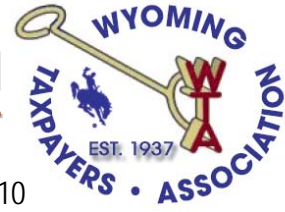


WYOMING TAXPAYERS ASSOCIATION

ACTION ALERT



Legislative Summary – Week Three – Monday, March 1, 2010

Week three 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. The Senate conferees include: Senators Nicholas, Massie, Townsend, Peterson, and Meier – House conferees include: Representatives Berger, Buchanan, Cohee, Hammons, and Pedersen. A detailed summary of budget amendments will be featured in WTA's final report for the 2010 budget session. Major areas of difference between the House and Senate include:

- funding for local governments – the House added another \$10M to the \$80 the Joint Appropriations Committee proposed, as well as changing the distribution formula of sales and use tax dollars to benefit cities and towns at the expense of counties.
- School capitol construction – direction of dollars for projects and structure of the School Facilities Commission
- While both houses removed the increase on the surcharge for wine and liquor that was intended to pay for the new liquor warehouse and other land, funding remains an issue of agreement – as it stands, the House has the appropriation coming from the Capitol Building Rehabilitation and Restoration Account and the Senate has the appropriation coming out of the Budget Reserve Account and the issue will go to conference committee.

BILLS OF INTEREST THIS WEEK

HB 29 – TAXATION OF SPECIFIED DIGITAL PRODUCTS - Imposes sales and use tax on specified digital products. Passed the House by a vote of 46-11-3. Amended to remove the less than permanent use language as well as exempting services provided by a trade association as part of a member benefit, so now only applies to permanently downloaded products. **The bill passed Senate Revenue by a vote of 3-2 and has passed committee of the whole in the senate.**

HB 44 – TAXATION OF PROPERTY USED FOR ECONOMIC DEVELOPMENT - Provides for a property tax exemption for any improvement on real property owned by a community development organization (the land would still be taxed). Passed the House by a vote of 52-6-2. Amended to include "improvements and land amenities including but not limited to streets, curbs, gutters, utilities, sewer or water infrastructure that may contribute to the value of the land", and also that the exemption shall cease to exist once the property is sold or leased by the economic development organization. **The bill passed Senate Revenue by a vote of 3-2 and is on general file in the senate. Concerns with competition with the private sector were expressed by members of the committee. It was made clear that HB 70 – Vacant Land – might alleviate some such concerns because it would be applicable to any type of organization that owns vacant land.**

HB49 – MANUFACTURING SALES & USE TAX EXEMPTION - Extends the sales and use tax exemption for manufacturing equipment from December 31, 2010 to 2011. **Passed the House by a vote of 50-8-2. Passed the Senate by a vote of 25-5 on 2/26. The issue will more than likely be an interim topic for the Joint Revenue Committee. WTA supports this bill.**

HB 67 – DATA PROCESSING CENTER – SALES/USE TAX EXEMPTION - Exempts from sales and use tax qualifying equipment purchased in the initial construction of a data center or replacement or existing equipment when the aggregate annual purchase exceeds \$2M of qualifying equipment. For every \$2M of qualifying equipment there would be a decrease in sales tax revenue of \$106,000 based on the statewide average of 5.3%. On a \$100M facility, the lost revenues would be approximately \$2.65M. Passed the House by a vote of 55-3-2. Was amended to include certain statistics to be reported to show compliance with the requirements in statute. **Passed Senate Revenue by a vote of 4-1 and has passed Senate committee of the whole. The bill was amended to further define 'qualifying computer equipment'.**

HB 70 – VACANT LAND - Allows county assessors to consider appropriate discount factors when determining the present value of land. Passed the House on 2/22. Came out of Senate Revenue 2/25 and is on general file in the Senate. Offers a solution for both private developers and economic development organizations to be treated on a level playing field.

