



## ACTION ALERT

WEEK SEVEN LEGISLATIVE SUMMARY

FRIDAY, FEBRUARY 22, 2013

Week seven comes to an end as the last day for bills to get off general file in the second house. Therefore, after today, we'll know which bills have made that cut and have a chance at three readings. As of today (and including the budget bill) there remains \$6.2M on the table, according to the latest fiscal profile. This number will likely change when the remaining bills work their way through the process.

This week also marks the final actions on the supplemental budget. Governor Mead lauded the Legislators for overall keeping a balance between spending and saving – “between essential services and limited government that we are justifiably proud of in Wyoming.”<sup>1</sup> The final action will be whether or not the Legislature overrides any of the Governor's vetoes. Below is a summary of the areas where the Governor felt the budget fell short and a few where we applauded the Legislature:

- **Fires – Veto** - the Legislature appropriated \$31.2M with an additional \$5M optional use from the landfill account. The veto allows an additional \$25M from the landfill account to be used. There stills is the requirement that, if used, the landfill account must be made whole again in the Governor's 2015/2016 budget.
- **University of Wyoming** – the language outlined in §67, in the Governor's mind, is quite ownersome and not in the spirit of what a budget bill should entail (appropriations). His example is that the bill requires the UW Trustees to provide a significant array of information from selection of deans to architecture. He questioned whether this promotes the “most efficient, effective government.”
- **Strategic Investments and Projects Account (SIPA)** – The Governor applauded the Legislature for creating the new SIPA and recognizing his concerns at the beginning of the session – the disposition of unanticipated and unforecasted earnings on the PWMTF. Revenues flowing to this account will made available for one-time needs in the upcoming 2014 budget session.
- **Common School Permanent Land Fund tip** – The Governor expressed concern over the Legislature's direction to have more money tip into the CSPL (set at \$475M) from the School Foundation Program Account and the School Capital Construction Account. His concern is that the near future forecasts that expenditures in those accounts will soon outweigh revenue sources. Once the funds flow into the CSPL, they are inviolate. While he didn't veto this section, he suggested that the Legislature keep a close eye on the revenue picture and be prepared to modify this language in the 2014 budget session.
- **LSRA Sweep – Veto** – The Governor vetoed §300 (h) all together. The language would sweep revenues in excess of CREG's January 2013 projected general fund and budget reserve account amounts to the LSRA (our rainy day fund) at the end of the Fiscal Year 2013. The Governor's reasoning was that the biennial total will not be known until the end of FY2014. In his words, “this approach eliminated the possible need to reach backward into the LSRA to ensure a positive bottom line.”
- **Major Maintenance for Community Colleges** – The Governor expressed his concern over the Legislature's direction that the 2015/2016 biennial budget include a calculation for major maintenance for all buildings built in 2008-2011. His concern is that those plans included major maintenance that was provided by an account funded by the state.
- **Budget Reductions (§319) – Veto** - The Governor vetoed several areas of §319 that deal with budget development, revenue forecasting and service delivery. Specifically he vetoed:
  - The provision that the courts provide up to 2% budget cuts for the 2015/2016 biennium.
  - The requirement that all agencies (other than Health) provide 4%, 6% and 8% budget reduction requests for the 2015/2016 biennium. Currently law requires that IF revenues do not match expectations, then budget reductions of 8% remain in place. It is not mandatory and does not require extra work for all of the agencies. Ultimately, the Governor felt that he would prefer to have the discretion to address cuts based on need. He noted, “Rather than increasing government

<sup>1</sup> Governor Matt Mead's letter to the Legislature regarding the budget, dated February 21, 2013.

efficiency, they make for considerable work and eat into time and resources which could be put to other use.”

- **Benefits for Local Governments** – The Governor expressed his concern over the Legislator’s direction that no funds distributed to local governments be used for increased personnel benefits.

## **BILLS OF INTEREST THIS WEEK**

**HB 77 - Wyoming Lottery** - Creates the Wyoming Lottery Corporation (not a state agency) to manage the statewide lottery, by which at least 45% of the net proceeds will be made available as prize money. The bill passed the House on 2/4 with a vote of 31-28-1. The bill now awaits a discussion on general file in the Senate. **Currently the revenues are directed to the local governments, but there was an amendment adopted in the Senate on 3<sup>rd</sup> reading that directs the revenues to the Common School Land Fund. Final vote on Friday, February 22: 18-10-2. The House will now have to concur with the Senate’s amendments, or it will go to conference committee.**

