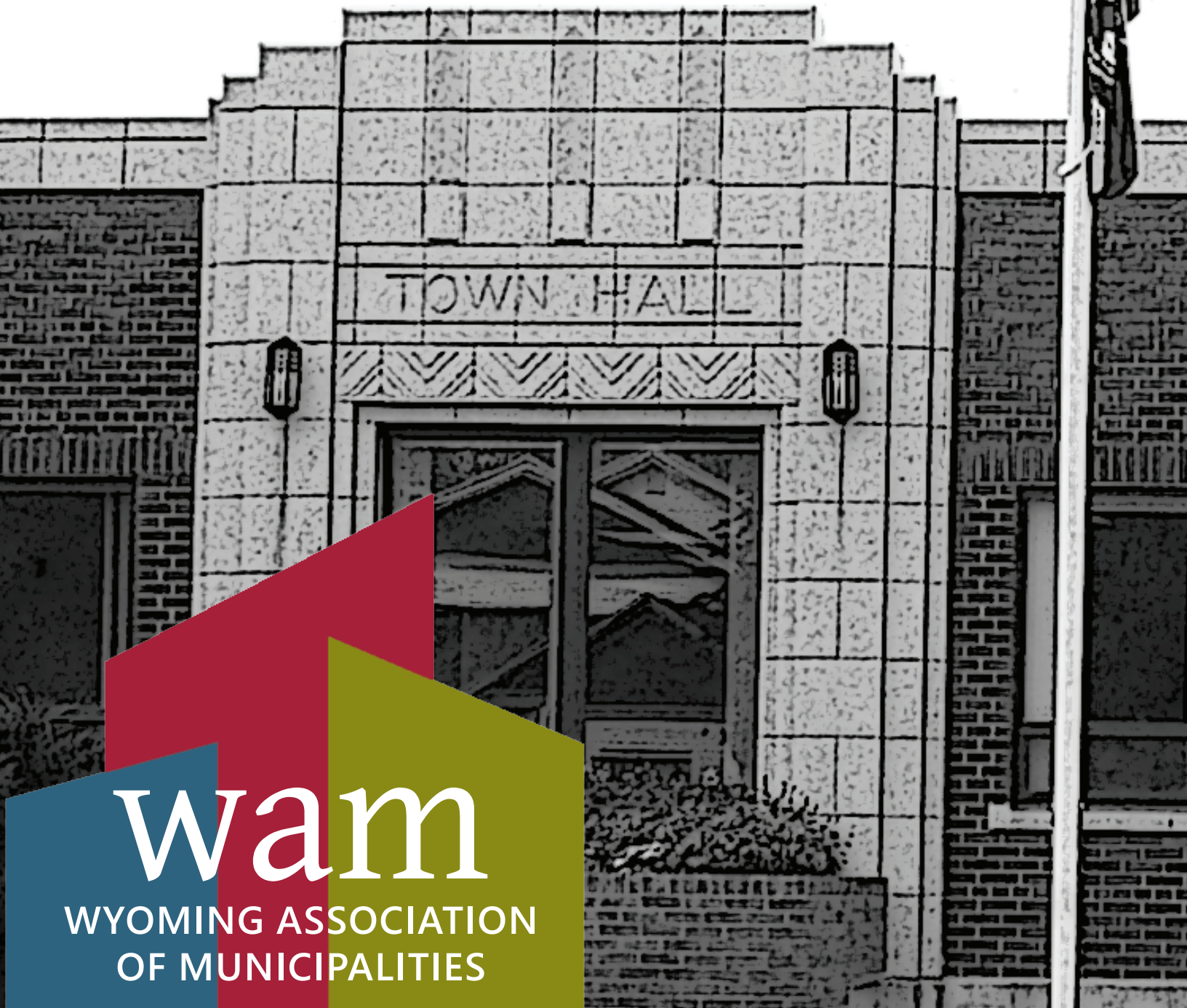


# Municipal Finance Report

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

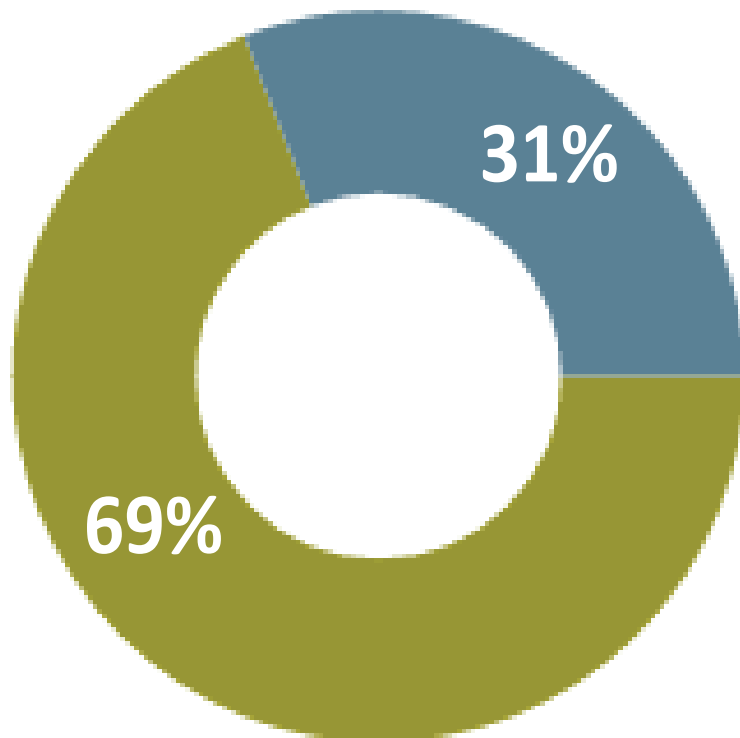


“One of the major benefits of being an incorporated community is being able to establish our own rules and regulations as well as provide specific services that our residents choose to have,” Laramie City Council Member Andrea Summerville shares. “However, we have a limited ability to generate our own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

