



# Amendment A – 2024 General Election

---

What it is, What it does, Why it makes sense

# What It Is

---

Under Article 15, Section 11 of the WY Constitution, for purposes of property taxes, all property is required to be uniformly valued at its full value in **three classes**:

- the gross production of **minerals and mine products**;
- **industrial** property; and
- **all other** property real and personal.
  - The third class includes residential property, commercial property, agricultural property and personal property.



# What It Is

---

- This amendment to the Constitution would create a **fourth class** of property by making residential property a separate class from the "all other" property class.
- The Constitution also prohibits the Legislature from creating any subclass within the authorized classes of property. This amendment would allow the Legislature to create **a subclass of residential property for owner occupied primary residences.**



# What It Is

---

Amendment A provides a constitutional process that allows for greater flexibility for legislative action at the statutory level.

## Wyoming Constitution:

Legislature shall determine tax rate for each class, but the Constitution requires that it be "uniformly valued at its full value"

- All taxation shall be equal and uniform within each class of property.
- Assessments within classes should represent just valuations.



# What It Is

---

Constitutional Exemption: Article 15, Section 12:

The property of the United States, the state, counties, cities, towns, school districts and municipal corporations, when used primarily for a governmental purpose, and public libraries, lots with the buildings thereon used exclusively for religious worship, church parsonages, church schools and public cemeteries, shall be exempt from taxation, and **such** other property as the legislature may by general law provide.



# What It Is

---

- Recent Property Tax Relief through Statute:
  - Cap Annual Property Tax Increases @ 4%
  - Double Exemption for Veterans
  - Exempts 50% of tax for people over 65 who have owned a primary residence in WY for 25 years
  - Statutory expansion of the refund program to the middle class

All recent statutory tax relief is subject to **constitutional challenge** as they create inconsistent valuations that do not reflect FMV and create exemptions beyond those allowed in the Constitution.



# What It Does

---

- § 39-13-103 (iii):
- Beginning January 1, 1989, "taxable value" means a percent of the fair market value of property in a particular class as follows:
- (A) Gross product of minerals and mine products, one hundred percent (100%);
- (B) Property used for industrial purposes, eleven and one-half percent (11.5%);
- (C) All other property, real and personal, nine and one-half percent (9.5%).



# What It Does

---

Guardrails provided by the Constitution: paragraph (b) of Article 15, Section 11:

(b) The legislature shall prescribe the percentage of value which shall be assessed within each designated class. All taxable property shall be valued at its full value as defined by the legislature except agricultural and grazing lands which shall be valued according to the capability of the land to produce agricultural products under normal conditions. The percentage of value prescribed for industrial property shall not be more than forty percent (40%) higher nor more than four (4) percentage points more than the percentage prescribed for property other than minerals.





# What It Does

---

Industrial Property valuation percentage = 11.5%

Percent: No more than 40% higher:  $11.5 < X + (X \times 40\%)$ ;  $X = 8.3\%$

Points: Industrial shall be no more than four percentage points more  
 $11.5\% - 4\% = 7.5\%$

(Whichever is the higher number is the assessment rate)

So, no valuation percentage other than minerals cannot be less than 8.3% if Industrial is assessed at 11.5%.



# Why It Makes Sense

Wyoming Has the Lowest Commercial Tax Rates in the Country @ 0.7% of Value. US average = 1.75%, or 2.5X Wyoming's.

Figure 1: States Ranked by Median Effective Commercial Property Tax Rate (Percent of Property Market Value). Highlighted states have little or no tangible personal property taxation.

Above 2.5%		2.0% - 2.5%		1.5% - 2.0%		Less than 1.5%	
State	Median Property tax rate	State	Median Property tax rate	State	Median Property tax rate	State	Median Property tax rate
Kansas	3.1%	Rhode island	2.5%	South Dakota	1.9%	Montana	1.4%
New York	3.0%	Ohio	2.5%	Wisconsin	1.9%	West Virginia	1.4%
Illinois	2.9%	Texas	2.5%	Nebraska	1.9%	Tennessee	1.4%
Pennsylvania	2.8%	Connecticut	2.4%	Florida	1.8%	Louisiana	1.4%
Indiana	2.8%	Michigan	2.4%	Massachusetts	1.8%	Maryland	1.3%
New Jersey	2.7%	Vermont	2.4%	Minnesota	1.7%	Georgia	1.3%
		Delaware	2.3%	Arizona	1.6%	California	1.3%
		New Hampshire	2.3%	Arkansas	1.6%	North Dakota	1.3%
		Iowa	2.2%			Idaho	1.2%
		Colorado	2.1%			Oklahoma	1.1%
		Mississippi	2.0%			Utah	1.1%
		Missouri	2.0%			Hawaii	1.1%
		Maine	2.0%			Kentucky	1.1%
		South Carolina	2.0%			Washington	1.1%
						New Mexico	1.1%
						Oregon	1.0%
						Arkansas	1.0%
						Nevada	1.0%
						North Carolina	1.0%
						Virginia	0.9%
						District of Columbia	0.9%
						Alabama	0.8%
						Wyoming	0.7%

