

# COMMENTARY

## Sublette County's future pivots around Friday's meeting

By Holly Dabb  
hdabb@pinedaleroundup.com

Everyone in Sublette County has an interest in what happens Friday, Feb. 7.

After years of talking about building a critical access hospital, everything appears to have stalled. Momentum has come to a grinding halt, much like a car on an icy uphill driveway. The warmth of the garage is only a few yards away, but without forward momentum and traction, it may as well be 100 miles.

This county is so close to completing plans for a critical access hospital and long-term care facility. The first shovel of dirt could be dug this spring – but there are slippery issues that must be addressed.

Every party involved has the best intentions. The Sublette Center's private nonprofit board wants to maintain control over an aging facility that is substantially subsidized with rents and payments from the Sublette County Commission. Even renovating the existing facility will require more county funding.

The Sublette County Rural Health Care Board wants to build the critical access hospital so medical procedures are reimbursed by Medicare and Medicaid at a much higher rate than clinics. In the long term, this will make the district more fiscally solvent.

To this end, the towns of Pinedale, Marbleton and Big Piney have offered support and – even better – money. Pinedale has offered prime property next to the existing clinic and is only asking that the ball fields they would give up be replaced without disruption to the

short summer playing season.

Sublette County School District No. 1 has offered unused property for a long-term lease for the town of Pinedale to construct the new ball fields. However, in a game of who blinks first, the school board is waiting to take action on that proposal until the hospital is a done deal. Why give away property, if it will never be used?

While the town has already spent engineering funds and conceptualized new "fields of dreams," councilmembers are unwilling to spend money to improve property without a lengthy lease or ownership. Council members recognize the extras will be the town's responsibility and may take years and more town funding to develop.

Then there are the Sublette County Commissioners – in control of the deep pockets. The county has enough in reserves to fund the entire project up front. However, the county's governing body is not interested in dipping into reserves especially after recent forecasts that the hard times are going to get harder.

In addition, while many Wyoming counties own, run and fund hospitals, Sublette County has not been interested in taking that step. In fact, the voters spoke when they formed a health care district with its own elected board. They spoke again 18 months ago, when they elected all new board members in large part due to the sticker shock for the concept of building a all-new facility, on unpurchased land that would leave the county-owned clinics empty.

## Bill would change schedule for mineral tax payments

By Tom Coulter  
Wyoming Tribune Eagle

CHEYENNE – With energy companies in some counties owing millions of dollars in unpaid ad valorem taxes, Wyoming lawmakers advanced a bill Friday aiming to reduce the lag time between when mineral extraction occurs and when companies must pay.

If the bill is approved by the full Legislature this year, the payment schedule for ad valorem taxes would change so they are due on a monthly basis. Currently, companies have up to 18 months after production to pay these taxes to the counties they're doing business in.

In the meantime, a variety of issues, including a company going bankrupt or a mine changing hands, can keep a county from seeing the money it's due.

After several amendments were rejected, lawmakers on the Select Committee on Coal/Mineral Bankruptcies ultimately settled on a 2021 start date for collecting the monthly payments.

The main challenge for lawmakers was striking a balance that is both fair to companies during the transitional period and beneficial for the counties seeking to get the payments they're owed. For two years, beginning in 2021, companies would be required to simultaneously pay two bills – ad valorem taxes due from 18 months before and ad valorem taxes on the new monthly schedule.

During the meeting, officials from several counties spoke in favor of the new schedule. Jeremiah Rieman, executive director of the Wyoming County Commissioners Association, said mineral companies accrued \$32 million in ad valorem tax delinquencies over the first half of 2019, adding a few counties were not included in those calculations.

"The commissioners very much are supportive of the bill that is before you," Rieman said. "The commissioners have hardened around the start date of Jan. 1, 2021, as a result of this data and the compounding issues that they continue to face at the local level."

Department of Revenue Director Dan Noble said his department, which would collaborate with the county and state treasurers to collect the payment, would need about six months to set up the payment structure. He added his department can be ready by January 2021, barring any additional responsibilities being shifted to the state.

From the view of mineral companies, however, the 2021 start date for the monthly payments was overly ambitious. Pete Obermueller, president of the Wyoming Petroleum Association, was on board with the bill, but said his group would prefer a start date in 2023. He added the overlapping schedules in tax payments effectively equates to a doubled tax on mineral companies during the two-year

span.

"We can make ourselves feel better by saying it's two different tax payments," Obermueller said. "But I would posit to you that if we tried to do that with any other business entity or taxpayers in the states ... the pitchforks would be out."

Obermueller said members of his association likely wouldn't be fully prepared for the cash flow impacts of a 2021 start date.

While ultimately Obermueller and other representatives from mineral industries didn't get their wish to push off the start date, there were a few concessions made to arrive at the 2021 start date.

One compromise was an option for companies to get a tax credit on sales or severance taxes if they meet their outstanding payments from the previous system by the end of the first year of the new schedule. The bill originally included a 5 percent tax credit for those companies that have paid their outstanding bills, but lawmakers approved an amendment to raise the tax credit to 7 percent in the first year of implementation.

The increase to the tax credit received pushback from lawmakers like Sen. Chris Rothfuss, D-Laramie, who said "no force in the universe" will drop the amount back to 5 percent during the legislative session.

"This is a one-way slope," Rothfuss said. "How quickly do we want to roll down this hill?"

Another negotiation centered on a payment plan that companies could enter into with counties. In the original bill, companies would have the option to enter a separate payment plan that would let them stretch their taxes owed under the previous structure over the span of 36 months.

When the subcommittee seemed to be in a deadlock over the start date, Rep. Cathy Connolly, D-Laramie, offered a compromise amendment: a 2021 start date, but with 72 months for the payment schedule instead of 36. That amendment passed by a 5-3 vote.

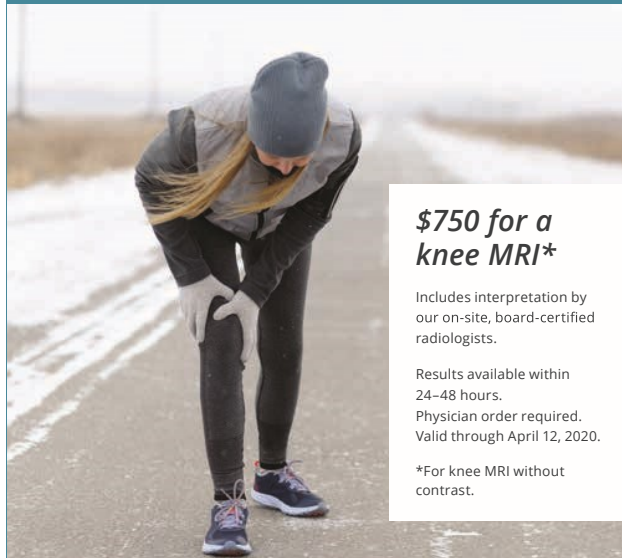
With the amendment in place, the bill moved forward, with some lawmakers reiterating the need to not push off the start date.

"In my mind, if we let it go all the way out to 2022 or '23, how many more companies will file bankruptcies on us? And how much more money will we have to lose while we're preparing this?" Sen. Michael Von Flatern, R-Gillette, said before the vote.

At the start of the meeting, Senate President Drew Perkins, R-Casper, who co-chairs the subcommittee, acknowledged the actions taken Friday would only mark one step in an ongoing process to figure out the schedule. Discussion of the bill will continue during the Legislature's budget session, which begins Feb. 10.

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