

# Municipal Finance Report

## Volume II, September 2017



**wam**  
WYOMING ASSOCIATION  
OF MUNICIPALITIES

Continuation of WAM's  
October 2016 Municipal  
Finance Report



# ACKNOWLEDGMENTS

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Wyoming  
Association of  
Municipalities  
*Building Strong Communities*

# EXECUTIVE SUMMARY

## WYOMING'S CITIES AND TOWNS HAVE LIMITED REVENUE GENERATING CAPACITY

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

## COLLABORATE TO FIND SOLUTIONS

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

## THE REPORT – VOLUME TWO

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

## WAM's Recommendations

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



# WAM's Legislative Recommendations

## RECOMMENDATIONS

## SUPPORTIVE INFORMATION

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

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

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

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

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

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

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

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



## TERMS & DEFINITIONS

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

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

### ANNUAL SURVEY OF LOCAL GOVERNMENT FINANCES

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

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

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

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

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

**CPI** — Consumer Price Index

**DEQ** — Wyoming Department of Environmental Quality

**DOR** — Wyoming Department of Revenue

**DOA** — Wyoming Department of Audit

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

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

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

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



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

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

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

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

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

**JRC** – Joint Revenue Committee

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

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

**LSRA** – Legislative Stabilization Reserve Account

**LSO** – Legislative Service Office

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

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

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

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



### MUNICIPAL REVENUE RELIANCE AND CAPACITY (OWN-SOURCE

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

**NLC** – National League of Cities

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

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

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

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

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

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

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

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



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

# INTRODUCTION



## INTRODUCTION



### One size does not fit all...

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

Cities and State Fiscal Structure - 2015  
National League of Cities

### WHO IS WAM

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





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

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

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

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

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

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

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

Wyoming Constitution, Article 13, Section 3



## INTRODUCTION

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

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

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

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

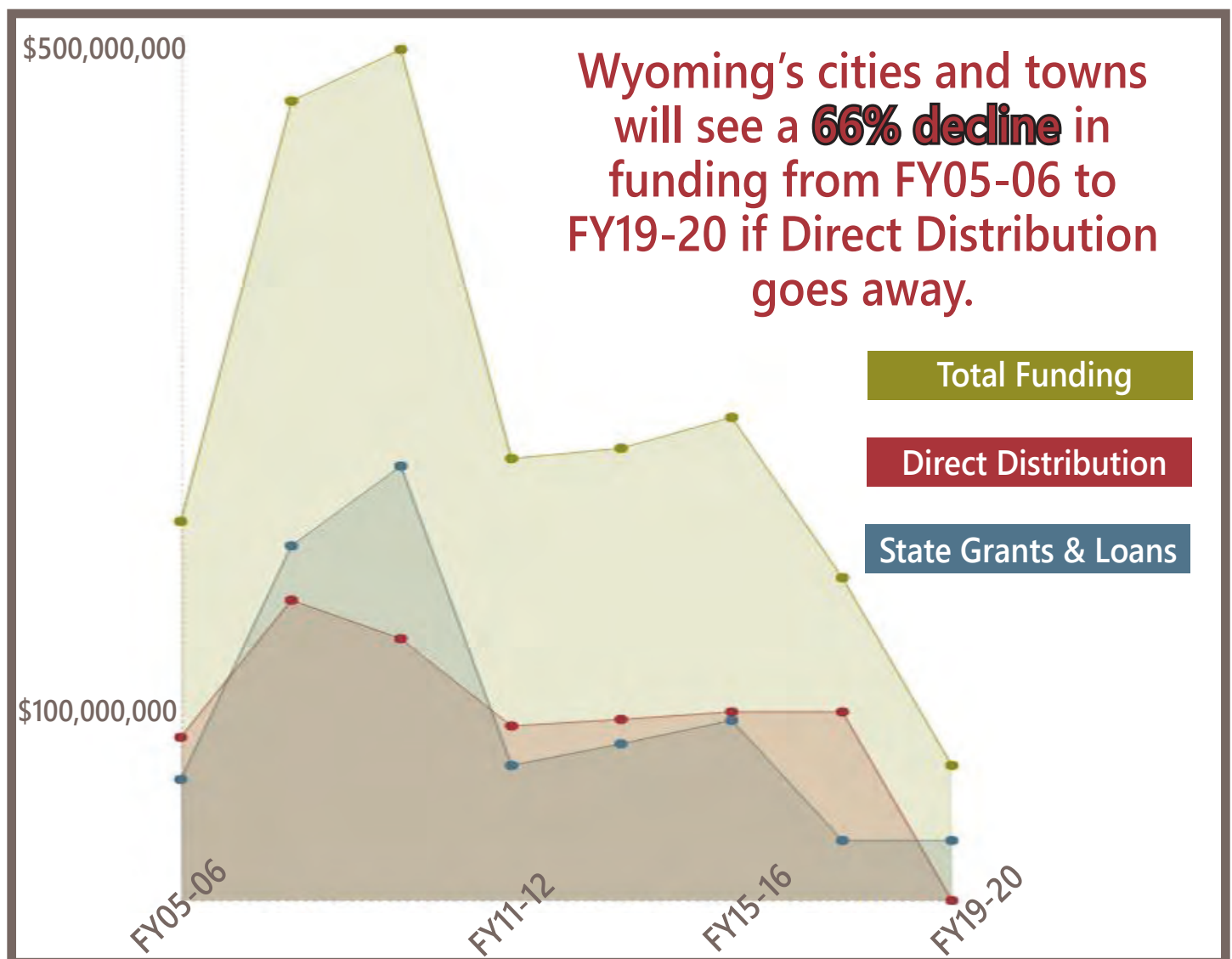
The primary source of municipal revenue comes from state and local option Sales and Use taxes. From FY 2015 to FY 2016, the Sales and Use tax collections dropped from \$739 Million to \$629 Million, a total of \$164 Million. WAM members recognize that Sales and Use taxes reflect the “boom/bust” economic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

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

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

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

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





# What is in your garbage?



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





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

# WYOMING'S CURRENT MUNICIPAL CONDITION

"Communities that don't matter don't exist." <sup>12</sup>



# Legislators and citizens have asked their municipal leaders, “How bad is it?”

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

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

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

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

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

FY16 ended **MEETEETSE’S**

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

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

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



# If Direct Distribution goes away?

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

~ MAYOR CHRIS SCHOCK, CLEARMONT

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

~MAYOR ERIC BACKMAN, DIAMONDVILLE

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

~ MAYOR TWILA BLAKEMAN, DUBOIS

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

~MAYOR KATHY BUYERS, STAR VALLEY RANCH

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

~MAYOR ROBB PHIPPS, WAMSUTTER

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

~BOB McLAURIN, JACKSON MANAGER

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

~MAYOR ROGER MILLER, SHERIDAN

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

~ MAYOR VIVIAN ODELL, HULETT

”



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

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

**Mayor Bruce Jones, Douglas**

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

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

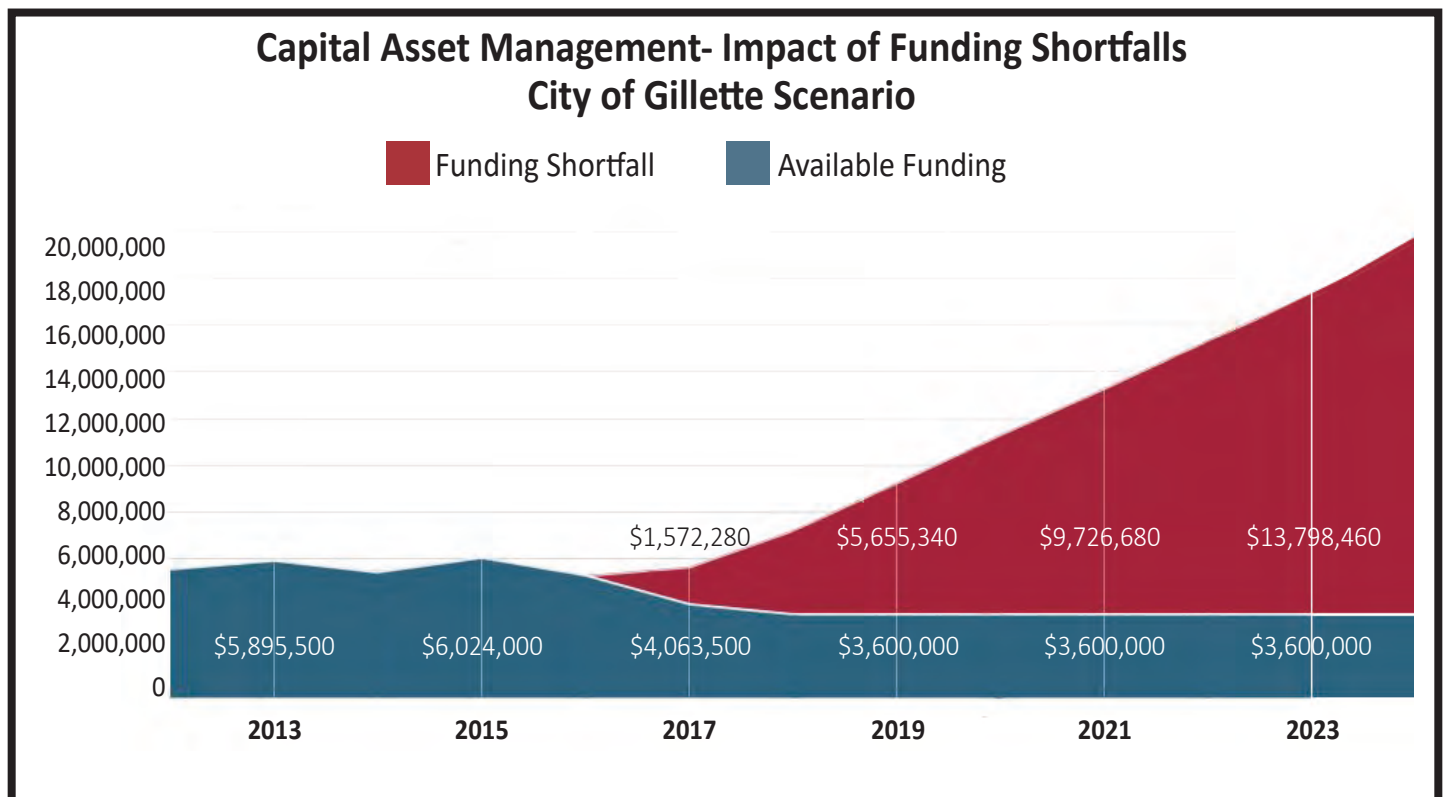
- In Kemmerer, population of 2,739, healthcare premiums in their self-insured program increased as much as 23% from 2017 to 2018. After evaluating a dozen proposals with extreme levels of copays, deductibles, coinsurance, and out-of-pocket maximums, the city designed a hybrid approach. "In order to remain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

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

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

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

### WAM October 2016 Municipal Finance Report





# Wyoming Association of MUNICIPALITIES



**CITY STREETS ARE MORE THAN JUST PAVEMENT.**

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



Building Strong Communities



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

# NATIONAL COMPARISON OF MUNICIPAL FINANCE

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



# METHODOLOGY

## STATE-TO-STATE COMPARISON

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

## U.S. CENSUS BUREAU DATA

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

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

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

## NATIONAL LEAGUE OF CITIES

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

## TAX FOUNDATION ORGANIZATION

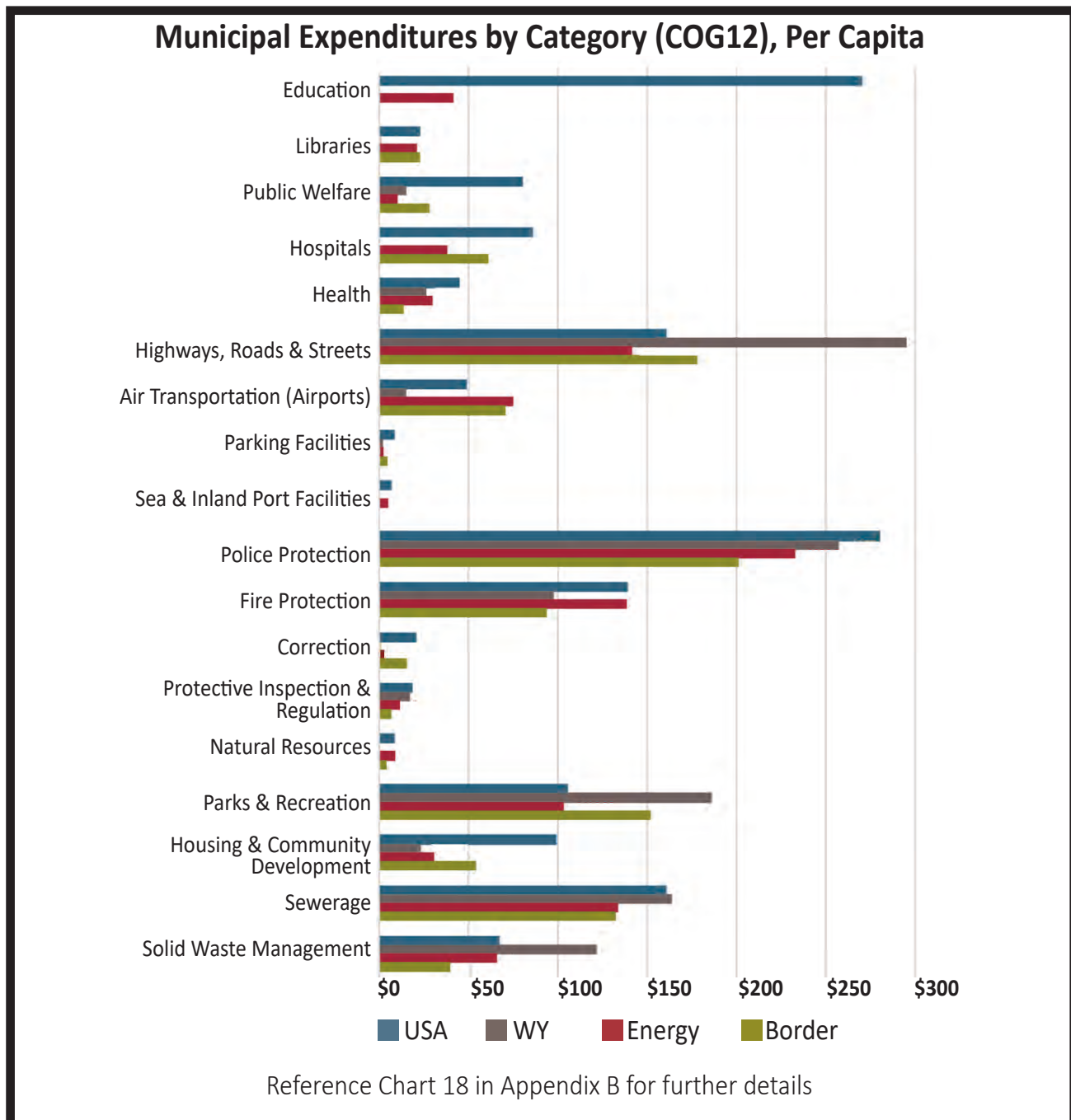
The Tax Foundation is the nation's leading independent tax policy research organization. According to the their Website, research and analysis is guided by Simplicity, Transparency, Neutrality, and Stability (TAXFF 2017).

