



March 21, 2024

The Honorable Chuck Gray, Secretary of State
Secretary of State's Office
Herschler Building East, 122 W. 25th Street, Suites 100
Cheyenne, Wyoming 82002

Re: Veto of SF0054/Senate Enrolled Act No. 70 Homeowners exemption.

Dear Secretary Gray,

I am writing to inform you of my veto of SF0054/Enrolled Act No. 70, Homeowners exemption. This bill would have only provided a temporary and very expensive tax exemption to all Wyoming homeowners at the expense of other taxpayers in our energy industries, retail and manufacturing sectors. Universal property tax ought to be universal, not simply advantage property owners at the further expense of other taxpayers. As a note, voters will have the opportunity to amend Wyoming's Constitution this fall to create a new classification for residential properties which would allow our Legislature to work more comprehensively on a more durable, balanced, and less *ad hoc* solution for the issue this bill seeks to address.

Heading my call for considered tax relief, the 67th Legislature took up nearly two dozen bills aimed at varying forms and types of property tax relief. As I expressed in my State of the State address at the beginning of the budget session, nearly every Wyoming citizen has experienced the pinch of inflation and rising market values of our homes. Because Wyoming is seen to be a desirable place to live, people from around the country are buying property here. Appreciation of our homes has brought with it higher assessed valuations – valuations which for some of our residents they can no longer afford to pay. Over the past few years, I have asked for the Legislature to consider sensible and durable approaches to fixing this lingering concern. Concomitantly, I have asked the legislature to look for ways to extend targeted relief to those most stressed by the inflationary impact of current property valuations. This bill does not provide a mature answer. It is neither a durable remedy, nor does it contemplate what jeopardies this bill might visit on the financial stability of Wyoming, her counties, and political subdivisions. It puts far more dependence on statewide collections from minerals and sales tax at a time when they need all the help they can get. Commodity and sales tax revenue streams are both inherently volatile.

This bill could be considered an example of the electioneering exuberance of the recent legislative session. Feel good policy that overcomes common sense. A sober assessment of what is Wyoming's best overall interest is called for. One which recognizes future generations should never have to pay for our own self-indulgence.

Our state's economy is reliant on coal, oil and gas production. It was built largely on the backs of these industries, and today, in addition to their demonstrated volatility, they often face regulatory and other biases. Wyoming will continue to advocate for these industries, not only because they generate over one-half of our state revenue, but because they also provide good-paying jobs and careers that are valuable to the longevity of our communities. Nevertheless, the backfill of lost tax revenue envisioned in Enrolled Act No. 70 to local school districts, cities, towns, counties and special districts would likely exceed \$220,000,000 for the biennium. Importantly, the state backfill would be of no relief to the taxpayers who paid them, but instead would go to property owners generally. Such a wealth redistribution scheme would be a socialistic-type of wealth transfer, mostly from the energy sector, to Wyoming homeowners. The Bidenomic-type of "tax relief" in this bill is what I would expect from Washington, D.C. liberals, not conservative Wyoming legislators.

Therefore, after careful consideration, I have decided to veto this bill and am delivering the original SF0054/Enrolled Act No. 70 to you without my signature. There were several other tax bills sent to my desk. I have acted thoughtfully on each. Still, if balanced, durable and appropriate tax relief has not yet been achieved, then the Legislature can revisit this issue in the coming year, perhaps now with the addition of a new "residential" class of property should voters support a constitutional amendment on the ballot this fall. If so, I encourage the Legislature to focus on finding a conscientious approach that provides responsible property tax relief, without jeopardizing our state's and our local governments' financial health or transferring wealth from one group of taxpayers to another.

Sincerely,



Mark Gordon
Governor

MG:dp:kh

cc: The Honorable Ogden Driskill, President of the Senate w/copy of SEA 70
The Honorable Albert Sommers, Speaker of the House w/copy of SEA 70
Chief Clerk, Wyoming Senate w/copy of SEA 70
Chief Clerk, Wyoming House of Representatives w/copy of SEA 70