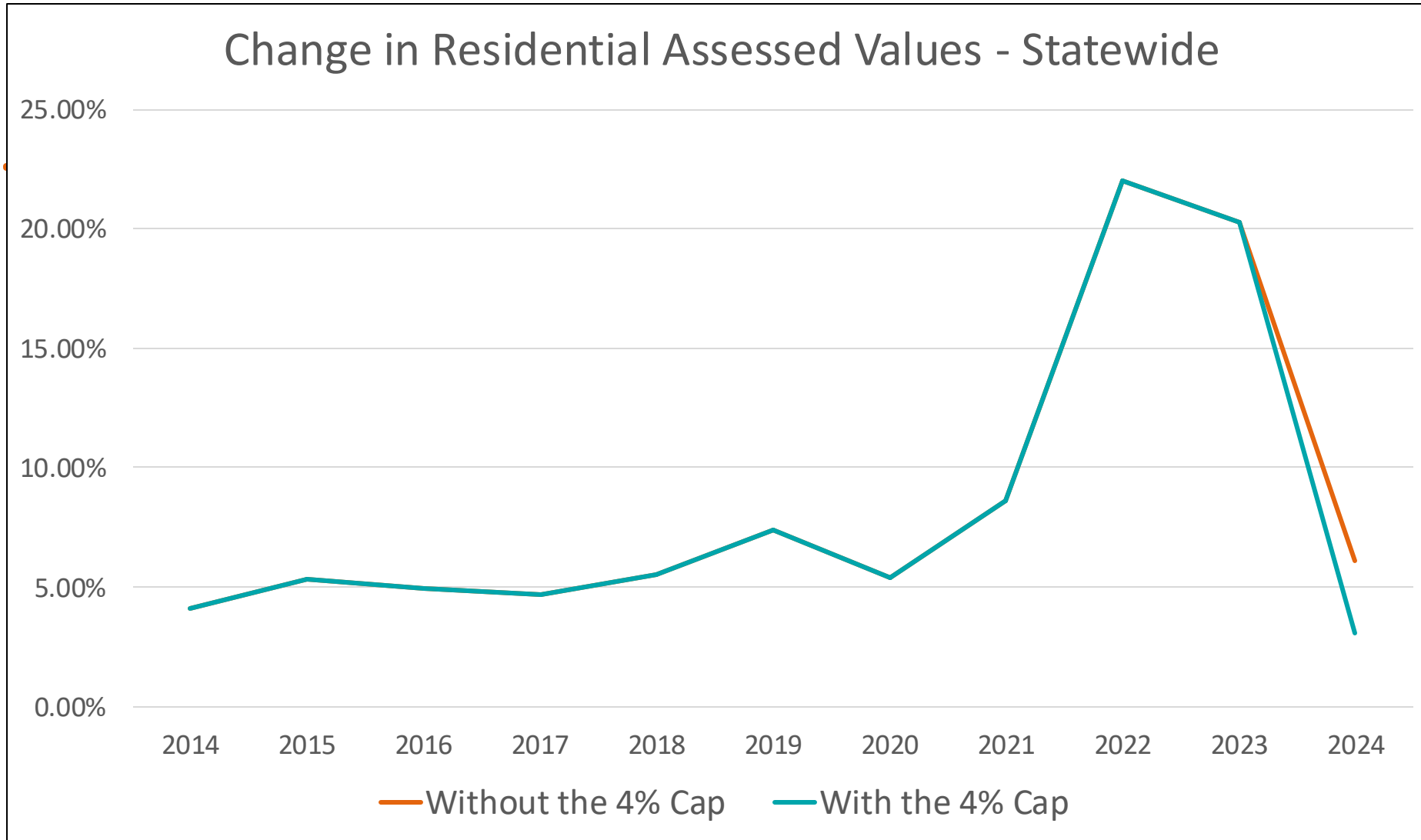
 States with little or no tangible personal property taxation.

Notes:

1. Tax rate includes RE taxes paid at all levels of government (or just to the state, excluding taxes paid to local jurisdictions)
2. Multifamily residential rental properties of 10+ units are included in this study
3. Tax rate calculation excludes tangible personal property tax

Source: CoreLogic, Inc.

# Why It Makes Sense



# Why It Makes Sense

---

2024:

Statewide Residential Land, Improvements & Personal Property:  
10,146,507,232 Teton County: 35%

Commercial Land, Improvements & Personal Property  
2,351,384,518 Teton County: 23%

Commercial = 23.2% of Residential statewide

- % of Residential Homes that are Second Homes?
- Total % of FMV of Residential Represented by Second Homes?



# Why It Makes Sense

---

## Possible Adjustments for a Revenue Neutral Outcome:

### Commercial Valuation Percentage Change:

2 point increase to 11.5% from 9.5% (+21%)

From 0.7% of value to 0.847% of value (51st to 50<sup>th</sup> lowest in the country)

### Residential Primary Owner-Occupied Change:

1 point decrease from 9.5% to 8.5% (10.5% decrease)

### Residential Second Home Change:

1 point increase from 9.5% to 10.5% (10.5% increase)



# Why It Makes Sense

---

Additional Provisions the Legislature Should Consider in Designing Changes to the Assessed Valuation of These New Classes:

- Definition of Primary Owner-Occupied
- Renters Allowance
- Make Changes Gradually



# Why It Makes Sense

## Where do Property Taxes Go?

Schools & Education: 72.6%

County Government: 17.2%

Special Districts: 8.1%

Municipalities: 2.1%

- The single largest revenue in most WY counties is property tax.
- Teton County sends over \$80M in property tax to the state to fund schools in other counties.

