

WYOMING TAXPAYERS ASSOCIATION

ACTION ALERT



Legislative Summary – Week Five – Friday, February 11, 2011

Next week is budget week for both the House and Senate. They will start with 1st reading amendments on Monday, skip a day, 2nd reading amendments on Wednesday, and in like manner, 3rd reading amendments on Friday. Below, you'll find a summary of major items in the supplemental budget. WTA will track the budget amendments and give you a summary of differences between the House and Senate before they head to conference committee.

The new **2011 Budget Fiscal Data Book** is now available on LSO's website. If you haven't taken the time to look through it, please do so. It has a plethora of very useful information, including revenue flows for all accounts, explanations for the Consensus Estimating Revenue Group (CREG) Report, the actual CREG report, explanations of the budget process, as well as ten year summaries of General Fund and Budget Reserve Account appropriations by category, education appropriations, including school capital construction, distributions to cities, towns, and counties, highways, etc. It's a tremendous resource and can be downloaded at the following link <http://legisweb.state.wy.us/budget/2011databook.pdf>.

STATE BUDGET – WHAT'S INCLUDED AND WHAT'S NOT

WHAT'S IN:

- All executive branch agencies except Game & Fish operations and Department of Transportation operations and maintenance sections;
- Department of Transportation administrative sections including driver's license, ports-of-entry, and highway patrol;
- Supreme Court, district courts and circuit courts;
- University of Wyoming general fund block grant; Community College Commission administrative budget and the state aid to college program (this is at the state total level, not by individual college);
- K-12 school foundation program;
- Boards and commissions;
- Capital construction appropriations for state institutions, state parks, University, community colleges and K-12 education.

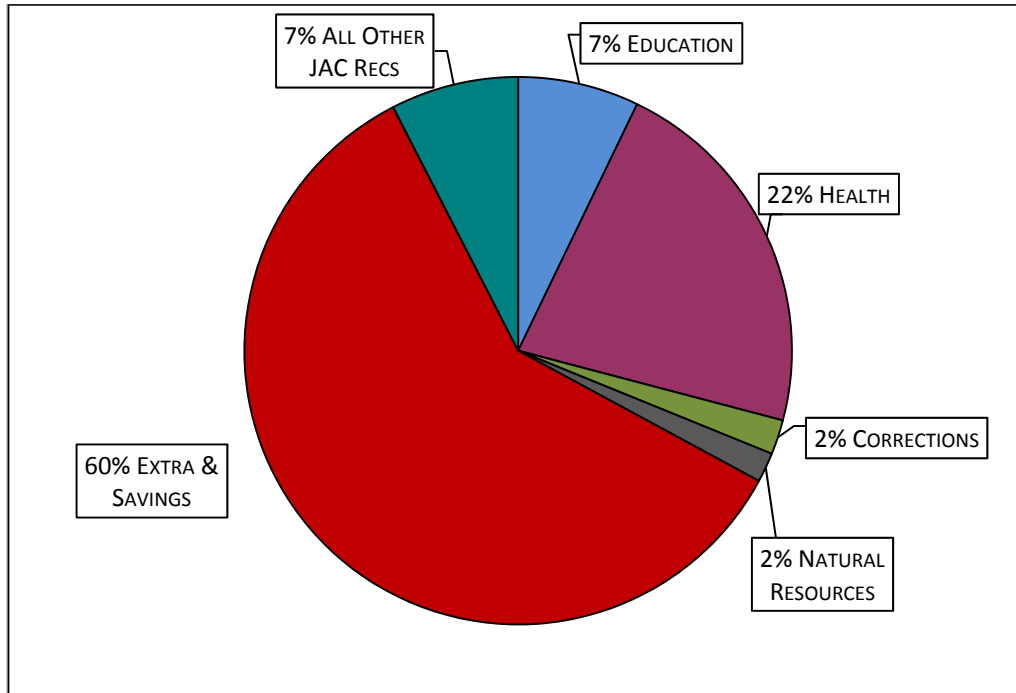
WHAT'S NOT:

- Appropriations of Game & Fish funds for operations;
- Department of Transportation operations and maintenance;
- Appropriations for water projects;
- Ad hoc appropriations for various specific projects contained in separate (non-budget) bills;
- Automatic distributions of revenues to local governments, highway fund, water accounts, school foundation program, etc.

