

WYOMING TAXPAYERS ASSOCIATION

ACTION ALERT



Legislative Summary – Week Five – Tuesday, February 17, 2009

Week five concluded individual house work on the budget – now the bill will head to a conference committee to work out the differences between the House and the Senate. A quick summary of major House and Senate amendments can be found below. Look for more detailed budget summaries later in the session.

Of particular interest, the House of Representatives voted to approve an amendment that would divert \$100 million that would normally flow to the Permanent Mineral Trust Fund and send it over to the Legislative Stabilization Reserve Account where it could be used for 'rainy day' purposes (but would still require legislative action to spend the money). If the money is not spent, it would revert back to the PMTF by April of 2010. Keep in mind that Wyoming currently sees an extra 1% of severance tax dollars deposited into the PMTF, on top of the mandatory 1.5%. The Senate did not approve this amendment.

The House also voted to make sure some sort of property tax relief makes it into the budget bill in case any other property tax bills don't make it through the Senate. The amendment would divert \$36 million away from the State Capitol Building fund and offer a homestead exemption in the amount of \$4,000 of assessed value for all property owners for one year.

The further we get into the session, the more folks are concerned about Wyoming's financial future. We've enjoyed more than eight years of budget surpluses, and now it appears the purse strings will tighten. Governor Freudenthal even expressed his concern in a memo to all agency directors to cut budgets by 5 to 10 percent, which for some agencies will be a tall order.

Here is a quick comparison of the major House and Senate amendments. As mentioned above, please look for a more detailed account of the budget when the conference committee on the budget bill and other major bills go through. Amendments in **BOLD** denote mirror amendments in both houses.

House/Senate	Amendment
H & S	Community College Capital Construction – increase of \$29 M for Casper College residency hall.
S	Of AML funds, decrease \$2 M to the College of Agriculture for the reclamation ecology project to \$500,000, and add another \$1.5 M to the College of Ag to provide initial funding for a proposed \$20M endowment to fund the reclamation ecology project.
S	Of AML funds: Requirement that the clean coal partnership project shall not revert until June 30, 2012; clean coal technology research shall not revert until June 30, 2012; School of Energy Resources uranium research center shall not revert until June 30, 2010; CO2 sequestration research and demonstration shall not revert until June 30, 2012; reclamation ecology project shall not revert until June 30, 2012; initial funding of the endowment (College of Ag reclamation project) shall not revert until further action of the legislature. Further – for the School of Energy Resources, funds shall not revert until June 30, 2010; for the High Plains Gasification Facility and Technology Center shall not revert until June 30, 2012; for clean coal technology research, shall not revert until June 30, 2012.
H & S	Decrease wolf management funds from game and fish budget in the amount of \$1.1M.
H & S	The state treasurer is authorized to borrow from pooled fund investments an amount necessary to meet cash flow requirements of the Hathaway scholarship program. The treasurer shall borrow funds under this section only to assist the month-to-month cash flow of the program and shall not borrow funds under this section when total expenditures together with outstanding encumbrances and obligations for a fiscal year exceed projected revenues and fund balances available for that fiscal year. The amounts borrowed shall be repaid when sufficient revenue is

	available in the Hathaway reserve account or the Hathaway expenditure account. Interest paid on the amounts borrowed shall be the average interest rate earned on pooled fund investments in the previous fiscal year
S	Creation of an American Recovery and Reinvestment Act - legislative economic stimulus account. Directs any federal funds for economic stimulus to this account and directs how the funds should be administered.
H & S	Decrease amount directed to the School of Energy Resources for uranium research center from \$1.9M to \$1.6M. (<i>The House did \$1.5M</i>)
S	Creates the state office building exterior legislative oversight committee.
H	Creates a select committee on wind energy and requires certain study requirements, among them, taxation of wind energy.
H	Homestead exemption in the amount of \$4,000 for all residences. Money (\$36M) comes from the State Capital Construction appropriations from 2008 session laws.
H	Grants authority to the state auditor to transfer to water development account I \$6M in unencumbered unobligated general fund appropriations that would otherwise revert to the budget reserve account. Funds shall be transferred under this section only after the full \$3.650 M has been repaid to the mineral severance tax distribution account.
H	State spending contingency reduction – all state agencies receiving state funds shall submit to the Governor by May 9, 2009, a reduced budget of 5% and up to 10%.
H	Mineral Severance Tax Diversion – From July 1, 2009 to June 30, 2010, directs the first \$100 M that would normally flow to the PMTF into the LSRA. Legislative enactment is required before the funds may be spent. Any money not spent in this time period, should revert back to the PMTF by April 1, 2010.

