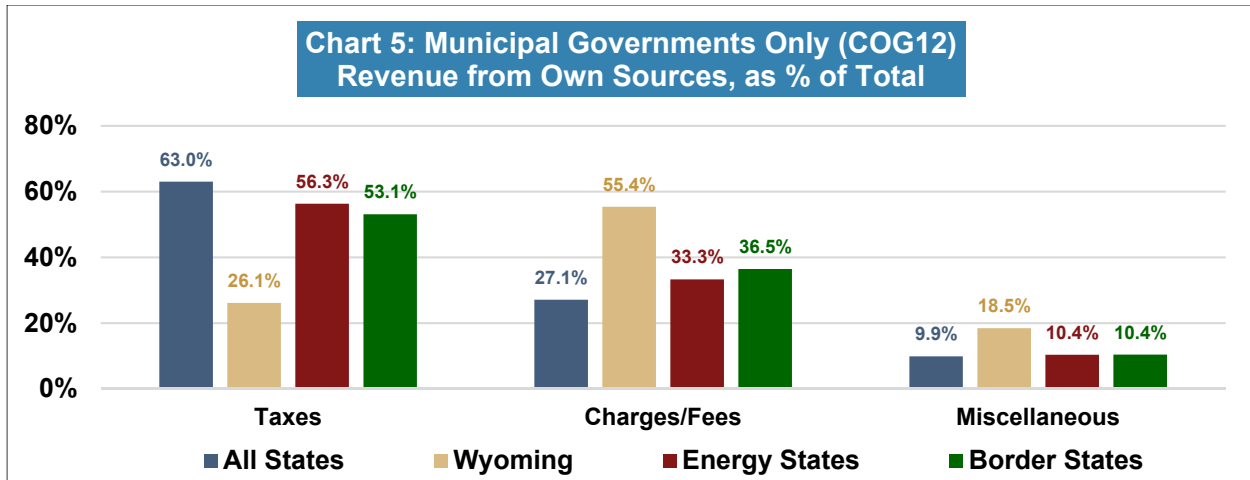
Revenue by Source Per Capita

- Nationally, revenues for all local governments have grown from \$2,516 per capita (1993) to \$6,540 (2014), an increase of 160%.
- In Wyoming, local government revenues have grown from \$2,868 (1993) to \$9,733 (2014), an increase of nearly 240%. While this exceeds the national growth, it is important to remember that the term “local governments” includes counties, special districts, and public schools (in addition to municipalities).
- At the local government level, it appears that the mix of revenue sources in Wyoming is very similar to other states’ local governments.
- However, at the more detailed municipal level, Wyoming’s cities and towns are generating about \$1,000 per capita LESS than other states from their “own sources”. This shortfall is partially made up by increased support from other local governments and the State of Wyoming, as shown in Chart 4 below.
- It should be noted that, while State support for municipalities is very strong (\$766 per capita), the amount of Local support for municipalities is the most of any state (\$416 per capita). Only one other state has a similar revenue structure for municipalities (Kentucky, where revenue from the State is \$612 and from Local governments is \$312 per capita).
- In Wyoming, “Local support” typically consists of the 5th, 6th, or 7th penny excise tax that is distributed through the local county treasurer’s office.



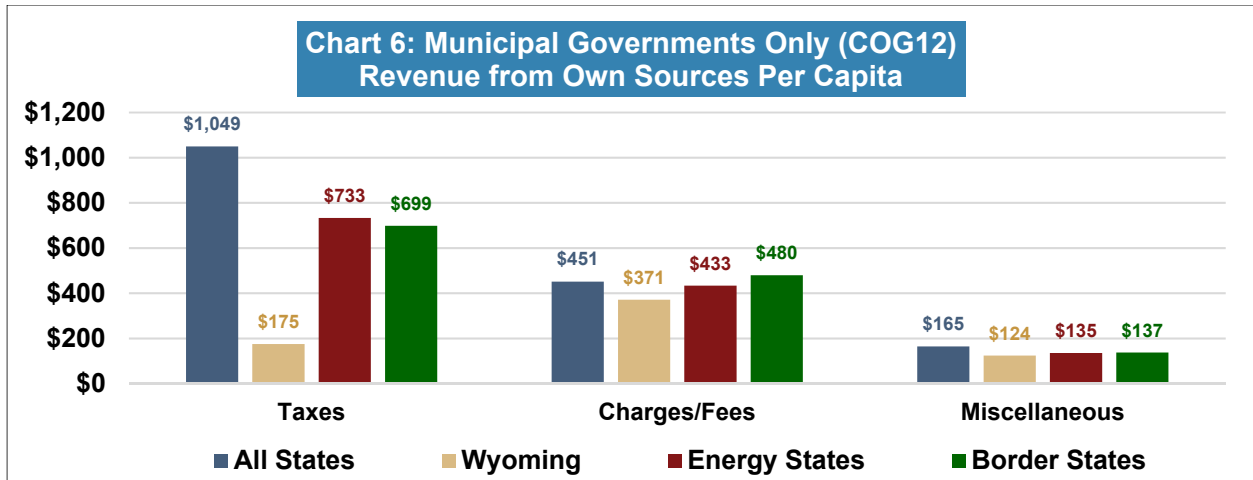
Total Revenue from Own Sources

- Nationwide, local governments are able to generate revenue from their “own sources,” which includes Taxes; Charges & Fees; and other Miscellaneous sources.
- In Wyoming, local governments have increased their Charges & Fees much more than other states. Examples of Charges & Fees include water and sewer bills, and user fees at landfills, parks, parking facilities, etc.
- Wyoming appears to be maintaining growth rates similar to the rest of the nation with Taxes and Miscellaneous sources. Examples of Taxes are property taxes and income taxes.
- Again, “local governments” means much more than just municipalities. Charges & Fees, in Wyoming, includes revenue from enterprise funds (like water & sewer, landfill, etc.), mandated by state law to be operated in a sustainable manner.
- Nationwide, municipalities generate most of their “own source” revenue with Taxes (63% nationally).
- In Wyoming, municipalities generate just 26% of “own source” revenue from Taxes, compared with 63% nationally, as shown in Chart 5 below.
- Wyoming cities and towns have been aggressive about increasing Charges & Fees and other Miscellaneous revenue to make up for the lack of Taxes, as shown below. *(Note: Deeper analysis suggests that much of the increased Charges & Fees in Wyoming is driven by enterprise funds).*
- Note: The various percentages of Taxes, Charges/Fees, and Miscellaneous provided above are based on the Census data (COG12) data, and may be different from other studies such as the NLC study. The total is not different, it is just a difference in definitions with the balance put into the Miscellaneous category.



