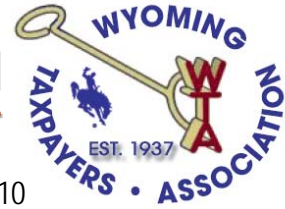


WYOMING TAXPAYERS ASSOCIATION

ACTION ALERT



Legislative Summary – Week One – Friday, February 12, 2010

Week one of the budget session for the 60th Legislature comes to an end today, as bills face the deadline for introduction. WTA is watching more than 30 bills. Some have already died for lack of an introduction, and some are already on their way through the process of becoming law. This weekly report will keep you abreast of the happenings of week and any significant changes to bills we are watching. Please see WTA's Bill Tracking sheet for information on all of the bills we are tracking.

GOVERNOR'S STATE-OF-THE-STATE ADDRESS

Governor Dave Freudenthal opened the budget session of the sixtieth legislature with his state-of-the-state address Monday, February 8, 2010. The Governor commented on the state's fiscal health noting that, "Wyoming is still the envy of other states – and that is not by accident or luck." The hard work was due to the Legislature authorizing him to make budget reductions last spring, implement hiring restrictions, using federal stimulus dollars to defer state spending, and making careful use of one-time expenditures.

The proposed budget as it was sent to the Joint Appropriations Committee was almost \$600M less than the budget from the last biennium totaling \$2.8B. The message to Legislators? Stay the course – do not dip into savings to pay for ongoing expenditures. Even with the monies that are constitutionally and statutorily required to flow into the Permanent Mineral Trust Fund and other savings accounts, legislators will still be able to amply fund state agencies for this biennium. Both the executive branch and the Legislature have been diligent in planning for the declines in revenues that are expected over the next few years.

Among the Governor's requests to the Joint Appropriations Committee, taxing wind energy topped the list. His comments centered on the notion that wind energy should not be entitled to a free ride in Wyoming and that policy makers will need to develop a reasonable tax policy for this resource. The Governor's proposal would implement a \$3/MWh excise tax on wind generation as well as a temporary suspension of eminent domain power to merchant energy companies that want to connect wind turbines to the electrical grid.

He also urged lawmakers to support:

- **HB31 – Property Tax Appeals – County Process**, which would allow county commissioners to appoint a board of review for purposes of hearing property tax appeals in their stead.
- **HB44 – Taxation of Property Used for Economic Development**, which clarifies that any real improvements made to land that has been prepared for economic development by a community development organization should be exempt from property taxation.
- **SF17 – Statement of Consideration**, requires all residential statements of consideration to be made public documents.
- **HB67 – Data processing center** – sales and 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.

The Joint Appropriations Committee ended up leaving \$4.3M more on the table for legislators to spend than the Governor at \$18.5M vs. \$14.2M. (See WTA's Summary of JAC vs. Gov recs). The Joint Appropriations Committee will consider Section 300's in the budget (budget balancers) next week.

BILLS OF INTEREST THIS WEEK

HB 22 – Streamlined sales/use tax amendments - Clarifies language for sourcing rules for telecommunications services which are already being administered as well as clean up of the multiple points of use language which was never adopted by the Streamlined Sales Tax Agreement. **Passed House Revenue 2/10. House General File.**

HB 31 – Property tax appeals – county process - Allows the county commissioners to appoint a board of review for purposes of hearing the property tax appeal. Consisting of 3 members, 2 must be of the following: 1 real estate broker, 1 architect. Decision would then go to the County Board of Equalization (the County Commissioners). **Passed House Revenue 2/10. After much discussion, the bill failed on committee of the whole by a vote of 15-42-3 on 2/12 and is indefinitely postponed.**

HB 40 – Tax increment financing - Allows local governments to use tax increment financing for municipal public improvements. State and local revenue will decrease based on bond requirements or the level of increment financing, whichever is greater. **Failed in House Revenue on 2/10.**

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). **The bill passed out of House Minerals 2/12 unanimously. WTA supports this bill.**

HB49 – Manufacturing sales & use tax exemption - Extends the sales and use tax exemption for manufacturing equipment from December 31, 2010 to 2011. **The bill passed by a vote of 8-1 in House Revenue 2/12. WTA supports this bill.**

HB50 – Hospital mill levies – use of funds - Clarifies that county mill levies may be used for operation and maintenance of such hospitals. **Passed House Revenue 2/12.**

HB 58 – Homestead exemption – county option - Provides for an optional county homestead exemption, as decided by the county commissioners, and to be paid under the county general mill levy. Qualifications include: currently living in Wyoming for at least 3 years, occupant is the primary owner, has not claimed a homestead exemption in any other state or county. Maximum allowed is \$4,400 of assessed value. **Passed unanimously out of House Revenue 2/12.**

SF 5 – Special districts – public records - Requires that all special districts maintain a copy of public records, including minutes, audits, financial statements, election results, budgets, bylaws, rate schedules, policies and employment contracts. If they are not available to the public, they must be filed with the county clerk in the county where the largest portion of the district lies. **Senate 2nd Reading.**

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. **Referred to Senate Appropriations.**

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. Senate 2nd reading. Was amended to include properties that were not included in the assessment. 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. Senate 2nd reading. WTA supports this bill.**

**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.

~~~~~

**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, March 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. |