

## 2020 WAM LEGISLATIVE PREVIEW

The 2020 Wyoming Legislature will convene on Monday February 10, 2020. Pursuant to the Wyoming Constitution, this is a budget session and will adjourn no later than March 12, 2020. As this is a budget session, any legislation not pertinent to the budget, will require 2/3 majority of both bodies to be introduced and considered by the body.

As of the writing of this document, 55 House Bills and 41 Senate Files have been introduced. We expect that some 250 bills will be introduced before the deadline for bill filing on February 14<sup>th</sup>. While most of these will fail to be introduced, we expect a great many non-budget bills to be considered by the House and Senate.

While WAM will monitor all of these bills and lobby many of them; our principal focus this session will be the state budget. Specifically, WAM will be working to maintain on the funding of cities and towns in at the current levels.

The following are some of the highlights that are relevant prior to the session.

### State Budget

Governor Mark Gordon released his recommended budget in late November. The Joint Appropriations Committee spent four weeks reviewing and marking up the budget. The JAC will submit their changes when they introduce the budget bill at the beginning of the session.

### Municipal Funding.

The Governor's recommended budget included \$105 million for the biennium (\$52,500,000 per year) for cities, towns and counties. While the JAC did not change this amount, they did however, modify the formula of how these were to be distributed. Specifically, the JAC increased the minimum distribution. In the most basic of terms, this change would raise the base amounts each community gets. Whereas previously communities under 35 people received \$10,000, they would now receive \$15,000. Communities with over 35 people will see the minimum distribution increase to \$35,000 from \$20,000. The remaining pool of funding after all 99 cities and towns have gotten their minimum would still be run through the Madden Formula to determine additional distribution amounts to each community based on a number of factors.

The practical effect of this change to these base amounts is generally give more money to the smaller towns, while the larger first-class cities will give up some of their funding. Please see the attached document from the Legislative Services Office which offers projected distribution amounts with

and without the amendment. We have also attached a flow chart showing how the Madden Formula distributions flow.

The vast majority of our small to mid-sized communities are looking at increases of \$4000-\$7000 per year, while cities like Cheyenne, Casper and Laramie will see their distributions shrink in some cases upwards of \$90,000 per year. We have attached to documents distributed by LSO with the revised distributions.

#### Municipal Option Tax

The municipal funding option tax has been introduced by the Revenue Committee and numbered HB 47. As you will recall, this bill allows cities and towns to hold a city only sales tax election. Historically this has been opposed by the County Commissioners Association, but they are now supporting it. There number of requirements that must be met prior this issue can be placed on the ballot, but it does allow cities to conduct a city only sales tax election.

#### Town and County Development Regulations

House Bill 22 is a bill sponsored by the House Corporations Committee that would preempt the ability of towns and counties to address affordable housing issues.

#### Tourism Funding Act

This bill was passed by the Joint Appropriations Committee establishes a 5% statewide lodging tax. 3% would be used to fund the State of Wyoming Tourism Department (and get them off the general fund). 2% would be distributed to cities, towns and counties on a point of sale basis. This bill is essentially the same lodging tax bill that failed to pass the legislature Senate. The most significant difference between the two bills is that the second increment of the local portion (for those cities that currently have a 4% tax) could be passed by a voted of the town council instead a vote of the public. Like last year's bill, this one expands the uses allowed by the marketing portion of tax.

#### Municipal Right of Way Franchises

House Bill 19 is a House Corporations Committee Bill and addresses how cities and towns deal with franchise agreements. The bill requires that franchise agreements: be fair and reasonable; be competitively neutral and nondiscriminatory; comply with all requirements of applicable federal and state laws and ordinance and not unreasonably impair or inhibit the deployment of communications services.

This bill also provides that any franchise fees be passed through to customers unless otherwise agreed; not be assessed on revenues from internet access service.

Finally, the bill sets time frames for granting franchise agreement to communications companies. Specifically, negotiations between the governing body and a proposed franchisee shall not exceed one hundred eighty (180) days unless agreed to by the parties in writing.

#### MRG Funding

The Joint Appropriations Committee (JAC) also reduced funding available to cities, towns and counties from the Mineral Revenue Grant (MRG) program. As of the writing of this document we are unclear how much it was reduced by, hope to have further clarification by end of the week.

#### Tracking Legislation

As in previous years, WAM will be using the Capital Impact Software to monitor and track legislation during the upcoming legislative session. To do this, go to the WAM Homepage; from the homepage, click the Advocacy tab; from there click Track Legislation. This will take you to the WAM Legislative Page; from here scroll down and click the Home Button. This will take you to the bill tracking website. From this site you can get up to date information on the status of bills and WAM's position on each of the bills under consideration. Legislation can be sorted by bill number, policy area, or WAM's position on each bill.

Additionally, each Friday we will send to a summary of the previous weeks activities.

In the meantime, if you have questions or need information about legislation, the budget please contact Bob McLaurin (307) 413-3483, Dave Fraser or Justin Schilling (307) 632-0398.

Thanks