

SUMMARY *of* PROCEEDINGS



JOINT REVENUE COMMITTEE

COMMITTEE MEETING INFORMATION

December 3, 2012
Room 302, Capitol Building
Cheyenne, Wyoming

COMMITTEE MEMBERS PRESENT

Senator John Hines, Cochairman
Representative Pat Childers, Cochairman
Senator Cale Case
Senator Fred Emerich
Representative Gregg Blikre
Representative Rita Campbell
Representative Patrick Goggles
Representative Mike Madden
Representative Owen Petersen
Representative Mark Semlek
Representative Clarence Vranish

COMMITTEE MEMBERS NOT PRESENT

Senator Paul Barnard
Senator Drew Perkins
Representative David Miller

OTHER LEGISLATORS PRESENT

Representative John Eklund
Representative Bunky Loucks
Representative Dave Zwonitzer

LEGISLATIVE SERVICE OFFICE STAFF

Mark Quiner, Assistant Director
Matt Sackett, Research Manager
Dean Temte, Senior Fiscal Analyst
Josh Anderson, Staff Attorney

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OTHERS PRESENT AT MEETING

Please refer to Appendix 1 to review the Committee Sign-in Sheet for a list of other individuals who attended the meeting.

EXECUTIVE SUMMARY

The Committee met for one day in Cheyenne. The Committee voted to sponsor a bill on special district funding, a bill increasing the fuel tax and a bill increasing the state portion of vehicle registration fees.

CALL TO ORDER

Co-Chairman Childers called the meeting to order at 8:30. The following sections summarize the Committee proceedings by topic. Please refer to Appendix 2 to review the Committee Meeting Agenda.

APPROVAL OF MINUTES

The Committee voted to approve the minutes of the August 23-24, 2012 meeting with no changes.

SPECIAL DISTRICTS FUNDING

The Committee considered 13LSO-0207 "Special districts." See appendix 3 for a handout of bill. Representative Madden explained the bill. He noted that consideration of special districts was one of the interim topics of the Committee. He stated that the goal of the bill is to provide some transparency to taxpayers and to the county to show how special districts fit in to the overall financial picture.

Co-chair Hines moved that the Committee sponsor the bill and the motion was seconded.

Ms. Pam Robinson of the Department of Audit noted that because special districts use public funds they are required to have a budget and a budget hearing but that sometimes those hearings can be hard to keep track of. She noted that this bill would make their budgets more public early on in the process.

Mr. Jim Hudelson, Goshen County Commissioner, noted that there are 19 special districts in the county and that while they receive the budgets each year they do not generally receive them prior to the public hearing. He stated that this bill would address some issues related to special districts.

Mr. Jim Willox, Converse County Commissioner, stated that this bill would lend some transparency to the process and that while the issues are bigger than this short bill it is a good first step.

Ms. Cindy Delancey of the Wyoming County Commissioners Association testified that special district funding is a dicey area and this bill would help streamline some of these difficult issues.

Ms. Erin Taylor of the Wyoming Taxpayers Association stated that while her organization did not have an official position this bill heads in the right direction by providing more transparency on these issues.

Ms. Bobbie Frank of the Wyoming Association of Conservation Districts stated that she did not believe districts will have any issue complying with the requirements of this bill.

After additional discussion, Representative Madden made a motion on page 1, strike line 3 and line 4 through "budgets;" the motion was seconded and passed by voice vote.

The bill passed as a Senate File by a roll call vote. See vote form attached to the bill.

HIGHWAY FUNDING

The Committee considered 13LSO-0066, "Highway funding" (see Appendix 4 for a copy of the bill). Co-chair Childers noted that the Committee had been charged by Management Council to look at highway funding. He noted that this had been originally discussed at the first meeting of the 2012 interim and then

further discussed at the second meeting and that this meeting would be the final discussion on the bill. The Committee received a handout on projected revenue from the proposed bill (see Appendix 5 for a copy of the handout).

Senator Emerich moved that the Committee sponsor the bill and the motion was seconded.

Senator Hines noted that distribution of the tax under this bill is exactly the same as it is in current law.

Mr. John Cox, Director of the Department of Transportation, testified that they are facing a shortfall of approximately \$134 million per year to maintain the highway system at its present condition. He noted that in order to maintain the highway system and plan into the future it would be important to have a long term funding source which would provide dependable funding rather than one year at a time funding.

After additional discussion, Representative Madden moved to eliminate section 1 related to registration fees. The motion was seconded and passed by voice vote.

Mr. Ed Prosser, rancher and former legislator stated that if the State does not do this now it would only be harder to implement at a later date. He stated that it was important to come up to parity with the fuel taxes in surrounding states. He testified that ranches are spread out and there is a need for good highways to stay in business.

Ms. Erin Taylor stated that her organization was in support the ten cent fuel tax increase. She noted that it is fair, transparent and balanced and one of the most efficient forms of taxation that there is. She noted that a fuel tax coalition had formed in support of this increase and noted that they do not take tax increases lightly.

Mr. Steve Perkins of Perkins oil and the Petroleum Marketers Association noted that this increase represents a 3.3% increase and that over the last 15 days the street price has moved that much. He noted that over time the fuel tax disappears and that while it is never a good time for taxes, it would be important to increase it on a state level prior to any change on the federal level.

