

# WYOMING TAXPAYERS ASSOCIATION

## ACTION ALERT



Legislative Summary – Week Four – Friday, February 6, 2009

Folks, we are finally hitting the half way mark of this 2009 session. Friday marked the last day for bills to get out of committee in the house of origin, and Monday is the last day for bills to get off of general file. So we'll have a better idea of what we're looking at as far as tax bills after Monday evening. Both houses will work the budget bill this week starting Tuesday.

As for the major property tax bills, the House sent HB 68 – Homestead Exemption and HB 234 – Property Tax – Assessed Value, and HB 138 – Property Tax Refund Program over to the Senate. WTA supports HB 138 completely, and HB 68 in as much as it compares to HB 234. This bill (HB 234) sailed through the House with little to no opposition; however it could offer severe long-term consequences to Wyoming's tax system. See the attached fact sheet on HB 234 for more details. WTA is working with many other groups to help oppose this bill in the Senate.

Next week the Legislature will take Monday, February 16<sup>th</sup> off for President's Day. As you know, WTA usually holds our weekly meetings Monday afternoons. Because of the holiday, we'll meet again the following week, however you will still receive the weekly report via email or website.

### 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 Senate general file. WTA supports this bill.**

**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 is waiting to be heard in Senate Revenue. 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 and is waiting to be heard in Senate Revenue.**

**HB 87 – Property Tax – Assessment Rate 2 – Simpson, Buchanan, Gingery, Miller, Bebout, Coe and Larson** - Reduces the assessment rate for the all other property category from 9.5% to 8.25%. Appropriation of \$44 M from GF for 2010 only. Locals will be held harmless with the \$44 M. The SFP will suffer an estimated loss of approximately \$9.6 M in 2010 and \$10 M in 2011, however, the 12 mills for payment to the SFP will not be held harmless. **The bill was amended in House Appropriations to limit the change in assessment for one year only. The bill died by a vote of 23-36 on House general file.**

**HB 101 – Excise tax – manufacturing exemption** - Provides for agents of persons engaged in manufacturing to claim an excise tax exemption. No fiscal impact. Passed House Revenue and is moving through the House. The bill was amended in committee to be enacted as soon as possible. **The bill passed the House last week, however failed a majority vote in Senate Revenue this week. The bill is now dead. WTA supports this bill.**

**HB 102 – Excise Tax – Vendor Compensation** - Provides a credit to vendors for the collection and payment of sales and use taxes. 1% credit, not to exceed \$10,000 per calendar year. Approximate \$6.9 M impact to GF and locals. This bill is identical to Arizona's vendor allowance program. The revenue committee explored different ways to give more relief to vendors, while keeping the bill revenue neutral, however all attempts yielded increased loss to the state and local government. **The bill was amended to drop the cap to \$1,000 and have any credit to vendors come out of the general fund. Was amended in Senate Revenue on 1/29 to increase the credit to 2% and become effective on April 1, 2010. The bill now sits on Senate general file. WTA supports this bill.**

**HB 114 –Community College Amendments** - Among other things, establishes a statewide college system operations and facility funding mechanism based upon a prescribed system wide strategic planning process attaching state funding to state interests; provides for system operational budgeting; creates a mechanism for prioritizing and funding system capital construction needs, imposes reporting requirements, strategic plan development, etc. Appropriation of \$1.3 M from the GF in addition to \$250,000 from the GF. Adds 4 FT positions and up to 3 AWEC positions. **The bill has been amended significantly, but passed House 3<sup>rd</sup> reading Friday.**

**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, is now waiting to be heard in Senate Revenue. 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 House general file Thursday, however was laid back on Friday. WTA supports this bill.**

**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 is waiting to be heard in Senate Revenue.**

**HB 186 – Gasoline tax – ag exemption 2** - Provides a gasoline tax exemption for certain gasoline purchased and used for ag purposes. This bill proposes to go from an exemption to a refund. Currently agricultural producers make application for a certificate that allows their supplier to make bulk deliveries to their farm or ranch without the state fuel tax. The supplier makes application to receive the tax refund back. The draft bill would handle gas purchases the same as clear diesel used off-road. The purchaser would make application for a refund of the tax amount based on gallons used off-road. It also would eliminate the "bulk delivery" requirement. **Passed the House and awaits Senate Revenue.**

**HB 215 – Tax exemption for renewable resources** - Moves the repeal date from June 31, 2012 to January 1, 2010. **Was amended in House Revenue to grandfather projects that have contracts already in place with landowners or the Federal Government. Passed House general file Friday.**

**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 will be heard in Senate Revenue soon.**

**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 Friday by a vote of 38-22. WTA opposes this bill – see the attached fact sheet.**

**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. **House General File.**

**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 House Revenue Wednesday.**

**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. **Passed House Revenue Friday 5-4.**

**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 House general file.**

**HB 283 – Taxation and revenue – digital products** – Provides for a definition for specific digital products. **Is on House general file.**

**HB 287 – Helium – property tax** – creates an ad valorem tax on the value of the gross product produced. **Passed House Revenue 6-3. Now on House general file.**

**HB 304 – Lodging tax** – imposes a statewide lodging tax of 4%. **The bill failed to get a motion in House Revenue on Friday.**

**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 will be heard in House Revenue Monday morning. 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 second reading in the Senate.**

**SJ0006 - Residential property – uniformity of assessment** – Gives the legislature the authority to determine the maximum amount of ad valorem tax that can be collected on residential property, and allows the legislature to prescribe restrictions upon the increase of the rate of taxation of assessment. Basically creates a new class of property for real and personal residential property. **WTA opposes this bill. Failed in Senate Revenue this week.**

**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.**

**WYOMING'S LEADING TAX POLICY AND RESEARCH ORGANIZATION SINCE 1937.**

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.
<b>Monday, February 16</b>	<b>President's Day Recess</b>
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. <u>ADJOURN</u> by Midnight.

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