

FISCAL NOTE

	FY 2025	FY 2026	FY 2027
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue (decrease)			
SCHOOL FOUNDATION FUND (12 mills)	\$0	(\$31,900,000)	(\$32,900,000)
AD VALOREM TAX (Local taxing entities)	\$0	(\$68,500,000)	(\$70,600,000)
SCHOOL FOUNDATION FUND (31 mills)	\$0	(\$82,400,000)	(\$84,900,000)

	FY 2025	FY 2026	FY 2027
NON-ADMINISTRATIVE IMPACT			
Anticipated Expenditure increase			
LEGISLATIVE STAB. RES. ACCT.	\$0	\$182,800,000	\$188,400,000

Source of revenue decrease and expenditure increase:

This bill provides a homeowner's exemption of \$300,000 of the fair market value of residential property used as a primary residence. To qualify for the exemption, the owner shall have been a resident of the state for not less than 5 years and shall have resided in the applicable residence for not less than 9 months of the immediately preceding tax year. The bill is effective January 1, 2025, reducing property taxes beginning in tax year 2025 (paid in FY 2026).

The Public School Foundation Program Fund (SFP) will experience both an entitlement expenditure increase and a recapture revenue decrease from the decrease in K-12 school district local revenues attributable to the 31 mills. The estimated impact attributable to the 31 mills is shown above as a revenue decrease to the SFP.

The Department of Revenue (DOR) would request the State Treasurer to transfer from the Legislative Stabilization Reserve Account the amount required to make up for the revenue decrease. The DOR would distribute the amount to each county.

Assumptions:

The above estimates are based on tax year 2023 residential fair market values and the statewide average 2023 mill levy. The tax year 2023 residential fair market values are adjusted by the forecast growth in the assessed value of non-mineral property found in Table 9 of the January 2024 Consensus Revenue Estimating Group report. Owner-occupancy rates and the proportion of owner-occupied households that have lived in Wyoming for at least the last 5 years are estimated from Census data.

Based on the information above, this bill would decrease residential property taxes by an estimated \$182.8 million in tax year 2025 (FY 2026) and an estimated \$188.4 million in tax year 2026 (FY 2027). Of the estimated total impact, the decreased revenue from the 43 mills supporting the SFP is an estimated \$114.3 million in tax year 2025 (FY 2026) and an estimated \$117.8 million in tax year 2026 (FY 2027).

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