Mr. Brett Moline of the Farm Bureau Association stated that his organization did not support any increase in fuel taxes. He suggested that there should be greater oversight of the Department of Transportation similar to how the water development commission operates as an alternative to raising taxes. In response to a question he stated that the increased transportation costs would be passed through and because agricultural products are sold on a global market the sellers do not have control over the prices they are receiving for their products.

Mr. Bill Schilling of the Wyoming Business Alliance stated that his organization was in support of the increase and noted that if the state maintains the status quo it is a losing game for the state. He stated that there is no other alternative to maintain the highways.

Mr. Marion Loomis of the Wyoming Mining Association stated that his organization was not opposed to an increase although they were concerned about some of the impacts. He stated that keeping highways up to good standards is critical in terms of safety for employees.

Ms. Lynn Birleffi of the Wyoming Lodging and Restaurant Association stated that her organization was in support of the fuel tax and registration fee increases. She noted that the health of Wyoming's roads is critical.

Mr. George Parks of the Wyoming Association of Municipalities noted that the municipalities would get a portion of the tax and that it would help pay for city streets. He stated that it is important to make this change to maintain the roads in the state. He noted that every penny that we pay in state, someone from out of state is also paying.

Mr. Quint Davis of Simon Contractors noted that there is a \$134 million shortfall to keep highways in their current condition and not to make improvements. He noted that Wyoming gets a lot of money from the federal government and there would be a need to make up that federal funding eventually as well. He stated that the cost of poor roads is increased maintenance and other costs.

Mr. Victor Ciccone stated that he is not in favor of a ten cent per gallon tax increase. He noted that he was on a fixed income. He noted that increasing costs of government add up and in the end it comes out of his pocket. He suggested that money that the state has saved over time could be used for roads. In response to a question, he stated that a 5 cent per gallon increase would be better.

Mr. Anthony Buchard stated that the groups supporting the tax represent special interests. He stated that it was important to know where the state's money is going.

Ms. Robin Laws stated that an increase of 10 cents per gallon would impact her greatly because of the amount of driving she is required to do to get to work. She stated that throwing money at things does not solve the problem and that instead it would be advisable to look at what the department is doing with money they have.

Mr. Jim Willox stated that he is strongly in support of this investment and that it is critical to maintain the roads. He stated that he received a complaint on road condition 12 hours after he was elected and concern over roads is the number one complaint he receives.

Mr. Jim Hudelson stated that the fuel tax is 50% of what it was and that drivers are damaging roads but not paying fuel tax due to increases in fuel efficiency. He noted that the cost of gas in Montana was lower even though they have higher taxes and that a 10 cent tax increase would not necessarily mean a ten cent increase at the pump.

Ms. Maureen Bader of the Wyoming Liberty Group provided a handout to the Committee (see Appendix 6 for a copy of the handout). She noted that the impact of this tax falls on lower income people and that it should not be looked at in isolation but in addition to other factors including payroll tax and a drop in economic activity. She stated that this is a spending problem, not a revenue problem and that more money will not fix the issues. She stated that the first consideration should be to prioritize spending. In response to a question she stated that the ten cent increase would be passed directly to consumers because there are less retail outlets and less competition.

Mr. Jonathan Downing of the Wyoming Contractors Association provided a handout to the Committee (see Appendix 7 for a copy of the handout). He noted that the state is at a crossroads with the transportation system and that it is fiscally prudent to fund fiscal improvements. He noted that tolling is not an option at this time under the federal mandate. He stated that passing a fuel tax allows the state to capture revenue from I-80. He stated that raising the fuel tax is the only real option on the table and that while nobody wants to raise a tax it was important not to pass this issue on to the next generation.

After additional discussion, the Committee voted to sponsor the bill as amended as a House Bill by a roll call vote. See vote form attached to the bill.

Senator Emerich moved that the Committee sponsor a separate bill to increase the registration fees which was amended out of 13LSO-0066 and the motion was seconded.

Senator Hines noted that the last time those fees were changed was in 1974.

After additional discussion, the Committee voted to sponsor the bill as a House Bill by a roll call vote. See vote form in Appendix 8.

MEETING ADJOURNMENT

There being no further business, acting Co-Chairman Madden adjourned the meeting at 1:00 p.m.

Respectfully submitted,

Senator Hines, Co-Chairman

Representative Childers, Co-Chairman

Committee Meeting Materials Index

Appendix	Agenda Item	Appendix Description	Appendix Provider
1	Committee Sign-In Sheet	Lists meeting attendees	Legislative Service Office
2	Committee Meeting Agenda	Provides an outline of the topics the Committee planned to address at meeting	Legislative Service Office
3	Special districts	13LSO-207 Special districts	Legislative Service Office
4	Highway funding	13LSO-0066 Highway funding	Legislative Service Office
5	Highway funding	Projected revenue from legislation	Department of Transportation
6	Fuel tax	Gas tax honesty	Wyoming Liberty Group
7	Fuel tax	Save Wyoming's roads	Coalition for Fuel Tax
8	Vehicle registration fees	Vote form for new bill	Legislative Service Office
9	Sales and use tax	Sales and use tax exemption report	Department of Revenue
10	Railroad rolling stock	Report on railroad rolling stock	Department of Revenue