



For Immediate Release: January 11, 2018

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New Report Offers Solutions to Delinquent Mineral Taxes

In the face of a statewide budget crisis, mineral extraction companies owe Wyoming taxpayers over \$42 million in county taxes unpaid on their operations throughout the state. Today Powder River Basin Resource Council released a new report “Tax Delinquencies and Budget Deficits: A Case for Reform,” which tracked delinquent mineral taxes in 12 counties from 2006 - 2016. The report outlines the root of the problems with how these taxes are collected and offers four simple, common-sense remedies.

“Mineral tax delinquency in Wyoming counties is a problem that needs to be addressed. Our entire state is suffering following the most recent bust; several counties have had to cut back on personnel and services, and some have been dealing with school closures. We can’t afford to continue to allow money rightfully owed to counties to go uncollected,” said Joyce Evans, chair of Powder River. “Simple policy changes are needed to ensure that we can continue to provide services and can maintain our high educational standards.”

Unpaid taxes strain counties with already tight budgets, and curtail services such as emergency response, road maintenance, and education. Because much of the money collected by counties gets redistributed among all Wyoming school districts, education often suffers most. The report recommends that the legislature enact simple solutions.

The report’s recommendations are:

- Counties should collect ad valorem mineral taxes on a monthly basis to prevent large-scale debts from accumulating in an energy downturn.
- Counties should be able to lien all ad valorem taxes, which would place counties higher on the list for collection during bankruptcy proceedings.
- The state should establish a funding pool or allow access to the Federal Natural Resource Policy Account to assist counties during bankruptcy proceedings.
- Legislation should allow the Wyoming Oil & Gas Conservation Commission and the Department of Environmental Quality to consider a company’s state and county tax debt in Wyoming before allowing the sale or transfer of assets.

“Our schools, roads, public safety and other necessities are more than 70 percent dependent on mineral taxes, so it only makes sense that we make it easier for counties to collect these taxes. This report offers four common sense recommendations to assure fair funding of public services,” said Powder River vice chair Bob LeResche of Clearmont.

Powder River just mailed copies of the report to the Wyoming State Legislature and the governor, and is distributing it to counties and the public. Copies of the report are available by contacting Powder River at info@powderriverbasin.org or (307) 672-5809.

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