## EXPENDITURE AND REVENUE COMPARISONS

### Comparison of National and Wyoming Municipal **Expenditures**

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

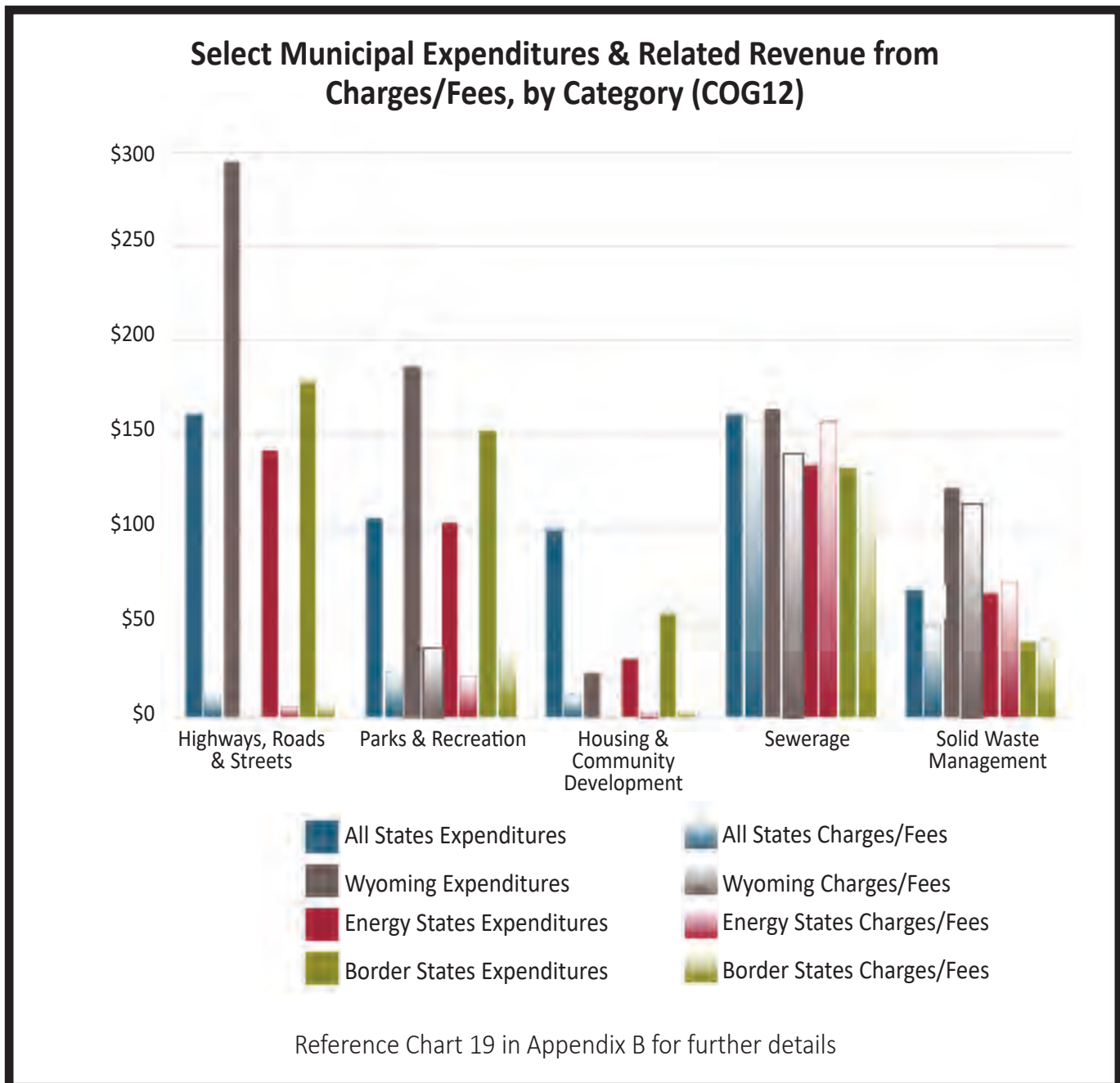
- The largest expenditures for Wyoming municipalities are for streets (\$295 per capita, much more than in other states), police protection (\$257 per capita, about the same as other states) and parks (\$185).
- While some services are not relevant to Wyoming (e.g., sea ports), Wyoming municipalities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





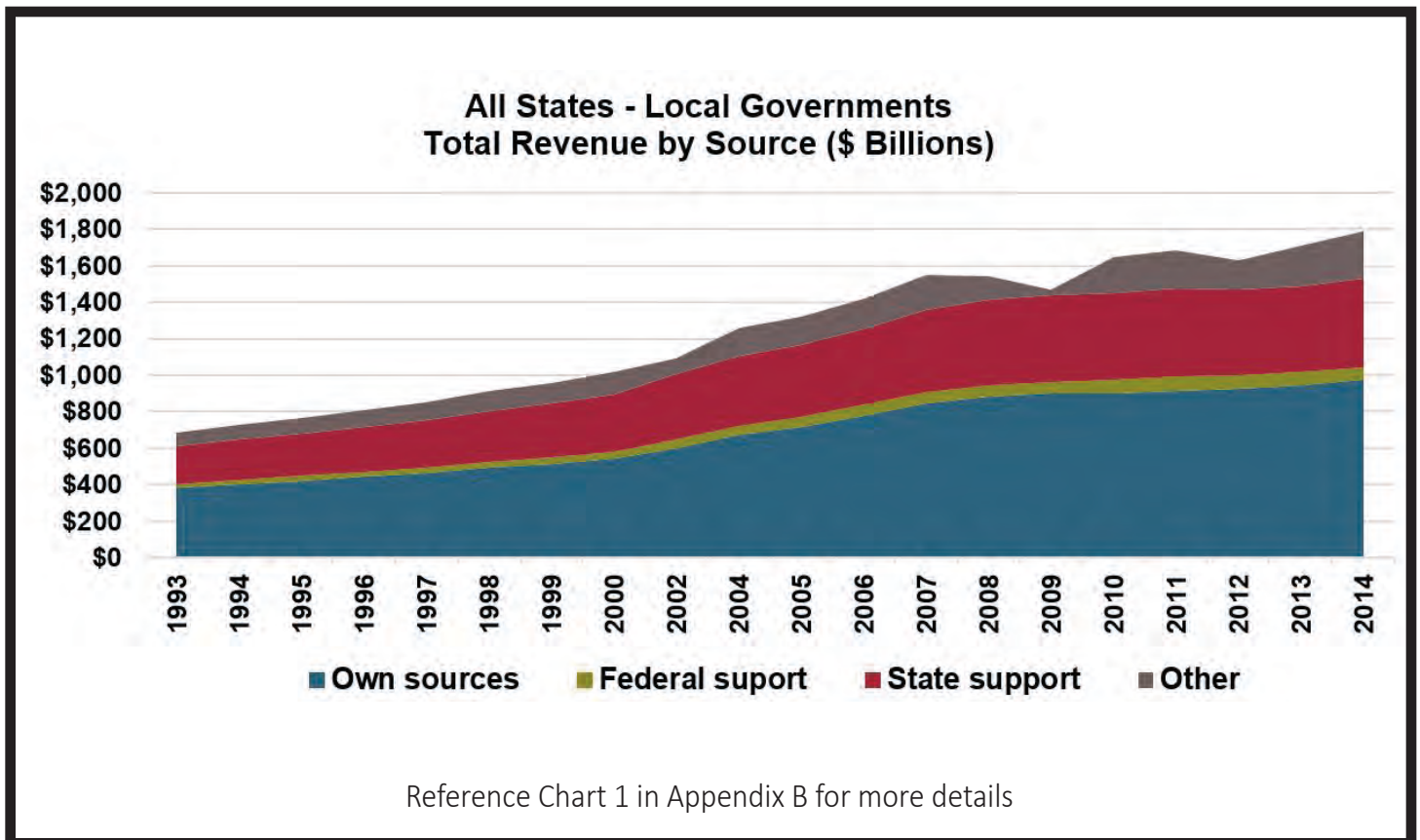
## NATIONAL COMPARISON

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



## Comparison of National and Wyoming Municipal Revenue

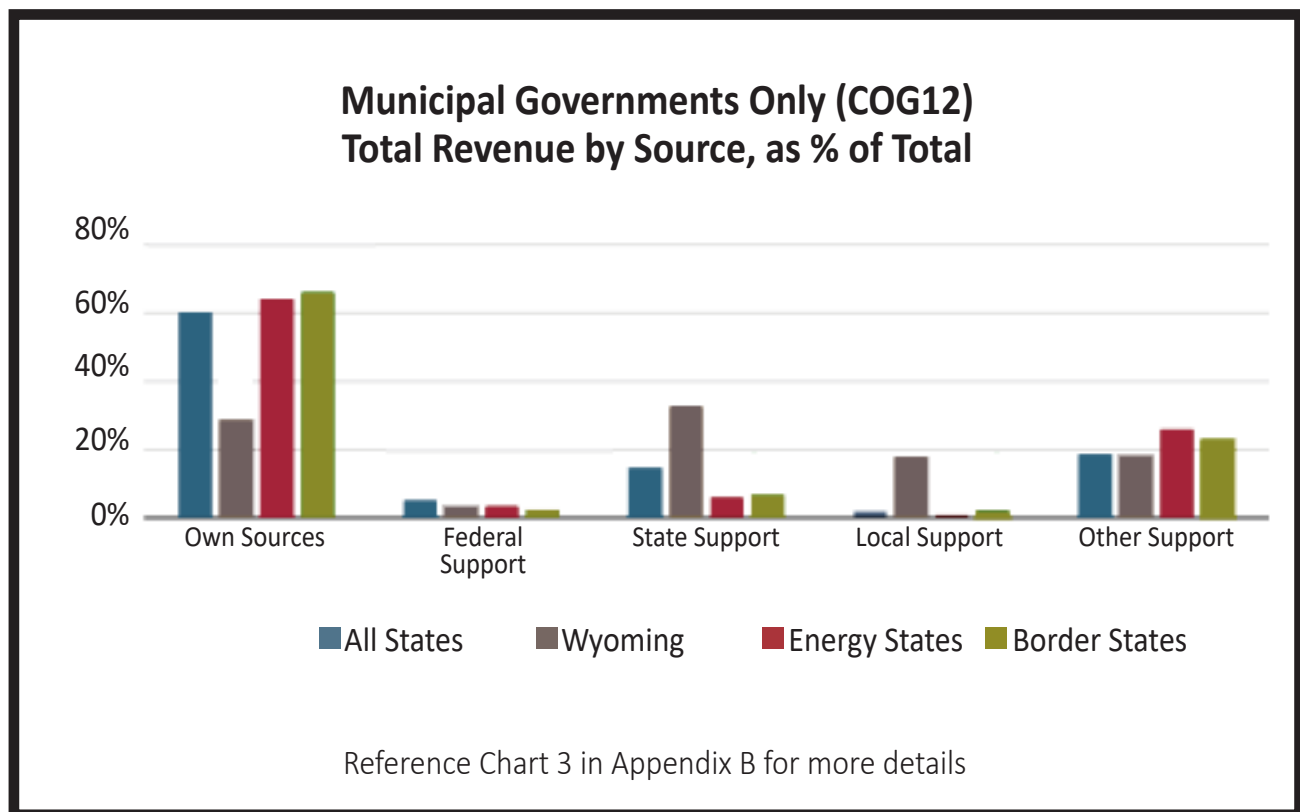
Census Bureau data indicates that municipal general revenue funding in most states is generated from their “own sources”. Own Source revenue includes local option taxes, user fees, and other charges. In a few states, municipalities also receive other types of revenue, including utility revenue, liquor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