### 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.

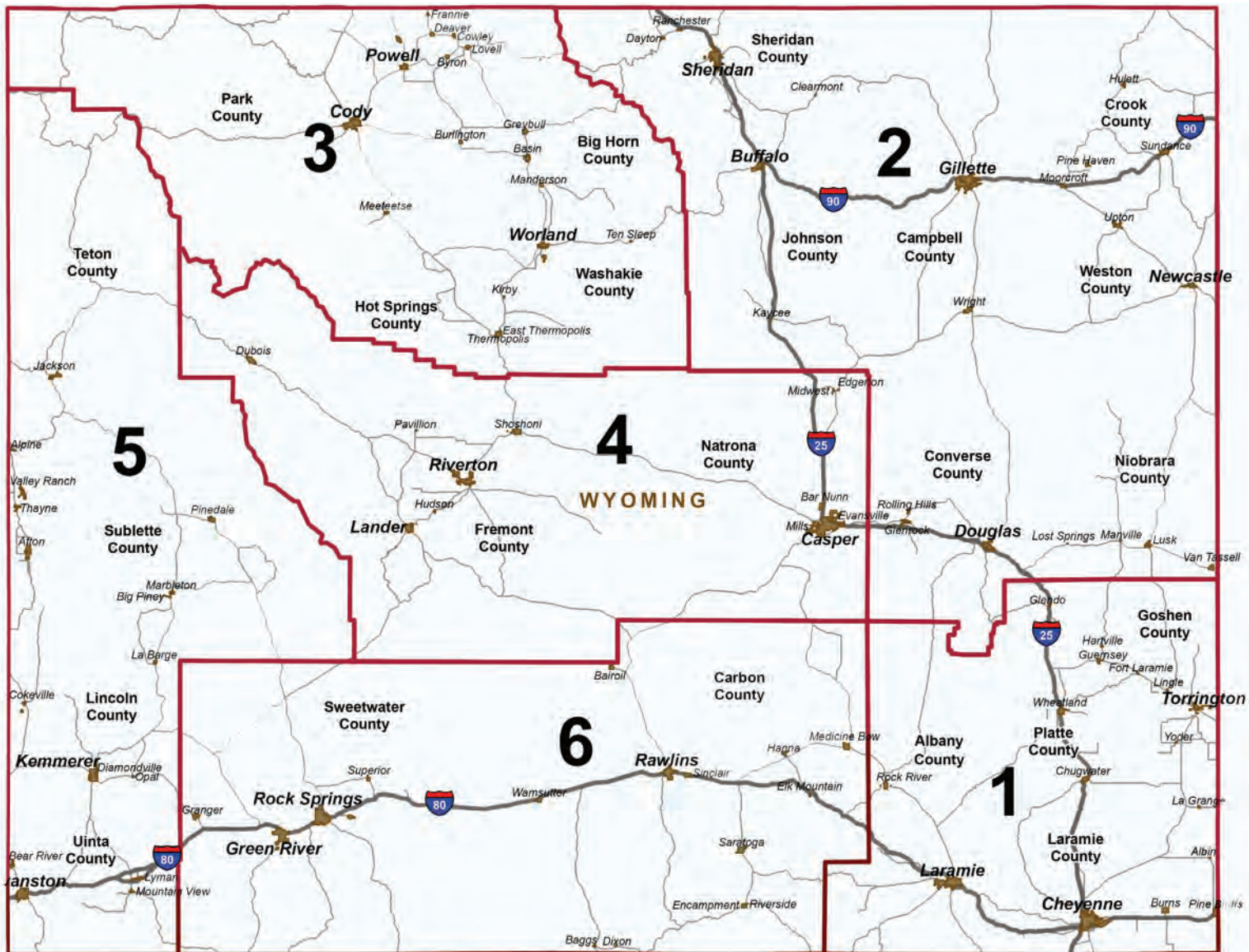
**100% of Wyoming Citizens  
are impacted by Local Government**



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



# 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

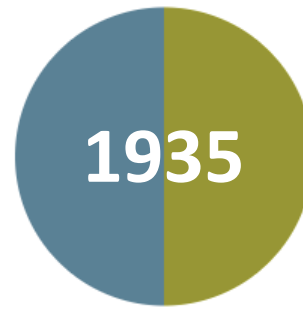
Since the inception of the statewide sales tax in the 1930's, the importance of sales and use tax to a Local Government's financial stability cannot be overstated. Sales tax is defined as a tax on applicable goods and services across Wyoming. Use tax is the sales tax on goods or services purchased outside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

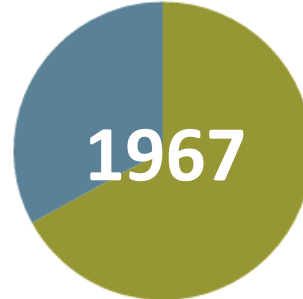
In addition to the statewide sales and use tax of 4%, voters within each county have the ability to impose optional local taxes for general purposes (5th penny), specific purposes (6th penny), economic development, lodging and resort taxes. Any combination of the 5th, 6th and economic development tax 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 option 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.