BILLS OF INTEREST THIS WEEK

HB 67 – Tobacco Excise Tax - Provides that moist snuff tobacco will be taxed based upon net weight. And for anything up to 1 oz. an excise tax at the rate of \$.60. Anticipated increase in revenue \$819,000 yearly. The bill passed House Revenue on Wednesday with a vote of 2 no votes and 7 affirmative votes. Amendments on the floor of the House for first and second reading attempted to increase the amount of the excise tax for products weighing up to 1 oz from \$.60 to \$.90 or build an inflationary factor into the bill to increase the price, but all failed. One amendment to require the Department of Revenue to report on the sales and revenue from moist snuff tobacco at least every five years passed. The inflationary concepts spurred a broader discussion as to what Wyoming's tax policy really entails. **Now on third reading in the Senate. The bill was significantly amended on second reading so that the tax would be the greater of the unit based tax or a certain percentage of the price.** Administratively, this could be problematic for the Department of Revenue. WTA supports this bill unamended.

HB 68 – Property Tax – Homestead Exemption – Joint Revenue Committee - Homestead property tax exemption of \$4,400 of assessed value on owner-occupied primary dwellings for homeowners who currently live in Wyoming and have lived in Wyoming for at least 3 years. Appropriation of \$40.2 M. Amended in Committee to say that the person owes the lesser of \$4,400 of assessed value on the dwelling or 50% of the tax assessed. **The bill passed the House by a vote of 54-5-1 and should be heard in Senate Revenue this Thursday.** WTA supports this bill over any other change in assessment or limitation type bill.

HB 84 – Economic development – property tax exemption - Creates a property tax exemption for property owned by community development organizations. Fiscal impact of roughly \$132,000/year. **Passed third reading in the House and was amended to further define "organization" and how property is leased to a for profit entity.** **The bill passed the House, however failed in Senate Revenue last week.**

HB 138 – Property Tax Refund Program – Madden, Anderson, Landon, Teeters, and Schiffer - Amends the Property Tax Refund Program so that property taxes must be paid timely, changes the income requirement from 2/3 the median gross household income to 3/4, extends the total household assets from \$50,000 to \$100,000 per adult member, Includes all IRA's as exempt, adds medical savings accounts and allows veterans to apply for both programs by repealing the double dipping provision.. Fiscal note estimates that an increase of 10% per year or 1,850 applicants. Should yield \$72,000 in 2010, \$79,000 in 2011, and \$87,000 in 2012 in increased property tax refunds. **Passed third reading in the House 1/27, and passed Senate Revenue last week. WTA supports this bill.**

HB 144 – Transparency in Government - Creates a Wyoming public finance website, establishes a select committee on technology, requires a report and provides for an appropriation of \$28,000 from the GF to LSO for the meetings of the select committee on technology. Appropriation of \$12,300 from the GF to A&I for creating the searchable website. **Passed the House on February 10th by a vote of 57-1-2, and is waiting to be heard in Senate Appropriations.**

HB 145 – Rural health care districts – mill levy - Increases the authorized mill levies for rural health care districts from 2 mills or 4 mills on each dollar of assessed valuation if approved by the board of trustees and the board of county commissioners. Passed third reading in the House Friday. **Was amended on the House floor to say that if the board of trustees votes to increase the mill levy beyond the 2 mills, the county commissioners shall call an election to have a vote of the people approve the increase in mills.** Passed the House and will be heard in Senate Revenue Tuesday. Because of this bill and other issues with special districts, WTA will ask the Management Council for an interim study on special districts.

