SUMMARY *of* PROCEEDINGS

JOINT REVENUE COMMITTEE

COMMITTEE MEETING INFORMATION

November 13, 2023 | 9:30 a.m.
Capitol Extension, W006
200 West 24th Street
Cheyenne, Wyoming

COMMITTEE MEMBERS PRESENT

Senator Bo Biteman, Co-chairman
Representative Steve Harshman, Co-chairman
Senator Tim French
Senator Bob Ide
Senator Troy McKeown
Senator Stephan Pappas
Representative John Bear
Representative Andrew Byron
Representative Tony Locke
Representative David Northrup
Representative Ember Oakley
Representative Liz Storer
Representative Tomi Strock
Representative Dan Zwonitzer

COMMITTEE MEMBERS NOT PRESENT

LEGISLATIVE SERVICE OFFICE STAFF

Josh Anderson, Senior Staff Attorney
Katie Adams, Staff Attorney
Dean Temte, Senior Fiscal Analyst
Taylor DuPont, Associate Fiscal Analyst
Clarissa Nord, Legislative Editor
Eve Hamilton, Legislative Editor

The Committee Meeting Summary of Proceedings (meeting minutes) is prepared by the Legislative Service Office (LSO) and is the official record of the proceedings of a legislative committee meeting. This document does not represent a transcript of the meeting; it is a digest of the meeting and provides a record of official actions taken by the Committee. All meeting materials and handouts provided to the Committee by the Legislative Service Office, public officials, lobbyists, and the public are on file at the Legislative Service Office and are part of the official record of the meeting. An index of these materials is provided at the end of this document and these materials are on file at the Legislative Service Office. For more information or to review meeting materials, please contact the Legislative Service Office at (307) 777-7881 or by e-mail at lso@wyoleg.gov. The Summary of Proceedings for each legislative committee meeting can be found on the Wyoming Legislature's website at www.wyoleg.gov.

OTHERS PRESENT AT MEETING

Please refer to **Appendix 1-02** to review the Committee Sign-in Sheet for a list of other individuals who attended the meeting.

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EXECUTIVE SUMMARY

The Joint Revenue Committee (Committee) met for one day in Cheyenne to complete its interim work. The Committee discussed bill drafts regarding the leasing and sale of state lands, property tax acquisition value, and special district mill levies. The Committee also received reports from the Department of Revenue (DOR) on broadband internet providers, data center exemptions, manufacturing machinery exemptions, and sales and use tax exemptions for coal gasification and liquefaction.

The Committee voted to sponsor the following bill draft for the 2024 Budget Session:

- 24LSO-0183, Special districts-accumulated reserves.

CALL TO ORDER

Co-Chairman Biteman called the meeting to order at 9:30 AM. The following sections summarize the Committee proceedings by topic. Please refer to **Appendix 1-01** to review the Committee Meeting Agenda. The meeting can be viewed on YouTube – Joint Revenue Meeting, November 13, 2023, (**AM**) and (**PM**).

STATE LANDS

Bill Draft: 24LSO-0355, Leasing and sale of state lands.

Josh Anderson, Senior Staff Attorney, Legislative Service Office (LSO), summarized 24LSO-0355, Leasing and sale of state lands, which would revise provisions related to improvements made by a lessee of state lands, authorize leases for residential purposes, clarify the definition of recreational purposes and specify that leases must comply with minimum state standards, **Appendix 2-01**.

Public Comment

Jason Crowder, Deputy Director, Office of State Lands and Investments (OSLI), stated the language of the bill tried to strike a balance between the authority that the State Board of Land Commissioners holds and allowing local governments to have a seat at the table.

Dan Sabrowski, Natrona County, generally opposed the bill draft and questioned its potential fiscal impact.

Jerimiah Rieman, Executive Director, Wyoming County Commissioners Association (WCCA), expressed concern about removing requirements regarding compliance with planning and zoning laws from the statutes addressed in the bill draft.

Jim Magagna, Wyoming Stock Growers Association, spoke on the language in the bill draft regarding the Wyoming Constitution and discussed how the Committee should consider local planning and zoning restrictions.

Representative Bill Allemand, House District 58, expressed concerns about the bill draft and urged the Committee to consider what requirements are in place for the sale of public lands. Representative Allemand came forward later during public comment to provide clarification regarding the State Board of Land Commissioners.

Brett Moline, Director of Public and Governmental Affairs, Wyoming Farm Bureau Federation, had several questions and concerns regarding language in the bill draft.

Rozmaring Czaban, Natrona County, asked several questions regarding the bill draft and expressed concerns about selling state lands and about property taxes.