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

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



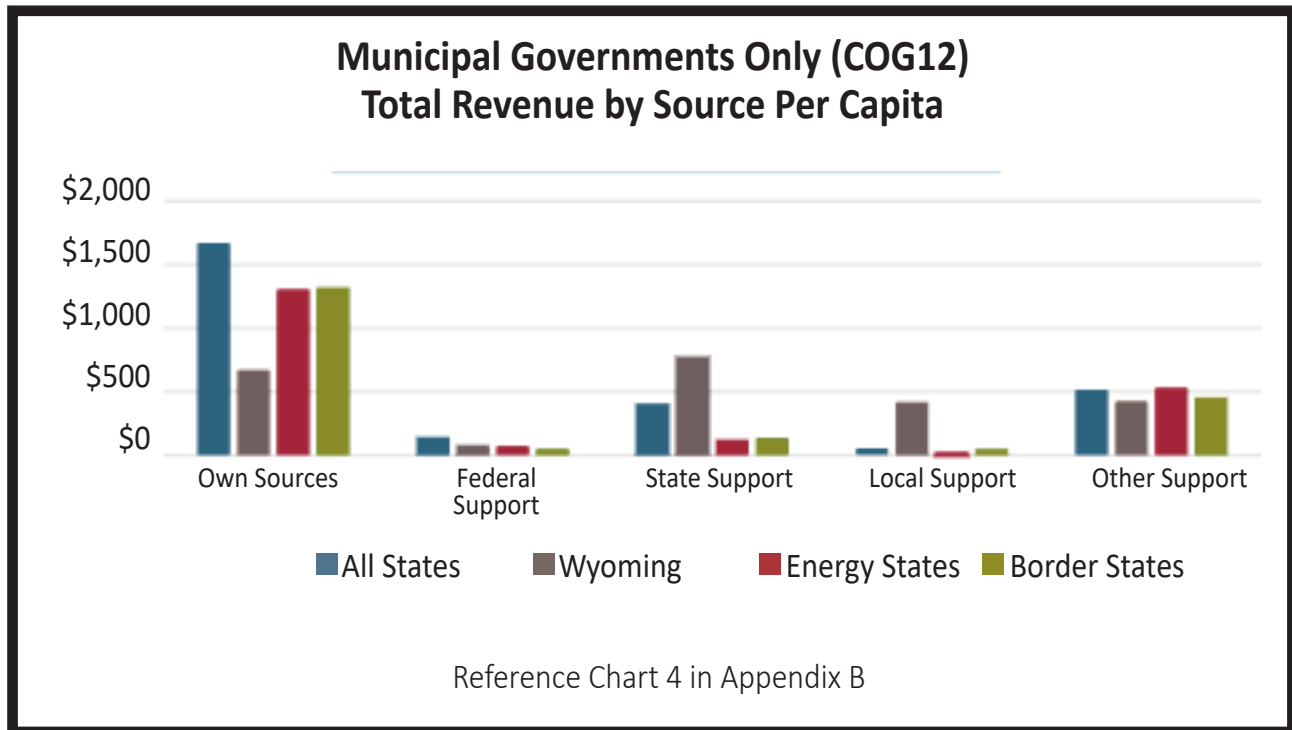


In Wyoming, municipal revenues are dramatically different from national averages. These differences are readily apparent when analyzing revenue on a per capita basis. For example:

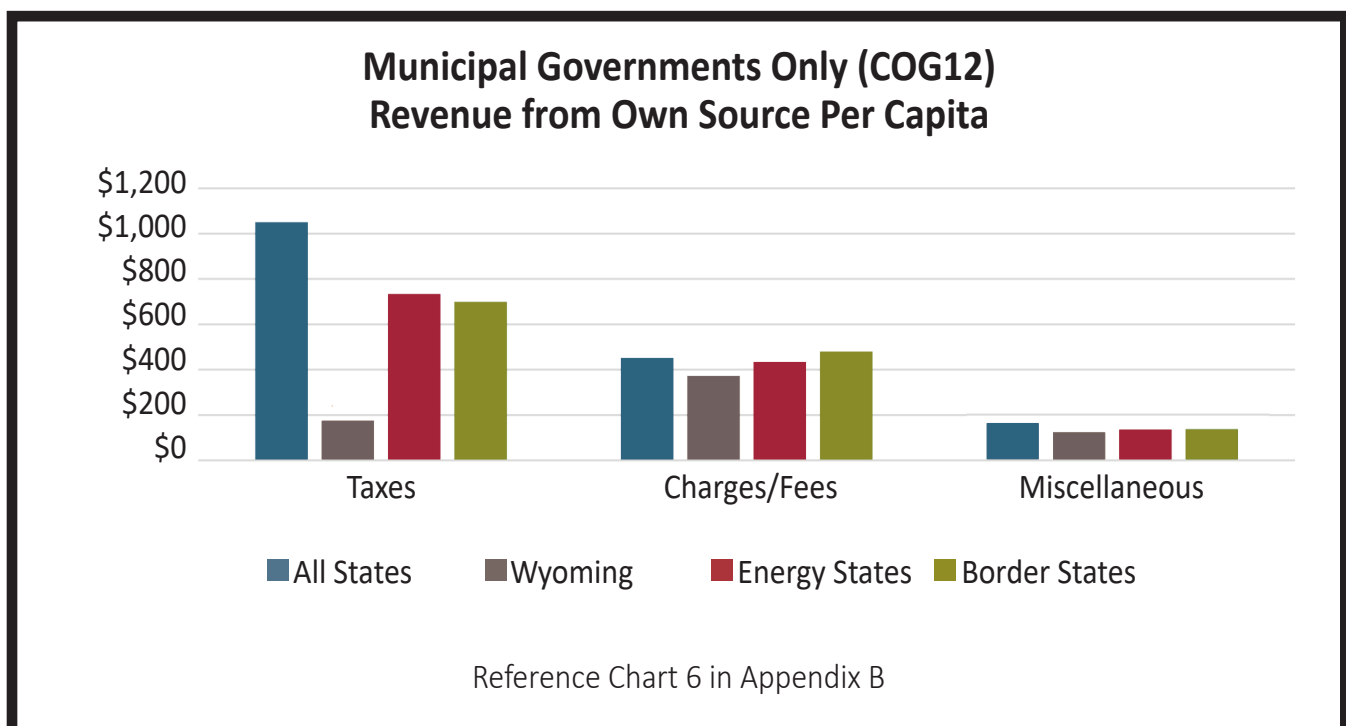
- On average, Wyoming municipalities generate just \$670 per capita from their ‘own sources,’ which is nearly \$1,000 less than municipalities in other states
- Federal support for municipalities in Wyoming is much lower than other states
- Municipal revenue from utilities in Wyoming is about the same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

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

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



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





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

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



**Health &  
Environmental  
Benefits**



**Social  
Importance**



**Economic  
Value**



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

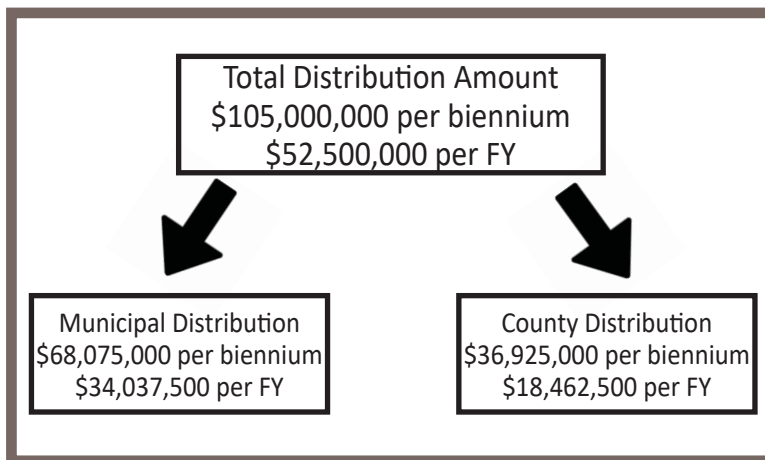
# MUNICIPAL REVENUE CAPACITY RECOMMENDATIONS



## RECOMMENDATION #1

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

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



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

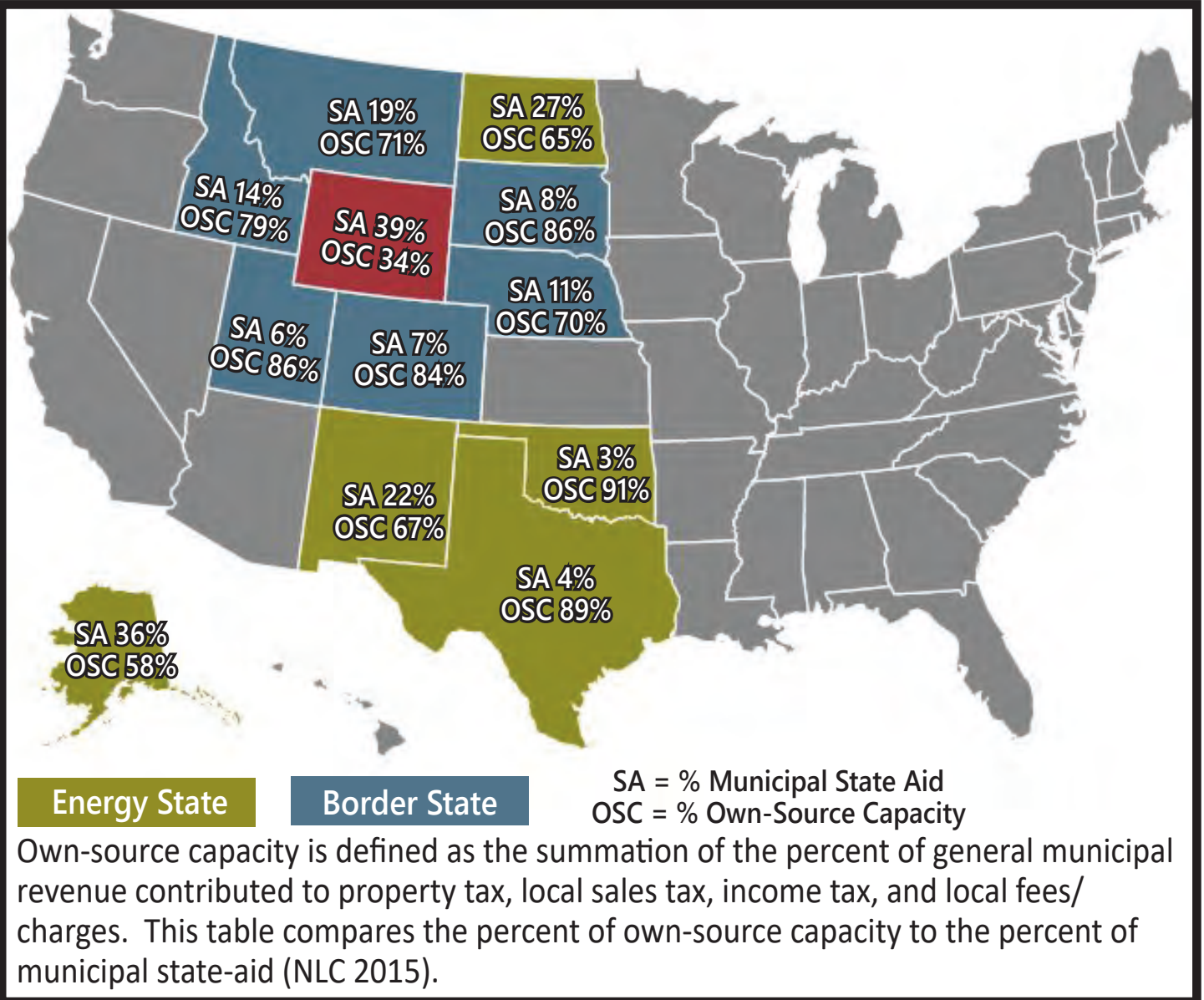
Cities and State Fiscal Structure - 2015, NLC