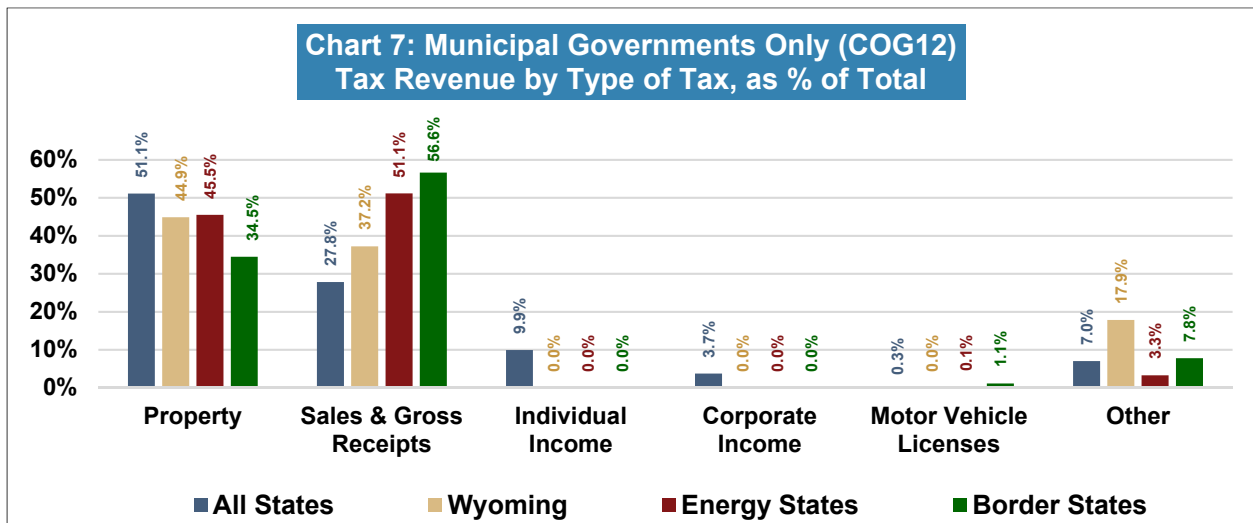
Revenue from Own Sources Per Capita

- On a per capita basis, local governments nationwide have grown their “own sources” of revenues from \$1,394 (1993) to \$3,568 (2014), a 156% increase.
- In Wyoming, local governments have increased their “own sources” of revenues from \$1,599 to \$5,444 per capita, a 240% increase.
- Thus, on a per capita basis, Wyoming’s local government revenues appear to have significantly outgrown other states’. Because “local government” includes public school districts, and because Wyoming has significantly increased support for public schools, the overall support for “local government” in Wyoming is very strong. However, for municipalities (which are just one type of governmental entity included in the Census Bureau’s definition of “local government”), revenues have stagnated.
- Nationwide, municipalities are generating revenue from their “own sources” in much the same mix as local governments, but they have grown their revenues more slowly than other types of local governments.
- In Wyoming, municipalities have not kept pace with other kinds of local governments, particularly public schools. That is, while revenues have dramatically risen for public schools, municipalities’ revenue has grown very slowly.
- Wyoming’s municipalities have also fallen far behind municipalities in other states, particularly with regard to Taxes (\$175 per capita taxes in Wyoming municipalities, versus \$1,049 nationwide), as shown in Chart 6 below.



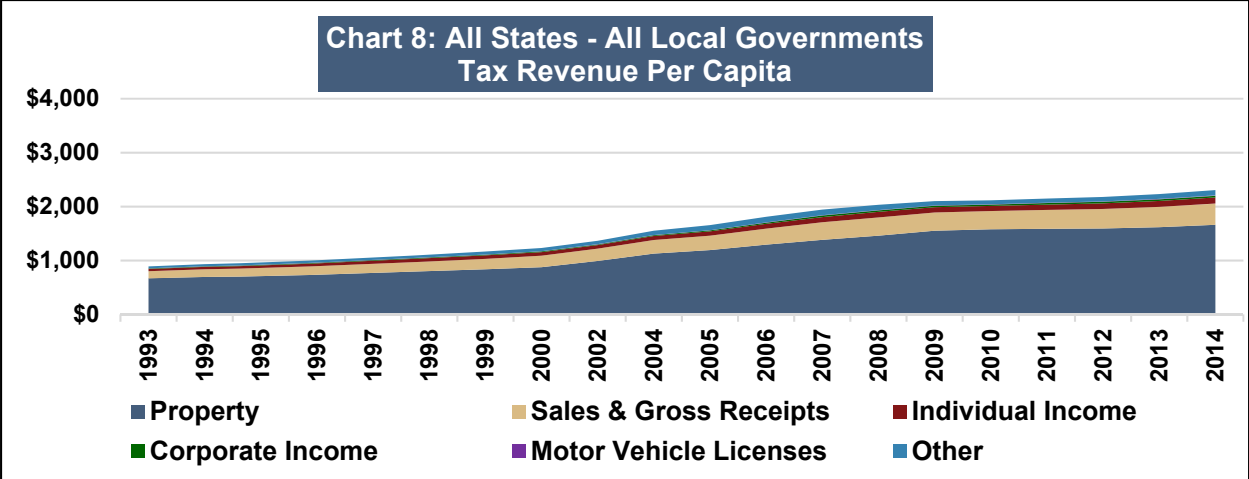
Total Tax Revenue

- Municipalities in most states generate much of their “own source” revenue with Property Taxes and Sales & Gross Receipts taxes. It should be noted that the high percentage of revenue (44.9%) from Property taxes in Wyoming is more a reflection of the minimal overall revenue than it is of the amount of the tax (which is only \$79 per capita, as discussed in the next section).
- Other Tax Revenue sources (Income taxes, Motor Vehicle Licenses, and Other) are nonexistent or insignificant. Income taxes and Motor Vehicle Licenses are similarly irrelevant to Wyoming municipalities, as shown below in Chart 7.

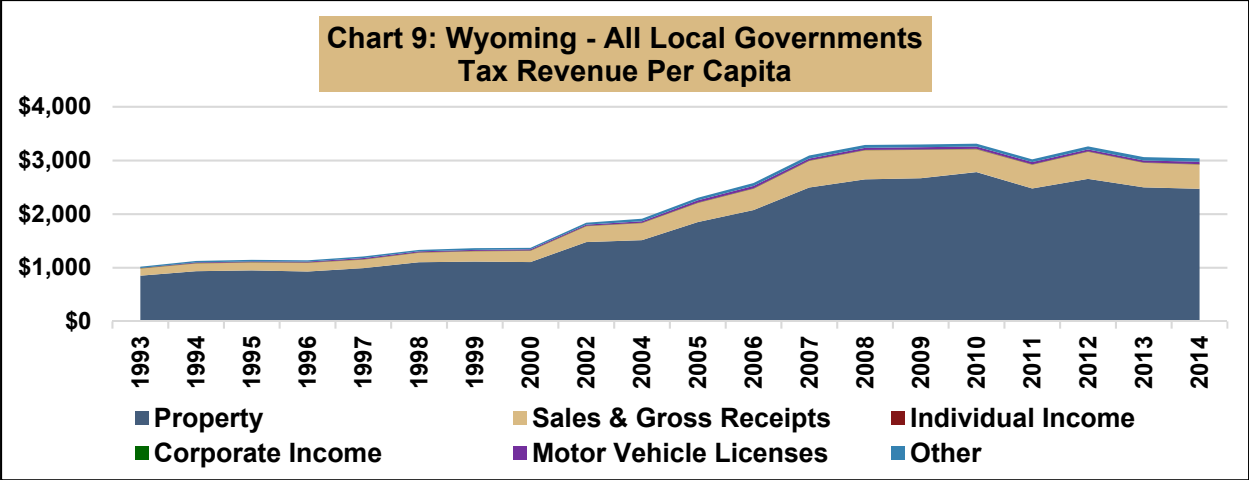


Tax Revenue Per Capita

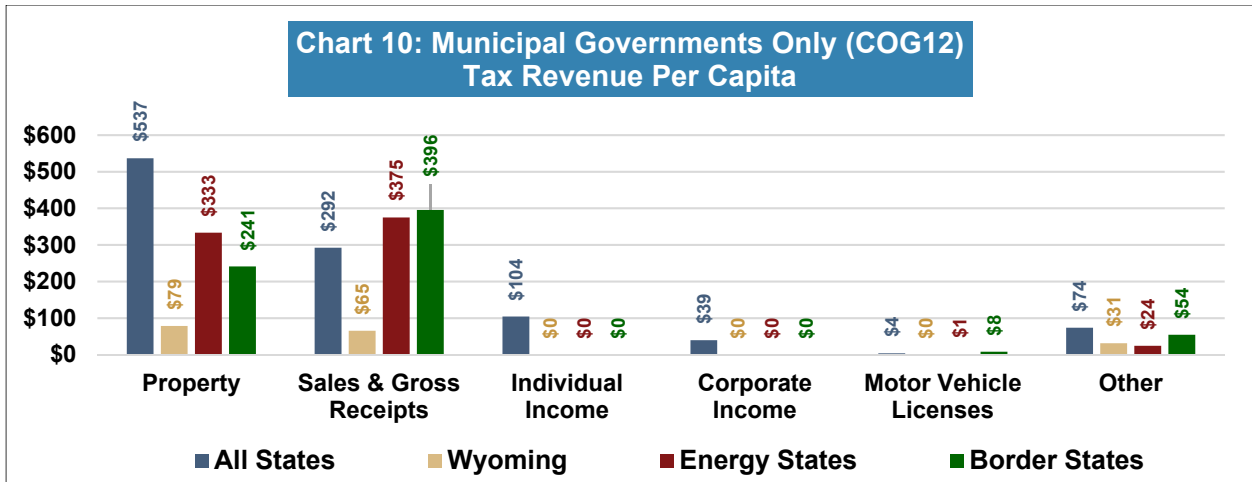
- Nationally, local government Tax Revenue has grown from \$889 (1993) to \$2,306 (2014), growing nearly 160%, as shown in Chart 8 below.



