FISCAL NOTE

This bill contains an appropriation of $176,000,000 from the GENERAL FUND (GF) to the Department of Revenue (DOR). This appropriation is effective immediately.

DETAIL OF APPROPRIATION
Agency #: 011 Agency Name: Department of Revenue
Unit: (new) Property tax exemption

EXPENDITURE BY SERIES AND YEAR	**FY 2025**	**FY 2026**	**FY 2027**
0600 Grant & Aid Payments	$0	$83,000,000	$83,000,000
Total Expenditure Per Year:	$0	$83,000,000	$83,000,000
Grand Total Expenditure:	$166,000,000		
Total Appropriated to Agency:	$176,000,000		
Total Appropriated by Fund:			
GENERAL FUND	$176,000,000		

Description of appropriation:

$176.0 million is appropriated from the GF to the DOR to reimburse government entities including school districts for revenue decreases resulting from the proposed exemption. If the appropriation is insufficient to fully compensate each government entity for the reduction in tax revenues, the DOR shall distribute funds to each government entity on a pro rata basis. The appropriation of $176.0 million is estimated to be $10.0 million more than the total revenue decreases of $166.0 million anticipated in tax years 2025 and 2026 (FY 2026 and FY 2027).

This bill repeals the following session laws:

- 2022 Wyoming Session Laws, Ch. 51, Sec. 321 as amended by 2023 Wyoming Session Laws, Ch. 94, Sec. 321 and further amended by 2024 Wyoming Session Laws Ch. 118, Section 318,
- 2022 Wyoming Session Laws, Ch. 51, Sec. 325 as amended by 2023 Wyoming Session Laws, Ch. 94, Sec. 323 and further amended by 2024 Wyoming Session Laws, Ch. 118, Sec. 318, and
- 2024 Wyoming Session Laws, Ch. 118, Sec. 323.

All unobligated funds reverted from the repealed appropriations shall be credited to the GF regardless of the original source of the appropriation. As of January 2, 2025, the unobligated funds that would revert to the GF from the repealed session laws in section 3 of the bill total $182,408,982.

	FY 2026	**FY 2027**	**FY 2028**
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue (decrease)			
SCHOOL FOUNDATION FUND (43 mills)	($52,100,000)	($52,100,000)	($0)
AD VALOREM TAX (local taxing entities)	($30,900,000)	($30,900,000)	($0)

Source of revenue (decrease):

This bill creates a property tax exemption of 50 percent of the fair market value of single family residential property used as a primary residence. The exemption shall only apply to the first $200,000 of fair market value. The estimated decreases in property tax revenues to the School Foundation Program (SFP) and to other local taxing entities are provided in the above table. The SFP will experience a revenue decrease from the 43 mills supporting K-12 public education, which include the statewide 12 mill levy, the school district 25 mill levy, and the countywide 6 mill levy. For purposes of this analysis, the decrease in property tax revenues to the SFP is shown as an absolute revenue decrease in lieu of estimating the school district recapture revenue decrease and school district entitlement expenditure increase separately.

Assumptions:

The above estimate is based on tax year 2024 residential data from the statewide Computer Assisted Mass Appraisal System (CAMA) and the tax year 2024 statewide average mill levy of 68.504 mills. The DOR estimates that 72 percent of households are owner-occupied, based on the 2023 County Profiles published by the Wyoming Economic Analysis Division. The October Consensus Revenue Estimating Group (CREG) forecast projects a zero percent growth rate in the assessed valuation of non-mineral property for tax year 2025 and 2026 (FY 2026 and FY 2027). Based on the information above, this bill would decrease total property taxes by approximately $83.0 million per year in tax years 2025 and 2026 (FY 2026 and FY 2027). Of the estimated total impact, the decreased revenue from the 43 mills supporting the SFP is approximately $52.1 million per year in tax years 2025 and 2026 (FY 2026 and FY 2027). It is estimated that the appropriation from the GF of $176.0 million will offset the entire revenue decrease in tax year 2025 (FY 2026) and tax year 2026 (FY 2027).

Note: According to the DOR, this proposed exemption cannot be applied for the 2025 tax year with the other property tax exemptions currently in place, because of current capacity limitations of the statewide CAMA system. For example, this proposed exemption cannot not be applied to the same property that is receiving the current long-term homeowner’s exemption.

NOTICE-AGENCY ESTIMATE OF ADMINISTRATIVE IMPACT REQUESTED

This bill has administrative impact that appears to increase duties or responsibilities of one or more state agencies and may impact agency spending or staffing requirements. As introduced, the bill does not modify current personnel authorizations.
The following state agencies will be asked to provide their estimate of the administrative fiscal impact prior to the first committee meeting held to consider the bill:

Department of Revenue

Prepared by: Dean Temte, LSO Phone: 777-7881
(Information provided by Kenneth Guille, Department of Revenue, 777-5235)