

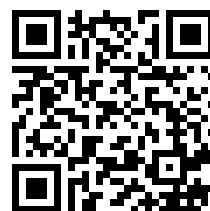
BUDGET/TAXES

Wyoming Initiative 1

Homeowner's Primary Residence Property Tax Exemption

By Marta Mossburg
Director of Donor Relations
& Wyoming Policy Analyst

OCTOBER 2026





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INTRODUCTION

This November, Wyoming voters will decide whether to adopt a statute by initiative to exempt half of a property's assessed value from taxes for those who reside at the property for at least six months per year. The homeowner would also have to have lived in Wyoming for a year to be eligible for the exemption. Land is excluded from the exemption.

Adoption of the statute means that second-home owners, those with rental property and those who spend less than six months in Wyoming each year will be treated differently than homeowners who spend the majority of their time in the state. The certified ballot language from Secretary of State Chuck Gray estimates government revenue reductions for the state of \$92.6 million in fiscal year 2028 and \$95.9 million in fiscal year 2029 if it passes. In June, the Wyoming Department of Revenue told a state legislative committee that its independent analysis showed revenue for state and local government entities could be reduced as much as \$124.7 million in fiscal year 2028 if it passed.¹

The initiative is the first one on the ballot in three decades and the only one to ever address tax policy.²

HOW THE EXEMPTION WOULD WORK

50% of the dwelling's assessed value
1 year as a Wyoming resident
6 months occupying the primary residence
Land is excluded from the exemption.

¹ "Coalition calls for more clarity on property tax ballot initiative," Basin Republican Rustler, July 9, 2026, available at <https://www.basinrepublican-rustler.com/content/coalition-calls-more-clarity-property-tax-ballot-initiative>

² Ballotpedia. (2026). Wyoming Initiative 1, Homeowner's Primary Residence. Available at: [https://ballotpedia.org/Wyoming_Homeowner%27s_Primary_Residence_Property_Tax_Exemption_Initiative_\(2026\)#google_vignette](https://ballotpedia.org/Wyoming_Homeowner%27s_Primary_Residence_Property_Tax_Exemption_Initiative_(2026)#google_vignette)

The proposed exemption applies to the residential structure. Land is excluded.

Official ballot summary

“PROPOSED INITIATIVE PROPOSITION NUMBER ONE

Shall a law be enacted:

Establishing a property tax exemption for qualified homeowners’ primary residence in the amount of fifty percent (50%) of the assessed value of the dwelling; AND Defining ‘homeowner’ and ‘primary residence’; providing that no more than one exemption shall apply to a single property or be claimed by a single owner per year; requiring a homeowner to be a resident of Wyoming for at least one year and to have occupied the primary residence for at least six months of the previous tax year to qualify; requiring an initial sworn claim to be filed with the county assessor by the fourth Monday in May; providing for continuing the exemption in subsequent years through annually confirming eligibility; providing a penalty for false claims; clarifying that the exemption applies to the residential structure; and specifying applicability?

Estimated Fiscal Impact:

Anticipated Revenue / (decrease)

Fiscal Year 2028 (\$92,614,266)

Fiscal Year 2029 (\$95,855,766)

The above estimate is based on residential property assessed value and property tax data from the Computer Assisted Mass Appraisal (CAMA) system provided by the Wyoming Department of Revenue in 2023. The future fiscal impact estimates are derived by using the January 2023 Consensus Revenue Estimating Group (CREG) report, estimating annual growth of 3.5% for properties in future years. This is an estimate of fiscal impact to the State of Wyoming only and does not include an estimate of any impact upon political subdivisions. The proposition references a beginning date of 2025, but if passed in 2026 the earliest applicable tax year would be 2027, with impact to the state beginning in 2028. Fiscal impact will apply to each year so long as the exemption is in place. Future impacts depend on unpredictable economic conditions.”

The initiative is the first one on the ballot in three decades and the only one to ever address tax policy.

