

Fremont County Sales Tax for Economic Development Memorandum of Understanding

This Memorandum of Understanding is made and entered into this ____ day of _____, 2024 by and between Fremont County ("County"), City of Riverton ("Riverton"), City of Lander ("Lander"), Town of Dubois ("Dubois"), Town of Shoshoni ("Shoshoni"), Town of Hudson ("Hudson"), and the Town of Pavillion ("Pavillion").

RECITALS

WHEREAS, W.S. §39-15-204(a)(vi) allows for an excise tax of up to one percent (1%) for economic development if approved by the electorate; and

WHEREAS, the proposition to approve an excise tax for the purpose of economic development was placed on the 2020 Primary Election ballot and approved by a majority of the qualified voters; and

WHEREAS, the proposition to renew the excise tax for the purpose of economic development will be placed on the 2024 General Election ballot; and

WHEREAS, the Economic Development shall be defined as "any project that retains or increases employment, and/or results in a net gain of money into the community"; and

WHEREAS thirty percent (30%) of the net proceeds of the tax shall be used to support transportation infrastructure such as commercial air service and ground transportation: the remaining seventy percent (70%) will be allocated to the County and 6 Municipalities based on population to manage and invest in economic development projects of their choosing; and

WHEREAS, if the proposed tax continuance is approved in the General Election November 5th, 2024, the tax will remain in effect, and as provided by W.S. 39-15-203(a)(v)(C) the same proposition shall be submitted at the general election in 2028; and

WHEREAS, if the proposition is approved by the qualified electors, the board of county commissioners shall by ordinance impose an excise tax upon retail sales of tangible personal property, admissions, and services as defined by Wyoming state statutes; and

WHEREAS, the ballot verbiage is "Shall the Board of County Commissioners of the County of Fremont, State of Wyoming, be authorized to impose an excise tax for economic development of one-half percent (1/2%) upon retail sales of tangible personal property, admissions and services made within the county as defined by Wyoming state statutes, the purpose of which is for economic development. Economic Development shall be defined as any project that retains or increased employment, and/or results in a net gain of money into the community. Thirty percent (30%) of the net proceeds of the tax shall be used to support transportation infrastructure such as commercial air service and ground transportation: the remaining seventy percent (70%) will be allocated to the County and 6 Municipalities based on population to manage and invest in economic development projects of their choosing. Economic Development projects on the Wind River Indian Reservation are eligible for county allocation. If passed, the tax shall become effective on March 1st, 2021, and as provided by W.S. 39-15-203(a)(v)(C) the same proposition shall be submitted at the general election in 2028."

ARTICLE I
PURPOSE

Recognizing that economic development is important for the sustainability and growth of Fremont County, this MOU's purpose is to outline the best use of these sales tax funds for the benefits of its residents. While each municipality and the county may have different projects to best serve their citizens, the intent of this MOU is to provide guidelines so the tax collections can be efficiently and best used.