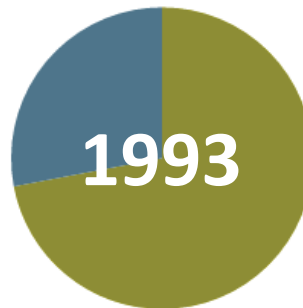
### History of WY Sales & Use Tax



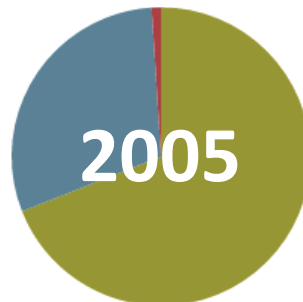
**225,565 Population**  
**2% Sales Tax**  
Tax Split:  
State/ Local Government  
**50/50**



**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**



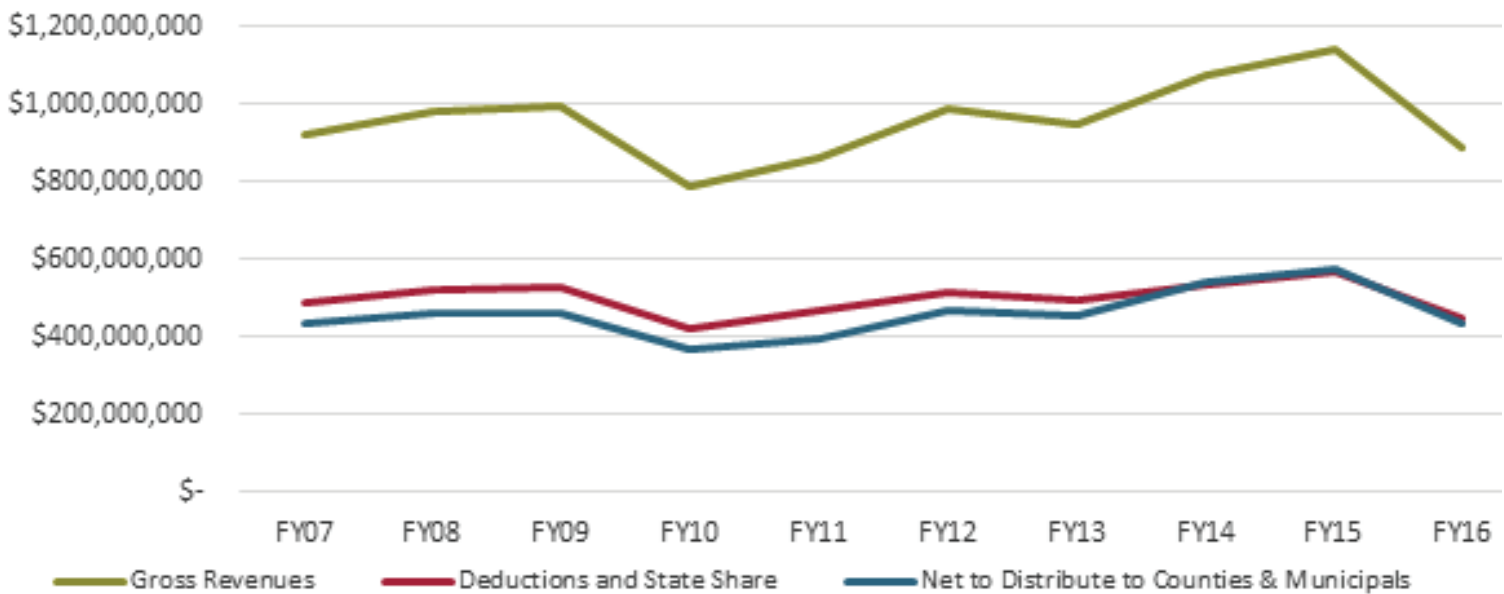
**514,157 Population**  
**4% Sales Tax**  
Tax Split:  
State/ Local Government/  
Administrative Fee  
**69/30/1**

