

HOUSE BILL NO. HB0100

Acquisition value study.

Sponsored by: Representative(s) Jennings, Allemand, Andrew, Angelos, Davis, Heiner, Knapp, Locke, Niemiec, Pendergraft, Penn, Slagle, Strock and Styvar and Senator(s) Hutchings

A BILL

for

1 AN ACT relating to property tax; requiring a study on the
2 changes necessary to convert the property tax system to a
3 system based on the acquisition value of the property;
4 requiring a report; requiring the joint revenue interim
5 committee to review the report; providing an appropriation;
6 and providing for an effective date.

7

8 *Be It Enacted by the Legislature of the State of Wyoming:*

9

10 **Section 1.**

11

12 (a) The department of revenue shall contract with an
13 outside consultant to conduct a study on the statutory,
14 regulatory and procedural changes necessary to convert

1 Wyoming's residential property tax system to a system based
2 on the acquisition value of the property. The consultant
3 shall consult with interested stakeholders on the study
4 required by this section. When considering each question,
5 the study under this section shall review other states that
6 have implemented a property tax system based on the
7 acquisition value of the property. The study shall include
8 at least three (3) options for implementing a property tax
9 system in Wyoming based on the acquisition value of the
10 property. One (1) of the options in the study shall assume
11 that the acquisition value used for properties shall be the
12 2017 value of the property with two percent (2%) inflation
13 added to the 2017 acquisition value each year. For each of
14 the options considered in the study, the study shall
15 include:

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17 (i) A review of the revenue impacts of changing
18 to acquisition value including how those revenue impacts
19 may vary across the state;

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21 (ii) How to implement a property tax system
22 based on acquisition value into the property tax calendar

1 and a determination of what assessment date would apply to
2 the property;

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4 (iii) What type of residential property would be
5 subject to valuation using acquisition value;

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7 (iv) How the inflationary factor would be
8 implemented and applied including recommendations for the
9 inflationary rate and whether there would be any deflation
10 of values in a period when prices are in decline;

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12 (v) What types of sales would be considered or
13 excluded in determining acquisition value and how to
14 address erroneous sales or other types of sales or
15 transfers that are excluded from determining acquisition
16 value;

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18 (vi) How to determine the acquisition value of
19 residences located on agricultural property;

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21 (vii) How changes to property would be handled,
22 including new construction and renovation;

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1 (viii) How acquisition value would interact with
2 department of revenue and state board of equalization
3 statistical analysis.

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5 (b) The department shall report the results of the
6 study to the joint revenue interim committee not later than
7 September 1, 2023.

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9 (c) The joint revenue interim committee shall review
10 the study required under this section and shall prepare for
11 the 2024 budget session of the legislature any legislation
12 it deems advisable related to the transition of Wyoming's
13 property tax system to a system based on the acquisition
14 value of property.

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16 (d) As used in this section, "acquisition value"
17 means the purchase price paid for the acquisition of
18 property.

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20 **Section 2.** There is appropriated ten thousand dollars
21 (\$10,000.00) from the general fund to the department of
22 revenue for the purpose of hiring a consultant to conduct
23 the study required under section 1 of this act. This

1 appropriation shall be for the period beginning with the
2 effective date of this act and ending June 30, 2024. This
3 appropriation shall not be transferred or expended for any
4 other purpose and any unexpended, unobligated funds
5 remaining from this appropriation shall revert as provided
6 by law on June 30, 2024. It is the intent of the
7 legislature that this appropriation not be included in the
8 department's standard budget for the immediately succeeding
9 fiscal biennium.

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11 **Section 3.** This act is effective immediately upon
12 completion of all acts necessary for a bill to become law
13 as provided by Article 4, Section 8 of the Wyoming
14 Constitution.

15

16

(END)