ARTICLE II
ADMINISTRATION

1. Parties agree the sales tax collected and distributed by the Wyoming Department of Revenue will be distributed to municipalities and county based on population and the funds will be used exclusively for Economic Development purposes. The first 30% of sales tax collected will be used for transportation purposes as outlined below:
 - 1.1. Parties agree that 20% of the sales tax for economic development received will be distributed monthly to the City of Riverton for commercial air service. Fremont county Air Service Team (FAST) will review options and make recommendations to the Riverton City Council for final approval.
 - 1.2. Parties agree that 10% of the sales tax for economic development received will be distributed monthly to Fremont County Association of Governments (FCAG) for ground transportation. Wind River Transit Authority (WRTA) and other ground transportation entities may submit proposals and recommendations to FCAG for approval and distribution of funds.
 - 1.3. Parties agree to provide a representative to FCAG or any Fremont County collaborative group for the evaluation and determination of the annual transportation portion of costs.
2. The allocation of the remaining 70% of the sales tax collected for economic development shall be determined based on population and distributed among the Parties. Each Party agrees to distribute their respective share of sales tax proceeds on a monthly basis in accordance with the guidelines outlined in Appendix A. Additionally, funds designated for commercial air service and ground transportation shall be distributed as detailed in Section 1 above. Proceeds designated for ambulance service and future county wide entrepreneurship programs shall be allocated to the County for distribution.
3. The remaining funds for projects and programs will be allocated at the discretion of the parties. For the implementation of economic development projects and programs, each party agrees to ensure that their designated staff, committees, or existing Economic Development Organization (EDO) comply with a standardized distribution structure established across all entities. This standardized structure shall include but is not limited to the following:
 - 3.1. Establishment of clear criteria for evaluating economic development project proposals, encompassing factors such as economic impact, job creation and retention, and net inflow of cash into the community.
 - 3.2. Formation of a transparent review process wherein submitted project proposals are thoroughly evaluated by the designated staff, committees, or existing EDO, considering the established criteria, before recommendations are made to the respective governing bodies.
 - 3.3. Allocation of funds from the sales tax proceeds exclusively towards economic development initiatives within the community, ensuring adherence to the designated purpose of the tax.
 - 3.4. Collaboration with other municipalities or the County for joint projects or programs that benefit the greater Fremont County area, with the understanding that such collaborations must align with the standardized structure and serve the collective economic development goals of the region.
4. Parties agree to create a restricted line item in their municipal and county budgets for ½ cent economic development tax proceeds and expenditures. No part of the tax shall be transferred to a party's general fund for general operations.

5. Parties shall not advance funds nor over-obligate project expenditures prior to receiving funds in the restricted line item.
6. Parties have the right to contribute and/or combine other funds (including grant awards) to accomplish ED projects.
7. Each party of this agreement shall have the right to spend their full distribution of sales tax for economic development purposes in their community. If their funds are not used or obligated to specific economic development projects by the general election in 2028, other parties of this agreement may apply to the governing body holding the unobligated funds for these funds to be used for economic development projects in other communities. Expenditures in each community shall be at the sole discretion of the community holding these funds. Collaboration is encouraged, and all parties agree the best use of these funds are for timely economic development projects within Fremont County.

**ARTICLE III
DISPUTES**

Any controversy or claim arising out of, or relating to, this Agreement, including, but not limited to, alleged breach of the Agreement, may be settled by mediation in accordance with Wyoming Statute §1-43-101. Should mediation fail, the Member(s) may proceed with any/all legal avenues available under Wyoming or Federal Law.

**ARTICLE IV
ENTIRE AGREEMENT**

The parties hereto agree this agreement represents the entire agreement of the parties and all prior negotiations, discussions and agreements have been incorporated herein.

**ARTICLE V
GOVERNMENTAL PARTIES**

The parties do not waive sovereign or governmental immunity by entering into this Agreement. Each of them specifically retains all immunities and defenses available to them as sovereigns or governmental entities pursuant to W.S. §1-39-101, et seq., and all other applicable law. Designations of venue, choice of law, enforcement actions, and similar provisions should not be construed as a waiver of sovereign or governmental immunity. The parties agree that any ambiguity in this Agreement shall not be strictly construed, either against or for either party, except that any ambiguity as to immunity shall be construed in favor of immunity.

**ARTICLE VI
EFFECTIVE DATE**

This Agreement becomes effective after the one-half percent (1/2%) Sales and Use Tax for Economic Development passes on the General Election Ballot on November 5, 2024. All parties will receive an executed copy of the MOU at that time, for their records.

**ARTICLE VII
MODIFICATION**

No provision of this Agreement may be modified or altered solely by an individual party. Modifications must comply with Wyoming State statute and require notification to all parties, who shall have thirty (30) days to respond before a vote by all parties during an FCAG, or similar meeting. A majority vote by the parties will result in an adoption of the modification and will be effective thirty (30) days after the date upon which the vote is taken.