State  
Local Government  
Administrative Fee

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.**



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



### Cheyenne's 5th Penny Sales Tax Information



#### How Your Penny is Invested



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**

| 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           |
|---|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| Jobs & Growth Reconciliation Act of 2003 to cities, towns & counties                        |              |               |               |               |               |               |               |               | \$5,000,000     |
| FY 2005-06 Distribution to cities, towns & counties, Ch. 95, 2004 Session Laws              | \$5,000,000  | \$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   |
| <b>FY 2017-18 Distributions to cities, towns &amp; counties, Ch. 111, 2016 Session Laws</b> |              |               |               |               |               |               |               |               |                 |
| <b>Total Direct Distributions</b>   | \$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   |
| <b>GF, BRA, and S4 Appropriations to Grant Programs</b>                                     |              |               |               |               |               |               |               |               |                 |
| Appropriations from Local Government CapCon Account (S4)                                    |              |               |               |               |               |               |               |               |                 |
| Local Govt. CapCon., Ch. 83, 2002 Session Laws  |              |               |               |               |               |               |               |               | \$267,400,000   |
| Local Govt. CapCon., Ch. 191, 2005 Session Laws   | \$35,000,000 | \$35,000,000  | \$33,400,000  | \$33,400,000  | \$33,400,000  | \$33,400,000  | \$30,400,000  | \$33,400,000  | \$7,500,000     |
| Local Govt. CapCon., Ch. 35, 2006 Session Laws  | \$7,500,000  | \$28,000,000  | \$138,399,318 |               |               |               |               |               | \$28,000,000    |
| Impact Mitigation - Capital Projects, Ch. 136, 2007 session laws                            |              | \$4,401,364   | \$6,534,500   |               |               |               |               |               | \$142,800,682   |
| County Block Distribution - Capital Projects, Ch. 136, 2007 session laws                    |              |               | \$18,665,500  |               |               |               |               |               | \$6,534,500     |
| Emergency Reserve - Capital Projects, Ch. 48, '08 Session Laws                              |              |               | \$934,500     |               |               |               |               |               | \$18,665,500    |
| County Block Distribution - Capital Projects, Ch. 48, '08 Session Laws                      |              |               |               | \$191,000,000 |               |               |               |               | \$934,500       |
| Emergency Capital Project Grants, Ch. 48, 2008 Session Laws                                 |              |               |               | \$10,000,000  |               |               |               |               | \$191,000,000   |
| Matching Grant Funds for Wamsutter Infrastructure, Ch. 159, 2009 Session Laws               |              |               |               | \$3,500,000   |               |               |               |               | \$10,000,000    |
| Emergency Capital Project Grants, Ch. 159, 2009 Session Laws                                |              |               |               | \$4,700,000   |               |               |               |               | \$3,500,000     |
| County Block Distribution - Capital Projects, Ch. 88, 2011 Session Laws                     |              |               |               |               | \$35,000,000  |               |               |               | \$4,700,000     |
| Rural Fire District Grants, Ch. 88, 2011 Session Laws                                       |              |               |               |               | \$1,000,000   |               |               |               | \$35,000,000    |
| Energy Impacted County Road Program, Ch. 191, 2011 Session Laws                             |              |               |               |               | \$6,000,000   |               |               |               | \$1,000,000     |
| County Block Distribution - Capital Projects, Ch. 26, 2012 Session Laws                     |              |               |               |               |               | \$54,000,000  |               |               | \$6,000,000     |
| County Block Distribution - Capital Projects, Ch. 26, 2014 Session Laws                     |              |               |               |               |               |               | \$70,000,000  |               | \$54,000,000    |
| <b>County Block Distribution - Capital Projects, Ch. 26, 2016 Session Laws</b>              |              |               |               |               |               |               |               | \$0           | \$70,000,000    |
| <b>Total GF, BRA and S4 Appropriations to Grant Programs</b>                                | \$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   |
| <b>Total Direct Distributions and Grant Appropriations</b>                                  | \$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               |
|---|---------------------------|--------------|--------------|---------------|--------------|---------------|--------------|---------------------|---------------------|
| <b>GF Appropriations to Business Ready &amp; Comm. Facilities Program</b> |                           |              |              |               |              |               |              |                     | <b>Total</b>        |
| Business Ready Communities, Ch. 211, 2003 Session Laws                    | FY 2003-04<br>\$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  |              |               |              |                     | \$79,250,000        |
| Community Facilities - Ch. 48, 2008 Session Laws                          |                           |              |              | (\$4,000,000) |              |               |              |                     | \$15,000,000        |
| FY 2010 Budget reduction to Business Ready Community grants               |                           |              |              | (\$3,500,000) |              |               |              |                     | (\$4,000,000)       |
| FY 2010 Budget reduction to Community Facilities grants                   |                           |              |              |               | \$50,000,000 |               |              |                     | (\$3,500,000)       |
| Business Ready Communities, Ch. 39, 2010 Session Laws                     |                           |              |              |               | \$8,500,000  |               |              |                     | \$50,000,000        |
| Community Facilities, Ch. 39, 2010 Session Laws                           |                           |              |              |               | \$15,000,000 |               |              |                     | \$8,500,000         |
| Data Center Recruitment Grants, Ch. 88, 2011 Session Laws                 |                           |              |              |               |              | \$50,000,000  |              |                     | \$15,000,000        |
| Business Ready Communities, Ch. 26, 2012 Session Laws                     |                           |              |              |               |              | \$8,500,000   |              |                     | \$50,000,000        |
| Community Facilities, Ch. 26, 2012 Session Laws                           |                           |              |              |               |              | (\$4,370,000) |              |                     | \$8,500,000         |
| FY 2014 Budget reduction to Community Facilities, 2013 HB 1, Sec. 2       |                           |              |              |               |              | \$10,000,000  | \$64,130,000 |                     | (\$4,370,000)       |
| Business Ready Communities, Ch. 26, 2014 Session Laws                     |                           |              |              |               |              |               |              |                     | \$74,130,000        |
| <b>Business Ready Communities, Ch. 31, 2016 Session Laws</b>              |                           |              |              |               |              |               |              | <b>\$41,588,050</b> | <b>\$41,588,050</b> |
| <b>Total GF Appropriations to Bus. Ready &amp; Comm Fac. Programs</b>     | \$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**

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>

|              |               |               |               |               |               |               |               |                 |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| \$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 |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|





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.

