

**FISCAL NOTE**

This bill contains an appropriation of \$31,000,000 from the GENERAL FUND to the Department of Revenue.

	FY 2024	FY 2025	FY 2026
<b>NON-ADMINISTRATIVE IMPACT</b>			
Anticipated Revenue(decrease)			
SCHOOL FOUNDATION FUND (12 mills)	(\$0)	(\$13,700,000)	(\$13,800,000)
AD VALOREM TAX (local taxing entities)	(\$0)	(\$30,900,000)	(\$31,000,000)

	FY 2024	FY 2025	FY 2026
<b>NON-ADMINISTRATIVE IMPACT</b>			
Anticipated Expenditure increase			
SCHOOL FOUNDATION FUND (31 mills)	\$0	\$35,500,000	\$35,600,000

Source of revenue (decrease):

This bill creates a property tax exemption on the first \$100,000 of fair market value (FMV) for residential real property used as a primary residence, effective January 1, 2024 (2024 tax year), reducing property taxes beginning in FY 2025.

Source of expenditure increase:

The School Foundation Program (SFP) will experience both an entitlement expenditure increase and recapture revenue decrease from the 31 mill revenue decrease in K-12 local resource to school districts. The impact from the revenue decrease in the 31 mills is shown above as an expenditure increase from the SFP.

Assumptions:

The above estimate is based on residential property assessed value and property tax data from the Computer Assisted Mass Appraisal (CAMA) system for the 2022 tax year, provided by the Wyoming Department of Revenue (DOR). This tax year 2022 data is adjusted by the projected non-mineral property growth rates reflected in Table 9 of the October 2022 Consensus Revenue Estimating Group (CREG) forecast.

There are 244,260 improved residential accounts in the CAMA system for tax year 2022 with an assessed value of approximately \$7.85 billion. The proposed \$100,000 FMV exemption, if applied to all residential properties, would exempt roughly \$1.9 billion in assessed value. The DOR has no way of knowing which residential properties would qualify as a primary residence as this information is not currently tracked in the CAMA system. However, based on Wyoming and County Profiles 2021 data released by the Wyoming Economic Analysis Division, it is assumed that 59.44% of all residences would be owner occupied. Based on this owner-occupied percentage and an average mill levy of 70 mills (from CAMA system data), this bill would exempt roughly \$80.1 million in property tax in tax year 2024 (FY 2025) and roughly \$80.4 million in property tax in tax year 2025 (FY 2026). These revenue decreases are broken down in the table above by the revenue decreases in the 12 mills to the SFP, the 31 mills to K-12 local resource and the estimated 27 mills to local taxing entities. The \$31.0 million appropriation will be used to reimburse the \$30.9 million revenue decrease of local taxing entities in FY 2025.

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