HB 78 – NATURAL GAS – TAXATION - Adds definitions to language defining the valuation of natural gas potentially affecting all of the oil and gas industry and what has been 20 years of defined tax statutes. Has been amended to set the effective date after the next legislative session (to July 1, 2011), allows processing at the initial dehydrator to be deducted therefore incenting both DOR and the taxpayer to negotiate. Passed House committee of the whole on 2/19. The bill failed to pass Senate revenue on 2/26 by a vote of 2-3. **DEAD.**

HB 101 – ELECTRICITY GENERATED FROM WIND – TAXATION - Imposes a generation tax of \$3.00/MWh on the generation of electricity by wind power. Estimates \$5.8M to counties and \$8.8M to the state's general fund. Passed House Revenue 2/15 by a vote of 6-3. Two amendments - one to delay implementation to 2012 and one to reduce the tax to \$1/MWh were added. The bill now distributes 60% to the counties and 40% to the general fund after many attempts to change the distribution. Passed the House by a vote of 40-18-2 on 2/18. Passed Senate 3rd reading on 2/26 unchanged from the House version.

SF 13 – ECONOMIC ANALYSIS - The division of economic analysis shall establish criteria for collecting, compiling, analyzing, reporting and distributing economic data for all Wyoming counties related to uses of private, state and federal surface and mineral lands, including, but not limited to, the optimum use and development of agriculture, grazing, minerals, timber, water, industrial resources, recreation and energy production, transmission, and related services. Will also study economic impacts related to proposed state and federal regulatory or administrative actions that would affect those areas. Amended to give one additional position to the Department of Economic Analysis. Passed the Senate on 2/22 and is now on House general file.

SF16 – PROPERTY TAX – REVIEW OF ASSESSMENT – Provides clarification on statements of considerations and opens up to those appealing valuations. Defines 'geographic area' because was not defined in SF144 from last year. Passed Senate Revenue 2/9 unanimously. Was amended to include properties that were not included in the assessment. Passed the Senate by a vote of 29-0-1 on 2/17. Passed the House on 2/26. **WTA supports this bill.**

SF17 – STATEMENT OF CONSIDERATION - Allows all residential statements of consideration to be a public document. Passed Senate Revenue 2/9 by a vote of 3-2. Failed in the House on first reading by a vote of 20-36-4 on 2/24. **WTA supports this bill. DEAD BILL.**

SF – 27 GOVERNMENT COMPETITION - Provides a process for lodging concerns with and for review of competition by government entities with the private sector. Passed the Senate on 2/19 by a vote of 29-1-0 and is on second reading in the House on 3/1. **WTA supports this bill.**

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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.

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

**2010 LEGISLATIVE SESSION - Tentative schedule**  
(20 day schedule)

|                              |                                                                                                            |
|------------------------------|------------------------------------------------------------------------------------------------------------|
| Day 1 Monday, February 8     | Session convenes 10:00 a.m.                                                                                |
| Day 3 Wednesday, February 10 | Noon deadline for all bill drafts to be in final form at LSO.                                              |
| Day 5 Friday, February 12    | Last day for bill introductions.                                                                           |
| Day 9 Thursday, February 18  | Last day for bills to be reported out of Committee in House of Origin.                                     |
| Day 10 Friday, February 19   | Last day for Committee of the Whole in House of Origin.                                                    |
| Day 11 Monday, February 22   | Last day for 2nd Reading in House of Origin.                                                               |
| Day 12 Tuesday, February 23  | Last day for 3rd Reading on bills in House of Origin.                                                      |
| Day 15 Friday, February 26   | Last day for bills to be reported out of Committee in second house.                                        |
| Day 16 Monday, March 1       | Last day for Committee of Whole on bills in second house.                                                  |
| Day 17 Tuesday, arch 2       | Last day for 2nd Reading on bills in second house.                                                         |
| Day 18 Wednesday, March 3    | Last day for 3rd Reading on bills in the second house.                                                     |
| Day 19 Thursday, March 4     | Concurrence on Amendments/Joint Conference Committee reports.                                              |
| Day 20 Friday, March 5       | Joint Conference Committee Reports; All JCC Reports due to Front Desk by 2:00 p.m.<br>Adjourn by midnight. |