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

## STATE-TO-STATE COMPARISON

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

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



## LEGISLATIVE ACTION #1

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

## RECOMMENDATION #2

### Revise tax laws to INCREASE Municipal Revenue Capacity

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

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

Janine Jordon, Laramie City Manager

#### LOCAL OPTION TAX REVISIONS

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

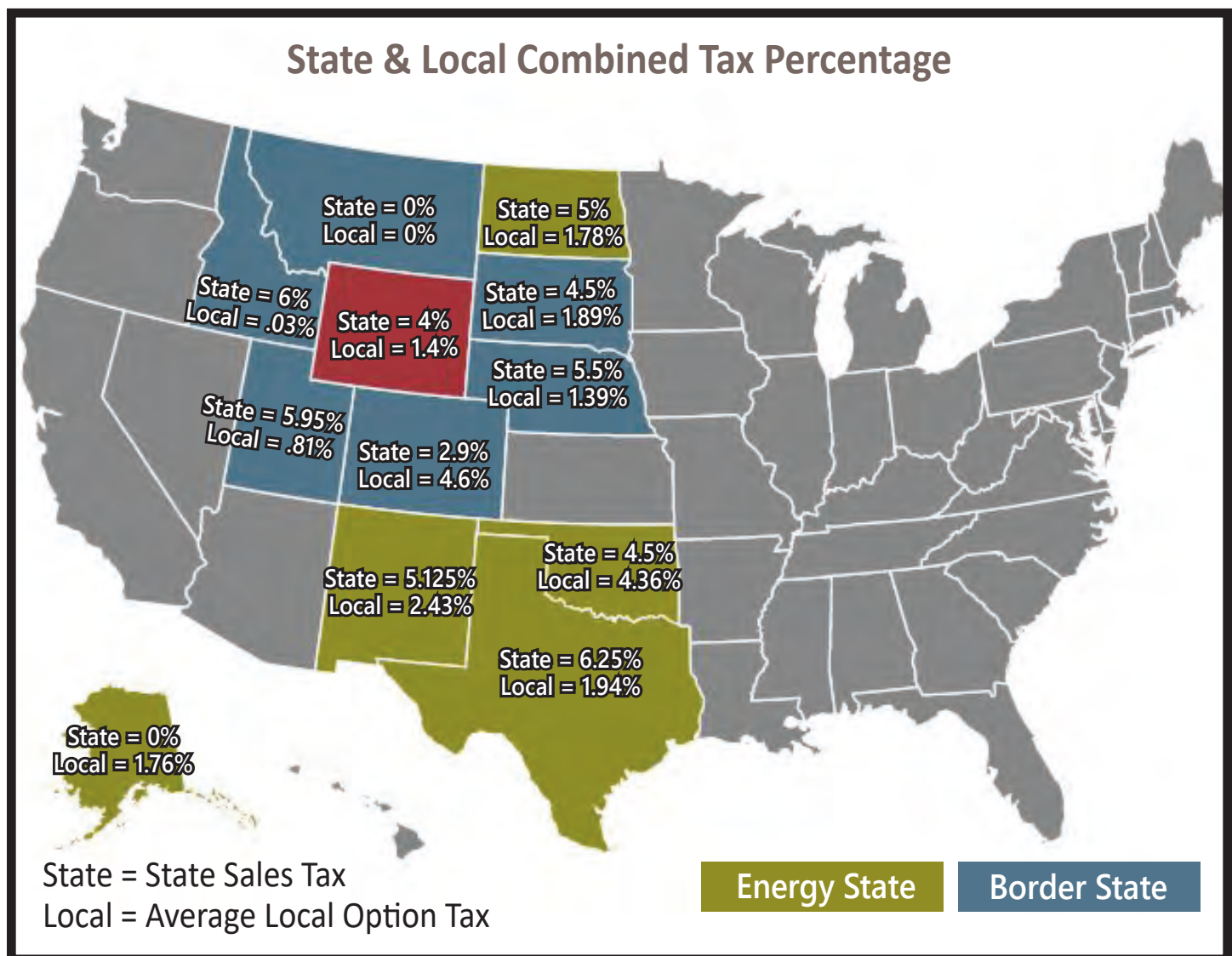
Enhanced flexibility to the existing local option statutes should be considered. Revisions approved during the 2017 Legislative session in House Bill 82, granted that local option taxes may be imposed through separate propositions up to the allotted percentage. This allows for increased incremental flexibility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

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



## STATE-TO-STATE COMPARISON OF LOCAL OPTION TAXES

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



## RECOMMENDATIONS

### PROPERTY TAX REVISION

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

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

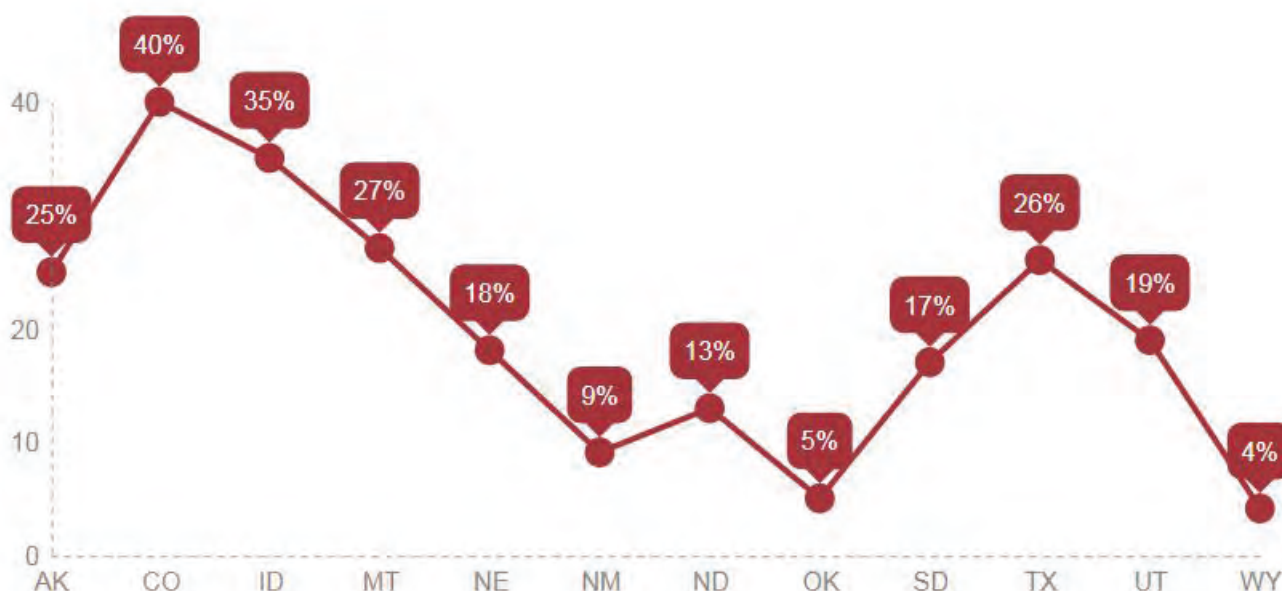
**“As has been the case for much of the past two decades, regardless of state of national, regional, or local economies, the most common action taken to boost city revenues has been to increase fees charged for services. The second most common revenue action is increasing property tax.”**

**NLC 2016**

### STATE-TO-STATE COMPARISON OF PROPERTY TAX

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

**Border & Energy State Comparison Property Tax  
Percent of Municipal General Revenue**



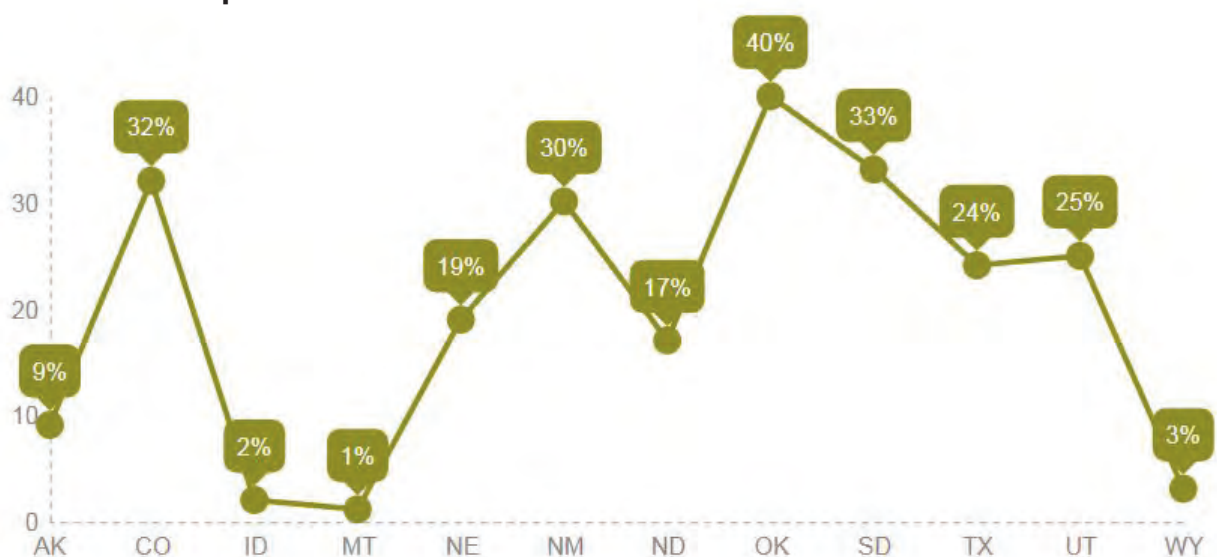
## MUNICIPAL SALES AND USE TAX

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

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

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

**Border & Energy States Municipal Tax  
Percent of Municipal General Revenue**





### INCREASE STATE SALES TAX TO 5%

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

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

### STATE-TO-STATE COMPARISON TO INCREASE STATE SALES TAX

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

### REVISE SALES TAX ALLOCATION

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

### STATE-TO-STATE COMPARISON FOR SALES TAX ALLOCATION REVISION

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

## LEGISLATIVE ACTION FOR RECOMMENDATION #2

LOCAL OPTION TAX REVISION

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

PROPERTY TAX REVISION

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

MUNICIPAL SALES AND USE TAX

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

INCREASE SALES TAX TO 5%

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

REVISE SALES TAX ALLOCATION

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

## RECOMMENDATION #3

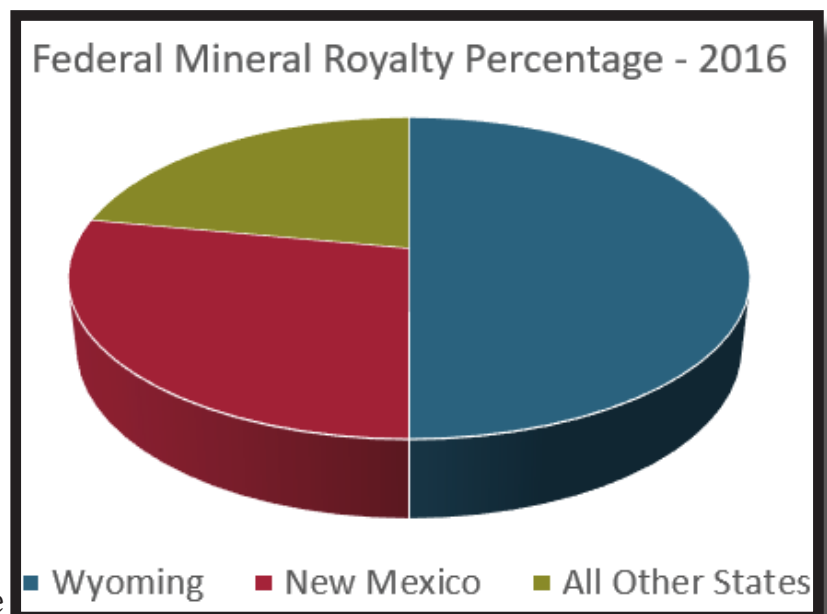
## Increase CAP for Severance Tax and Federal Mineral Royalties

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

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

## STATE-TO-STATE COMPARISON

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



## LEGISLATIVE ACTION #3

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



## RECOMMENDATION #4

## Remove Tax Exemptions that DO NOT Support Economic Development

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

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

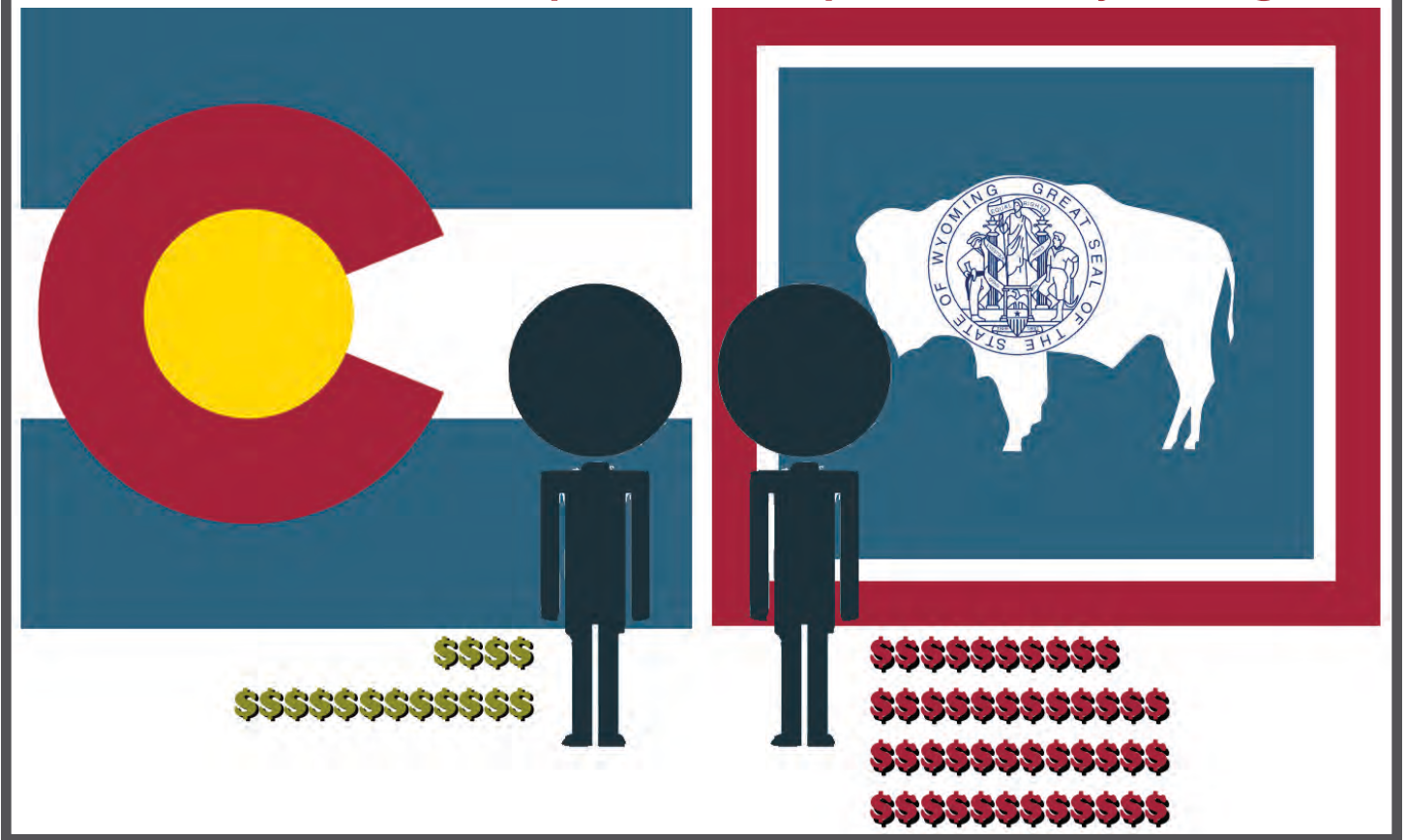
written almost 20 years ago noted, “many exemptions and exclusions may have outgrown their usefulness. The state does not tax personal and professional services, sporting fees, and the repair, maintenance, and alteration of real property. Lower income individuals pay a greater percentage of their income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

