

FISCAL NOTE

	FY 2027	FY 2028	FY 2029
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue (decrease)			
SCHOOL FOUNDATION FUND	\$0	\$0	(\$185,600,000)
Ad Valorem (Local Entity Share)	\$0	\$0	(\$113,000,000)

This legislation is contingent upon House Joint Resolution 0004 (HJR 0004) passing the legislature and being approved by the Wyoming voters in the November 2026 general election. The legislative enactment and November election passage of HJR 0004 would grant the Legislature broader authority in establishing property taxes.

This legislation changes the residential property tax system to a system based on the fair market value upon a transfer and shifts property tax values back to previous calendar years, the earliest of which is 2019. With those values established, the valuation of residential property would then be based on the price paid for the property. This legislation is effective January 1, 2028.

Source of revenue decrease:

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 an estimated 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.

The Ad Valorem (Local Entity Share) consists of the county, municipal, and special district mill levies. In FY 2025, the county levy accounted for 17.2 percent of total property tax collections, the municipal levy accounted for 2.0 percent, and special district levies collectively accounted for 8.5 percent. Total property taxes for education, discussed above, accounted for 72.2% in FY25.

Special districts vary widely in both purpose and structure, resulting in differing levels of reliance on property tax mill levy revenue. For example, hospital districts and airports are funded primarily through service charges, while senior citizen centers and cemetery districts rely more heavily on property tax revenues.

Assumptions:

The analysis used historical residential value increases (CY2014-CY2018) and adjusted the actual increase for 2019 and forward using that historical average to come up with the difference in value. The FY 2029 impact is the amount of revenue decrease due to changing the current residential value to 2019 and bringing the amount forward for each subsequent tax year.

Admittedly, it is impossible to go back in time and recreate the last seven years of property tax growth and actual sales for all residential properties in this state, so this estimate attempted to return property values during the time period in question to a slower pace of growth based on the previous five years. The actual fiscal impact from this legislation could be higher or lower than the estimated values in the table.

It should be noted that in Wyoming less than 10% of residential properties sell on a yearly basis. This analysis does not adjust for the residential property tax gained once a property is sold as this is indeterminable.

The Department of Revenue noted extensive programming will be needed for the statewide CAMA system, but the fiscal impact is indeterminable.

Based on the information above, this bill would decrease total property taxes by approximately \$298.6 million in tax year 2028 (FY 2029). Of the estimated total impact, the decreased revenue from the 43 mills supporting the SFP is approximately \$185.6 million in tax year 2028 (FY 2029).

This bill may require the Legislature to appropriate additional funds from the SFP for increased entitlement payments to ensure sufficient funding is available to offset the reduction in revenue generated by the school district 25 mill levy and countywide 6 mill levy.

NOTICE-AGENCY ESTIMATE OF ADMINISTRATIVE IMPACT REQUESTED

This bill has administrative impact that appears to increase duties or responsibilities of one or more state agencies and may impact agency spending or staffing requirements. As introduced, the bill does not modify any state agency budget or current personnel authorizations.

The following state agencies will be asked to provide their estimate of the administrative fiscal impact prior to the first committee meeting held to consider the bill:

Board of Equalization

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