- In Wyoming, local government Tax Revenue has grown even more significantly, from \$853 (1993) to \$1,471 (2014), nearly 190% growth, particularly from 2000 to 2010 (see Chart 9 below). Keep in mind that much of this growth is driven by property taxes designated for public schools.

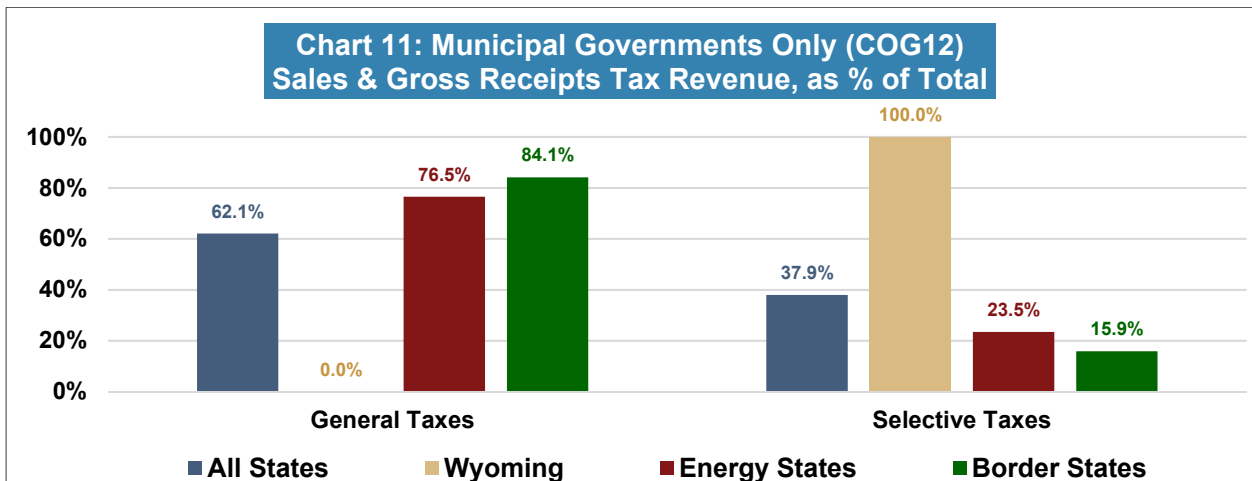


- In most states, it appears that Tax revenue for municipalities has grown similarly with other local governments.
- However, in Wyoming, municipalities generate significantly LESS Tax revenue than municipalities in other states, raising just \$175 per capita (versus \$1,049 national average).
- As Chart 10 illustrates, Wyoming municipalities have fallen especially far behind municipalities in other states with Property taxes and Sales & Gross Receipts. In other words, while municipalities and other Local governments in other states have enjoyed significant growth, Wyoming municipalities are generating far less revenue from Taxes.



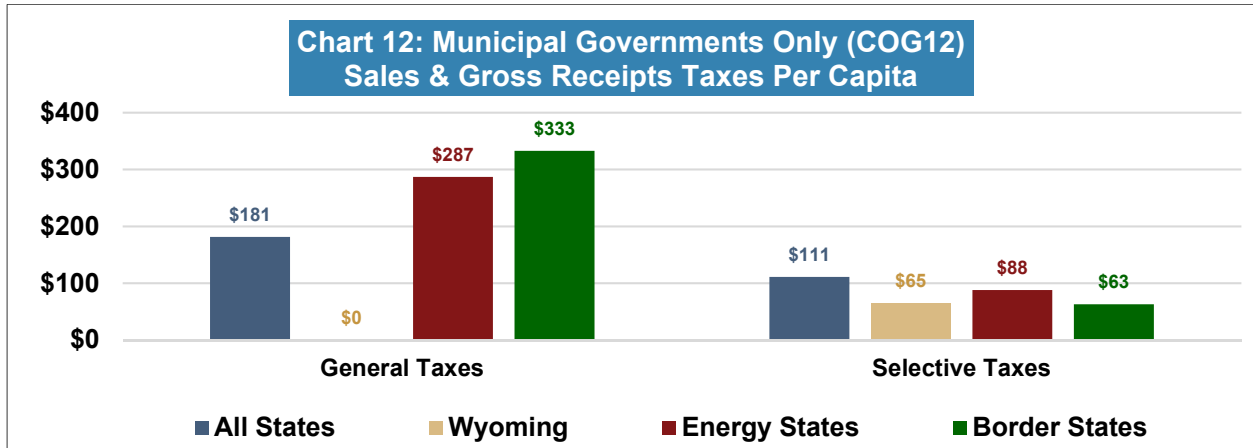
Total Sales & Gross Receipts Taxes

- Nationally, local government revenue from Sales & Gross Receipts Taxes has tripled since 1993.
- Note: The only “Sales & Gross Receipts Taxes” collected in Wyoming are excise taxes (sales and use taxes), not gross receipts taxes.
- Wyoming’s local governments have also enjoyed growth, especially with Selective Taxes.
- The State of Wyoming does not allow its cities and towns to collect their own general taxes, so 100% of municipal revenue from Sales & Gross Receipts Taxes in Wyoming comes from Selective Taxes only. (see Chart 11 below. Note: Wyoming’s legislature has created a distribution formula that provides municipalities and counties about 31% of general taxes that are collected in their county, based on population per the official decennial census.)



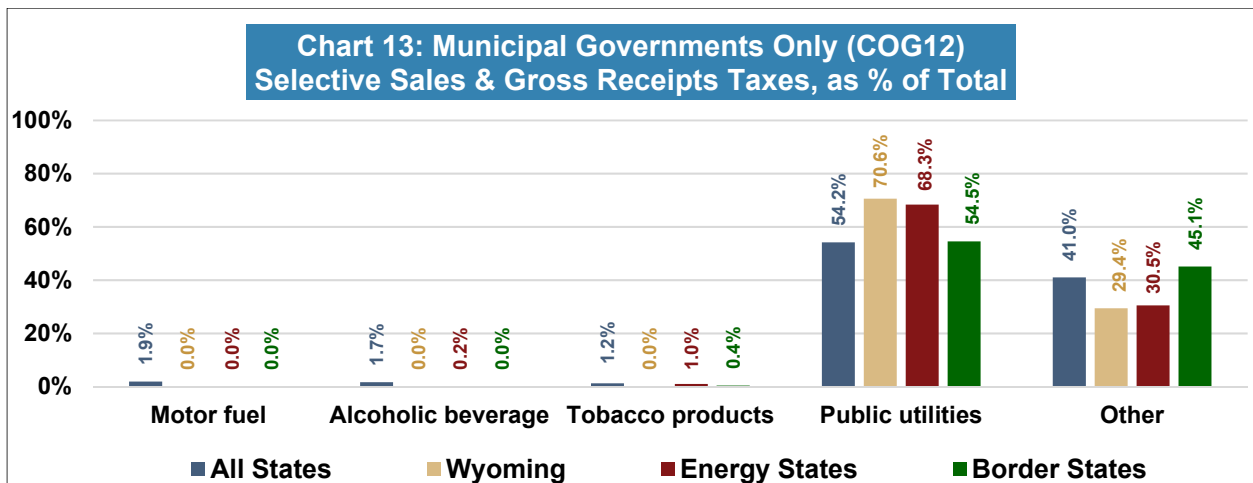
Sales & Gross Receipts Taxes Per Capita

- On a per capita basis, Wyoming’s local governments have fallen behind most of the rest of the nation generating revenue with excise taxes. The Selective Taxes are special taxes on select products, plus local option sales taxes.
- However, for Wyoming municipalities, the complete absence of General Taxes is a glaring difference from other states’ revenue, as shown in Chart 12. Wyoming municipalities’ share of the general sales tax is currently set by the Wyoming legislature, and therefore the Census Bureau identifies the money flowing back to municipalities as “State support.”