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

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

**WAM 2016**

## Colorado has 14 exemptions compared to Wyoming's 39



### STATE-TO-STATE COMPARISON

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

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

### LEGISLATIVE ACTION #4

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

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



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

# APPENDICES



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

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

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

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

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

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

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



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

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



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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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

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

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

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



**Appendix A, Table 7**  
**WAM Municipal Finance Report, Volume 2**

**Municipal Revenue Adjustment by Increasing Cap on Mineral Severance Tax and Federal Mineral Royalty**

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

“Communities that don’t matter don’t exist.” 50



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

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

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

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

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

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

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

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

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



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

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

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

<sup>1</sup> - 2010 census population data [http://ealdiv.state.wy.us/demog\\_data/demog\\_data.html](http://ealdiv.state.wy.us/demog_data/demog_data.html)

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

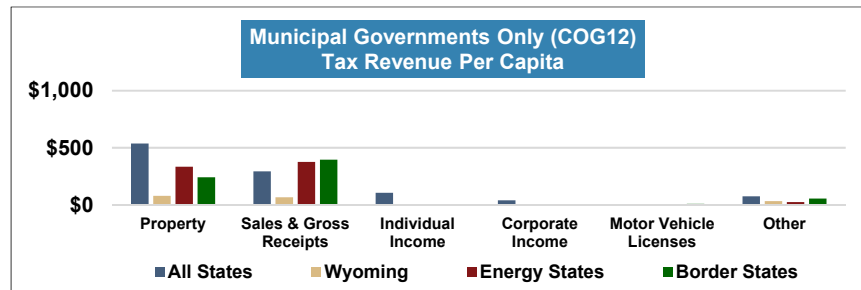
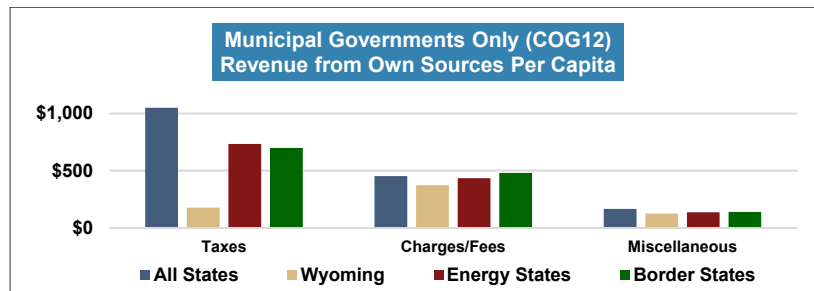
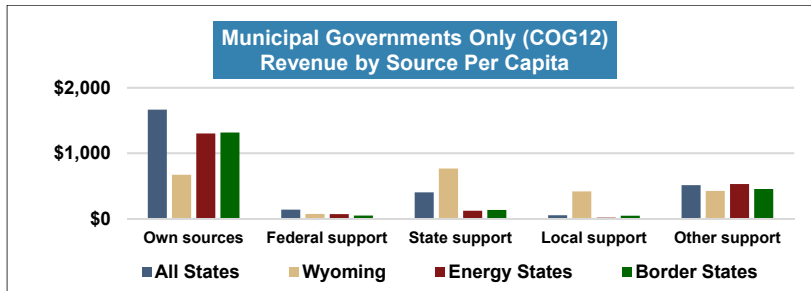
**Appendix A, Table 10**  
**WAM Municipal Finance Report, Volume 2**  
**State Comparison of Sales Tax Treatment of Groceries, Candy Soda**

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

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

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

# Municipal Finance Comparison



*Prepared for*  
**Wyoming Association of Municipalities**  
*August 29, 2017*





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## Introduction

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

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

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

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

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

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

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

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

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



## Methodology

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

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

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

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

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

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

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

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

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

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

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

## Definitions

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

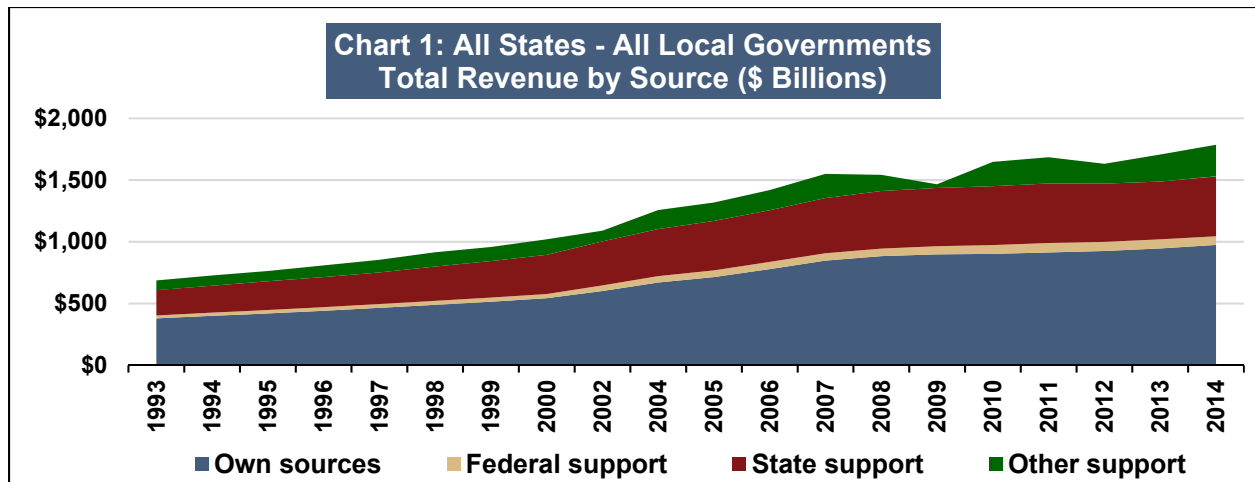


- **LOCAL GOVERNMENT** - Census Bureau includes all counties, municipalities, townships, special districts, and school districts in all fifty (50) states and Washington, DC. With this broad definition, the Census Bureau essentially lumps together all American governmental entities that are not state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

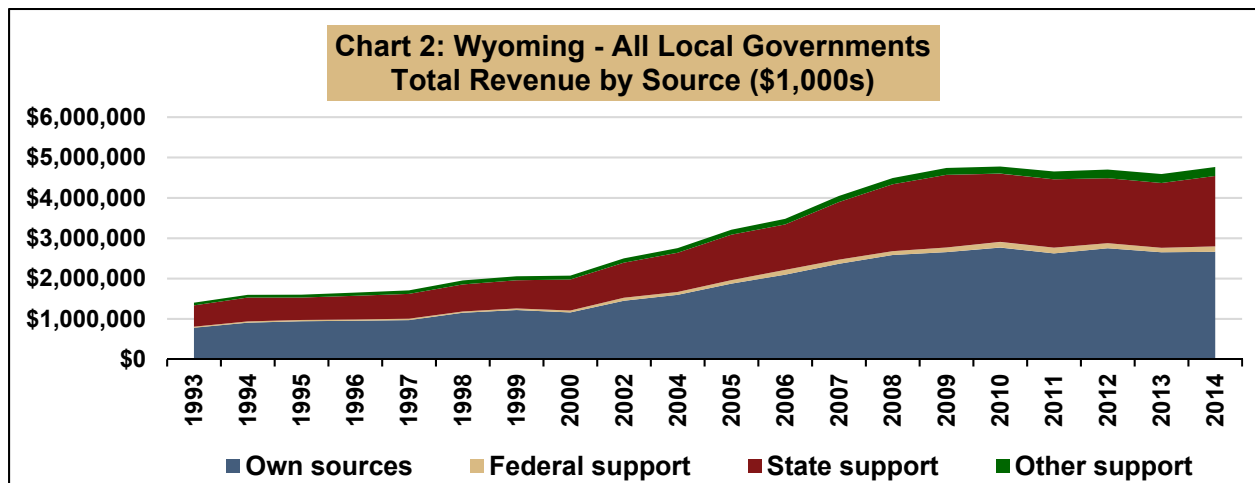
## Municipal Revenue

### Total Revenue by Source

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

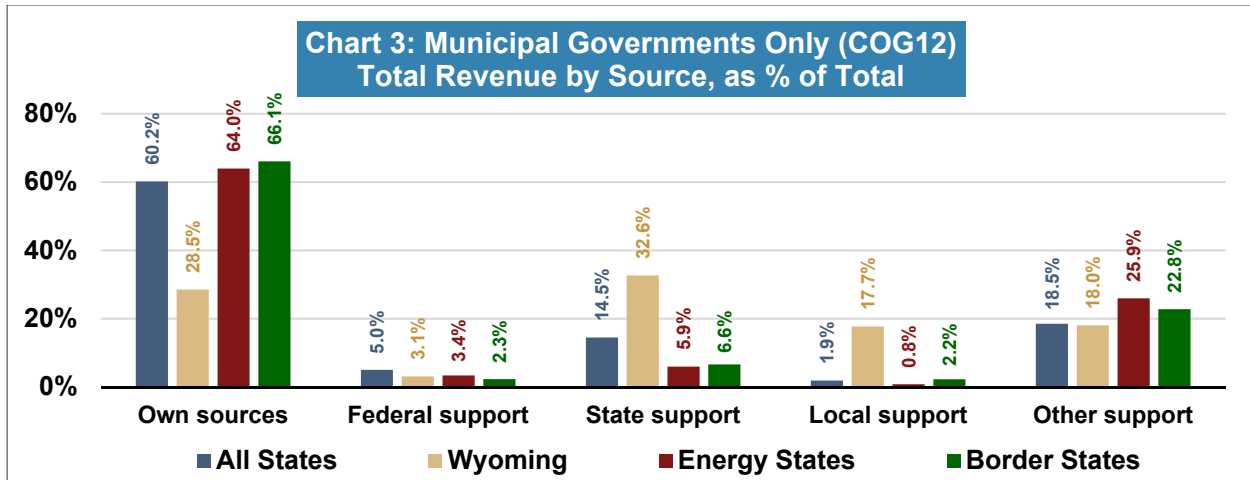


- In Wyoming, the period between 2000 and 2010 marked a dramatic increase in funding for local governments, as shown in Chart 2 below.



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

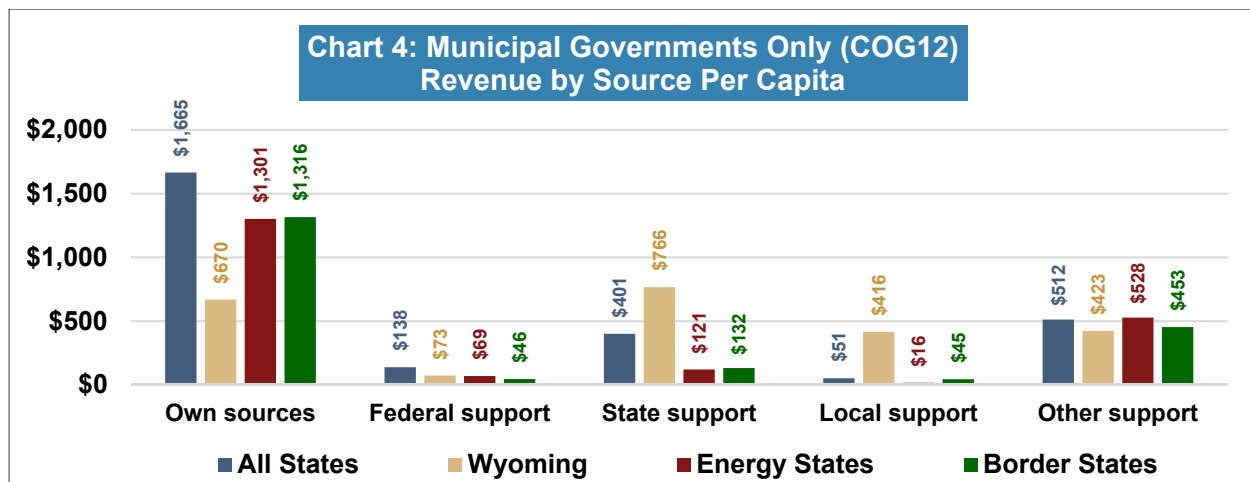
- In Wyoming, less than 30% of municipal revenue comes from “own sources,” compared to 60% nationwide (even higher in Energy States and Border States). It appears that revenue from other local governments and the State of Wyoming makes up the difference, as Chart 3 illustrates. (Note: While State support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



