
Star Valley Ranch Association's "Feasibility Study"

Star Valley Ranch Association Municipality Funding Option

What is a municipality and what is its purpose at Star Valley Ranch?

A municipality or town is a governing body arising from Wyoming State Statutes designed to be the legal civic body for Wyoming communities. (W.S. 15-1-201). For purposes of this document the terms "municipality" and "town" are the same and interchangeable.

The main purposes of forming a municipality at Star Valley Ranch are to become eligible for funding sources not currently available through the Association's DCCRs. In addition, a town has the power to pass ordinances to govern the town and to enforce them, neither of which is available to the Association. The management of SVRA under the existing DCCRs and by-laws would exist along side the management of the town.

A municipality would have the ability and authority to do the following:

These powers are many and varied covering 10 pages in the Wyoming State Statutes at (W.S.15-1-103) and include the following:

1. A municipality can receive shared revenues from the federal, state, and county governments, including the Federal Mineral Royalty Revenue and Severance Tax. The Wyoming Revenue Department and Wyoming Treasurer in March 2004 letters estimated that this source of revenue would have been an average of \$1,075,964.98 each year since 2000 for a total of \$4,303,859.92.
2. A municipality can qualify for grants and low interest loans only available to government entities. Before a Municipality could receive grants however, it may have to show that it is raising all of the revenue it can from other sources of funds. That would mean it would need to levy the 8 mills of tax before low interest loans or grants would be approved. This would not apply to shared revenues since all towns qualify regardless of other sources of revenue.
3. A town can levy an annual property tax of up to eight (8) mills (0.008). (W.S. 39-13-104 (c) (i)). If the full 8 mills are levied on a home with a market value of \$150,000 the tax would amount to \$114.00 and on a vacant lot with a market value of \$15,000 the tax would be \$11.40. The tax is computed by multiplying the market value shown on the county tax valuation by 9.5%, which produces the appraised value for tax purposes, then multiply that figure by 8 mills. ($\$150,000 \times .095 \times .008 = \114.00)
4. The county treasurer collects the tax, which would be included in the property owner's annual tax bill. The county would distribute the tax revenue generated to the town. Based on a market value of \$85,000,000 for the area included in the town, this could bring in up to \$64,600 each year and increase as the assessed values increase.
5. A municipality can operate and maintain a water system and charge property owners for water usage. Based on 727 homes at \$200 per year this would bring in \$145,400 per year.

6. A municipality can adopt ordinances, resolutions and regulations to protect the health, safety and welfare of the municipality (W.S. 15-1-10).
7. A municipality can form Local Improvement Districts for projects such as street pavement. (W.S. 15-106-102).

What is the history of attempting to form a municipality at Star Valley Ranch?

The idea of forming a municipality at Star Valley Ranch has been discussed off and on for 15 to 20 years. Until 1999, the statutes required a population of 500 to apply to become a town. For most of the early years SVR did not meet that requirement. In 1999, the legislature reduced the population required for incorporation to 200.

In 1999, a group of SVRA members formed a committee to investigate the feasibility of incorporation as a town. The SVRA Board of Directors did not endorse this attempt. A majority of the registered voters living in the territory to be incorporated signed a petition for incorporation. A census was conducted and a survey and map were prepared as required by the statute. The application containing a census of 830 people was filed with the Lincoln County Commissioners.

The County Commissioners held a public hearing and ruled that the application did not meet the requirements as set down in the statutes because of the census method used and the survey. This decision was appealed to the district court and the court upheld the County Commissioners' decision. Cost factors prohibited appeal to a higher court.

The criteria to become a municipality:

There must be a population of at least 200. The 2000 U.S. census of Star Valley Ranch had a population of 776. A majority of the registered voters in the territory must sign a petition for incorporation. The county commissioners would then conduct an election. A majority of "yes" votes would create the municipality. (W.S. 15-1-201 & 15-1-204(a)).

The area must be less than three square miles. The area of Star Valley Ranch including the golf courses, common areas and connection to plats 4 and 5 is 2.54 square miles.

Organizational structure of a municipality:

A mayor and council is the required basic administrative team for a town. (W.S. 15-2-102 (a)) The officers are a mayor and four (4) councilmen, all of whom shall be elected. Later, other service people could be added as the need arises.

Responsibilities of a municipality:

A municipality is not required by statute to provide any services. Only those services that the mayor and council decide, with input from citizens, would be provided. A municipality must compensate the mayor, and council. (W.S. 15-2-103) See "What are the costs to operate?" page 4.

Process and timeframe to become a municipality:

Depending on the time needed to gather signatures on the petition and meeting the other requirements of the statutes, it could take six months to a year. For more details, please see pages 5, 6 and 7 of this report.

What is the probability of success?

Excellent -- on the previous attempt in 2000, a majority of the registered voters signed the petition. A poll taken at that time, and repeated again last year, showed very strong support.

Cost of implementation:

Many of the materials gathered on the last effort can still be used.

