

**BEFORE THE STATE BOARD OF EQUALIZATION
FOR THE STATE OF WYOMING**

IN THE MATTER OF EXAMINATION	)	
OF WYOMING’S 2024-2026	)	Docket Number 2026-10
RESIDENTIAL PROPERTY TAX	)	
VALUATIONS AND ASSESSMENTS	)	

**EXAMINATION RECORD, FINDINGS, AND REPORT IN SUPPORT OF
RESIDENTIAL PROPERTY TAX VALUE CERTIFICATION DECISION**

THIS MATTER initially came before the State Board of Equalization¹ (State Board) following completion of the 2024 and 2025 property tax abstract hearings conducted with each of the state’s 23 county assessors and continued through preparation for the 2026 valuation review and certification cycle, all of which entailed extensive review and analysis of state-wide residential property valuation and assessment data. The State Board, having reviewed three years of county and state-wide property tax valuation and assessment outcomes; having considered its constitutional and statutory obligations to assure adherence to constitutional property taxation system mandates, specifically the Wyoming’s Constitution’s “full value” and “equal and uniform” valuation and taxation mandates; and because the State Board exists in large part to ensure fidelity to the Constitution’s property tax provisions and to prevent injury to Wyoming’s property taxpayers, counties, and other tax-receiving entities, **finds, reports, and concludes as follows:**

I. Introduction: factual background, State Board’s authority, property tax system history, and course of proceedings.

A. Exemption(s) capping residential assessed values at 104% of previous assessed value.

1. The 2024 legislature enacted an exemption to effectively cap residential taxable value at 104% of the previous year’s assessed value. Wyo. Stat. Ann. § 39-11-105(a)(xliii) (2025) (hereafter “cap(s)”, “valuation cap exemption,” or “cap exemption”). Thereafter, the same exemption continued to limit assessed valuation increases to four

¹ Governor Gordon appointed Karl Anderson, previously with the Wyoming Attorney General’s Office, to the Board on October 20, 2025. Mr. Anderson did not participate in preparation or issuance of this Examination.

percent of the previous year's assessed value². Upon most sales of a residential property³, or certain modifications to residential improvements, the property sold or improved is assessed at full market value, setting a new baseline value for imposing the cap exemption going forward. *Id.*; see Rules, Wyo. Dep't of Revenue, Ch. 14 § 18(f) (2024) (defining residential changes that disqualify property from exemption: "an extension or increase in the floor area or height of a single-family residential structure, or structural conversion of previously uninhabitable structure to a structure legally approved for human habitation.").

2. Effective in 2025, a cap exemption applied to land underlying residential improvements as well. See Wyo. Stat. Ann. § 39-11-105(a)(xliv) (2025). The valuation exemption caps are unprecedented in Wyoming and, for many residential properties, disrupt equal assessment of residential properties, equalization, and uniform taxation.

3. In testimony before legislative committees, the State Board warned of the residential tax system's *immediate unconstitutional shift upon enactment* of the caps. Martin Hardsocg, Chairman at the time of his testimony, explained the cap exemption's "as applied" constitutional infirmity. Members of the legislature acknowledged that the exemption was a "workaround" the constitutional full valuation mandate, but they sought to give immediate taxpayer relief. See Wyoming Senate Judiciary Hearing, February 20, 2024, https://www.youtube.com/watch?v=qIn_srb0f5w; House Revenue Committee Hearing, February 15, 2024, <https://www.youtube.com/watch?v=DJ97X2uIMlg> (discussing the exemption authority under section 12 of Article 15 to circumvent the full value mandate of section 11).

B. State Board's constitutional regulatory examination, "equalization," enforcement authority, and certification functions.

4. The State Board issues this report in support of its certification decision for 2026. The State Board monitors assessed valuations in each county and, upon reviewing

² While the statute caps the "assessed" values, the Department advises that the caps operationally apply to the appraised "full market values." The outcome is the same in practice because assessed values are calculated by multiplying an assessment rate (9.5%) to the appraised full values. See Wyo. Stat. Ann. § 39-13-103(b)(iii)(C) (2026). Notwithstanding the statutory language referring to "assessed value," the CAMA system acts upon the appraised market values because it is unable to administer the caps, along with the other exemptions (the 25% exemption and long-term homeowners' 50% exemption), working from both the full values and assessed values simultaneously. Still, capping or otherwise tampering with a property's full value is problematic from a constitutional standpoint and flies directly in the face of Article 15, section 11(a) of Wyoming's Constitution. See *infra* ¶ 18.

³ Sales triggering the exemption's discontinuation and a valuation reset at fair market value do not include various types of transfers, including intrafamily transfers, judicially ordered transfers, certain business transfers, and others. See Wyo. Stat. Ann. § 39-11-105(a)(xliii)(II) (2025).

each county's valuation "abstract," certifies that the assessment process and formulated values comply with law. *See* Article 15 §§ 10, 11 Wyo. Const.; Wyo. Stat. Ann. § 39-11-102.1(c) (2025). For its part, *Wyoming's legislature* must pass regulations to achieve equal and fair "valuation." Art. 15 § 11(d), Wyo. Const. When the State Board performs this system oversight function—one of its original territorial duties⁴, it is empowered to investigate, intervene, and, if necessary, to order broad corrective measures. *Id.*; *see Bunten v. Rock Springs Grazing Ass'n*, 215 P.244, 247-51 (Wyo. 1923) (The State Board has autonomy in its regulatory role and exists, in part, to ensure equal and uniform assessment across the state's counties.); *Solvay Chemicals, Inc. v. Dep't of Revenue*, 2018 WY 124, ¶¶ 12-17, 21-25, 430 P.3d 295, 299-300, 301-03 (Wyo. 2018) (describing State Board's regulatory authority and associated powers as compared to its adjudicatory authority); *Wyodak Res. Dev. Corp. v. State Bd. of Equalization*, 2001 WY 92, ¶¶ 8-14, 32 P.3d 1056, 1058-60 (Wyo. 2001) (State Board must investigate even if party requesting failed to timely appeal assessments.); *Exxon Corp. v. Bd. of Cnty. Comm'rs, Sublette Cnty.*, 987 P.2d 158, 162-64, 166-67 (Wyo. 1999) (State Board, pursuant to its regulatory authority, could investigate alleged tax errors going back years).