### **Revenue by Source Per Capita**

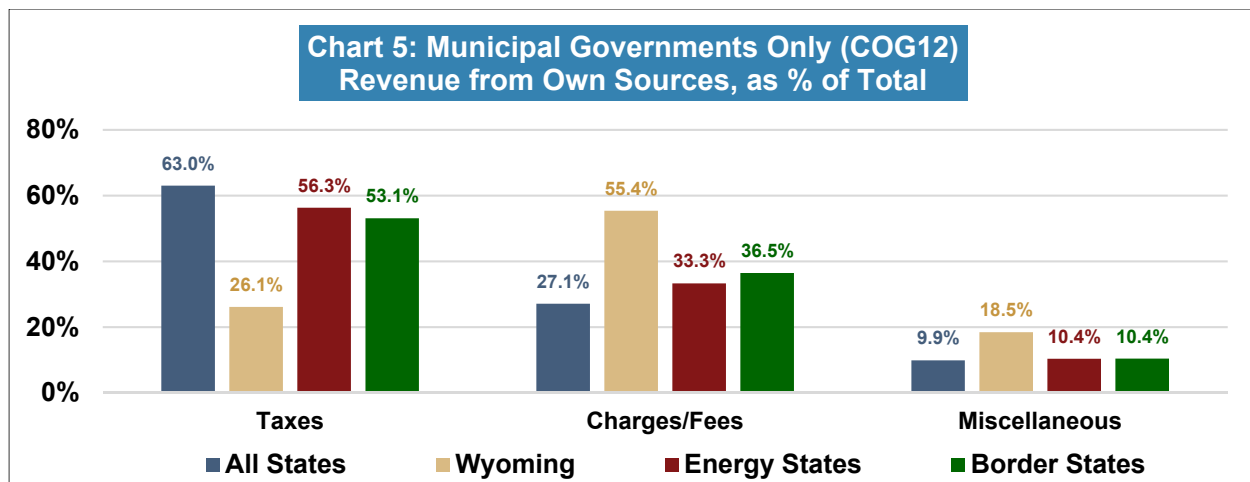
- Nationally, revenues for all local governments have grown from \$2,516 per capita (1993) to \$6,540 (2014), an increase of 160%.
- In Wyoming, local government revenues have grown from \$2,868 (1993) to \$9,733 (2014), an increase of nearly 240%. While this exceeds the national growth, it is important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





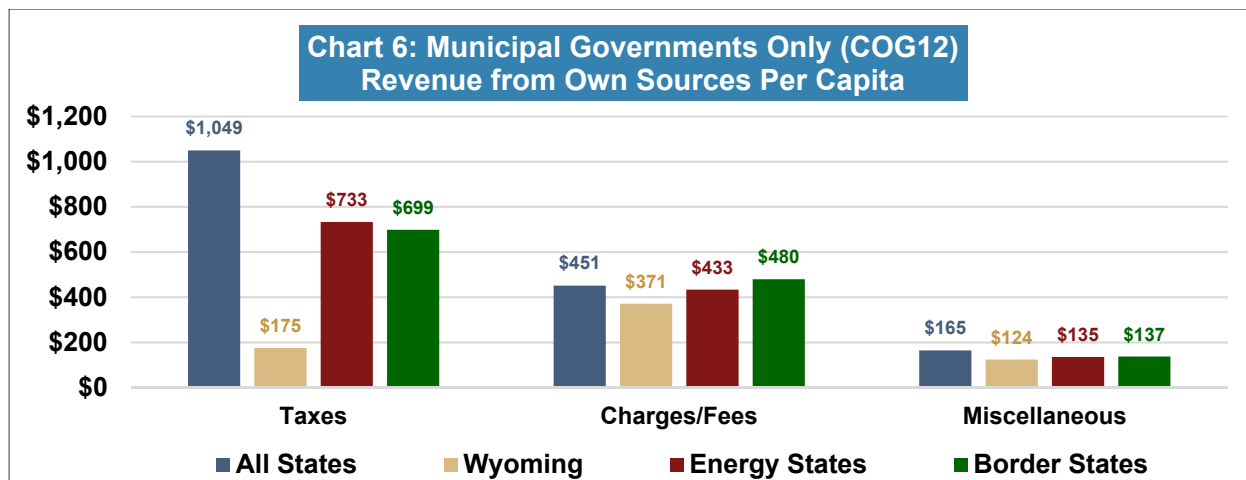
### **Total Revenue from Own Sources**

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



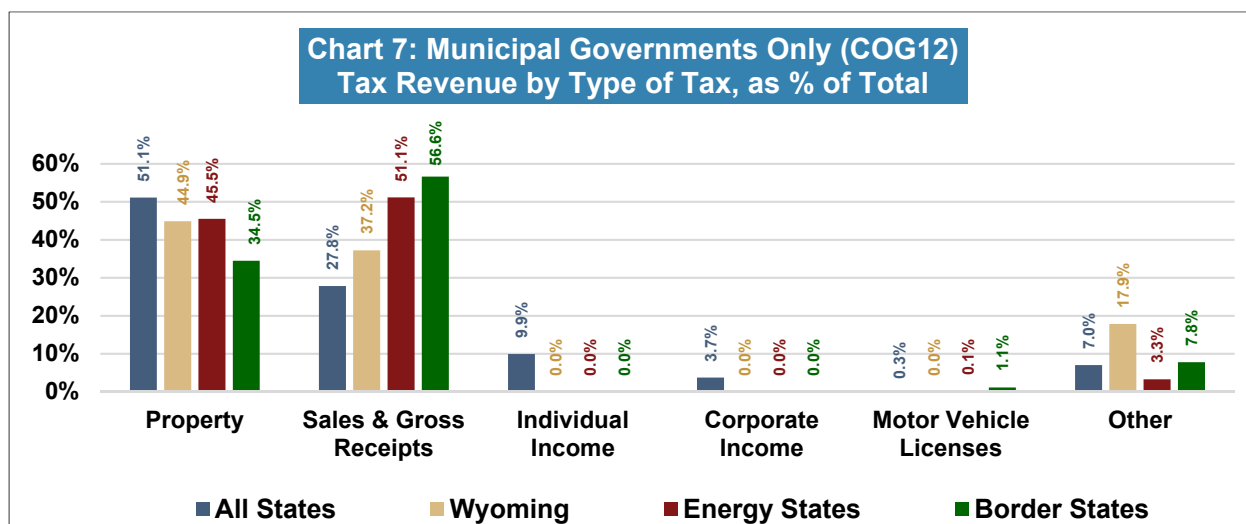
### **Revenue from Own Sources Per Capita**

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



### Total Tax Revenue

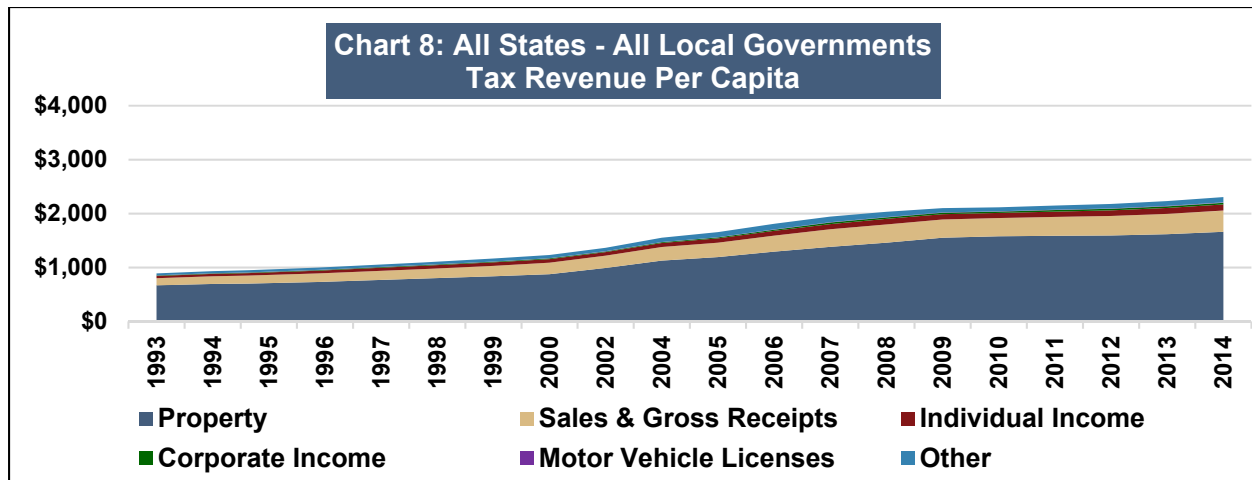
- Municipalities in most states generate much of their “own source” revenue with Property Taxes and Sales & Gross Receipts taxes. It should be noted that the high percentage of revenue (44.9%) from Property taxes in Wyoming is more a reflection of the minimal overall revenue than it is of the amount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



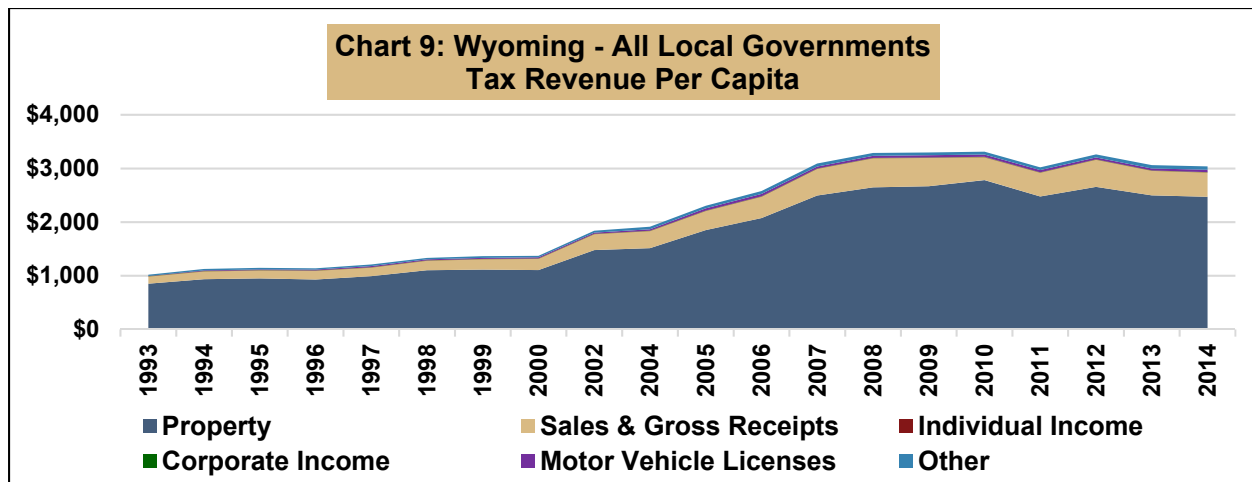
### Tax Revenue Per Capita

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

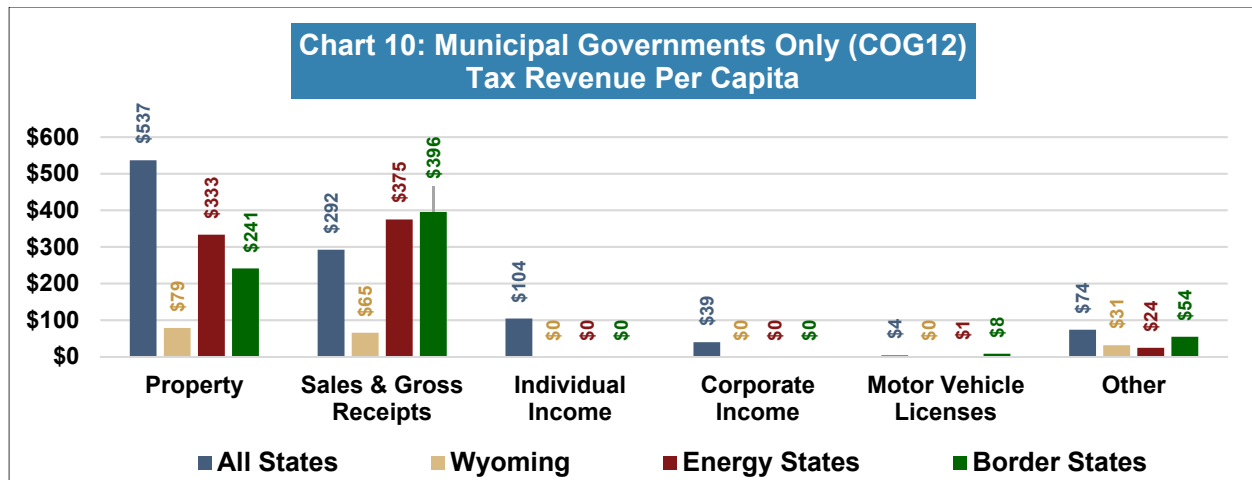




- In Wyoming, local government Tax Revenue has grown even more significantly, from \$853 (1993) to \$1,471 (2014), nearly 190% growth, particularly from 2000 to 2010 (see Chart 9 below). Keep in mind that much of this growth is driven by property taxes designated for public schools.