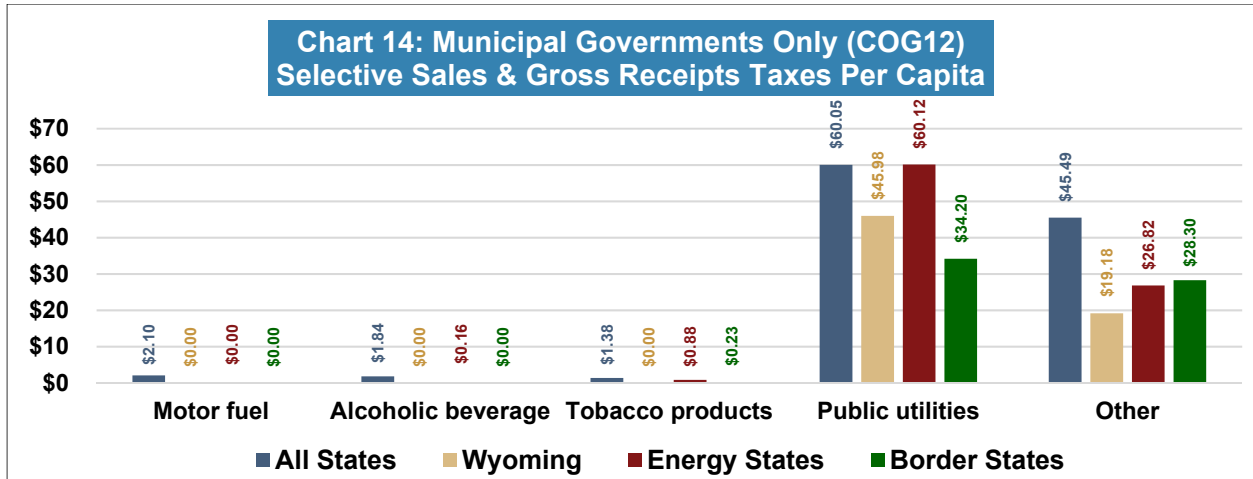
Total Selective Sales & Gross Receipts Taxes

- Nationwide, most of the Selective Taxes are coming from Public Utilities and Other taxes (same in Wyoming). In Wyoming, this includes local option sales taxes.
- Local governments in various states have begun taxing Motor Fuels Alcoholic Beverages, and Tobacco Products, but these are still an insignificant revenue source, as shown in Chart 13.



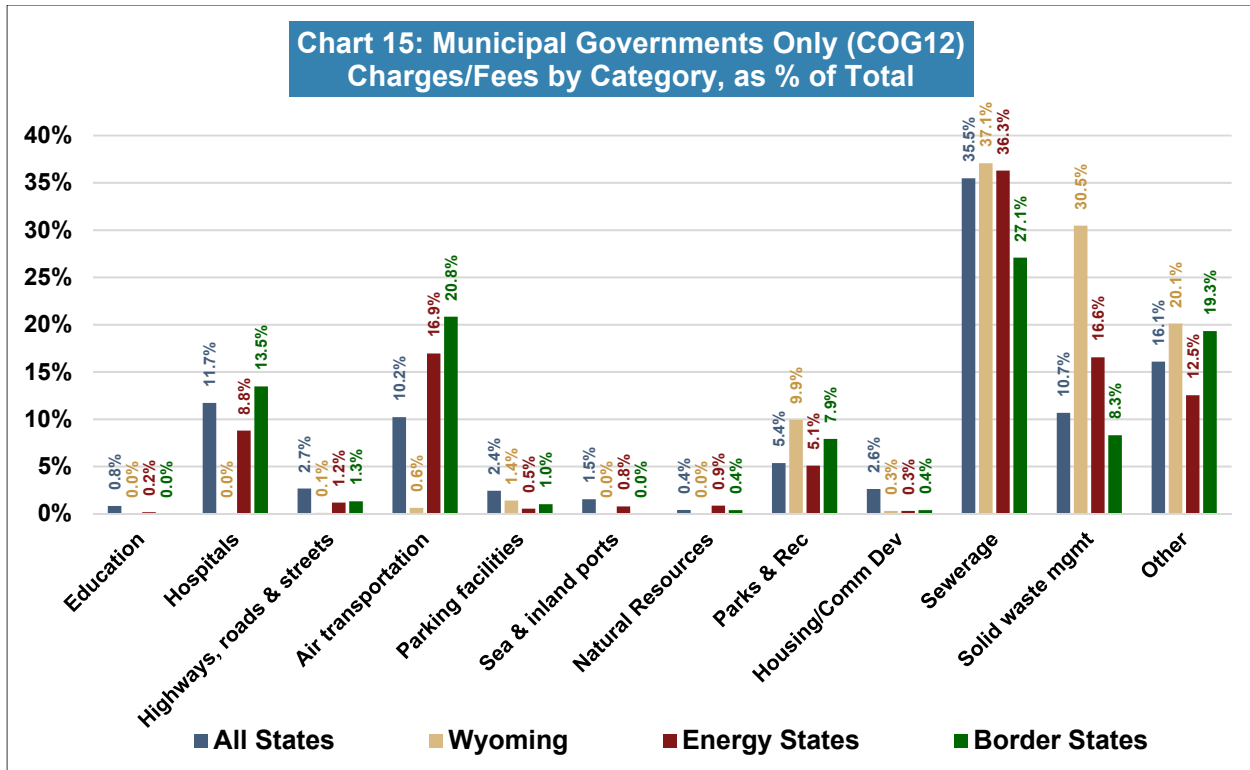
Selective Sales & Gross Receipts Taxes Per Capita

- Nationally, local government revenue from Selective Sales & Gross Receipts Taxes per capita has risen from \$41 (1993) to \$112 (2014), a 174% increase.
- In Wyoming, local government revenue from Selective Sales & Gross Receipts Taxes per capita has risen from \$13 (1993) to \$79 (2014), a 527 % increase.
- However, Wyoming municipalities (which are just one type of local government) have not enjoyed similar growth, and are generating much less revenue per capita than other states’ municipalities (see Chart 14 below).



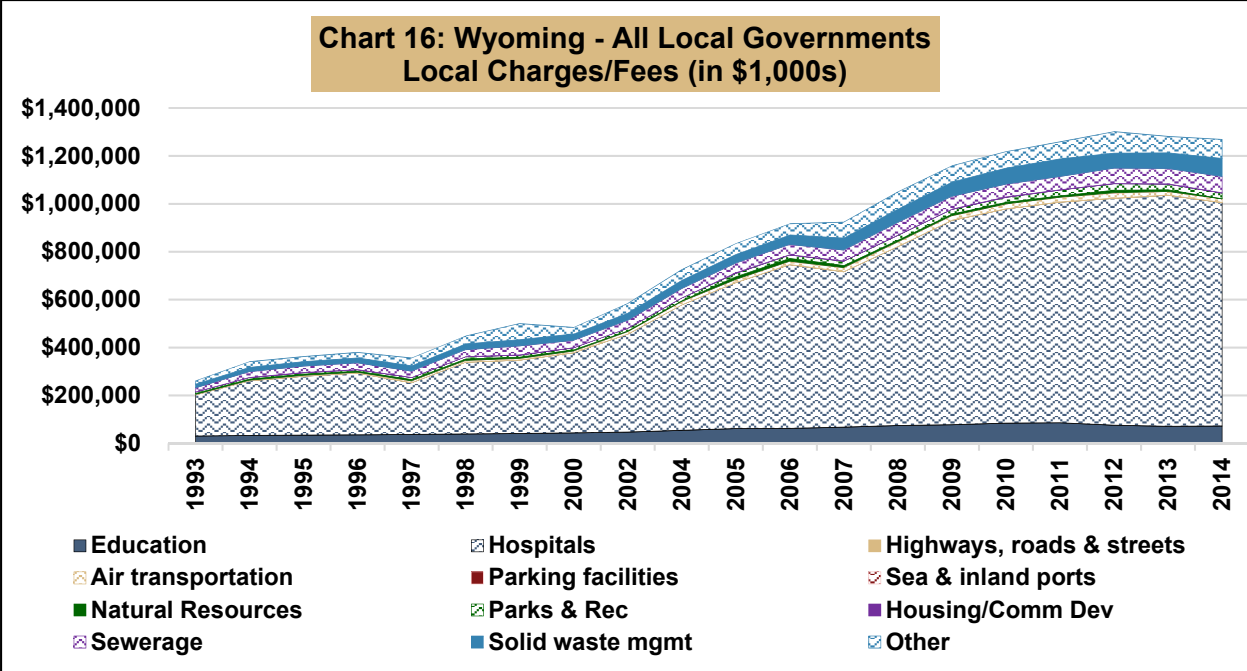
Total Charges & Fees

- Because special districts (such as hospitals) and public school districts are included in the Census Bureau’s “local government” definition, revenue growth from Charges & Fees appears to have been significant nationwide. This same general trend is present in Wyoming when local governments are considered together (including counties, schools and special districts, in addition to municipalities).
- However, for Wyoming municipalities, most Charges & Fees come from Sewerage, Solid Waste Management, Parks & Recreation, and Other services, as shown in Chart 15 below. Many of these types of revenue are collected as part of an enterprise fund, where increases are mandated to ensure sustainability. Increases in other types of Charges & Fees (like public schools and hospital special districts) have virtually no impact to Wyoming municipalities because none of the revenue flows back to them.