2011 SUPPLEMENTAL BUDGET BILL – JAC RECOMMENDATIONS

TOTAL APPROPRIATIONS FROM 2011 SUPPLEMENTAL BUDGET BILL	\$215,339,860
TOTAL 2010 BUDGET BILL APPROPRIATIONS	\$2,854,930,070
TOTAL FY 2011/12 APPROPRIATIONS AS PROPOSED	\$3,070,269,930

SUPPLEMENTAL APPROPRIATIONS IN THE BUDGET BILL AS INTRODUCED - \$215,339,860 TOTAL



BY CATEGORY:

Education	
UW -	
UW State Vet lab equipment	\$318,658
Greater Western Library Alliance Membership	\$1,800,000
Capital construction	\$2,900,000
Insurance increases	\$6,000,000
Total UW	\$11,018,658
Comm Colleges	
WY Public TV Endowment Acct.	\$557,707
WY Public TV truck update	\$412,000
State aid	\$3,422,532
Total CC's	\$4,392,239
Total Education	\$15,410,897

Corrections	
Corrections operations	\$441,713
Increased utilities costs for women's center, state pen, and medium correctional facility	\$383,390
WY Medium Correctional Center overtime	\$3,377,282
Capital cases for public defender	\$200,000
Total Corrections	\$4,402,385

Health	
Kid Care CHIP premiums	\$609,350
Dept. quality assessment and improvement strategy	\$140,000

Medicaid expenditures	\$41,230,818
Developmental Disabilities	\$1,275,949
Acquired brain injuries	\$76,298
Tax Refund for the Elderly and Disabled	\$600,000
Emergency medical training	\$465,225
Crisis stabilization center in Washakie County	\$200,000
Preschool services	\$1,564,997
Services at the Veteran's home	\$90,000
Senior centers	\$1,000,000
Total Health	\$47,252,637

Natural Resources	
Grasshopper abatement	\$2,660,000
Brucellosis	\$500,000
G&F aquatic invasive species	\$610,976
Total Natural Resources	\$3,770,976

Extras & Savings	
Local Government - capital projects through SLIB	\$35,000,000
Data Center Recruitment	\$15,000,000
Highway projects	\$40,000,000
Railroad quiet zones	\$6,000,000
Airport improvements	\$3,949,668
Capital construction	\$13,442,215
Tourism	\$1,350,000
Endowments	
UW Endowment Challenge	\$3,500,000
Wildlife Trust Fund	\$2,500,000
Cultural Trust Fund	\$1,000,000
Library	\$3,000,000
Community College Endowment	\$3,500,000
Total Extra & Savings	\$128,241,883

Other JAC Appropriations	
DEQ funding correction for duplicative effects of 2010 HB's 47 and 97	-\$335,754
Misc appropriations	\$638,678
Pine beetle mitigation to State Parks	\$80,000
Rangeland health assessment program	\$200,000
State Park maintenance equipment	\$200,000
State fair 100th anniversary	\$250,000
Veteran's memorial in Cody	\$250,000
Pursuit of deep water port permits	\$250,000
Rockwell Bldg Maint funding	\$266,788
Reimbursements to counties for prosecuting attorneys	\$584,200
Niobrara oil play	\$610,000
LSO	\$1,362,675

DEQ permit backlog assistance	\$1,500,000
State insurance increase	\$2,700,000
State Employee Market Adjustments	\$7,704,495
Total JAC Other	\$16,261,082