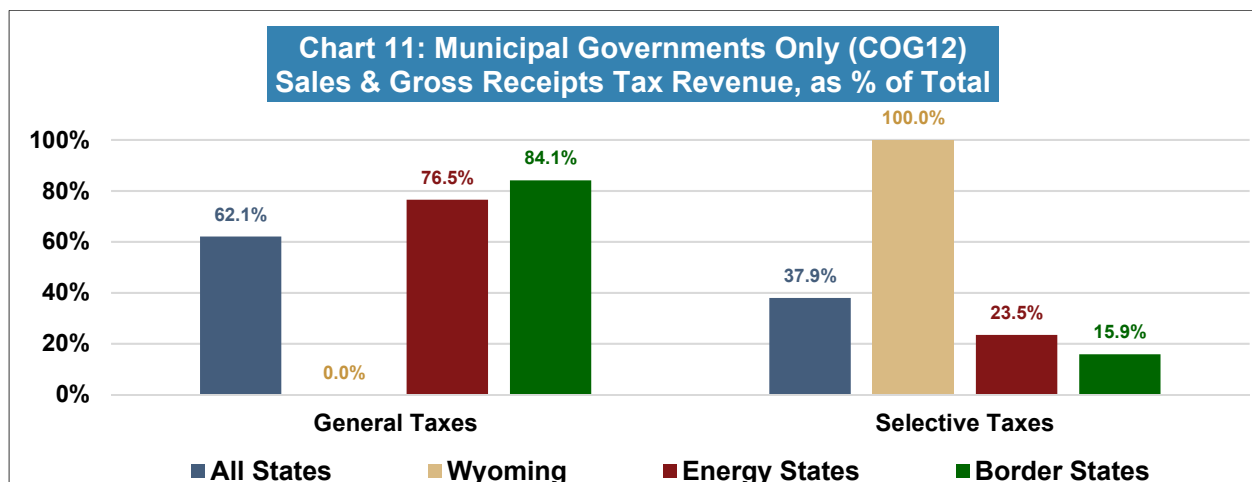


- In most states, it appears that Tax revenue for municipalities has grown similarly with other local governments.
- However, in Wyoming, municipalities generate significantly LESS Tax revenue than municipalities in other states, raising just \$175 per capita (versus \$1,049 national average).
- As Chart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



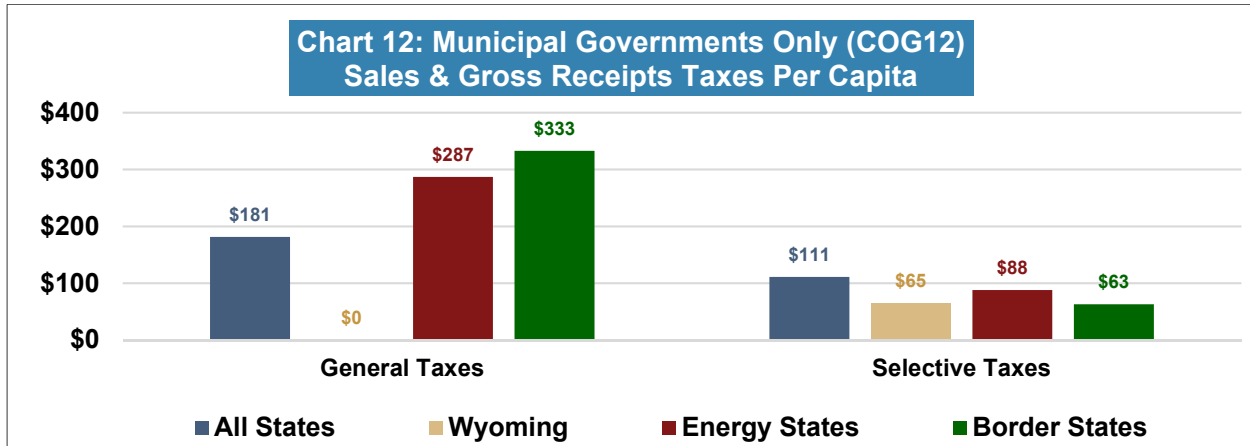
### Total Sales & Gross Receipts Taxes

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



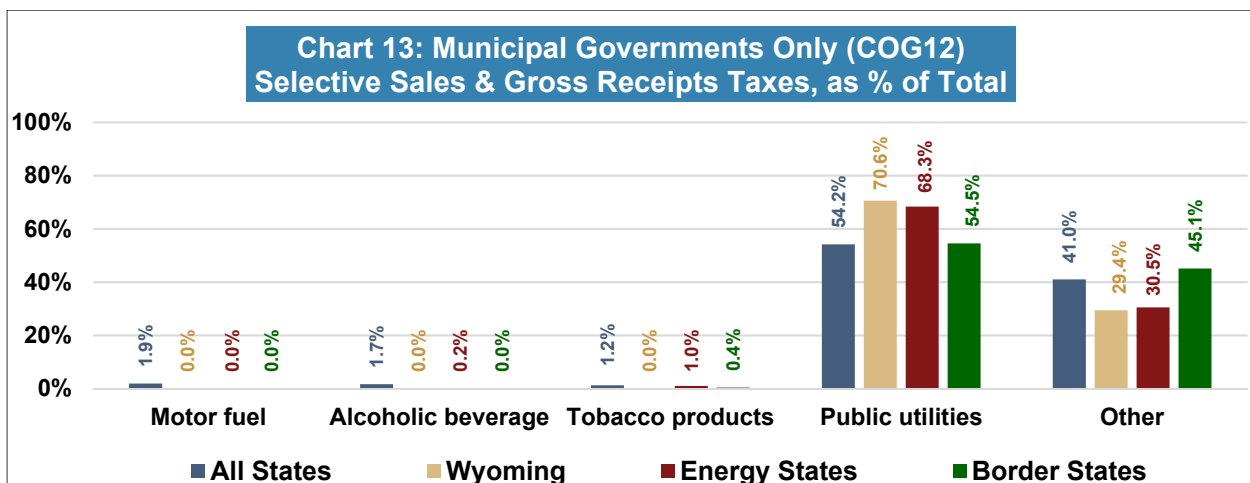
## Sales & Gross Receipts Taxes Per Capita

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



## Total Selective Sales & Gross Receipts Taxes

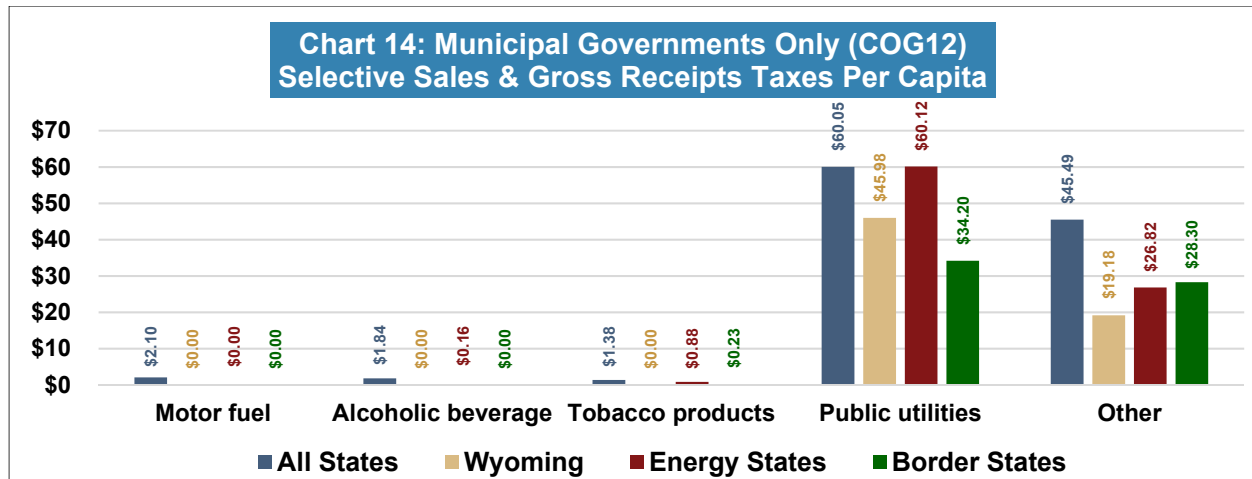
- Nationwide, most of the Selective Taxes are coming from Public Utilities and Other taxes (same in Wyoming). In Wyoming, this includes local option sales taxes.
- Local governments in various states have begun taxing Motor Fuels Alcoholic Beverages, and Tobacco Products, but these are still an insignificant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





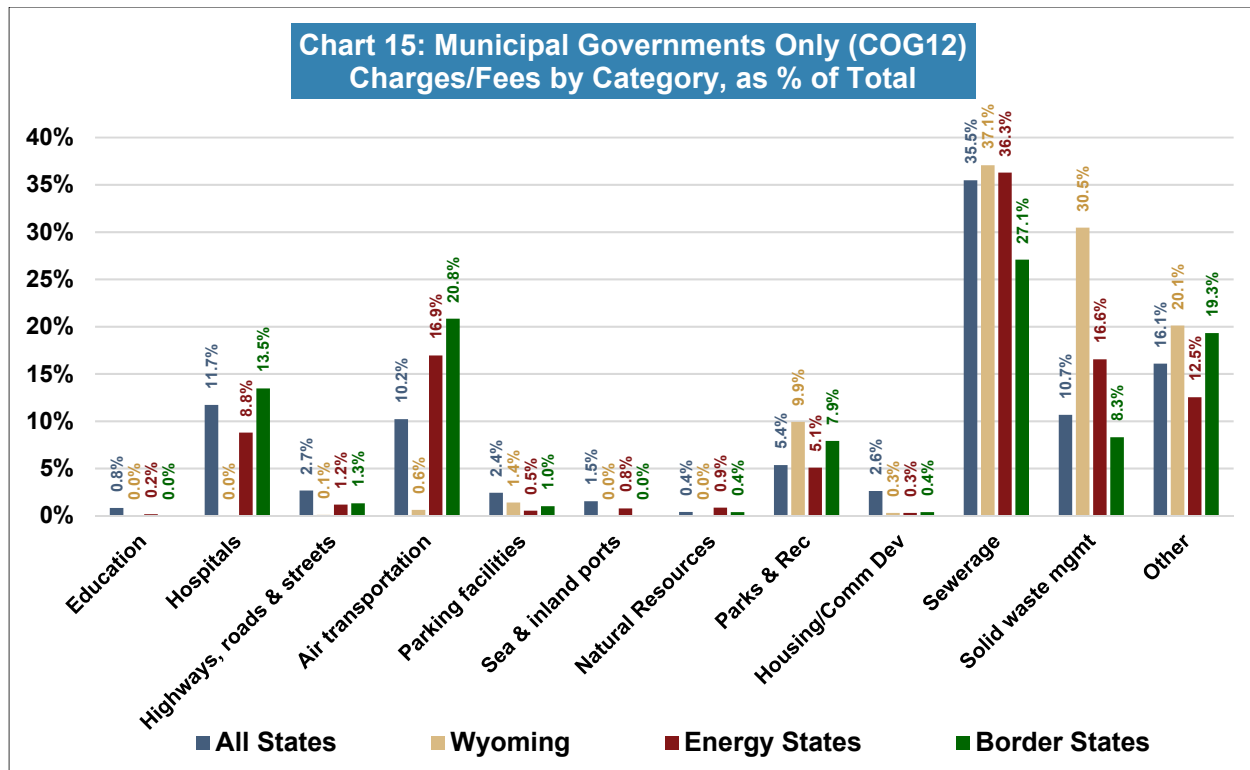
## Selective Sales & Gross Receipts Taxes Per Capita