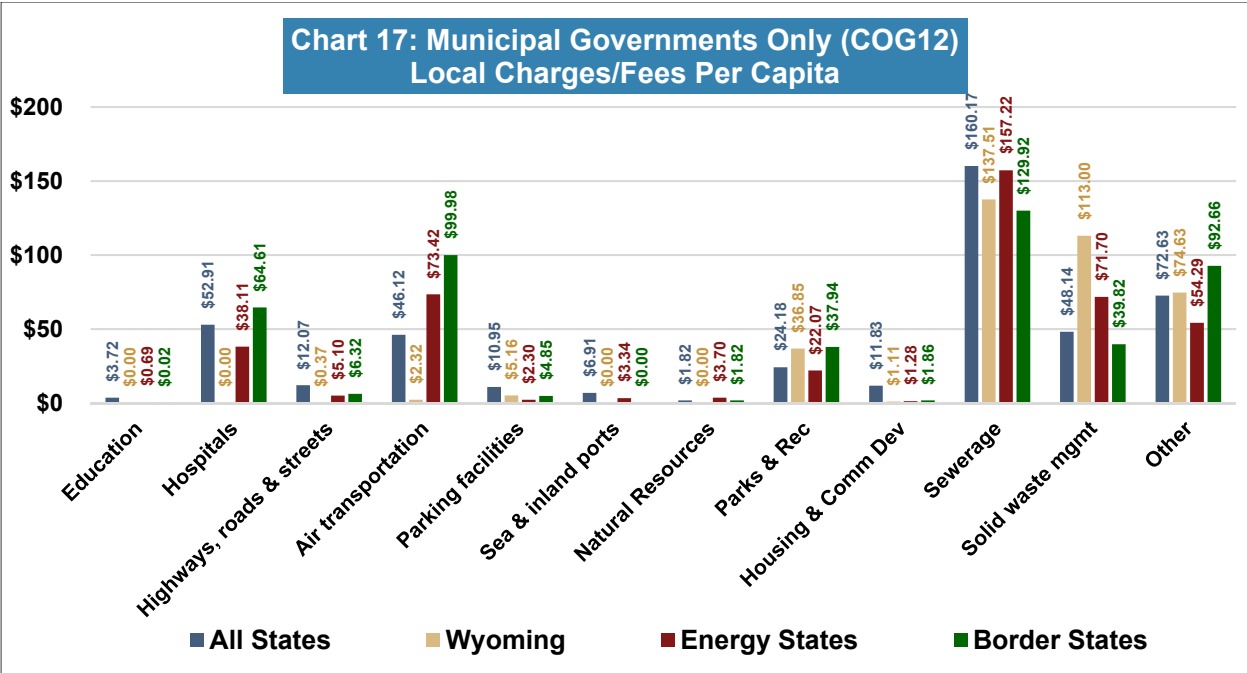


Charges & Fees Per Capita

- Nationwide, growth of revenue for local governments has been strong and steady, growing from \$338 (1993) to \$965 (2014), a 186% increase. In Wyoming, local government growth has been even stronger, from \$534 (1993) to \$2,592, primarily due to higher fees being charged at local hospitals.
- In Wyoming, Hospitals' remarkable growth of Charges & Fees is primarily responsible for a much higher overall growth rate, as shown in Chart 16. This is because many county governments and special districts are generating MUCH more revenue than they did 20 years ago, and these forms of government are included in the Census Bureau's definition of "local government." (Note: This is the same principle behind the growth in public school funding leading the overall growth of Tax revenue. This is a key reason that one should not assume that all local governments are doing well, even though the overall growth in revenue is significant).
- Charges & Fees for Education (public schools) are minimal because most of the revenue for schools comes in the form of taxes (especially property taxes in Wyoming), not Charges & Fees.

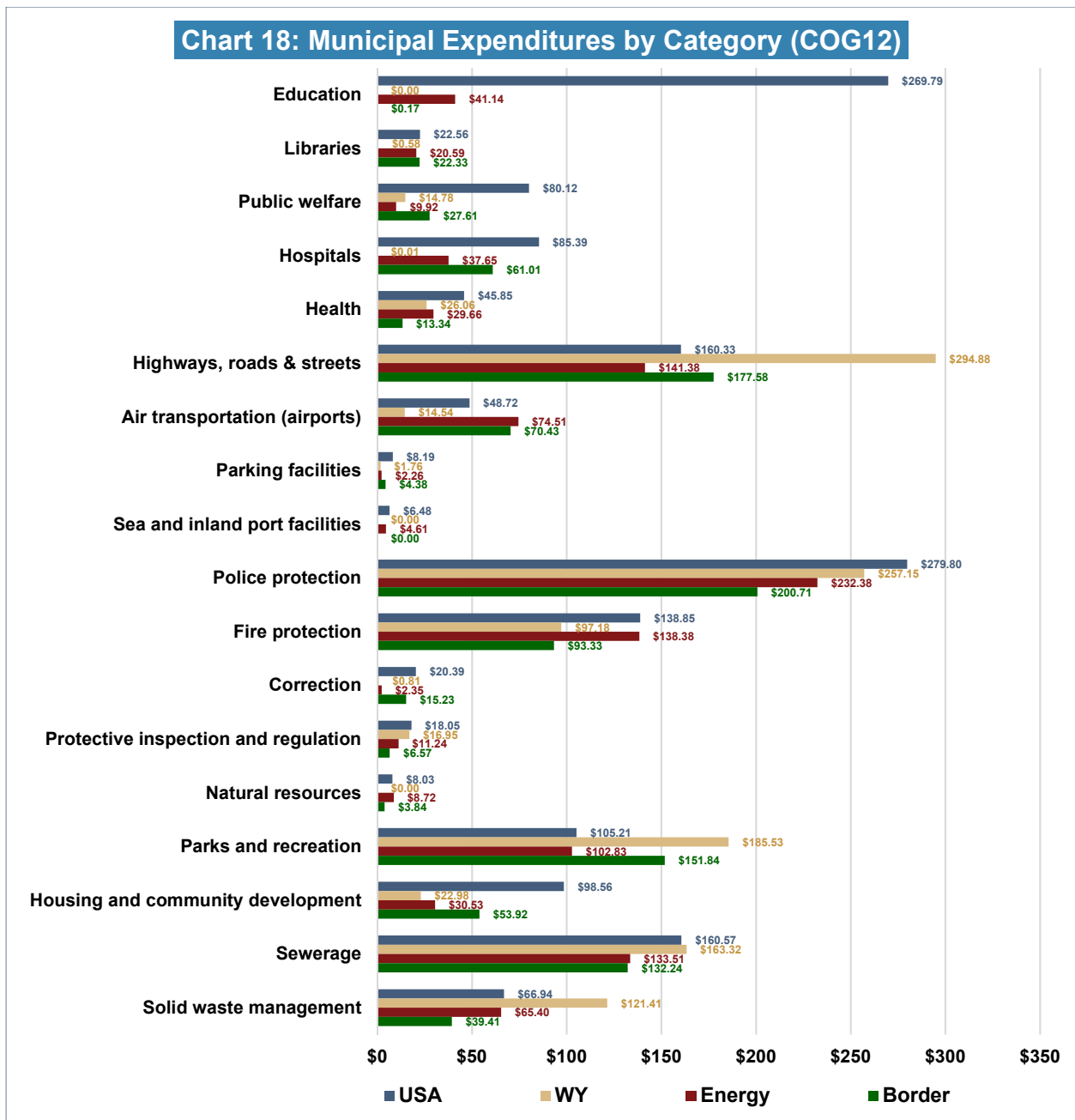


- For Wyoming municipalities, revenue from Charges & Fees remains similar to other states' municipalities (see Chart 17). This may be because services such as Sewerage, Solid Waste Management, and Other (which includes water) are operated as enterprise funds (i.e., must be self-sufficient) in other states, just as they are in Wyoming.