**HB 215 – State investments for a public purpose** - This bill decreases the amount allowed to be invested in industrial development bonds, repeals individual investment limitations; decreases overall amounts allowed to be invested for specific public purposes; and provides rulemaking authority for the State Treasurer. Passed the House on 2/4 with a vote of 33-26 and passed Senate Revenue Committee on 2/12. The Standing Committee amendment to increase the maximum from \$200M to \$400M failed on the floor of the Senate. Then on 3<sup>rd</sup> reading, after some intense debate, the limit was increased to \$300M and \$600M, respectively. **The bill passed the Senate with a vote of 29-0 with 1 conflict. Enrolled Act. No. 79.**

**HB 195 – Rail tax exemption – extension** - Extends the exemption on the imposition of state sales tax on the repair of rolling stock from 2015 to 2019. The total decrease in revenue will be \$1M. The bill passed the House with a vote of 35-25-0 on 1/28 and got out of Senate Revenue with a slim vote of 3-2 on 2/5. **The bill failed to be heard on the Senate floor and died by fault of deadline.**

**HB 171 – Fuel tax – gasoline definition** - The bill includes liquefied gases and other gases in the definition of gasoline for purposes of taxation. The bill passed House Revenue unanimously and the full House on 1/23 with a vote of 58-2. Senate Revenue passed the bill 5-0. Current exemptions for off-road use of gasoline would also apply under the proposed changes. **The bill passed the Senate by a vote of 30-0 on 2/19.**

**HB 170 – Streamlined sales tax – direct mail** - The bill cleans up Wyoming's statutes as they pertain to taxation of direct mail and makes them compliant with the Streamlined Sales Tax Initiative. WTA testified in support of the bill due to our long-time support of Wyoming's involvement in Streamlined. The Committee agreed that it might be beneficial for Dan Noble with the Department of Revenue to give a detailed "101" on the Streamlined Sales Tax initiative during the interim. The bill passed the House with a vote of 51-9 on 1/23 and Senate Revenue with a vote of 4-1 on 2/5. **The bill passed 3<sup>rd</sup> reading in the Senate on 2/22.**

**SF 106 – Projects funded by abandoned land mine funds** - This bill contains appropriations of \$43,000,000 from ABANDONED MINE LAND FUNDS which have been *previously appropriated* and does three major things:

1. Modifies matching contributions requirements for the UW Arena Auditorium (\$10M project), removes the bonding requirement, and ratifies the 2012 swap with WYDOT for state general funds;
2. Modifies requirement related to the minerals to value added products (\$9M project);
3. Redirects \$30M for Gillette Madison Pipeline, \$13M for the UW College of Engineering (from the original GE Energy High Plains Gasification/Advanced Technology Center project of \$51.05M) with up to \$3M allowed to be used for establishing coal/natural gas endowments (after swaps). It still leaves \$8.05M for obligations to the High Plains project.

**The bill passed the Senate 27-3 on 1/29 and 2nd reading in the House on 2/22.**

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

**WHERE:** 2120 CAREY AVE., CHEYENNE, 4<sup>TH</sup> 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:** 1-877-820-7831

**PASS CODE:** 6358761

**ALL WTA MEMBERS ARE ENCOURAGED TO ATTEND.**

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**2013 LEGISLATIVE SESSION SCHEDULE - TENTATIVE**

Day 1 Tuesday, January 8 Session convenes.  
 Day 12 Wednesday, January 23 Last day for Senate Files to be submitted to LSO for introduction. (noon)  
 Day 15 Monday, January 28 Last day for House Bills to be submitted to LSO for introduction. (noon)  
 Day 19 Friday, February 1 Last day for bills to be reported out of Committee in house of origin.  
 Day 20 Monday, February 4 Last day for Committee of the Whole in house of origin.  
 Day 21 Tuesday, February 5 Last day for Second Reading in house of origin.  
 Day 22 Wednesday, February 6 Last day for Third Reading on Bills in house of origin.  
 Monday, February 18 President's Day Recess  
 Day 32 Thursday, February 21 Last day for bills to be reported out of Committee in second house.  
 Day 33 Friday, February 22 Last day for Committee of the Whole on bills in the second house.  
 Day 34 Monday, February 25 Last day for Second Reading on bills in the second house.  
 Day 35 Tuesday, February 26 Last day for Third Reading on bills in the second house.  
 Day 36 Wednesday, February 27 Concurrence on Amendments/Joint Conference Committee Reports.  
 Day 37 Thursday, February 28 Joint Conference Committee Reports; All JCC Reports due to Front Desk by 2:00 p.m.  
 ADJOURN by Midnight.  
 Friday, Monday, and Tuesday - March 1, 4 and 5 are available if necessary.