

FISCAL NOTE

	FY 2025	FY 2026	FY 2027
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue (decrease)			
SCHOOL FOUNDATION FUND (12 mills)	(\$0)	(\$820,000)	(\$1,940,000)
AD VALOREM TAX (local taxing entities)	(\$0)	(\$1,840,000)	(\$4,350,000)

	FY 2025	FY 2026	FY 2027
NON-ADMINISTRATIVE IMPACT			
Anticipated Expenditure increase			
SCHOOL FOUNDATION FUND (31 mills)	\$0	\$2,120,000	\$5,020,000

Source of revenue (decrease) expenditure increase:

This bill limits the maximum annual taxable value increase for residential property to the lesser of the rate of inflation determined by the Consumer Price Index (CPI) or 5%. The limit on an increase in value shall not apply to a taxable value increase from significant changes, additions, reductions or improvements to the property made in the prior year. If the property is transferred to a new owner, the value of the property shall be valued using the fair market value of the property without any limitation for the tax year that is applicable to the transfer of the property. The estimated decreases in property tax revenues from the statewide 12 mill levy to the School Foundation Program (SFP) and to other local taxing entities are provided in the above table.

The SFP will experience both an entitlement expenditure increase and recapture revenue decrease from the decrease in K-12 school district local revenues attributable to the 31 mills. The estimated impact from the revenue decrease attributable to the 31 mills is shown as an expenditure increase from the SFP.

Assumptions:

The above estimates are based on tax year 2023 residential assessed values and 2023 mill levies by tax district, adjusted for new construction, average properties sales and the forecast growth in assessed value of non-mineral property from Table 9 of the Oct. 2023 Consensus Revenue Estimating Group report. CPI inflation projections of 2.31% for tax year 2025 and 2.11% for tax year 2026 are taken from CPI projections published by the International Monetary Fund.

This bill would decrease residential property taxes by a total of approximately \$4.78 million in tax year 2025 (FY 2026) and approximately \$11.31 million in tax year 2026 (FY 2027). Of the estimated total impact, the total decreased revenue from the 43 mills supporting the SFP is approximately \$2.94 million in tax year 2025 (FY 2026) and approximately \$6.96 million in tax year 2026 (FY 2027).

The bill is effective January 1, 2025 (tax year 2025, FY 2026) only if Wyoming electors approve a constitutional amendment during the 2024 general election that makes residential property a separate class for purposes of property taxation.

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