ARTICLE VIII
NO THIRD-PARTY BENEFICIARIES

The parties do not intend to create in any other individual or entity the status of third-party beneficiary, and this Contract shall not be construed so as to create such status. The rights, duties and obligations contained in this Contract shall operate only between the parties to this Contract and shall inure solely to the benefit of the parties to this Contract. The provisions of this Contract are intended only to assist the parties in determining and performing their obligations under this Contract.

Now therefore, the authorized representative of the Governing Body listed below executes this Memorandum of Understanding through signature below:

**Fremont County, Wyoming, by and through its
Board of County Commissioners**


Larry Allen, Chairman

ATTEST:

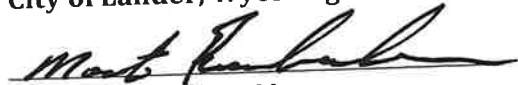
City of Riverton, Wyoming


Timothy Hancock, Mayor

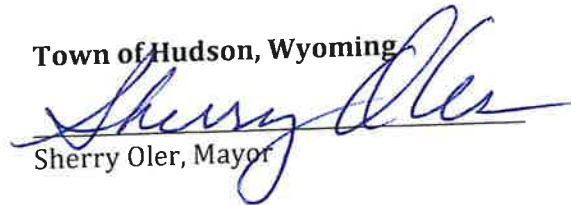
Town of Dubois, Wyoming

Patricia Neveaux, Mayor

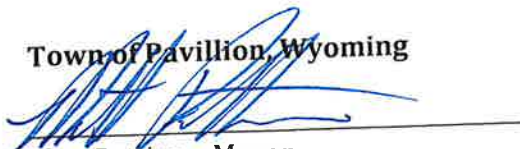
City of Lander, Wyoming


Monte Richardson, Mayor

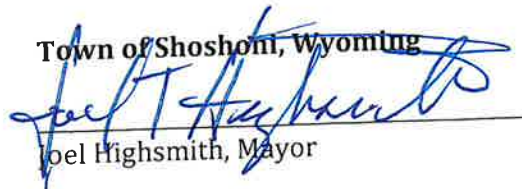
Town of Hudson, Wyoming


Sherry Oler, Mayor

Town of Pavillion, Wyoming


Matt Pattison, Mayor

Town of Shoshoni, Wyoming


Joel Highsmith, Mayor

APPENDIX A

Distribution of discretionary 70% of the net proceeds of the tax

	1/2 % estimated disbursement	20% for commercial air service	10% for ground transportation	70% Economic Development projects			
				Additional Commercial air service 33%	Additional Ground transportation 10%	Ambulance services 28%	Projects and Programs 29%
% of total disbursement	100%	20%	10%	23%	7%	20%	20%
Full county	\$4,359,061	\$871,812	\$435,906	\$1,006,943	\$305,134	\$854,376	\$884,889
Fremont	\$2,106,868	\$421,374	\$210,687	\$486,687	\$147,481	\$412,946	\$427,694
Dubois	\$101,216	\$20,243	\$10,122	\$23,381	\$7,085	\$19,838	\$20,547
Hudson	\$47,886	\$9,577	\$4,789	\$11,062	\$3,352	\$9,386	\$9,721
Lander	\$838,392	\$167,678	\$83,839	\$193,669	\$58,687	\$164,325	\$170,194
Pavillion	\$25,554	\$5,111	\$2,555	\$5,903	\$1,789	\$5,009	\$5,187
Riverton	\$1,186,815	\$237,363	\$118,682	\$274,154	\$83,077	\$232,616	\$240,923
Shoshoni	\$52,330	\$10,466	\$5,233	\$12,088	\$3,663	\$10,257	\$10,623

FY23 1% county sales tax = \$8.7M, 1/2% = \$4.35M (source: Wyoming Dept of Rev.) distributed by population via state statute