- The cost of a survey, if necessary, is estimated at \$25,000 to \$30,000.
- The county filing fees and publishing fees for legal notices are estimated at \$100 to \$200 depending on the number of documents.
- Gathering petition signatures would be done by volunteers at no cost.
- The expenses for implementation would be the responsibility of the town if successful.

The effect of a municipality on the Star Valley Ranch Association DCCRs:

The DCCRs would remain in effect, since they go with the land. The municipality could pass ordinances or other regulations equal or more restrictive but not more lenient than the DCCRs -- for example, requiring building to UBC (Universal Building Code) standards. The Association would enforce the DCCRs and the municipality would enforce any ordinances adopted by the municipality.

The town could relieve the Association of the financial burden of the culinary water system and roads, which would allow the Association to put their emphasis on the rest of the infrastructure with the town supporting their efforts with ordinances and enforcement.

Star Valley Ranch Association operations and municipality operations:

The Star Valley Ranch Association Board of Directors would administer the Association and the mayor and council would govern the municipality.

The recreational facilities would remain the same as now and be administered by the SVRA Board of Directors unless 2/3 of the Membership voted to transfer ownership to the town. (DCCRs Article V, Section 1 (c)) Star Valley Ranch Association could keep the golf courses and transfer maintenance of the roads to the municipality. Most of the roads are already dedicated to the public so the Association could transfer the water and/or recreational facilities by lease, sale or gift if the Membership decided they wanted to do so. The town might contract with SVRA to do work on the roads and water system since SVRA has equipment and staff needed to perform such work. The SVRA Board would continue to set the annual assessment based on Association needs and within the current DCCRs limits.

What are the benefits and other important considerations?

The town would be a source of income from Wyoming shared revenues which have averaged \$1,075,964.98 every year since 2000. This money could be used for critically needed major improvements. This amount is based on a population of 776 which was the population from the 2000 U.S. census. The estimates are from March 2004 letters from the Wyoming State Treasurer and the Wyoming Department of Revenue and are the average of the amounts that would have been received in the years 2000 to 2003 if SVR had been an incorporated town.

- The town would have the ability to receive low interest loans and qualify for possible grant assistance.
- The goals and priorities that match the town's needs and desires could be established and funded.
- The mayor and council members would be residents of the town and accessible to the citizens.
- Planning, zoning and building codes such as UBC could be enforced by ordinance.
- A planning commission could be appointed to prepare a comprehensive plan for the further development of the town. Such a plan can be used to lessen congestion, improve safety, preserve values, historical properties and promote the general welfare of the citizens.
- Public nuisances such as unleashed and barking dogs and junked cars could be controlled.
- Public hearings on major issues would be held to get public input.

What are the costs to operate?

The salary for mayor shall be paid in twelve (12) or more installments and may not exceed the maximum of twenty-four thousand dollars (\$24,000.00) per year. (Please notice there is no minimum so the mayor may work for no compensation). The salary for each councilman shall be not less than ten dollars (\$10.00) nor more than one hundred fifty dollars (\$150.00) for actual attendance at each regular or special meeting. (W.S. 15-2-103). These are the only mandated expenses of a town. Additional costs and personnel will be the decision of the mayor and council so costs are hard to estimate. The town may be able to share or rent office space from the Association.

What are the risks?

The Third District Court decision that denied the original town application introduced the obstacle of whether plats 4 and 5 are contiguous to the rest of the Ranch. If Plats 4 and 5 were not able to be included in the town, there would be less shared revenues due to the loss of the population of these plats. In the case quoted below the court cited an earlier decision by the Wyoming Supreme Court that held that "neither the general law nor our own statute requires that an area proposed for annexation to a city or town be of any particular size or shape...". This ruling should allow the inclusion of Plats 4 and 5.

The following is a quotation from the Seventh Judicial District Court decision in *City of Casper v. The Town of Evansville* July 18, 2003.

"The words "contiguous with or adjacent" are not precisely defined under the Statute. However, in the case of *Henderson v. City of Laramie* the Supreme Court of Wyoming held that under the statute the only question with the respect to scope and extent of the area to be annexed is that it must be contiguous to the annexing city or town. In that decision, it was expressly stated that the size and shape of the area to be annexed is a political question and that there is no requirement that an area proposed for annexation to a city or town be of any particular size or shape. *Henderson*, 457 P.2d at 501. While the appellant to this review urges that the annexation should be described as a "strip," "corridor," or "flagpole" annexation, it would not appear that such designation or the case law concerning the same from other states has application to this case, since the Supreme Court of Wyoming has held that "neither the general law nor our own statute requires that an area proposed for annexation to a city or town be of any particular size or shape..." *Henderson*, 457 P.2d at 502."

Although this case concerned an annexation, the same criteria should apply to the initial formation of a town. The citation from *Henderson v. City of Laramie* addresses the question of whether or not a connection to plats 4 and 5 can be made by following the county roads or other parcel or strip of land.

town may vote in town elections, those who do not choose to become registered voters may not trust the judgment of those who do. Those who are not registered voters can still have input at town council meetings and hearings.