HB 221 – Property tax appeals – 2 – Throne bill. Provides that the taxpayer may present any credible evidence, to rebut the presumption in favor of a valuation asserted by DOR. **Passed House and Senate Revenue, and now sits on Senate general file.**

HB 234 – Property tax – assessed value - Exempts the assessed value of all other property that exceeds the previous 3 year average. Appropriates \$23.9 M from the GF. Loss to the SFP in 2010 is estimated to be \$5.3 M, \$3.4 M in 2011, and \$3.6 M in 2012. Impacts to locals would be approximately \$15.5 M in 2011 and \$16.3 M in 2012. **Amended in the House to take away the 3 year residency requirement.** Passed the House by a vote of 38-22 and should be heard in Senate Revenue this Thursday. *WTA opposes this bill.*

HB 238 – Tax refund to the elderly and disabled - Increases the income requirements that a single person receive from \$17,500 to \$35,000, \$800 reduced by the percentage that his actual income exceeds \$20,000 (up from \$10,000) per year. For married persons, the requirements increased from \$28,500 to \$57,000 for income and \$16,000 to \$32,000 to exceed. **Died on House General File, however the program is still in existence.**

HB 244 – Uncompensated trauma care - 1 cent gasoline and diesel fuel tax on all fuel sold on and off highway to the State Highway Fund, and severance tax revenue swap with the Department of Health for the Trauma Care Fund. Amended to exempt off road. **Passed the House by a vote of 46-13-1 on February 11th.**

HB 277 – Homestead exemption – county option – Provides that if a statewide homestead exemption is not funded, the county commissioners may promulgate rules and regs to authorize and administer a homestead exemption in compliance with the provisions in the bill. Maximum homestead exemption allowed is \$4,400 of assessed value. **Died on House General File last week.**

HB 279 – Statements of consideration – review – Provides for review of all statements of consideration for real property available to the county assessor when reviewing or contesting property tax assessments. **Passed the House and awaits Senate Corporations.**

HB 283 – Taxation and revenue – digital products – Provides for a definition for specific digital products. **Passed the House on February 11th by a vote of 59-0-1.**

HB 287 – Helium – property tax – creates an ad valorem tax on the value of the gross product produced. **Passed the House by a vote of 47-12-1 on February 11th. In Senate Revenue on Tuesday.**

SF 53 – Property tax deferral program – Senator Jennings - Amends the property tax deferral program to 250% of the federal poverty level instead of 150% and imposes a requirement that an applicant be a resident of at least 8 years. **The bill passed the Senate and House Revenue and is now on general file. WTA supports this bill.**

SF 144 – Property tax assessment rules – Makes the Department of Revenue promulgate rules and regulations to ensure that the county assessors follow statistical quality and fairness of assessed values of residential properties. **Passed the Senate and awaits House Revenue.**

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.

ALL WTA MEMBERS ARE ENCOURAGED TO ATTEND.

2009 LEGISLATIVE SESSION - Tentative schedule
(37 day schedule – Recess on President's Day)

Day 1 Tuesday, January 13	Session convenes.
Day 12 Wednesday, January 28	Last day for Senate Files to be submitted to LSO for introduction. (noon)
Day 15 Monday, February 2	Last day for House Bills to be submitted to LSO for introduction. (noon)
Day 19 Friday, February 6	Last day for bills to be reported out of Committee in house of origin.
Day 20 Monday, February 9	Last day for Committee of the Whole in house of origin.
Day 21 Tuesday, February 10	Last day for Second Reading in house of origin.
Day 22 Wednesday, February 11	Last day for Third Reading on Bills in house of origin.
Monday, February 16	President's Day Recess
Day 32 Thursday, February 26	Last day for bills to be reported out of Committee in second house.
Day 33 Friday, February 27	Last day for Committee of the Whole on bills in the second house.
Day 34 Monday, March 2	Last day for Second Reading on bills in the second house.
Day 35 Tuesday, March 3	Last day for Third Reading on bills in the second house.
Day 36 Wednesday, March 4	Concurrence on Amendments/Joint Conference Committee Reports.

Day 37 Thursday, March 5

Joint Conference Committee Reports; All JCC Reports due to Front Desk by 2:00 p.m. ADJOURN by Midnight.

Friday, Monday, and Tuesday - March 6, 9 and 10 are available if necessary.