

# WYOMING TAXPAYERS ASSOCIATION

## ACTION ALERT



Legislative Summary – Week Two – Friday, February 19, 2010

Week two of the budget session concluded last week with the last day for bills to get off general file in the house of origin. It is at this point, we know what bills are moving, and what bills are dead for this year.

Each house will take up the budget bill in week three with the first reading on Monday, second reading amendments on Tuesday and third reading amendments on Thursday. Keep in mind that budget bill amendments must be turned in by the end of the day prior to the reading on the floor. Remember to check out WTA's summary of JAC vs. Gov's rec's for a comparison of budget bill issues. WTA will track House and Senate amendments throughout the week as the bill heads to a conference committee. Major areas of contention are expected to be school capitol construction and funding to local governments.

Below are the bills WTA tracked this week. For a list of all the bills WTA is watching see our Bill Tracking Sheet on the members only website. *WTA members please note – as certain bills are amended, the outcome of the statutes could change – WTA's weekly policy meeting is the place to discuss whether or not WTA needs to change positions based on amendments to the bills on which we have taken positions.*

### 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. It really is a clean up bill and does not have any controversy. **Passed the House by a vote of 57-0-3 with no amendments. The bill is now on general file in the Senate.**

**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. Now referred to Senate Revenue.**

**HB 33 – PROPERTY TAX LEVY DATE** - Changes the date for levying property tax mill levies from the first Monday in August to the first Tuesday in August. Is not controversial. **Passed House committee of the whole on 2/19.**

**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. 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. **Passed the House by a vote of 50-8-2 and is referred to Senate Revenue. WTA supports this bill.**

**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, however failed to get off of general file. **WTA oppsed this bill. DEAD 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. Further discussion centered on whether it was prudent to include a sunset date, however all efforts were defeated thus far.**

**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. WTA supported this bill before it was amended based on the fact that tax statutes that had been in place for many years were changed bringing uncertain ramifications to all of the industry.**

**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 and has been referred to Senate Revenue.**

**HB 115 – SPECIFIC PURPOSE EXCISE TAX – VOTER PETITION** - Provides for a voter petition to request the imposition of a specific purpose excise tax to be signed by at least 5% of the electors of the county. Concerns centered on fairness – how can smaller towns get something on the ballot if the big municipality can get the votes on the petition to deny it and vice versa. **Passed House 2nd reading 2/19.**

**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. **Amended to allow documents to be in an electronic format unless otherwise specified by the county clerk. Passed Senate 3rd reading 2/12 and is on general file in the House after passing out of House Corporations on 2/18.**

**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. **Senate passed second reading 2/19.**

**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. Passed the Senate by a vote of 29-0-1 on 2/17. In House Revenue 2/22. 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. Passed the Senate. In House Revenue 2/22. **WTA supports this 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. **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.**

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

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|------------------------------|------------------------------------------------------------------------------------------------------------|
| 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. |