



## WEEKLY LEGISLATIVE UPDATE

### STATE BUDGET

[SB 860](#) is a general appropriations bill that allocates \$6.8 billion in state funds to agencies. The budget leaves 16 agencies without cuts but the remaining agencies will receive around 4-5% cuts for next fiscal year.

*Why It Matters:* While this budget is less than ideal, it seems to be the only one that could be agreed upon. While it leaves 16 agencies without cuts, it leaves a lot to be done next session.

### REVENUE

#### CIGARETTE FEE

[SB 845](#) is aimed at achieving cigarette cessation and adds a \$1.50 fee to a pack of cigarettes. The measure will raise \$215 million.

#### MOTOR VEHICLE FEE

[HB 2433](#) removes the sales tax exemption when purchasing a vehicle. This means a 1.25% fee will be added, creating \$100 million in new revenue.

#### GROSS PRODUCTION TAX (GPT) INCREASE ON OLD WELLS

[HB 2429](#) increases the GPT on old wells from 1%-4% until they taxed at 7% after 48 months. This will create \$98 million in revenue.

*Why This Revenue Matters:* These revenue measures generate \$413 million to shore up some of the \$898 million shortfall. While not all of these revenue-raising measures are ideal, they solve a portion of the budget problem for this year.