Ken Decaria, Director of Government Relations, Wyoming School Boards Association, spoke about the OSLI's process to renew agricultural leases and noted that the bill draft would allow the OSLI to explore other options for land use to maximize revenue to fund K-12 education.

Marguerite Herman, Advocates for School Trust Lands, provided information on school trust lands and the competing interests that may exist regarding state land issues.

Committee Action

Co-Chairman Harshman moved for the Committee to sponsor 24LSO-0355, Leasing and sale of state lands. The motion to sponsor failed by roll-call vote with Senator Pappas, Representatives Byron, Northrup, Oakley, Storer, and Zwonitzer, and Co-Chairman Harshman voting aye.

ACQUISITION VALUE PROPERTY TAX SYSTEM

Consideration of Bill Drafts - Legislative Service Office Staff Review

Mr. Anderson provided an overview of 24LSO-0317, Property tax acquisition value, which would establish the value of specified property for property tax using acquisition value as specified in the bill draft, **Appendix 6-01**.

Mr. Anderson provided an overview of 24LSO-0318, Property tax acquisition value-constitutional amendment, which would provide for a constitutional amendment that would establish the valuation of the all other property class using acquisition value for property tax purposes, **Appendix 6-02**.

Taylor DuPont, Associate Fiscal Analyst, LSO, reviewed the estimated fiscal impact of the state adopting a property tax system based on acquisition value, **Appendix 6-03**. Mr. DuPont stated that the fiscal impact would take the form of a revenue decrease in various areas. The total estimated revenue decreases would be: $153,400,000 for tax year (TY) 2025, $132,600,000 for TY 2026, $110,800,000 for TY 2027, and $88,000,000 for TY 2028.

Public Comment

Kathy Rainey, Crook County, expressed her support for the Committee considering an acquisition value property tax system, but testified that improvements to property should not be a factor for consideration.

Ashley Harpstreith, Executive Director, Wyoming Taxpayers Association, provided data on taxes per capita in Wyoming compared to other states and discussed shifting tax burdens from one category to another.

Mr. Sabrowski commented on the acquisition value bill drafts and noted that it was his opinion that the bill drafts did not provide real relief for citizens in the state.

Mr. Moline commented on 24LSO-0317 and appreciated that the bill would provide some certainty on the issue. He expressed that he was not in favor of the 5% property value increase per year and recommended that the percentage not exceed 5%.

Cindy Barlow, Johnson County, recommended that the Committee consider the potential implementation of an acquisition value system based upon accurate data and questioned the estimated fiscal impact of the bill drafts. Ms. Barlow came forward later during public comment to give additional information on the acquisition value property tax system.

Representative Allemand provided information to the Committee about how one of his constituents could not pay her property taxes due to recent increases. Representative Allemand expressed support for the State adopting an acquisition value property tax system.

Debby Galanopoulos, Laramie County, discussed the recent bond election for the Laramie County Fire Authority and the limited number of people who voted in the election.

Melissa Shinkle, Teton County Assessor, President of the Wyoming County Assessors Association, commented on aspects of the bill drafts that may be difficult for county assessors to administer.

Dixie Huxtable, Converse County Assessor, Legislative Chair for the Wyoming County Assessors Association, commented on how 24LSO-0317 changes the calculation of fair market value and testified that the calculation could provide relief for some individuals. Ms. Huxtable expressed that it would be difficult to manage the personal property aspect of the bill draft and to implement disclosure of sales prices.

Representative Allen Slagle, House District 2, expressed support for the bill drafts, but suggested that the Committee remove references to improvements, personal property, and an automatic 5% increase in property values per year.

Susan Lone, Laramie County, gave further comment on the bond elections and noted her previous experience with special district elections. Ms. Lone asked that the Committee review the notification policies for special district elections.

Larry Lone, Laramie County, recommended that the Committee consider the potential implementation of the acquisition value system and noted that property tax increases are difficult for retirees.

Pat Meyer, Park County Assessor, addressed several aspects of the property tax classes, including residential property and personal property. Mr. Meyer recommended that the Committee remove the personal property class from the bill draft.

Ms. Czaban expressed concerns about the bill drafts and the acquisition value study that was considered during the Committee's October 2023 meeting.

Brenda Henson, Director, DOR, commented on the bill drafts, identifying areas of the legislation that could be clarified and issues that would need to be addressed to make an acquisition value tax system administrable.

Ronnie LeBlanc from Sheridan County, Steve Melia from Laramie County, and Gary Brown from Laramie County expressed support for implementing an acquisition value property tax system.