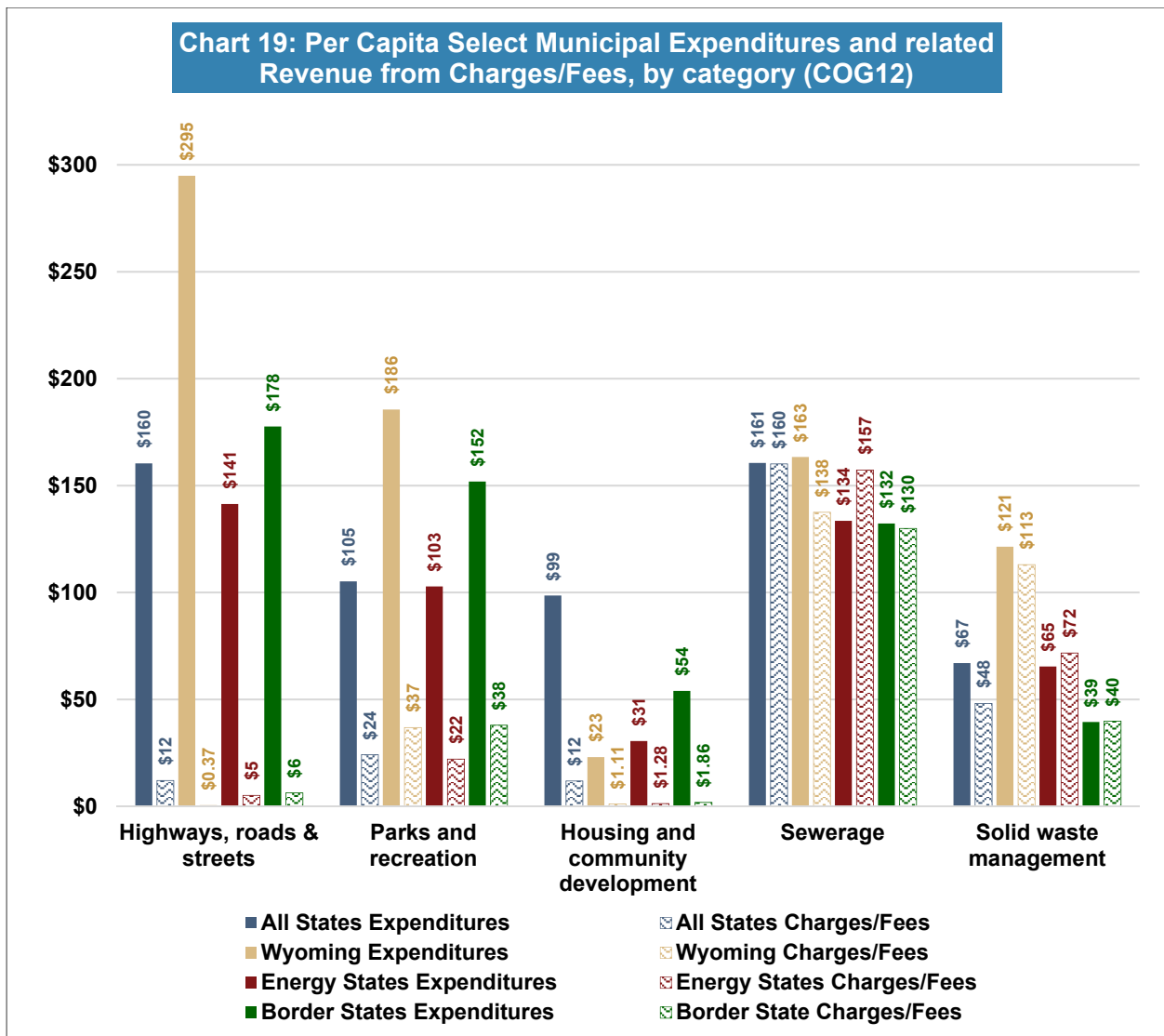


Municipal Expenditures

- The COG12 data also includes data on municipal expenditures. The largest expenditures for Wyoming municipalities are for streets (\$295 per capita, much more than in other states), police protection (\$257 per capita, about the same as other states) and parks (\$185).
- While some services are not relevant to Wyoming (e.g., sea ports), Wyoming municipalities generally expend less per capita than most other states for most other services, as seen in Chart 18.



- Revenue from Charges & Fees helps fund some municipal services, but others (such as streets) do not generate sufficient revenue to support them. For example, Wyoming municipalities paid about \$295 per capita for streets in 2012, yet generated only \$0.37 per capita in related Charges & Fees. It is these services that are at risk of failure when there is insufficient general revenue to pay for them.
- Sewerage and Solid waste management generate more revenue per capita in Wyoming than other states. (Note: Revenue for these services is typically mandated within the rules for operating enterprise funds).
- Chart 19 below illustrates the gap between municipal expenditures and revenue from Charges & Fees. Municipalities are forced to use general revenue to make up the difference. For enterprise funds (e.g., Sewerage), the gap is small, but for other services (like streets), the gap is so large that downturns in municipalities' general revenue leave communities at risk.



Appendix – Detailed Charts & Tables

See attached for:

- Detailed comparisons of local government and municipal finance for All States, Wyoming, Energy States, and Border States **available upon request**

Note: *The source for all data used to prepare this report is the U.S. Census Bureau, State & Local Government Finance and the 2012 Census of Government (COG12), downloaded in May 2017 from <https://www.census.gov/govs/local/>.*

Sales/Use and Lodging Tax Rates by Locality Effective 10/01/2017

The shaded areas below represent tax rate changes from the previous rate chart of 07/01/17. If you have questions or need assistance, please call (307) 777-5200 or visit our website at revenue.wyo.gov

Co #	County	State Tax Rate	General Purpose County Option Tax Rate	Specific Purpose County Option Tax Rate	Economic Development County Option Tax Rate	Total Sales/Use Tax Rate	Local Government	Lodging Tax Rate	Total Lodging & Sales/Use Tax Rate			
05	Albany	4%	+	1%	+	1%	=	6%	Albany	4%	=	10%
09	Big Horn	4%	+	1%			=	5%	Lovell & Greybull only	2%	=	7%
										3%	=	8%
17	Campbell	4%	+	1%			=	5%	Campbell	2%	=	7%
06	Carbon	4%	+	1%	+	1%	=	6%	Carbon	2%	=	8%
13	Converse	4%	+	1%			=	5%	Converse	3%	=	8%
18	Crook	4%	+	1%	+	1%	=	6%	Crook	2%	=	8%
10	Fremont	4%	+	1%			=	5%	Fremont	4%	=	9%
07	Goshen	4%	+	1%		+.25%	=	5.25%	Goshen	4%	=	9.25%
15	Hot Springs	4%	+	1%	+	1%	=	6%	Hot Springs	4%	=	10%
16	Johnson	4%	+	1%			=	5%	Johnson	2%	=	7%
02	Laramie	4%	+	1%	+	1%	=	6%	Laramie	4%	=	10%
12	Lincoln	4%	+	1%			=	5%	Afton,	2%	=	7%
									Cokeville,	2%	=	7%
									Diamondville &	2%	=	7%
									Kemmerer only	4%	=	9%
01	Natrona	4%	+	1%			=	5%	Natrona	4%	=	9%
14	Niobrara	4%	+	1%			=	5%	Lusk only	3%	=	8%
11	Park	4%			+	1%	=	5%	Park	4%	=	9%
08	Platte	4%	+	1%	+	1%	=	6%	Platte	3%	=	9%
03	Sheridan	4%	+	1%	+	1%	=	6%	Sheridan only	4%	=	10%
23	Sublette	4%					=	4%	Town of Pinedale only	4%	=	8%
04	Sweetwater	4%	+	1%	+	1%	=	6%	Sweetwater	3%	=	9%
22	Teton	4%	+	1%	+	1%	=	6%	Teton	2%	=	8%
19	Uinta	4%	+	1%			=	5%	Evanston only	3%	=	8%
20	Washakie	4%	+	1%			=	5%	Washakie	4%	=	9%
21	Weston	4%	+	1%	+	1%	=	6%	Weston	4%	=	10%