Arguments of the initiative’s supporters

“100,000 retired people on fixed incomes won’t lose their home because they can’t afford property tax. All the working people looking at buying a home will be able to afford their government rent (property tax). Families struggling to make ends meet. Home owners who try to budget and then get hit by risin [sic] by these last 2 unexpected increases in their property taxes.”³

Brent Bien, a 2026 Republican gubernatorial candidate who spearheaded Initiative 1, said, “Wyoming has \$34 billion in savings making it the wealthiest state per capita in the nation. Last year alone, we realized \$1.86 billion in interest from our state savings, which could pay for all residential property taxes three times over. My point is that the funding models must change to ease the taxpayer burden while still covering essential governmental services.”⁴

Arguments of the initiative’s opponents

State Rep. Liz Storer (D-23) said the initiative would defund public schools, which rely on property taxes for most of their funding. Storer said, “This initiative will help rich people the most at the expense of Wyoming’s kids and its communities. There’s a better way to provide meaningful tax relief to those who really need it.”⁵

Hank Haveland, executive director of the Wyoming Taxpayers Association, who is part of the Vote NO ON PROP 1 coalition, said “property taxes pay for services. They’re an important way that citizens come together, pool their resources to fund services that they couldn’t provide on their own.”⁶

FY2028 REVENUE ESTIMATES

\$92.6M

Ballot estimate
State revenue only

UP TO \$124.7M

Department of Revenue
State and local revenue

These estimates cover different government entities.
Source: study Introduction, note 1.

³ BCR Initiatives. (2026). Frequently Asked Questions. Available at: <https://www.wyomingballotinitiatives.com/general-1>

⁴ Brent Bien for Governor. (2026) Newsletter. Available at: <https://mailchi.mp/18056dce1f95/the-bien-brief-vol-i>

⁵ “50 % property tax exemption will go before Wyoming voters in 2026,” Gillette News Record, January 6, 2025, available at https://www.gillettenewsrecord.com/news/wyoming/article_957d3998-cc49-11ef-a317-77531d553560.html

⁶ “With property tax relief initiative going on the general election ballot, opposition forms,” Gillette News Record, August 5, 2026, available at https://www.gillettenewsrecord.com/news/wyoming/article_059f6757-f373-4ad0-97ef-03d1dfce9650.html

A split roll treats different classes of property differently for tax purposes.

Wyoming's current property tax landscape

Following approval of SJR 3, a constitutional amendment, in 2024, which changed how property tax is applied to owner-occupied residences, property in Wyoming is divided into four classes: minerals and mine products, industrial property, residential real property, and all other real and personal property.

Here is how government officials describe Wyoming's current property tax base:

"Wyoming Statutes require all property to be valued at fair market value except for agricultural land which is valued by its productive capability. The fair market or productive value is given on the Assessment Schedule, also called a Notice of Assessment.

To determine the final tax amount, there are a few terms which must be understood:

Market Value: The fair market value (what the property could reasonably be expected to sell for) of the property.

Assessment Rate: The percentage of appraised value which determines the Assessed Value. The Assessment Rate is 9.5% for agricultural, commercial, and residential property, 11.5% for industrial, and 100% for minerals.

Assessed Value: The market value multiplied by the assessment rate.

Mill: Literally one thousandth, mill means \$1 of taxes for every \$1,000 of Assessed Value and is the Tax Rate or Mill Levy."⁷

Taxing different types of property at different rates as in Wyoming is called a "split roll." As the Tax Foundation writes, split rolls create issues by playing favorites with different classes of taxpayers. "A split or differentiated property tax system introduces non-neutrality to the tax code because it encourages investment in one class of properties over another. Under a split roll system, classes of property can be pitted against each other, changing the incentives to own or invest in different kinds of property, and allowing local policymakers to ratchet up tax burdens without being seen as raising taxes on homeowners."⁸

HOW PROPERTY TAX IS CALCULATED

Market value × assessment rate = assessed value

Assessed value × mill levy ÷ 1,000 = property tax

⁷ Teton County, Wyoming Government Website. (2026). Property Tax. Available at: <https://www.tetoncountywy.gov/188/Determining-Property-Tax>

⁸ "Split Roll Initiative in California Threatens Property Tax Limitations on Commercial Real Estate," Tax Foundation, September 24, 2020, available at <https://taxfoundation.org/research/all/state/california-proposition-15-split-roll-property-tax-ballot-initiative/>

With reduced property tax revenue, local governments would have to cut spending or find a replacement source of revenue.

