

HOUSE BILL NO. HB0203

Property tax reduction and replacement act.

Sponsored by: Representative(s) Harshman, Allemand, Berger, Brown, Burkhart, Clouston, Crago, Davis, Larsen, L, Lawley, Nicholas, O'Hearn, Oakley, Slagle, Western, Yin and Zwonitzer, Dn and Senator(s) Barlow and Landen

A BILL

for

1 AN ACT relating to taxation and revenue; establishing a
 2 property tax exemption for single family residential
 3 properties; providing a sales and use tax to provide
 4 funding to local governments due to the decrease in revenue
 5 from the property tax exemption; providing for the
 6 distribution of the sales and use tax; revising provisions
 7 related to local optional sales and use taxes; providing
 8 rulemaking authority; specifying applicability; and
 9 providing for an effective date.

10

11 *Be It Enacted by the Legislature of the State of Wyoming:*

12

13 **Section 1.** W.S. 39-11-105(a) by creating a new
 14 paragraph (xliii), 39-15-104 by creating a new subsection

1 (j), 39-15-111(b)(intro) and by creating a new subsection
2 (r), 39-15-203(a)(i)(F)(intro), (II) and (IV), 39-16-104 by
3 creating a new subsection (g), 39-16-111(b)(intro) and
4 39-16-203(a)(i)(F)(intro), (I) and (IV) are amended to
5 read:

6

7 **39-11-105. Exemptions.**

8

9 (a) The following property is exempt from property
10 taxation:

11

12 (xliii) A portion of the fair market value of
13 single family residential properties. The following shall
14 apply to the exemption under this paragraph:

15

16 (A) The amount of the exemption under this
17 paragraph shall be the first two hundred thousand dollars
18 (\$200,000.00) of fair market value of the single family
19 residential property in tax year 2024 and the first one
20 million dollars (\$1,000,000.00) of fair market value of the
21 single family residential property for each tax year
22 thereafter;

23

1 (B) The department shall adopt rules
2 necessary to administer the exemption under this paragraph;

3
4 (C) As used in this paragraph, "single
5 family residential property" means a structure intended for
6 human habitation including a house, modular home, mobile
7 home, townhouse or condominium that is a privately owned
8 single family dwelling unit and the associated improved
9 land.

10
11 **39-15-104. Taxation rate.**

12
13 (j) In addition to the sales tax under subsections
14 (a) and (b) of this section, and subject to the provisions
15 of W.S. 39-15-111(r)(ii), beginning July 1, 2024 there is
16 imposed an additional sales tax of two percent (2%) which
17 shall be administered as if the sales tax rate under
18 subsections (a) and (b) of this section was increased from
19 four percent (4%) to six percent (6%). The revenue from the
20 tax under this subsection shall be distributed as provided
21 in W.S. 39-15-111(r).

22
23 **39-15-111. Distribution.**

1

2 (b) Revenues earned under W.S. 39-15-104 during each
3 fiscal year shall be recognized as revenue during that
4 fiscal year for accounting purposes. Except as otherwise
5 provided in ~~subsection~~subsections (p) and (r) of this
6 section, for all revenue collected by the department under
7 W.S. 39-15-104 the department shall:

8

9 (r) An amount equal to the tax revenue collected that
10 is attributable to the tax under W.S. 39-15-104(j) and
11 39-16-104(g) shall be transferred to the property tax
12 reduction and replacement account, which is hereby created.
13 All funds within the account shall be invested by the state
14 treasurer and all investment earnings from the account
15 shall be credited to the account. An amount in the account
16 equal to the tax revenue collected that is attributable to
17 the tax under W.S. 39-15-104(j) and 39-16-104(g) from
18 January 1 of each year through December 31 of each year
19 shall be distributed as follows:

20

21 (i) An amount to each county to be distributed
22 by county treasurers in the same manner property taxes are
23 distributed. On or before September 1, county treasurers