Appendix D

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DEPT OF REVENUE AGGREGATE SALES & USE TAX DATA

	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Gross Revenue	\$ 71,488,570	\$ 65,040,600	\$ 62,928,526	\$ 58,575,830	\$ 60,548,764	\$ 63,409,284	\$ 70,116,711	\$ 79,777,883	\$ 76,786,708	\$ 78,127,401	\$ 65,670,405	\$ 59,048,472	\$ 71,552,085	\$ 60,189,555	\$ 58,212,915	\$ 63,705,793	\$ 64,092,327	\$ 67,356,091
Less:																		
Vendor Comp	\$ (398,717)	\$ (308,110)	\$ (306,502)	\$ (349,030)	\$ (326,512)	\$ (330,627)	\$ (413,710)	\$ (382,162)	\$ (397,464)	\$ (410,708)	\$ (333,768)	\$ (328,308)	\$ (389,909)	\$ (299,857)	\$ (304,576)	\$ (370,909)	\$ (313,540)	\$ (369,432)
Lodging Tax	\$ (605,435)	\$ (807,652)	\$ (911,187)	\$ (863,070)	\$ (715,733)	\$ (1,181,104)	\$ (2,260,675)	\$ (3,047,309)	\$ (2,837,236)	\$ (2,397,323)	\$ (1,371,613)	\$ (584,155)	\$ (804,072)	\$ (724,903)	\$ (898,550)	\$ (786,767)	\$ (762,923)	\$ (1,129,035)
Local Option Taxes	\$ (18,060,432)	\$ (16,450,165)	\$ (15,994,325)	\$ (14,956,763)	\$ (15,349,787)	\$ (15,887,534)	\$ (17,401,300)	\$ (20,026,848)	\$ (19,228,935)	\$ (19,497,350)	\$ (16,446,036)	\$ (14,952,167)	\$ (18,191,488)	\$ (15,097,815)	\$ (14,520,041)	\$ (15,944,107)	\$ (14,767,648)	\$ (15,178,992)
Fees	\$ (10,276)	\$ (14,616)	\$ (14,696)	\$ (12,251)	\$ (15,265)	\$ (16,455)	\$ (13,648)	\$ (14,871)	\$ (13,731)	\$ (13,960)	\$ (13,654)	\$ (12,086)	\$ (11,299)	\$ (16,052)	\$ (17,435)	\$ (15,175)	\$ (17,293)	\$ (16,599)
Interest	\$ (154,214)	\$ (13,565)	\$ (65,565)	\$ (59,836)	\$ (269,212)	\$ (160,739)	\$ (61,615)	\$ (96,427)	\$ (147,377)	\$ (119,118)	\$ (96,078)	\$ (184,966)	\$ (67,098)	\$ (101,509)	\$ (64,711)	\$ (166,686)	\$ (74,338)	\$ (96,775)
Penalties	\$ (159,409)	\$ (50,015)	\$ (6,083)	\$ (71,941)	\$ (25,334)	\$ (181,320)	\$ (6,487)	\$ (126,150)	\$ (143,784)	\$ (112,190)	\$ (159,012)	\$ (95,168)	\$ (81,035)	\$ (80,827)	\$ (89,101)	\$ (88,824)	\$ (84,909)	\$ (92,051)
Admin Fee	\$ (350,748)	\$ (321,779)	\$ (312,682)	\$ (291,390)	\$ (298,876)	\$ (314,415)	\$ (354,172)	\$ (407,382)	\$ (390,877)	\$ (394,015)	\$ (326,916)	\$ (290,417)	\$ (353,688)	\$ (296,237)	\$ (287,378)	\$ (313,239)	\$ (306,460)	\$ (321,729)
Distribution Total	\$ 51,749,339	\$ 47,074,698	\$ 45,317,486	\$ 41,971,549	\$ 43,548,045	\$ 45,337,090	\$ 49,605,104	\$ 55,676,734	\$ 53,627,304	\$ 55,182,737	\$ 46,923,328	\$ 42,601,205	\$ 51,653,496	\$ 43,572,355	\$ 42,031,123	\$ 46,020,086	\$ 47,765,216	\$ 50,151,478

DISTRIBUTIONS UNDER CURRENT FORMULA

State Share	69%	\$ 35,707,044	\$ 32,481,542	\$ 31,269,065	\$ 28,960,369	\$ 30,048,151	\$ 31,282,592	\$ 34,227,522	\$ 38,416,946	\$ 37,002,840	\$ 38,076,089	\$ 32,377,096	\$ 29,394,831	\$ 35,640,912	\$ 30,064,925	\$ 29,001,475	\$ 31,753,859	\$ 32,957,999	\$ 34,604,520
Municipal Share	31%	\$ 16,042,295	\$ 14,593,156	\$ 14,048,421	\$ 13,011,180	\$ 13,499,894	\$ 14,054,498	\$ 15,377,582	\$ 17,259,788	\$ 16,624,464	\$ 17,106,648	\$ 14,546,232	\$ 13,206,374	\$ 16,012,584	\$ 13,507,430	\$ 13,029,648	\$ 14,266,227	\$ 14,807,217	\$ 15,546,958

DISTRIBUTIONS UNDER PROPOSED FORMULA

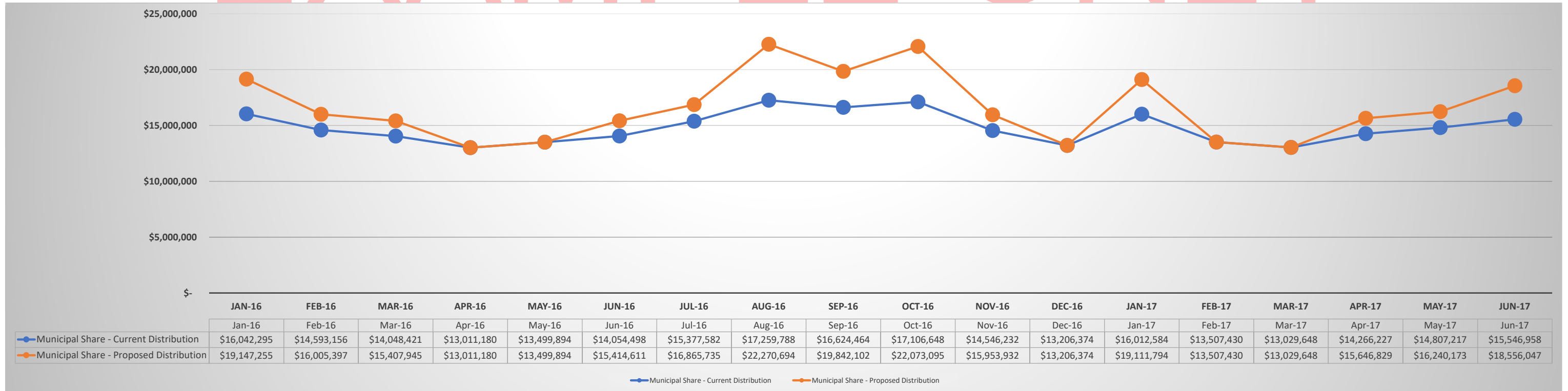
Level 1 (floor)	69%	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000
Level 2	66%	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000
Level 3	63%	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000
Level 4	60%	\$ 55,000,000	\$ 55,000,000	\$ 55,000,000	\$ 55,000,000	\$ 55,000,000	\$ 55,000,000	\$ 55,000,000	\$ 55,000,000	\$ 55,000,000	\$ 55,000,000	\$ 55,000,000	\$ 55,000,000	\$ 55,000,000	\$ 55,000,000	\$ 55,000,000	\$ 55,000,000	\$ 55,000,000	\$ 55,000,000