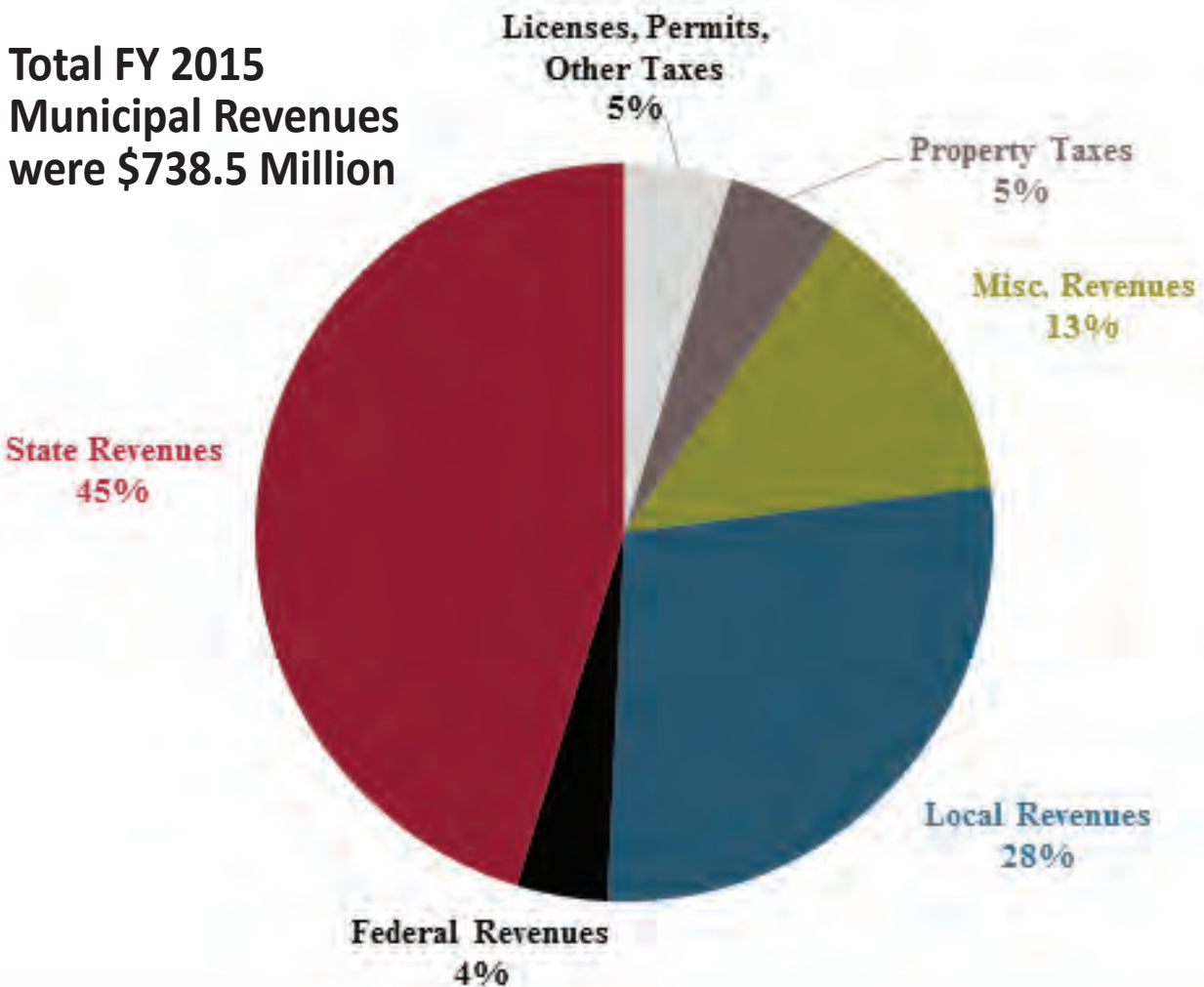
**No appropriation in the final budget of any fund can be in excess of the estimated expendable revenue of the fund for the budget year (§16-4-110)**

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%        |
| <b>Total Non-Enterprise Revenues</b> | <b>\$738,450,110</b>    | <b>100%</b> |

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.

