

WYOMING

Transportation Funding Initiative

Date: February 15, 2013

Title of Legislation: Highway Funding- Fuel Tax Increase—House Bill (HB) 69

Sponsor of Legislation: Joint Revenue Interim Committee

Overview: Wyoming enacted a 10-cents-per-gallon motor fuels tax increase that will generate \$70 million per year.

Background & Summary: Wyoming's gas tax of 14 cents-per-gallon had not been updated since 1998, and this legislation raises Wyoming's fuel tax for both gasoline and diesel by ten cents-per-gallon. Governor Mead said that this legislation would help maintain Wyoming's roads and would also help pay for the state's \$135 annual deficit. The new revenue from this fuel tax increase is expected to raise \$70 million each year, and \$47.4 million will be reserved for state highways, \$16.4 million for counties, \$6.7 million for cities, and \$1.2 million for state parks.

The bill received broad support from the business community, while there was minimal opposition from other organizations. However, a common argument against the bill was that citizens are already taxed too much and that the Wyoming Department of Transportation should instead improve its internal financial management to more effectively use its funds.

Proposed Funding Breakdown:

Highway funding.			13LSO-0066.C1
			<u>FISCAL NOTE</u>
	FY 2014	FY 2015	FY 2016
NON-ADMINISTRATIVE IMPACT			
<u>Anticipated Revenue Increase:</u>			
CITY STREET & ALLEY	6,763,680	6,884,780	7,005,880
COUNTY ROAD FUNDS	16,426,380	16,874,660	17,322,940
HIGHWAY FUND	47,436,760	49,109,750	50,782,740
<u>SPECIAL REVENUE-STATE PARKS*</u>	<u>1,269,590</u>	<u>1,273,920</u>	<u>1,278,240</u>
<u>Total Revenue Increase</u>	<u>71,896,410</u>	<u>74,143,110</u>	<u>76,389,800</u>

Source: Highway Funding-Fiscal Note. <http://legisweb.state.wy.us/2013/Fiscal/HB0069.htm>

Status of Legislation

Governor Matt Mead signed this bill into law on February 15, 2013. The Wyoming House voted 35-24, where 6 House Democrats voted with majority of Republicans. The Wyoming Senate voted 18-12, and all 4 Democrats voted along with majority of Republicans.

Overview

Priority of Governor. He advocated for this legislation in his State of the State speech, where he encouraged state legislators to pass this measure that would fund road maintenance and help Wyoming establish a sustainable funding source for transportation projects in the future.¹ Governors throughout the nation have begun to push bills that call for increasing the fuel tax because of the need for more state transportation funding.²

Bi-Partisan Passage. Although there are not many Democrats in the Wyoming State Legislature, all four senators and six of the eight House members voted with the majority of Republicans to pass this fuel tax legislation.

Proponents of Legislation

State Legislators

Senator Phil Nicholas (R-Laramie) supported this bill and acknowledged that some constituents did not want tax increases. He explained, ““We all have constituents who frankly believe that they should pay no taxes — that the mining industry, oil and gas, and coal should pay for everything.”³ Senator Nicholas argued that the gasoline market’s regional disposition resulted in Wyoming unintentionally subsidizing gasoline for other nearby states, yet this was not helping the citizens of Wyoming to pass less for gasoline.

Representative Mike Madden (R-Buffero), the chairman of the House Revenue Committee, encouraged his colleagues to support this bill.

Private Sector

The Wyoming’s Taxpayers Association lobbied in support of this legislation and argued that Wyoming’s “Transportation Department [needed] a steady source of state funding to allow it to plan projects more efficiently.”⁴

The Fuel Tax Coalition Partners emerged as a proponent of the bill, and 17 organizations joined forces to support the gas tax increase.

¹ Goble, 2/28/13

² Vock, Pew Trust

³ “Wyoming Senate Passes Fuel Tax Hike”, *Associated Press*

⁴ Wyoming Senate Passes Fuel Tax Hike”, *Associated Press*

Businesses/Organizations in Support of Legislation:

1. **SaveWyomingRoads.com (Wyoming Contractors Association):** Part of a broad coalition of firms to raise the fuel tax in Wyoming. The associations included: Wyoming Lodging and Restaurant Association; Wyoming Petroleum Marketers Association; Wyoming County Commissioners Association; Wyoming Contractors Association; Wyoming Mining Association; Wyoming Travel Industry Coalition; Wyoming Association of Realtors; Johnson County Woolgrowers Association.
2. **Wyoming's Taxpayers Association**
3. **Wyoming Association of Municipalities**
4. **Wyoming Association of County Commissioners**
5. **Wyoming Lodging and Restaurant Association**
6. **Wyoming Trucking Association**

Opposition to Legislation

Opponents of this legislation argued that increasing taxes on Wyoming residents was not popular among public opinion polling. In addition, lawmakers made the case that the state's working families would not be able to afford a tax increase, and they said this would be especially difficult for those who live on fixed-incomes.

1. **Wyoming Farm Bureau Federation**
2. **National Federation of Independent Businesses (Wyoming Branch)**
3. **Wyoming Freedom**
4. **State Legislators**

- **Senator Charles Scott** (R-Casper) opposed the legislation on the grounds that his constituents did not support a tax increase. Mr. Scott said his constituents told him "we just can't afford any more taxes...we do not want more taxes."⁵
- **Representative David Miller** (R-Riverton) opposed the tax increase and argued that this was a regressive bill.
- **Representative Allen Jaggi** (R-Lyman) supported the idea of maintaining Wyoming's transportation system, but he was not convinced that the Wyoming Department of Transportation actually needed a boost in funding.⁶

⁵ "Wyoming Senate Passes Fuel Tax Hike," *The Associated Press*

⁶ Neary, Associated Press

THE PROBLEM

Wyoming has invested billions of dollars into roads, without providing funds to maintain and improve these investments.

For every dollar NOT spent on timely, preventative maintenance, \$4.00-\$8.00 will be needed for complete reconstruction a few years later.

BY 2030
82%
OF WYOMING'S
ROADS WILL BE IN
POOR CONDITION
IF NOTHING IS DONE.



GET INVOLVED

In order to get a fuel tax passed, you need to call or email your elected officials.
Search below for your elected officials to get their contact info,
and keep people safe on Wyoming's beautiful open roads!

Contact my Legislator

Contact my Governor

Let them know that you're worried about your family's safety
and you support the fuel tax!

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Text of Legislation

Full Bill Text: <http://legisweb.state.wy.us/2013/Introduced/HB0069.pdf>

Highway Funding Fiscal Note: <http://legisweb.state.wy.us/2013/Fiscal/HB0069.htm>

Additional References

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