

Property tax-assessment ratio for residential property.

24LSO-0340, 1.1

FISCAL NOTE

	FY 2025	FY 2026	FY 2027
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue (decrease)			
SCHOOL FOUNDATION FUND	(\$0)	(\$16,100,000)	(\$16,600,000)
AD VALOREM TAX	(\$0)	(\$29,300,000)	(\$30,700,000)

	FY 2025	FY 2026	FY 2027
NON-ADMINISTRATIVE IMPACT			
Anticipated Expenditure increase			
SCHOOL FOUNDATION FUND	\$0	\$41,700,000	\$42,900,000

Source of revenue (decrease) expenditure increase:

This bill establishes a separate assessment rate class for residential property and reduces the assessment rate for residential property from 9.5 percent to 8.3 percent, effective January 1, 2025 (2025 tax year), reducing property taxes beginning in FY 2026. 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 revenue decrease table above.

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 county average mill levies from the 2023 Department of Revenue Annual Report. The tax year 2023 assessed valuation data is adjusted by the projected non-mineral property assessed value growth rates reflected in Table 9 of the October 2023 Consensus Revenue Estimating Group forecast.

This bill would decrease residential property taxes by a total of approximately \$87.1 million in tax year 2025 (FY 2026) and approximately \$90.2 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 \$57.8 million in tax year 2025 (FY 2026) and approximately \$59.5 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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