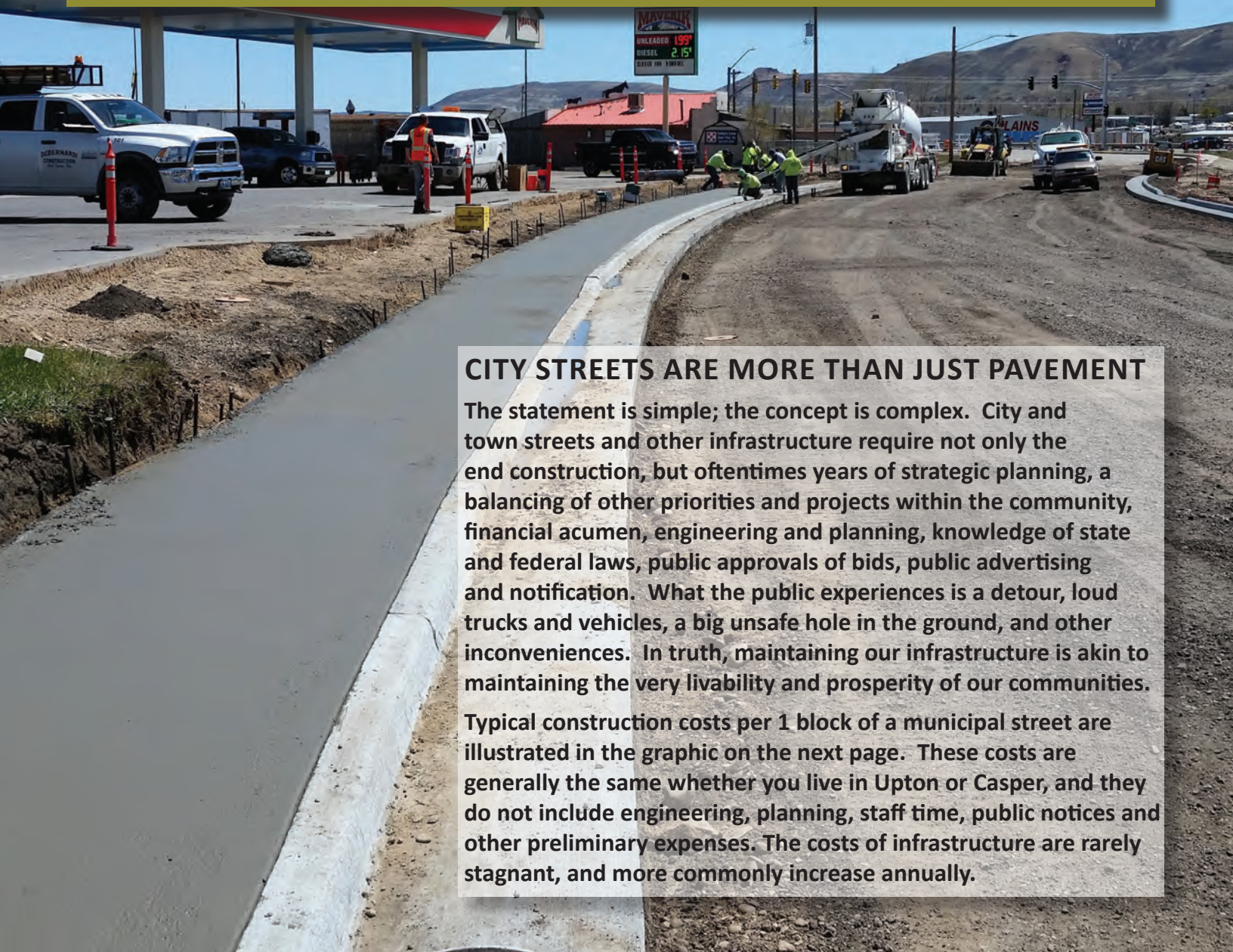
To illustrate that city streets are more than just pavement, WAM presents the following example compiled from surveying multiple cities and towns.



## 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         |
| <b>Totals for 1 block:</b> | <b>\$374,000</b> | <b>\$625,500</b> |

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





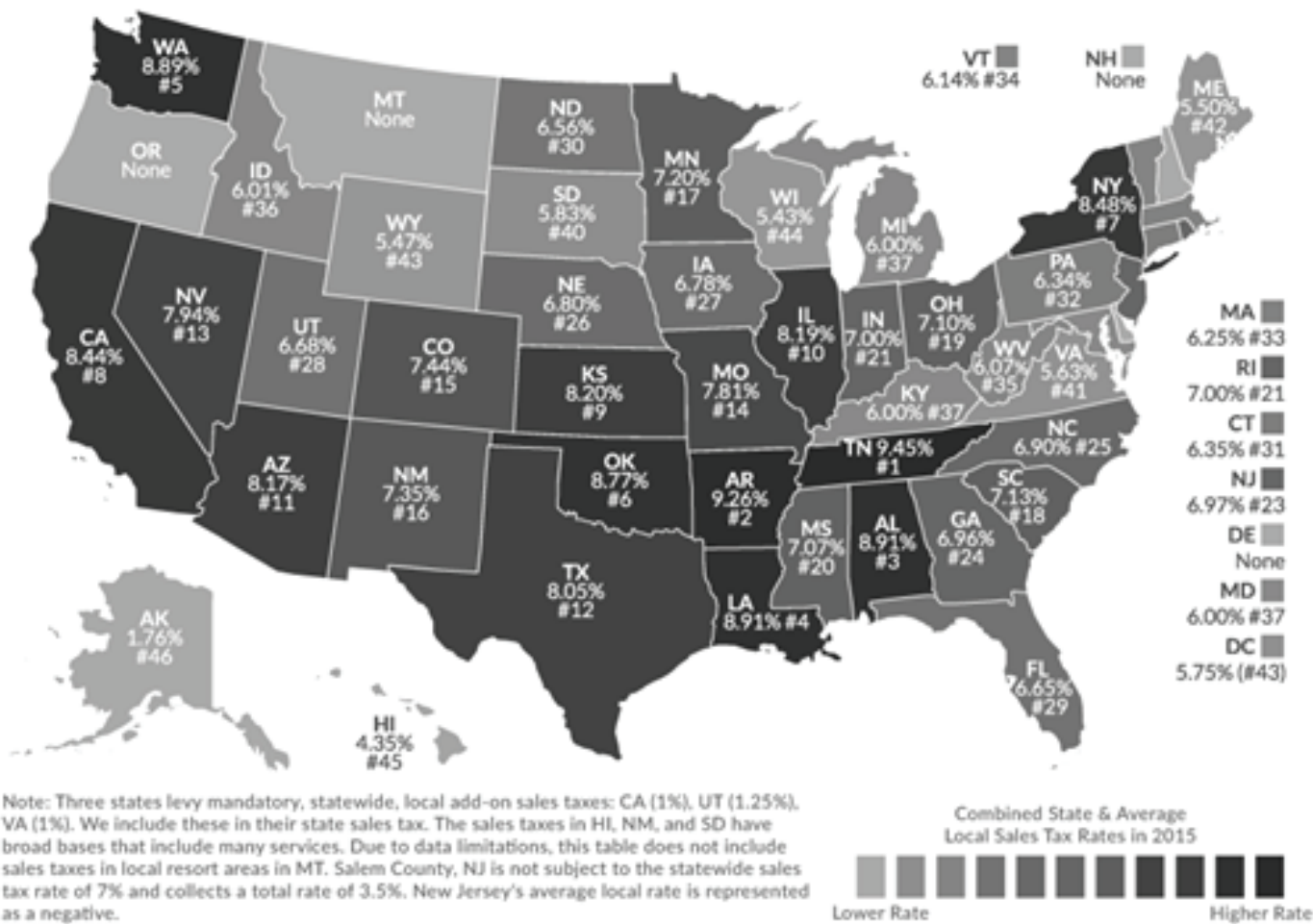
TOWN OF FORT LARAMIE, INCORPORATED IN 1923