Process and time frame to become a municipality:

The process of forming a municipality is specifically detailed in W.S.15-1-201 to W.S.15-1-206. The main details are listed and/or paraphrased below. The timeframe can change based on SVRA Board actions, county commissioner dates and newspaper publishing dates.

1. The SVRA Board of Directors would move to attempt to form a municipality and to provide funding for costs to apply for incorporation.
2. The application for forming a municipality shall be by petition subscribed by the applicant and not less than a majority of the electors residing within the territory proposed to be incorporated. (W.S. 15-1-204) (A new election precinct has been formed at Star Valley Ranch and as of the first part of April 2004, there are approximately 500 registered voters on the Ranch.)

3. Volunteers would gather petition signatures.
4. Have an accurate survey and map of the town prepared by a Wyoming registered land surveyor. The application is required to include the name of the proposed town. (W.S.15-1-204(a)(i))
Application; contents: (i) Set forth the boundaries and quantity of land according to the survey, the resident population according to the census and the name proposed for the city or town.
5. Conduct a census of the resident population of the proposed town. Not more than forty (40) days prior to the time of presenting the application to the board of county commissioners. (W.S. 15-1-202 (a) (i))
6. Provide for a notice of the election which shall: Be published at least once a week for three (3) consecutive weeks in some newspaper published within the territory, and posted in five (5) places within the territory, with the posting and publication occurring not less than three (3) weeks prior to the election. (W.S.15-1-205 (b) (ii) (A))
7. The survey, map and census, when completed and verified, shall be left at some convenient place within the territory for not less than twenty (20) days. A copy of the survey, map and census shall be filed in the office of the county clerk of the county in which the territory is situated. (W.S.15-1-203)
8. A notice which sets forth the boundaries of the territory, the time of making application and the place where the survey, map and census may be examined shall be posted in three (3) public places in the territory. (W.S.15-1-203)
9. Submit a petition signed by the majority of registered voters presented to the board of county commissioners of the county in which the territory is located at the time stated in the notice of application, or as soon as possible thereafter. (15-1-204 (a) (iii))
10. The application must be accompanied by a copy of the notice required to be posted and by an affidavit showing compliance with the posting requirements. (W.S.15-1-204 (a) (iv))
11. The board of county commissioners shall hear all parties interested in the application who appear and ask to be heard. If the board, after hearing, is satisfied that all the requirements of this article have been complied with and that the territory contains the required population, it shall make an order appointing three (3) inspectors. (W.S. 15-1-205 (a))
12. The inspectors shall: Call an election of all qualified electors residing within the territory to be held at some convenient place within its limits.(W.S. 15-1-205 (b) (i))
13. The board of county commissioners shall determine the election date, which may be a date authorized under (W.S. 22-21-103) or another date which is not less than thirty (30) days after the entry of the order under subsection (a) of this section. (W.S. 15-1-205 (b) (i))
14. Provide for a notice of the election which shall: Be published at least once a week for three (3) consecutive weeks in some newspaper published within the territory, and posted in five (5) places within the territory, with the posting and publication occurring not less than three (3) weeks prior to the election. (W.S. 15-1-205 (b) (ii) (A) (B) (C))
15. Inspectors act as judges and clerks of the election. (W.S. 15-1-205 (b) (iii))

16. Inspectors report the result of the ballot to the board of county commissioners by filing it with the county clerk. (W.S. 15-1-205 (b) (iv))
17. If a majority of the ballots cast at the election are in favor of forming a municipality, the county clerk, immediately after the report has been filed in his office, shall publish the result in a newspaper published within the county, or if there is none, the clerk shall post the result in five (5) public places within the limits of the proposed city or town. A copy of the notice with proof of its publication or posting shall be filed in the office of the county clerk with the other documents relating to the incorporation. (W.S. 15-1-206 (a))
18. Conduct an election for town council and mayor.
19. Town council and mayor are elected.
20. The incorporation is complete when all requirements have been complied with and officers for the city or town have been elected and qualified. (W.S. 15-1-206 (b))
21. Federal mineral and severance shared revenues start on the date of the formation of the town and are paid quarterly. The first distribution warrant will be received soon after the formation and every quarter thereafter.
22. Sales tax shared revenues are paid monthly with the first distribution warrant received about a month after the formation of the town and each month thereafter.

Summary Statement:

The formation of a town could relieve the Association of the financial burden of the operation and maintenance of the utilities on the Ranch and allow the Association to concentrate on the day-to-day operation of the Association and its recreational facilities. The municipality, unlike the Association, would have the authority to receive shared revenues and legally charge a fee for the operation, maintenance and upgrading of the water system and utilities.

Owners of undeveloped lots would benefit the same as all homeowners. One of the expected benefits would be the result of the addition of Wyoming shared revenue averaging \$1,075,964.98 every year since 2000 and the ability to collect a water fee (\$145,400 annually) which would increase as more homes are built, as shown in the "ability and authority" section, page 1. These funds would be available for sorely needed upgrading and improvement of the culinary water system, roads and infrastructure. These upgrades and improvements should result in increased property values for all owners of property whether there are homes on their lots or not.