1 shall certify the exemptions granted under W.S.
2 39-11-105(a)(xliii) to the department. If the amount
3 available to distribute under this subsection is
4 insufficient to fully reimburse each county and
5 governmental entity in the county as provided in this
6 paragraph, the amount provided to each county shall be
7 proportionally reduced based on the amount of revenue
8 available. The amount calculated for each county shall be
9 determined and distributed not later than February 15 of
10 each year based on the amount of revenue that the county
11 and each governmental entity within the county lost in the
12 immediately preceding year as a result of the property tax
13 exemption under W.S. 39-11-105(a)(xliii). Beginning
14 January 1, 2026, the amount calculated for a county under
15 this paragraph shall not include any amount for mills that
16 are assessed for the repayment of bonds;

17
18 (ii) Any remaining amount after the
19 distributions under paragraph (i) of this subsection shall
20 be distributed by the department of revenue for a sales tax
21 refund to any person who pays severance taxes and who also
22 pays sales or use taxes under W.S. 39-15-104(j) and
23 39-16-104(g). The department of revenue shall adopt rules

1 to administer the refund program under this paragraph. The
2 rules shall specify that all applications for the refund
3 program shall be due no later than April 1 of the
4 applicable year. Any refund determined under this paragraph
5 shall be paid no later than June 1 of the applicable year.
6 The amount of the refund under this paragraph shall not
7 exceed the amount of sales and use taxes paid by the
8 applicant under 39-15-104(j) and 39-16-104(g) for the
9 preceding calendar year or the amount of severance taxes
10 paid by the applicant in the preceding calendar year,
11 whichever is less. If the amount available to distribute
12 under this subsection is insufficient to fully refund each
13 applicant as provided in this paragraph, the amount
14 provided to each applicant shall be proportionally reduced
15 based on the amount of revenue available;

16

17 (iii) Any amount remaining after the
18 distributions in paragraphs (i) and (ii) of this subsection
19 shall be deposited in the account. The legislature shall
20 annually review the amounts remaining in the account and
21 shall consider using any remaining funds in the account for
22 direct distributions to local governments.

23

1 **39-15-203. Imposition.**

2

3 (a) Taxable event. The following shall apply:

4

5 (i) The following provisions apply to imposition
6 of the general purpose excise tax under W.S.
7 39-15-204(a)(i):

8

9 (F) In lieu of the requirements of
10 subparagraph (C) of this paragraph providing for the
11 submission of the proposition at subsequent elections, the
12 tax authorized under W.S. 39-15-204(a)(i) may be continued
13 by an election or by a resolution as provided in this
14 subparagraph. For the tax to be continued by an election,
15 the county commissioners, with the concurrence of the
16 governing bodies of fifty percent (50%) of the
17 municipalities, shall submit a proposition to the voters
18 establishing the term of the tax as permanent. If the
19 county and fifty percent (50%) of the municipalities do not
20 concur, any municipality or the county may individually
21 determine to submit a proposition to the voters of the
22 municipality to establish the term of the tax, within the
23 boundaries of the municipality or the boundaries of the

1 county outside of the municipalities, as permanent. The
2 proposition under this subparagraph shall be submitted in
3 the same manner as a proposition to impose the tax under
4 subparagraph (C) of this paragraph provided that the
5 proposition shall be submitted as a separate question at
6 the same election with a proposition to impose or continue
7 the tax under subparagraph (C) of this paragraph. The tax
8 may be continued by resolution, subject to the following
9 terms and conditions:

10

11 (II) The tax shall be continued if
12 favorably supported by a resolution adopted by the
13 governing body of the county and by ordinances adopted by
14 the governing bodies of at least a majority of the
15 incorporated municipalities within the county. If the
16 county and fifty percent (50%) of the municipalities do not
17 agree under this subdivision, any municipality or the
18 county may individually adopt a resolution to establish the
19 term of the tax, within the boundaries of the municipality
20 or the boundaries of the county outside of the
21 municipalities, as permanent;

22

1 (IV) Excise taxes shall be continued
2 under this subparagraph ~~only~~—if the county clerk has
3 certified to the county treasurer that ~~a sufficient number~~
4 ~~of~~ ordinances or resolutions to continue the tax under this
5 subparagraph have been adopted in compliance with
6 subdivision (II) of this subparagraph at least ninety (90)
7 days prior to the election to determine the continuation of
8 the tax. Within five (5) days of receipt of such
9 certification from the county clerk, the county treasurer
10 shall notify the department of revenue of this tax. If the
11 tax is not continued pursuant to this subparagraph it shall
12 be subject to the provisions of subparagraph (C) of this
13 paragraph for continuation;