# 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





**FACT #1**

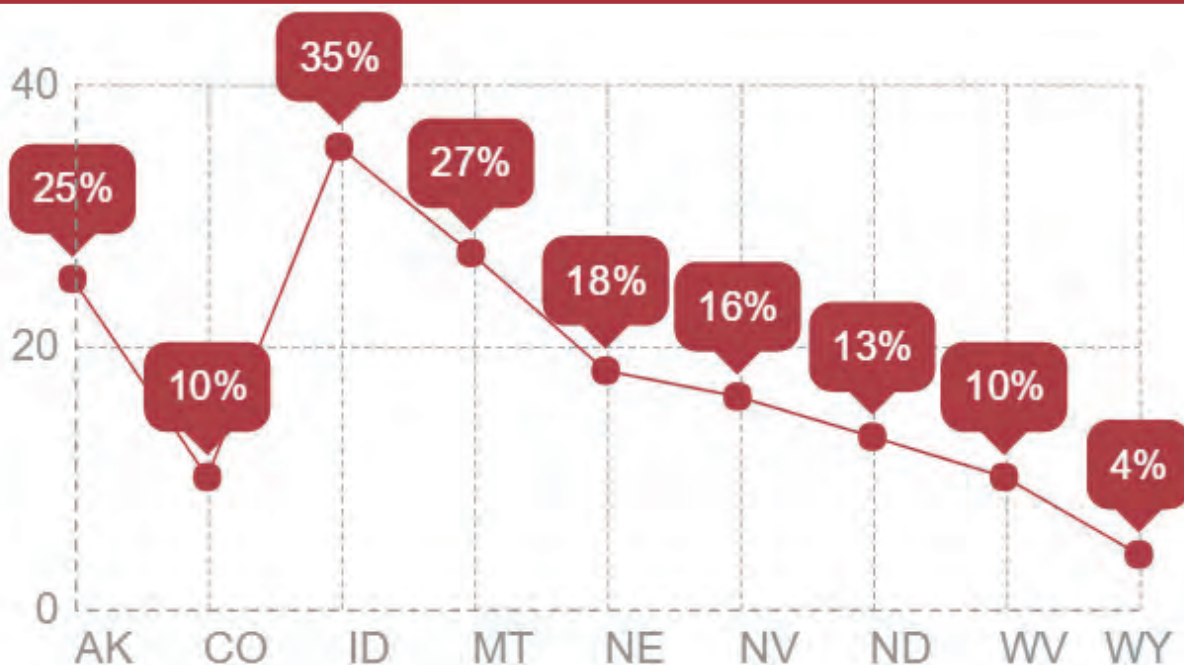
Restrictions on local taxation authority and municipal access to the local tax base cause Wyoming cities and towns to have the least local fiscal authority and the highest reliance upon State resources among the 50 States.

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 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.

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

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

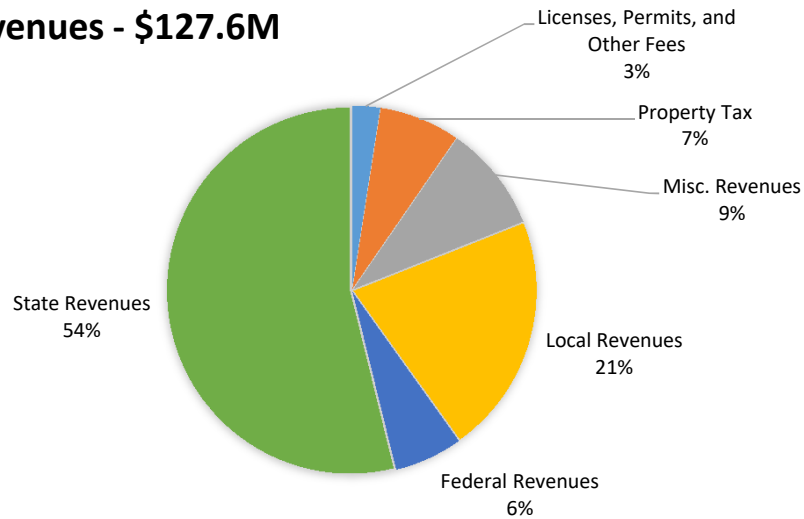
| Municipality Name | Year Incorporated | **Population 2010 Census | **Population 2015 Estimate |
|-------------------|-------------------|--------------------------|----------------------------|
| Dubois            | 1914              | 971                      | 987                        |
| Moorcroft         | 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                      |
| Mountain 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://eoadiv.state.wy.us>).