What would replace property tax revenue?

With reduced property tax revenue, local governments would have to either cut spending or find a replacement source of revenue to pay for schools, roads and other essential services. Many have talked about raising the sales tax as an alternative. Wyoming does not have an income tax, so raising it is not an option.

Currently, Wyoming's state sales tax is 4 percent. With the addition of local county rates, the average rate ranges between 5 and 6 percent throughout the state, with the highest found in Teton County and the two resort districts within its borders.

Tax Foundation research shows that substituting a higher sales tax for property taxes would require significantly higher state and county rates, would change taxpayer behavior in border areas, would hurt lower income people and erode local control of tax dollars. A sales tax is also more volatile than property taxes.

Increasing the sales tax to replace property tax revenue could require a burdensomely high rate. For example, a recent Tax Foundation study of how eliminating the property tax in Florida would impact the state found that the Sunshine State would have to hike the sales tax to 15.34 percent to cover the loss, up from no more than the current 8 percent depending on the county.⁹

Independent tax expert Jared Walczak estimated that eliminating the property tax in Ohio would require "raising the state sales tax rate from 5.75 percent to 13.36 percent, yielding a combined state and local average sales tax rate of about 14.53 percent." He further argues that "replacement taxes often (but not always) fall more intensely on suburban and rural communities; and two, any redistribution designed around backfilling lost revenue will inevitably subsidize areas with higher real estate costs and higher taxes—in other words, cities."¹⁰

Higher sales tax rates no doubt will change taxpayer behavior, especially those in border regions who can cross state lines to find lower prices. This can not only hurt local restaurants, grocery stores and other retail businesses, but those on fixed income and lower-income individuals who spend a higher percentage of their money on purchases. It could also impact overall tax collected as people strive to save money wherever possible.

Lastly, moving from a property tax to a sales tax would mean shifting control of local tax dollars from local elected officials to Cheyenne.

While the proposed initiative does not eliminate property taxes, the 50 percent cut could require a significant sales tax hike to replace revenue. That is, of course, unless elected officials can find ways to significantly cut spending.

⁹ "The Real November Ballot Question: What Price are Floridians Willing to Pay to Save Their Homes," Tax Foundation, June 3, 2026, available at <https://taxfoundation.org/blog/florida-property-tax-proposal/>

¹⁰ "New Data on Property Tax Elimination," The SALT Road, June 25, 2026, available at: <https://thesaltroad.net/p/new-data-on-property-tax-elimination>

Ultimately, the key to controlling property taxes is to keep spending in check.

Alternative property tax relief options

Rising home values and assessments have justifiably concerned many taxpayers, especially the elderly on a fixed income or those of any age who struggle to make ends meet. Besides, just because one's home value doubles doesn't mean the size of local government should.

An alternative property tax reform could instead focus on enacting levy limits and providing more transparency on the impact spending has on property taxes. This would shift the focus from assessments to the revenue needed to effectively run local government. To aid lower-income people of all ages, policymakers could also pass what are known as circuit breakers. Generally, there are two types. One offers relief when property taxes surpass a certain income percentage and is known as a "threshold" circuit breaker. The other basis discounts on a "sliding scale" of different income levels.¹¹

While calls for scrapping the property tax are understandable, studies show the alternative—moving to a higher sales or income tax—will hurt the economy and job growth, provide inadequate funding, and generate animosity between municipalities. Property tax reform should foster fairness, stability, transparency, and fiscal restraint. One option is levy limits.

When paired with a reform known as Truth in Taxation, residents would be able to meaningfully constrain their property tax bills.¹² These laws require local governments to advertise proposed tax increases with detailed information and adequate time for public input and comment. Ultimately, the key to controlling property taxes is to keep spending in check.

Truth in Taxation exists in Iowa, Kansas, Nebraska, Tennessee, and Utah, which first adopted in 1985.