14

15 **39-16-104. Taxation rate.**

16

17 (g) In addition to the use tax under subsections (a)
18 and (b) of this section, and subject to the provisions of
19 W.S. 39-15-111(r)(ii), beginning July 1, 2024 there is
20 imposed an additional use tax of two percent (2%) which
21 shall be administered as if the use tax rate under
22 subsections (a) and (b) of this section was increased from
23 four percent (4%) to six percent (6%). The revenue from the

1 tax under this subsection shall be administered as provided
2 in W.S. 39-15-111(r).

3

4 **39-16-111. Distribution.**

5

6 (b) Revenues earned under this article during each
7 fiscal year shall be recognized as revenue during that
8 fiscal year for accounting purposes. Except as provided in
9 W.S. 39-15-111(r) for revenue attributable to the tax under
10 W.S. 39-16-104(g), revenue collected by the department from
11 the taxes imposed by this article shall be transferred to
12 the state treasurer who shall, as specified by the
13 department:

14

15 **39-16-203. Imposition.**

16

17 (a) Taxable event. The following shall apply:

18

19 (i) The following provisions apply to imposition
20 of the general purpose excise tax under W.S.
21 39-16-204(a)(i):

22

1 (F) In lieu of the requirements of
2 subparagraph (C) of this paragraph providing for the
3 submission of the proposition at subsequent elections, the
4 tax authorized under W.S. 39-16-204(a)(i) may be continued
5 by an election or by a resolution as provided in this
6 subparagraph. For the tax to be continued by an election,
7 the county commissioners, with the concurrence of the
8 governing bodies of fifty percent (50%) of the
9 municipalities, shall submit a proposition to the voters
10 establishing the term of the tax as permanent. If the
11 county and fifty percent (50%) of the municipalities do not
12 concur, any municipality or the county may individually
13 determine to submit a proposition to the voters of the
14 municipality to establish the term of the tax, within the
15 boundaries of the municipality or the boundaries of the
16 county outside of the municipalities, as permanent. The
17 proposition under this subparagraph shall be submitted in
18 the same manner as a proposition to impose the tax under
19 subparagraph (C) of this paragraph provided that the
20 proposition shall be submitted as a separate question at
21 the same election with a proposition to impose or continue
22 the tax under subparagraph (C) of this paragraph. The tax

1 may be continued by resolution, subject to the following
2 terms and conditions:

3
4 (II) The tax shall be continued if
5 favorably supported by a resolution adopted by the
6 governing body of the county and by ordinances adopted by
7 the governing bodies of at least a majority of the
8 incorporated municipalities within the county. If the
9 county and fifty percent (50%) of the municipalities do not
10 agree under this subdivision, any municipality or the
11 county may individually adopt a resolution to establish the
12 term of the tax, within the boundaries of the municipality
13 or the boundaries of the county outside of the
14 municipalities, as permanent;

15
16 (IV) Excise taxes shall be continued
17 under this subparagraph ~~only~~—if the county clerk has
18 certified to the county treasurer that ~~a sufficient number~~
19 ~~of~~ ordinances or resolutions to continue the tax under this
20 subparagraph have been adopted in compliance with
21 subdivision (II) of this subparagraph at least ninety (90)
22 days prior to the election to determine the continuation of
23 the tax. Within five (5) days of receipt of such

1 certification from the county clerk, the county treasurer
2 shall notify the department of revenue of this tax. If the
3 tax is not continued pursuant to this subparagraph it shall
4 be subject to the provisions of subparagraph (C) of this
5 paragraph for continuation;

6

7 **Section 2.** The department of revenue shall adopt
8 rules necessary to implement this act not later than
9 January 1, 2025.

10

11 **Section 3.** The property tax exemption provided by
12 this act shall first apply to the tax year beginning
13 January 1, 2024.

14

15 **Section 4.** This act is effective immediately upon
16 completion of all acts necessary for a bill to become law
17 as provided by Article 4, Section 8 of the Wyoming
18 Constitution.

19

20

(END)