

WEEK FOUR LEGISLATIVE SUMMARY – FEBRUARY 8, 2025

February 7th was the last day for bills to get out of committee of origin, so it was a very busy day. It was also the third and final reading of the budget bill. The Senate defeated an amendment that would have limited interactions on many levels for UW and the Community Colleges with foreign adversaries. Wyoming Public TV was also successful in defending the earnings of their endowment from being redirected to the general fund.

Next week, the Appropriations Committee on each side will go over what happened to the budget on the other side of the building and begin to make a game plan to negotiate.



The 2024 Shaping Wyoming's Future Student Awardees are now highlighted on the WACCT website. Check it out here! The Students were introduced at the WACCT Legislative Breakfast on February 7th in Cheyenne along with our partners at the Wyoming Business Alliance and Governor Gordon was there to meet them all. It was a special event with great attendance!

Thank you to everyone who attended and supported the students!!!

PROPERTY TAX RELIEF

Here is a summary of the property bills that are moving at this point. It is important to remember that "the dust hasn't settled yet," and we do not yet know the impacts of the bills that passed last year (the 4% cap and the Longterm Homeowner Exemption – both with no backfill). One very important bill this session is HB 279 - Property Tax Exemptions – order of application – which provides that you cannot apply for or receive more than one option for relief.

- <u>SF 69 Homeowner Property tax exemption</u> This bill exempts the first \$1M of a residential property up to 50%.
 It passed without a backfill to local entities. WACCT testified on this bill, asking the Committee to consider the still unknown impact of the property tax bills from last year that passed and consider stabilization funding for the colleges.
 - Ayes: Senator(s) Anderson, Barlow, Biteman, Boner, Cooper, Crago, Crum, Dockstader, Driskill, French, Gierau, Hutchings, Ide, Landen, Laursen, McKeown, Nethercott, Olsen, Pearson, Salazar, Scott, Smith, Steinmetz
 - o Nays: Senator(s) Brennan, Case, Hicks, Jones, Kolb, Pappas, Rothfuss, Schuler
 - o It passed out of House Appropriations Committee and is rumored to have "a plan" behind it to get to the Governor's desk unamended (aka, without backfill for local entities). It is on general file in the House.

- HB 39 Property tax refund program provisions. Clarifies the percentage of household income from 165% to 145% so more people will qualify for the Property Tax refund Program. This bill is important because it targets the people in Wyoming who need the relief most. It is a means-tested program.
 - Passed the House.
- <u>HB 130 Homeowner Property tax exemption</u> This bill exempts 50% of the first \$200,000 and provides some backfill. Has a 2-year sunset.
 - On general file in the House.
- HB 169 Homeowner tax exemption-2025 and 2026. This bill provides a 50% exemption on the first \$1M of fair market value for residential structures, which only applies to tax years 2025 and 2026. The bill provides a backfill for half of lost revenues to local governments, subject to available funds. A \$125M appropriation from the General Fund and up to \$100M from the Legislative Stabilization Reserve Account to fund the backfill. WACCT testified and asked the Committee to pause to consider how the property tax relief that has already passed will impact local entities, but this might be a bill where the college may still have an opportunity to communicate the message of "stabilization funding" for the local entities.
 - Here is the vote on the final reading in the House:
 - Aye: Bratten, Brown, G, Brown, L, Campbell, K, Clouston, Filer, Geringer, Guggenmos, Haroldson, Heiner, Hoeft, Johnson, Kelly, Knapp, Lien, Locke, Lucas, McCann, Neiman, Ottman, Pendergraft, Rodriguez-Williams, Schmid, Singh, Smith, Strock, Styvar, Tarver, Washut, Wasserburger, Webb, Webber, Wharff, Winter
 - o Nays: Representative(s) Byron, Campbell, E, Chestek, Connolly, Davis, Erickson, Harshman, Jarvis, Larsen, Larson, Lawley, Nicholas, Posey, Provenza, Sherwood, Storer, Thayer, Williams, Wylie, Yin
 - o Excused: Representative(s) Eklund, Riggins
 - o Ayes 40 Nays 20 Excused 2
- HB 282 Property tax acquisition value
 - o This bill reduces the assessment rate of residential real property from the current 9.5 percent to a proposed 8.3 percent.
 - o This bill also establishes the fair market value of residential properties in accordance with the following:
 - For property acquired on or before December 31, 2019, the base year value for the property is the fair market value on January 1, 2019.
 - For property last acquired on or after January 1, 2020 and before December 31, 2025, the base year value for the property is the fair market value of the property on January 1 of the year the property was last acquired.
 - For property acquired on or after January 1, 2026, the acquisition value shall be used as the base year value for the property, except as provided in the proposed W.S. 39-13-103(b)(xviii)(IV).
 - Base year values shall be adjusted annually by an inflation factor of the lesser of 2 percent or the annual rate of the Consumer Price Index.
 - o This bill is like California's Prop 13 and has several concerns, according to tax theory:
 - Equity Issues: Proposition 13 creates disparities between long-term property owners and new buyers. Long-term owners benefit from significantly lower property taxes, while new buyers face much higher taxes, despite potentially similar property values.
 - Revenue Shortfalls: By capping property tax increases, Proposition 13 limits the revenue that local governments can collect. This can lead to underfunded public services such as schools, public safety, and infrastructure, as they rely heavily on property taxes for funding.
 - **Distorted Housing Market:** The proposition can discourage property turnover, as long-term owners might be reluctant to sell their properties and lose their low tax rates. This can reduce the availability of housing, contributing to higher home prices and less affordable housing options.
 - Passed the House. Here is the vote:
 - Ayes: Representative(s) Allemand, Andrew, Angelos, Banks, Bear, Brady, Bratten, Brown, G, Brown, L, Campbell, K, Clouston, Filer, Geringer, Guggenmos, Haroldson, Heiner, Hoeft, Johnson, Kelly, Knapp, Lien, Locke, Lucas, McCann, Neiman, Ottman, Pendergraft, Rodriguez-Williams,

- Schmid, Singh, Smith, Strock, Styvar, Tarver, Washut, Wasserburger, Webb, Webber, Wharff, Winter
- Nays: Representative(s) Byron, Campbell, E, Chestek, Connolly, Davis, Erickson, Harshman, Jarvis, Larsen, Larson, Lawley, Nicholas, Posey, Provenza, Sherwood, Storer, Thayer, Williams, Wylie, Yin
- Excused: Representative(s) Eklund, Riggins

WHAT HAPPENED THIS WEEK

<u>SF 103 – Terminating and defunding diversity, equity and inclusion</u> – this bill prohibits, and limits funding used to promote DEI as mandated by the institutions of higher education. The bill also impacts contracts entered with state dollars. WACCT testified on the bill and worked with others to amend the bill. It may still need to be further amended to exempt human services and is headed for 3rd reading on Monday.

Other bills that impacted the colleges (for a full list, please see WACCT's 2025 General Session Bill Tracker on the website):

- Obscenity amendments HB 194 died in Committee.
- Public property and building amendments HB 86 passed the House WACCT supports
- Governmental property taxation and sale SF 185 failed on COW in the Senate
- For-profit trade schools property tax exemption SF 150 Died on COW in the Senate
- Government membership and cooperation with associations HB 332 did not get heard in Committee.

Please visit the WACCT Advocacy tab of the website for the weekly WACCT Bill Tracking, Legislative priorities, and talking points. www.wacct.org/advocacy.

WEEKLY ZOOM Remember, WACCT hosts weekly conference/Zoom calls to update you on **Fridays at 10am**.