Committee Action

Representative Locke moved for the Committee to sponsor 24LSO-0317, Property tax acquisition value. The motion to sponsor failed with Senators French, Ide, and McKeown, Representatives Bear, Locke, and Strock, and Co-Chairman Biteman voting aye.

A motion to table 24LSO-0318, Property tax acquisition value-constitutional amendment passed by voice vote.

WYOMING DEPARTMENT OF REVENUE

Review of Reports Due to the Legislature

Director Henson explained that DOR is statutorily required to provide five reports to the Committee. Director Henson further explained that the sales tax administration bill draft that the Committee sponsored during the Committee's October 2023 meeting (24LSO-0226, Sales tax revisions) would repeal the requirement for the Manufacturing Machinery Exemption Report, **Appendix 3-04**.

Craig Grenvik, Administrator, Mineral Tax Division, gave an overview of the report which is required under W.S. 39-14-205(o) regarding the use of exemptions under W.S. 39-14-205(n) for new crude oil and natural gas production based upon the oil or gas price at the time of first production. **Appendix 3-01**.

Bret Fanning, Administrator, Excise Tax Division, summarized the 2023 Broadband Internet Providers Report, **Appendix 3-02**; the 2023 Data Center Exemption Report, **Appendix 3-03**; the 2023 Manufacturing Machinery Exemption Report, **Appendix 3-04**; and the 2023 Sales and Use Tax Exemption for Coal Gasification and Liquefaction Report, **Appendix 3-05**.

Public Comment

No public comment was provided on this topic.

PROPERTY TAX ISSUES

Bill Draft: 24LSO-0183 - Special districts-accumulated reserves.

Katie Adams, Staff Attorney, LSO, provided an overview of 24LSO-0183, Special districts-accumulated reserves, which would restrict tax levies for special districts based upon accumulated reserves, **Appendix 4-01**.

Public Comment

Mr. Rieman expressed that the WCCA does not have a position on the bill draft but provided comment on the topic, including the complexity of the statutes regarding special districts.

Committee Action

Senator French moved for the Committee to sponsor 24LSO-0183, Special districts-accumulated reserves. The motion to sponsor passed by roll-call vote with Senator Pappas and Representatives Storer and Zwonitzer voting no. The Committee adopted the following amendments:

Page 1-line 1	Delete "restricting" and insert "authorizing the restriction of".
Page 2-line 2	Delete "shall not" and insert "may decline to".
Page 2-line 4	Delete "seven (7)" and insert "three (3)".

MEETING ADJOURNMENT

There being no further business, Co-Chairman Biteman adjourned the meeting at 5:22 PM.

Respectfully submitted,

Representative Steve Harshman, Co-Chairman

Committee Meeting Materials Index

Index Number	Agenda Item	Document Description	Document Provider
1-01		Agenda	Legislative Service Office
1-02		Sign-In Sheet	Legislative Service Office
2-01	State Lands	24LSO-0355 v0.3 Leasing and sale of state lands.	LSO
2-02	State Lands	Proposed Amendment for 24LSO-0355, Leasing and sale of state lands.	LSO
3-01	Wyoming Department of Revenue	Report Under W.S. 39-14-205(o)	Wyoming Department of Revenue
3-02	Wyoming Department of Revenue	2023 Broadband Internet Providers Report	Wyoming Department of Revenue
3-03	Wyoming Department of Revenue	2023 Data Center Exemption Report	Wyoming Department of Revenue
3-04	Wyoming Department of Revenue	2023 Manufacturing Machinery Exemption Report	Wyoming Department of Revenue
3-05	Wyoming Department of Revenue	2023 Sales and Use Tax Exemption for Coal Gasification and Liquefaction Report	Wyoming Department of Revenue
4-01	Property Tax Issues	24LSO-0183 v0.5 Special districts-accumulated reserves.	LSO
6-01	Acquisition Value Property Tax System	24LSO-0317 v0.4 Property tax acquisition value.	LSO
6-02	Acquisition Value Property Tax System	24LSO-0318 v0.4 Property tax acquisition value-constitutional amendment.	LSO
6-03	Acquisition Value Property Tax System	Fiscal Impact Estimate for 24LSO-0317, Property tax acquisition value.	LSO

6-04	Acquisition Value Property Tax System	Proposed Amendment for 24LSO-0317, Property tax acquisition value	LSO
6-05	Acquisition Value Property Tax System	Proposed Amendment for 24LSO-0318, Property tax acquisition value-constitutional amendment	LSO