## Appendix B

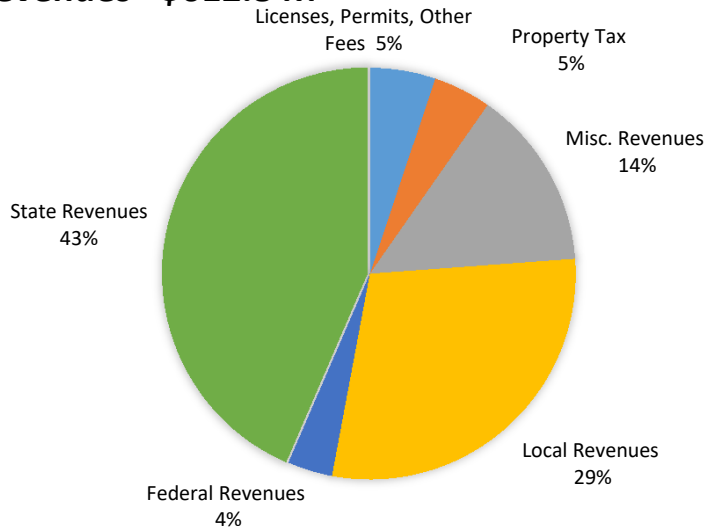
### Wyoming Department of Audit Cost Of Government Reports - FY 2015

#### 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%          |
| <b>Total Non-Enterprise Revenues</b> | <b>\$127,601,713</b>              | <b>100%</b> |

#### 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%          |
| <b>Total Non-Enterprise Revenues</b> | <b>\$612,848,397</b>                | <b>100%</b> |

## 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                                  |
|------------------|----------------------|---|------------------|--------------|---|
| <b>2016</b>      |                      |   |                  |              |   |
| 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<br>Emergency Generator<br>Replacement | \$187,500        | \$187,500    | Fully Funded                              |
| June 16, 2016    | Town of Pine Haven   | Sanitary Sewer Improvements<br>Phase 3 & 4                  | \$275,050        | \$0          | Match Pending (Joint Powers Act Loan)     |
| <b>2015</b>      |                      |   |                  |              |   |
| 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                    |
| <b>2014</b>      |                      |   |                  |              |   |
| June 19, 2014    | Town of Glendo       | Town of Glendo Street Repair<br>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                              |
| <b>2013</b>      |                      |   |                  |              |   |
| October 3, 2013  | Town of Dubois       | Sewer Waste Water Treatment<br>Plant Repair                 | \$31,648         | \$31,648     | Fully Funded                              |
| January 17, 2013 | Town of Lovell       | Lovell Main Street Infrastructure<br>Improvements           | \$3,600,259      | \$3,600,259  | Used Wyoming Water Development Grant      |
| January 17, 2013 | City of Torrington   | City Engine Fire Apparatus<br>Replacement                   | \$487,500        | \$487,000    | Board Recommended Funding                 |
| <b>2012</b>      |                      |   |                  |              |   |
| 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<br>Reconstruction                     | \$792,983        | \$321,000    | Partial Funding Recommended               |
| August 9, 2012   | Town of Yoder        | Sewer Lagoon Project  | \$401,175        | \$0          | No Funding Recommended                    |
| <b>2011</b>      |                      |   |                  |              |   |
| January 20, 2011 | City of Cheyenne     | Early Warning System for the<br>City's Drinking Water       | \$490,556        | \$490,556    | Fully Funded                              |
| January 20, 2011 | City of Gillette     | Zone 2 Transmission<br>Improvement Project                  | \$1,080,500      | \$1,080,500  | Fully Funded                              |
| January 20, 2011 | Town of Saratoga     | 2011 Water System<br>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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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

## MUNICIPAL FINANCE

## RECOMMENDATIONS

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

## APPENDICES

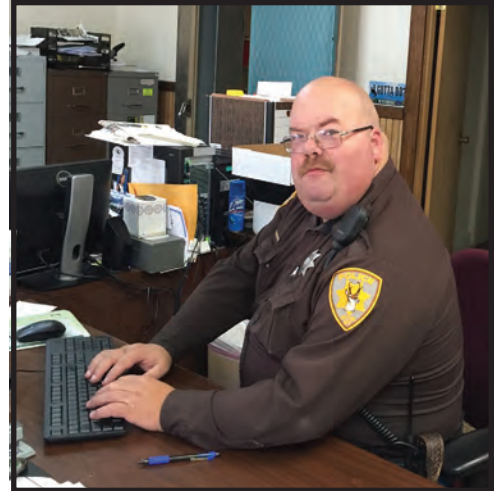
- City of Casper, City of Casper

## 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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