Total 2011 Supplemental Recommendations	\$215,339,860
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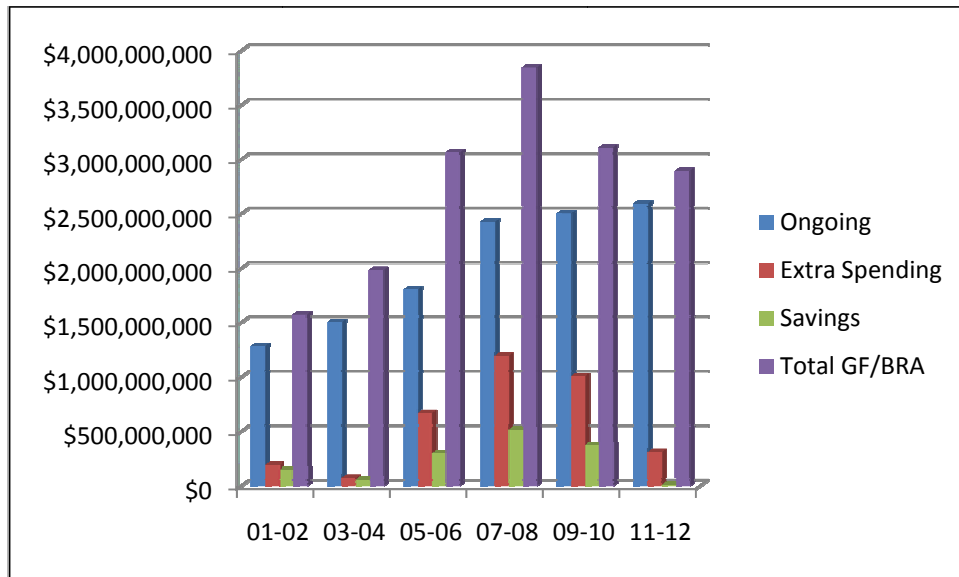
JAC Denied Gov's Recs.	
Medicaid reserve monies by Gov	\$76,159,873
Transfer from PMTF Spending Policy Reserve Acct for locals	\$52,151,982
Transfer from PMTF Spending Policy Reserve Acct for highways	\$52,151,981
Transfer from PMTF Spending Policy Reserve Acct. for savings	\$52,151,982
Merit pay increases	\$3,132,000
Addition of 4 reclassified vacant positions for DEQ and related costs	\$60,250
DEQ organizational assessment	\$100,000
Reduced Gov's recs for Wildlife Trust Fund corpus from \$5,000,000 to \$2,500,000	\$2,500,000
Medicaid anticipated expenditures	\$25,000,000
Reduced tourism funding from \$3,764,895 to \$1,350,000.	

Non Budget Items Recommended by JAC	
A&I CIO AWEC position permanent, to serve at will to A&I director	
Any GF added to the Military Challenge Program shall not become part of the standard budget in 2013/2014	
Conversion of two AWEC positions for the public defender to full time.	
WYDOT to examine the effectiveness of the airport improvement program.	
Increase available seats for UW Medical Education from 16-20.	
Remove 244 positions of the remaining frozen positions in the 2010 budget bill	

AML Funding	
Mine subsidence insurance program	\$50,100,000
Wyoming water development office for Gillette Madison water project	\$25,402,070
Grants for UW	
Michael B. Enzi STEM lab	\$50,000,000
High plains gasification	\$1,050,000
Energy science graduate stipends and fellowships	\$6,247,930
Total AML	\$132,800,000

School Cap Con	\$183,434,428
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APPROPRIATIONS FROM GENERAL FUND/BUDGET RESERVE ACCOUNTS



DOES NOT INCLUDE SUPPLEMENTAL BUDGET APPROPRIATIONS FOR 2011 – SOURCE LSO BUDGET/FISCAL INFORMATION

BILLS OF INTEREST THIS WEEK

HB 117 – DATA PROCESSING CENTERS – TAX EXEMPTIONS – Modifies the requirements for an exemption from sales and use tax on qualifying equipment including prewritten computer software, containers used to transport and house computer equipment, backup power generators, cooling equipment purchased on the initial construction. Also includes a three year exemption from power used in operating the data center. The bill was amended in House Revenue to take out the exemption on the sales price paid for the purchase of electricity used to operate the data center for the first 3 years, and to include a provision for multiple occupants. Passed third reading 52-6 with 1 excused and 1 absent on 1/24. Senate Revenue recommended to pass 4-1 on 2/8. **Passed Senate third reading on 2/11 by a vote of 24-5-1. The Senate added an amendment that would require reporting of certain data such as the amount of taxes exempted and employment history. The bill will now head to a conference committee.**

HB 153 – AGRICULTURAL GAS TAX – REFUND – This bill moves the tax refund responsibility away from the marketer to the end user; eliminates the current Ag certification process, aligns the refund process with that of the non-dyed diesel refund program, and eliminates the current 70% exemption and allows all gasoline used for agricultural purposes to be eligible for refund. House Revenue recommended amend and do pass unanimously 1/31. Amended 2/1. Passed third reading 59-0 with 1 excused 2/3. **Senate Revenue passed unanimously 2/10. One member of the Committee felt it was an issue of fairness to actually establish the refund at the actual amount used, rather than base it on antiquated percentages that were established years ago. Placed on General File 2/10.**