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



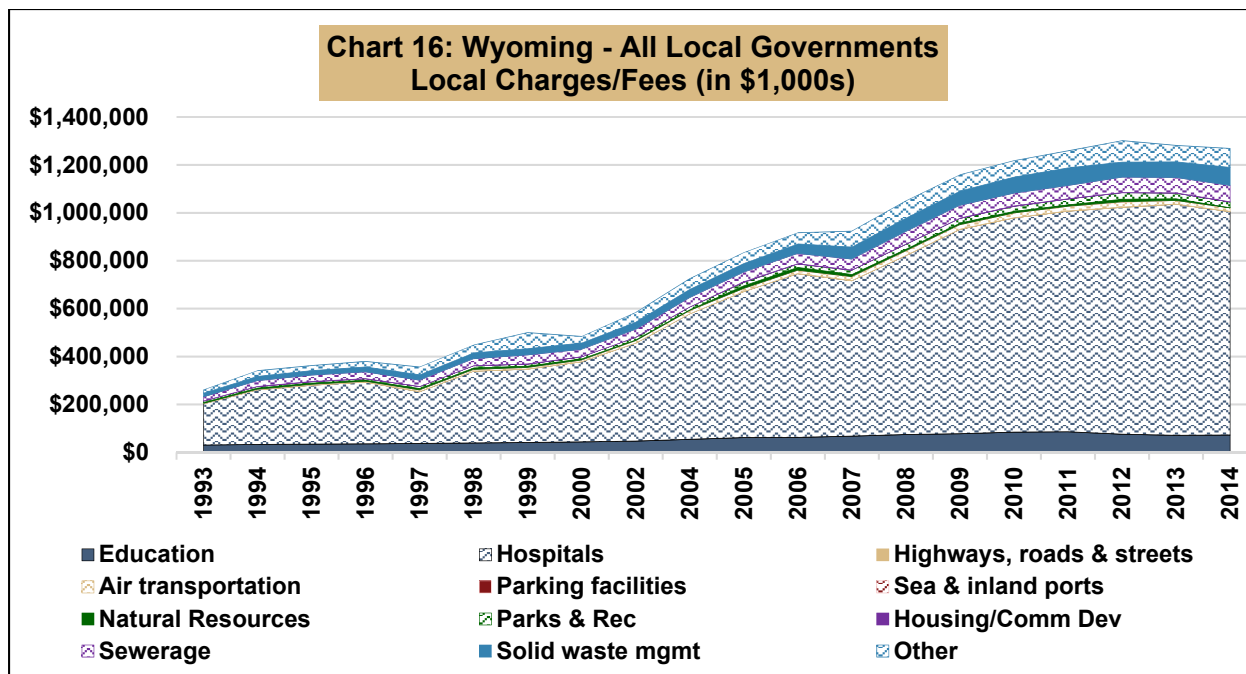
## Total Charges & Fees

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

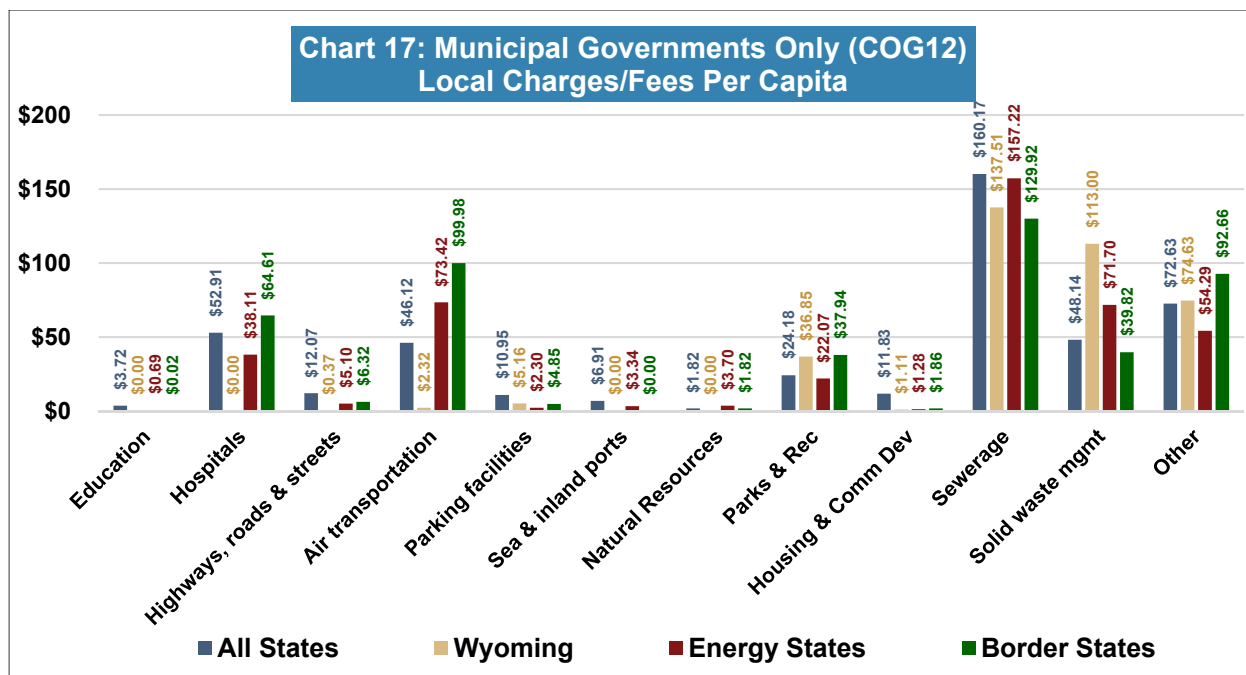


### Charges & Fees Per Capita

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



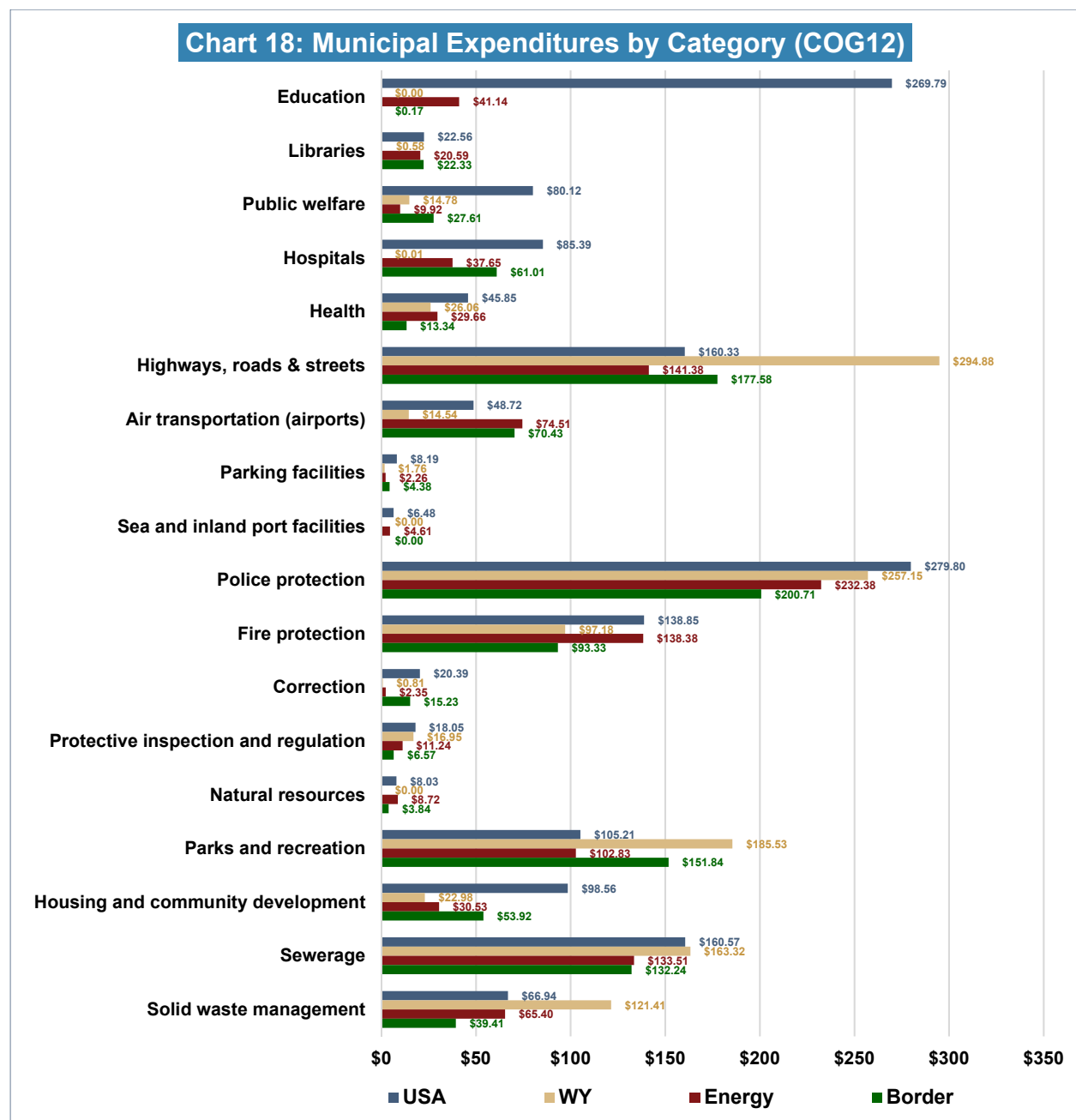
- For Wyoming municipalities, revenue from Charges & Fees remains similar to other states' municipalities (see Chart 17). This may be because services such as Sewerage, Solid Waste Management, and Other (which includes water) are operated as enterprise funds (i.e., must be self-sufficient) in other states,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



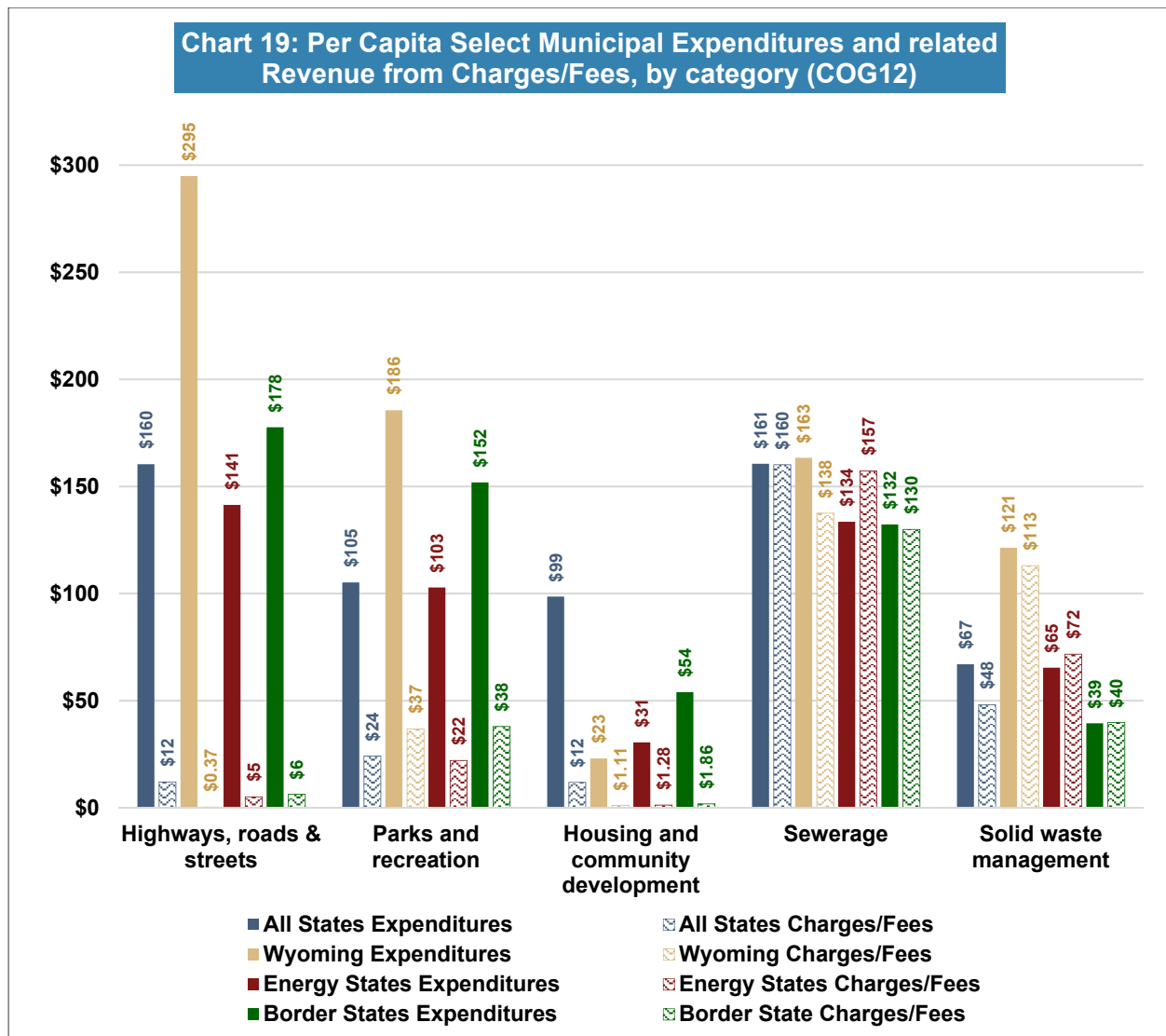


## Municipal Expenditures

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



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



## Appendix – Detailed Charts & Tables

See attached for:

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

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



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

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

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

Appendix D

WAM Municipal Finance Report Volume 2

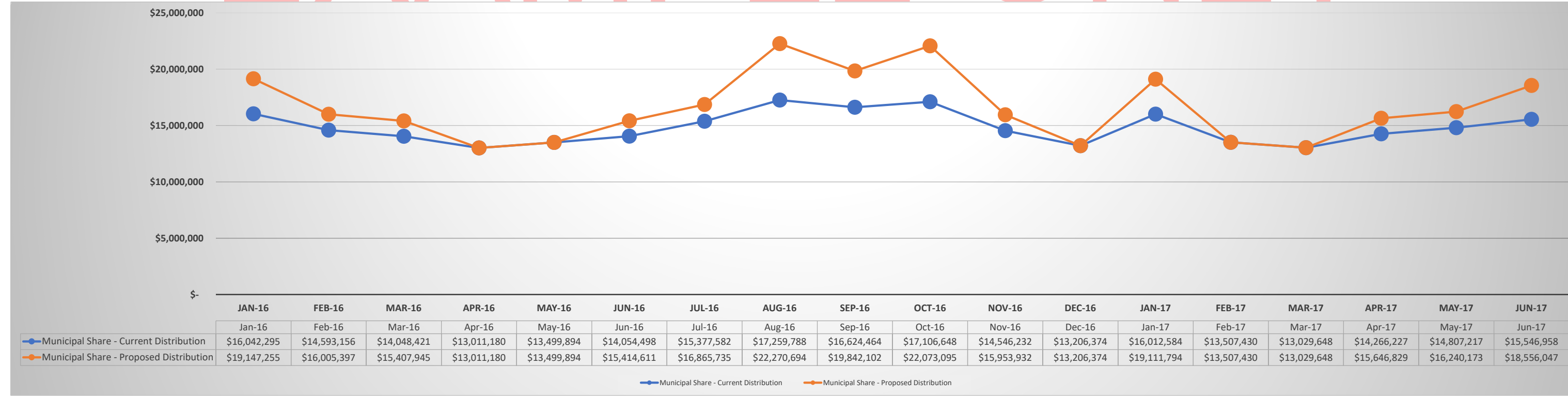
		DEPT OF REVENUE AGGREGATE SALES & USE TAX DATA																																		
		Jan-16		Feb-16		Mar-16		Apr-16		May-16		Jun-16		Jul-16		Aug-16		Sep-16		Oct-16		Nov-16		Dec-16		Jan-17		Feb-17		Mar-17		Apr-17		May-17		Jun-17
Gross Revenue	\$	71,488,570	\$	65,040,600	\$	62,928,526	\$	58,575,830	\$	60,548,764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

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

DISTRIBUTIONS UNDER PROPOSED FORMULA																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
Level 1 (floor)	69%	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000	\$	40,000,000

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

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



## Appendix E

### WAM Municipal Finance Report, Volume 2

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

Wyoming Statute 39-15-103 describes the following sales and services as **TAXABLE** events:

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

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

Wyoming Statute 39-15-105 governs **EXEMPTIONS OR NON-TAXABLE** from state sales tax.

Exemptions include the following:

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



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

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