

FISCAL NOTE

	FY 2026	FY 2027	FY 2028
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue (decrease)			
SCHOOL FOUNDATION FUND	(\$1,900,000)	(\$1,900,000)	(\$0)
AD VALOREM TAX (local taxing entities)	(\$1,100,000)	(\$1,100,000)	(\$0)

Source of revenue (decrease):

This bill creates a property tax exemption for all property owned by the state of Wyoming. This exemption shall apply to the tax year beginning January 1, 2025 and is repealed December 31, 2026. 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.

Source of expenditure (decrease):

This bill will also result in a corresponding expenditure decrease in FY 2026 and FY 2027 from the SFP and other state funds. The Governor's supplemental budget recommendation includes a \$3.0 million appropriation in the Office of State Lands and Investments (OSLI) budget to pay property taxes on lands owned by the state.

Assumptions:

The above estimate was provided by the Department of Revenue (DOR) based on data from OSLI, the Natural Resources Conservation Service (NRCS) and DOR's annual agricultural land valuation study. The estimates are based on the highest value for each land resource area and soil class of range land found in the DOR study. The above estimates are based on land used for agricultural production. State owned property that includes improvements not being used for a governmental purpose cannot be determined at this time.

Based on the information above, this bill would decrease total property taxes by approximately \$3.0 million in tax years 2025 and 2026 (FY 2026 and 2027). Of the estimated total impact, the decreased revenue from the 43 mills supporting the SFP is approximately \$1.9 million in tax years 2025 and 2026 (FY 2026 and FY27). The DOR indicates that the lands owned by the state of Wyoming exempt under this bill were probably not on the property tax rolls in prior years.

The OSLI states there has not been an assessment done by county assessors to estimate the tax burden on lands owned by the state. There also has not been guidance given by the Board of Land Commissioners on how any tax burden could be passed through to the lessees of state lands, or an inventory of existing leases that already carry such a pass-through provision.

Prepared by: Dean Temte, LSO Phone: 777-7881
 (Information provided by Kenneth Guille, Department of Revenue, 777-5235;
 Jason Crowder, Office of State Lands and Investments, 777-3428)