Here is how the Utah Legislature describes the process:

"The basic concept of the system is that taxing entities may only budget the same amount of property tax each year, unless they have 'new growth' (not just change in value on existing properties) or go through a very public process of notifying the public and holding a public hearing on the proposed revenue increase. To achieve this, as taxable values change, the tax rate automatically adjusts to provide a constant amount of revenue. When values increase, the rate adjusts down to provide the taxing entity the same amount of revenue as if it received in the prior year. When values decrease, the tax rate adjusts up to provide the same amount of revenue."¹³

Combined with what's known as "circuit breakers" – relief for people once property taxes hit a certain percentage of income or for those under a certain income level, property taxes can be constrained.

¹¹ "Property Tax Circuit Breakers," Lincoln Institute of Land Policy, May 2009, available at <https://www.lincolnst.edu/publications/policy-focus-reports/property-tax-circuit-breakers/>

¹² "Bring greater transparency to property taxes with Truth in Taxation," Mountain States Policy Center, September 11, 2023, available at <https://www.mountainstatespolicycenter.org/post/bring-greater-transparency-to-property-taxes-with-truth-in-taxation>

¹³ "A History of Property Tax in Utah," Utah Legislature Briefing Paper, September 2010, available at: <https://le.utah.gov/Irgc/briefings/BriefingPaperPropertyTaxHistorySept2010.pdf>

LOCAL GOVERNMENT
REVENUE

84%

From property taxes
in Wyoming

72%

National comparison

Source: Tax Foundation
(note 14).

Nothing in this publication
shall be construed as an
attempt to aid or hinder the
passage of any legislation.

Conclusion

Property taxes supply 84 percent of local government revenue in Wyoming compared to 72 percent nationally.¹⁴ Reducing them in half as proposed by Initiative 1 could require a massive hike in the sales tax in order to fund core government services including roads, schools, libraries and other infrastructure.

As an alternative, the legislature could instead consider adopting levy limits, Truth in Taxation and circuit breakers to both provide transparency and consistency and help lower-income residents. Property taxes have been shown to be the most reliable funding source for local governments and the one that maintains local control over local resources. Rapidly increasing property tax bills are a real concern. The question is which property tax reforms offer the best path to foster fairness, stability, transparency, and fiscal restraint.

LEVY LIMITS

Constrain the growth of property tax revenue.

TRUTH IN TAXATION

Require public notice and a hearing on proposed revenue increases.

CIRCUIT BREAKERS

Target relief based on income and property tax burden.

¹⁴ "Confronting the New Property Tax Revolt," Tax Foundation, November 5, 2024, available at <https://taxfoundation.org/research/all/state/property-tax-relief-reform-options/>

SUMMARY & KEY FACTS

Wyoming Initiative 1 would exempt half of a qualifying primary residence's assessed dwelling value from property taxes. The study examines eligibility, revenue effects and potential replacement taxes, and argues that levy limits, Truth in Taxation and income-based circuit breakers offer alternative ways to address rising bills while preserving local control.

- The exemption covers 50% of the dwelling's assessed value; land is excluded.
- Eligibility requires one year of Wyoming residency and six months of occupancy.
- The ballot estimates state revenue reductions of \$92.6 million in FY2028 and \$95.9 million in FY2029.
- A separate Department of Revenue estimate puts FY2028 state and local revenue losses as high as \$124.7 million.
- The study recommends considering levy limits, Truth in Taxation and circuit breakers.

ABOUT THE AUTHOR

Marta Mossburg is MSPC's Director of Donor Relations and a Wyoming-based research fellow. Her work focuses on government accountability, transparency, education choice and explaining legal and public policy issues to readers and broadcast audiences. Her career includes investigative reporting and extensive experience in print journalism, television and radio.



Her writing has appeared in The Wall Street Journal, The Washington Post, National Review, The Baltimore Sun, Real Clear Politics and Cowboy State Daily, among other publications. She has also worked in television and radio, including co-hosting a morning radio program in Chattanooga.

Marta holds a master's degree in journalism from Northwestern University and a bachelor's degree in English literature from the University of Virginia. She and her family moved to Wyoming in 2021. She and her husband Dave homeschool their three children, and she enjoys hiking, skiing and exploring the Mountain West.

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