HB 191 – WIND POWER TAXATION – The bill exempts wind projects from sales and use tax and replaces it with a generation tax that is phased in. The tax will only apply to wind generation facilities which begin commercial operation on or after Jan. 1, 2012. For projects in operation prior to Jan. 1, 2012, the tax will be phased in as follows: \$.25 for generation in 2012-2016; \$.50 for generation in 2017-2021; \$.75 for generation in 2022-2026; \$1.00 for generation occurring in 2027-2031; and \$3.00 for generation in 2032. 60% of the revenues will go to cities and counties and 40% to the general fund. The bill also establishes an Impact Assistance Fund for local governments. Passed House Revenue committee 5-3 with 1 excused on 2/3. Passed general file on 2/4. Was amended to allow for more impact assistance for counties and a more certain flow of the proceeds into an impact assistance fund. **The bill failed 3rd reading on 2/8 by a vote of 29-29-2 and also upon reconsideration the next day by a vote of 27-32-1. Proponents of the bill argued that it was an equitable vehicle to tax the industry while giving local entities**

fair tax revenue consideration. Some opponents argued that the issue was studied at length over the interim and that local entities were indeed not given a fair allocation of impact revenues. DEAD.

HB 254 – PROPERTY TAXATION – APPEALS – Requires that a board of equalization shall make specific findings in a property tax appeal cases instead of relying on broad and often generic case law. Passed the House by a vote of 59-0-1 on 2/7. Passed Senate Revenue Committee on 2/10 and is now on Senate General File.

HJR 7 – DISTRIBUTION OF EXCESS FUNDS – Allows the state to distribute excess tax revenues to the citizens of the state - a 'give it back to the people' concept like the state of Alaska. Introduced and referred to House Revenue Committee on 1/20. Failed Committee of the Whole 13-46 with 1 excused on 2/7. Indefinitely postponed. Proponents of the bill argued that this measure would hold lawmakers more accountable for spending taxpayer dollars. The real danger however would be realized by tax increases and citizens embracing an entitlement mentality. WTA opposed this bill. DEAD.

SF 99 – SALES TAX ON CERTAIN FOOD ITEMS – Exempts some vending machine sales from the taxation of food. Also clarifies that "food for domestic home consumption" does not include cigarettes or alcohol. Passed Senate Revenue Committee unanimously on 1/21. Amended 1/24. Passed third reading unanimously on 1/26. House Revenue recommended do pass 8-1 on 2/9. Placed on General File 2/9.

WTA MEMBERS, PLEASE NOTE – WTA WEEKLY LEGISLATIVE POLICY MEETINGS EVERY MONDAY OF THE LEGISLATIVE SESSION

WHERE: 2120 CAREY AVE., CHEYENNE, 4TH FLOOR CONFERENCE ROOM

WHEN: 2:00 PM

WHY: TO DISCUSS TIMELY LEGISLATIVE POLICY ISSUES, SUMMARY OF BILLS, AND MAKE RECOMMENDATIONS FOR WTA POLICY DIRECTION.

CALL: 1-866-248-0561

PASS CODE: 6358761

ALL WTA MEMBERS ARE ENCOURAGED TO ATTEND.

2011 LEGISLATIVE SESSION - Tentative schedule
(37 day schedule – Recess on President's Day)

Day 1 Tuesday, January 11 Session convenes.

Day 12 Wednesday, January 26 Last day for Senate Files to be submitted to LSO for introduction. (noon)

Day 15 Monday, January 31 Last day for House Bills to be submitted to LSO for introduction. (noon)

Day 19 Friday, February 4 Last day for bills to be reported out of Committee in house of origin.

Day 20 Monday, February 7 Last day for Committee of the Whole in house of origin.

Day 21 Tuesday, February 8 Last day for Second Reading in house of origin.

Day 22 Wednesday, February 9 Last day for Third Reading on Bills in house of origin.

Monday, February 21 President's Day Recess

Day 32 Thursday, February 24 Last day for bills to be reported out of Committee in second house.

Day 33 Friday, February 25 Last day for Committee of the Whole on bills in the second house.

Day 34 Monday, February 28 Last day for Second Reading on bills in the second house.

Day 35 Tuesday, March 1 Last day for Third Reading on bills in the second house.

Day 36 Wednesday, March 2 Concurrence on Amendments/Joint Conference Committee Reports.

Day 37 Thursday, March 3 Joint Conference Committee Reports; All JCC Reports due to Front Desk by 2:00 p.m. ADJOURN by Midnight.

Friday, Monday, and Tuesday - March 4, 7 and 8 are available if necessary.