Distribution Total		\$ 51,749,339	\$ 47,074,698	\$ 45,317,486	\$ 41,971,549	\$ 43,548,045	\$ 45,337,090	\$ 49,605,104	\$ 55,676,734	\$ 53,627,304	\$ 55,182,737	\$ 46,923,328	\$ 42,601,205	\$ 51,653,496	\$ 43,572,355	\$ 42,031,123	\$ 46,020,086	\$ 47,765,216	\$ 50,151,478
State Share		\$ 32,602,084	\$ 31,069,301	\$ 29,909,541	\$ 28,960,369	\$ 30,048,151	\$ 29,922,479	\$ 32,739,369	\$ 33,406,040	\$ 33,785,202	\$ 33,109,642	\$ 30,969,396	\$ 29,394,831	\$ 32,541,702	\$ 30,064,925	\$ 29,001,475	\$ 30,373,257	\$ 31,525,043	\$ 31,595,431
Municipal Share		\$ 19,147,255	\$ 16,005,397	\$ 15,407,945	\$ 13,011,180	\$ 13,499,894	\$ 15,414,611	\$ 16,865,735	\$ 22,270,694	\$ 19,842,102	\$ 22,073,095	\$ 15,953,932	\$ 13,206,374	\$ 19,111,794	\$ 13,507,430	\$ 13,029,648	\$ 15,646,829	\$ 16,240,173	\$ 18,556,047

DISTRIBUTION FORMULA COMPARISON

Municipal Share - Current Distribution		\$ 16,042,295	\$ 14,593,156	\$ 14,048,421	\$ 13,011,180	\$ 13,499,894	\$ 14,054,498	\$ 15,377,582	\$ 17,259,788	\$ 16,624,464	\$ 17,106,648	\$ 14,546,232	\$ 13,206,374	\$ 16,012,584	\$ 13,507,430	\$ 13,029,648	\$ 14,266,227	\$ 14,807,217	\$ 15,546,958
Municipal Share - Proposed Distribution		\$ 19,147,255	\$ 16,005,397	\$ 15,407,945	\$ 13,011,180	\$ 13,499,894	\$ 15,414,611	\$ 16,865,735	\$ 22,270,694	\$ 19,842,102	\$ 22,073,095	\$ 15,953,932	\$ 13,206,374	\$ 19,111,794	\$ 13,507,430	\$ 13,029,648	\$ 15,646,829	\$ 16,240,173	\$ 18,556,047
Increase(Decrease)		\$ 3,104,960	\$ 1,412,241	\$ 1,359,525	\$ -	\$ -	\$ 1,360,113	\$ 1,488,153	\$ 5,010,906	\$ 3,217,638	\$ 4,966,446	\$ 1,407,700	\$ -	\$ 3,099,210	\$ -	\$ -	\$ 1,380,603	\$ 1,432,956	\$ 3,009,089

EXAMPLE ONLY



Appendix E

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Taxable Events and Exemptions per W.S. 39-15-103 and 105

Wyoming Statute 39-15-103 describes the following sales and services as **TAXABLE** events:
Wyoming Statute 39-15-103 (a) defines "Sales Price" as the consideration paid by the purchaser of tangible personal property, excluding the actual trade-in value allowed on property exchanged at the time of transaction, admissions, or services which are subject to taxation as provided by this article, and excluding any taxes imposed by the federal government, or this article.

1. Retail sales of tangible personal property within the state.
2. Leases of tangible personal property if the property would have been taxable, had it been sold.
3. Intrastate telephone and telegraph services, and the equipment used to carry out such services.
4. Intrastate transportation of passengers.
5. Sales by public utilities and by those furnishing gas, electricity, or heat for domestic, industrial, or commercial consumption.
6. Meals regularly served to the public, and cover charges.
7. Lodging services to transient guests, e.g., motels, hotels.
8. Admissions to amusements, or athletic events.
9. Repair, alteration, or improvement of tangible personal property.
10. Contract seismographic surveying, contract geophysical surveying, and other contract geophysical exploration operations calculated to reveal the existence of geologic conditions favorable to the accumulation of oil or **gas**, and for all services rendered in and all types of coring, logging, testing, stimulating, perforating, cementing, completing, recompleting, or attempting to complete any well for production of oil or gas.
11. Sales of automobiles, mobile homes, campers, and semi-trailers.
12. Sales of alcoholic beverages.
13. Sales of computer hardware and non-customized computer software.

Wyoming Statute 39-15-105 governs **EXEMPTIONS OR NON-TAXABLE** from state sales tax.
Exemptions include the following:

1. Sales of tangible personal property to a person engaged in manufacturing, if such property becomes an ingredient or component of the item manufactured. Sales of containers, labels, etc., are also exempt.
2. Sales of livestock, feeds for feeding livestock for marketing purposes; seeds, roots, bulbs, small plants, and fertilizer, planted or applied to land, the products of which are to be sold.
3. Intrastate transportation of sick, injured, and deceased persons by ambulance or hearse.
4. Intrastate transportation of employees when the transportation is paid for by the employer.
5. Intrastate transportation of raw farm products to processing plants.
6. Interstate transportation of freight and passengers.
7. Sales of energy if the energy is consumed directly in manufacturing, processing, or

- agriculture.
8. Sales of power or fuel used directly in generating motive power for transportation purposes, provided that gasoline, or diesel fuels used had been taxed (per gallon} under the Special Fuels, or Gasoline Tax Acts.
 9. Sales of the services of professional engineers, geologists, or members of similar professions.
 10. Sales made to the State of Wyoming, or its political subdivisions.
 11. Sales made to a religious, or charitable organization, or non-profit corporations providing meals to senior citizens.
 12. Occasional sales made by religious, or charitable organizations for fund raising purposes.
 13. Sales which Wyoming is forbidden to tax, either by the State, or by the laws, or constitution of the United States.
 14. Sales of prescription drugs, oxygen for medical use, plasma, prosthetic devices, hearing aids, crutches, wheelchairs, eyeglasses and contact lenses, insulin for human relief, and any syringe, needle, or device for the administration thereof.
 15. Leases of vehicle if the lease is computed from gross receipts of the operation, if the operator is operating under a valid interstate authority or permit.
 16. Wholesale sales.
 17. Intrastate transportation of freight and property including oil and gas by pipeline.
 18. Sales of school annuals.
 19. Sales of newspapers.
 20. Sales to Wyoming joint apprenticeship and training programs.
 21. Sales to Joint Powers Boards organized under the Wyoming Joint Powers Act.
 22. Transportation of drilling rigs, including charges for loading, unloading, assembly, and disassembly.
 23. Sales of food purchased with food stamps.
 24. Sales of food for domestic home consumption.
 25. Admission to, or user fees for county, or municipal owned recreation facilities.
 26. Sales of carbon dioxide and other gases used in tertiary production.
 27. Labor/service charges, including transportation and travel, for repair, alteration, or improvement of property owned by the State of Wyoming, or its political subdivisions.
 28. Sales of personal property, or services performed for the repair, alteration, or improvement of railroad rolling stock. It will be repealed effective July 1, 2021.
 29. Lodging services provided by guides or outfitters.
 30. Intrastate transportation by public utility or others of raw farm products to processing or manufacturing plants.
 31. Intrastate transfer of persons services by a government, charitable, or non-profit organization.
 32. Sales of fuel for use as boiler fuel in the production of electricity.
 33. Sales of water delivered by pipeline or truck.
 34. Sales of farm implements.
 35. Sales or lease of machinery to be used in the state directly or predominantly in manufacturing tangible property. It will be repealed effective December 31, 2017.
 36. Sales or lease of any aircraft used in federal aviation administration commercial operation.
 37. Sales of equipment used to construct a new coal gasification or coal liquefaction facility.
 38. Sales price paid for purchase or rental of computer software, computer equipment, and related utility equipment by a data processing services center.
 39. Sales of and retail commissions on lottery tickets or shares and equipment necessary to operate a lottery.

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Wyoming Association
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Building Strong Communities

315 W. 27 St., Cheyenne, WY 82001 ♦ 307-632-0398 ♦ www.WyoMuni.org ♦ WAM@WyoMuni.org