5. Pursuant to its regulatory authority, the State Board may specifically:

(ii) Prescribe the form for the abstract of the assessment roll, examine and compare the abstracts of the counties and equalize the same, so that all taxable property in the state is assessed at its fair market value, and to that

⁴ Wyoming's Territorial Board of Equalization equalized "among the several counties of the Territory as near as may be," upon receipt of assessment rolls from each county board of equalization. Compiled Laws of Wyoming 1876, Ch. 109 §§ 28, 31-42. Wyoming's territorial Governor, Treasurer, and Auditor sat on the territorial board and annually met in Cheyenne to "examine the various assessments as far as regards to the Territorial tax, and [to] equalize the valuation of real property among the several counties and towns in the Territory[.]" *Id.*; *see also* Rev. Statutes of Wyo., 1887, § 3804. The Territorial Board itself received returns from specified businesses, such as railroads, valuing and assessing those properties. *Id.* at § 3839; *see Chicago & N.W. Ry. Co. v. Hall*, 26 P.2d 1071, 1071-74 (Wyo. 1933) (considering State Board's authority to directly assess railroad property). In 1919, the State Board became governor-appointed, and the legislature set forth a comprehensive operational structure for oversight of local assessments, state assessments, equalization of values, adjudication of disputes, and enforcement of Wyoming's property tax laws. 1919 Wyo. Sess. Laws, Ch. 135.

Through 1973, the State Board operated as Wyoming's department of revenue but performed other roles unrelated to tax as well. It acted as the Public Service Commission, managed transportation licensure issues, and regulated insurance companies. *See e.g.* 1957 Wyo. Sess. Laws, Ch. 227 (creating and inserting department of revenue *within* State Board); 1973 Wyo. Sess. Laws, Ch. 248 (Creating separate Department of Revenue and Taxation but maintaining Board's management authority). The legislature separated the State Board from the Department of Revenue in 1995. The Board's responsibilities thereafter were limited to state-wide oversight of assessors, review of valuations, constitutional equalization of values, and adjudication of tax disputes as a quasi-judicial tribunal. *See* 1995 Wyo. Sess. Laws 461-66.

end shall add to or deduct from the aggregate valuation of the property, ... in any county such percent as will bring the same to its fair market value. ...

The state board of equalization shall certify the valuation to be used for all tax levies on or before the first Monday in August. ...

Wyo. Stat. Ann. § 39-11-102.1(c)(ii), (v), (ix) (2025) (emphasis added). The annual certification reflects its determination that values and assessment practices comply with the Constitution’s “full value” and uniformity mandates.

6. The State Board may require information from county assessors and “[d]ecide all questions that may arise with reference to the construction of any statute affecting the assessment, levy, and collection of taxes.” Wyo. Stat. Ann. § 39-11-102.1(c)(iii) (2025). The State Board may “[i]nstitute or cause to be instituted any proceedings, either civil or criminal, provided by law as a punishment for the neglect, failure or refusal to obey any lawful requirement or order by the board arising from a review of department action ... or in performing its responsibilities to equalize values, or to prevent the violation or disobedience of any lawful requirement or order regarding appeal or equalization, or to compel their enforcement.” *Id.* at (c)(vi). The Board shall “carefully examine” allegations of fraudulent, improper, or unequal assessment, or allegations of other Wyoming tax law violations, and thereafter may institute corrective proceedings. *Id.* at (c)(x); *see also BP America Prod. Co. v. Dep’t of Revenue*, 2006 WY 27, ¶ 28, 130 P.3d 438, 466 (Wyo. 2006) (Board has “certain implied powers necessary to fulfillment of [its] statutory purposes.”). The State Board, more than any other state entity or official, is the tax system’s steward and administrative arbiter of constitutional compliance.

C. Wyoming’s adoption of the “mass appraisal” property tax system following years of non-uniformity.

7. Wyoming’s “mass appraisal” property tax system followed a history of challenges, missteps, and failures dating back through most of the twentieth century. In 1945, the legislature ordered the State Board to prescribe and install a system ensuring uniform valuation in each county. 1945 Wyo. Sess. Laws, Ch. 141. Yet, a 1960 study revealed continuing uniformity concerns.⁵ In 1968, the State Board implemented a comprehensive plan to revalue “all buildings and all town lots in the state” after finding the previous methodology, the “Boeckh Method,” to be obsolete. St. Bd. Ad Valorem Dep’t Biennial Rpt., p. iii (1967-68). The Board, consequently, instituted a valuation

⁵ Lockner, Allyn O., Property Taxation in Wyoming, pp. 1-14 (Rpt. No. 6, 1960) (summarizing numerous reasons for property tax system non-uniformity and inefficiency); Report of the Subcom. of the Uniformity of Property Valuations and Equitableness of Relative Tax Levies, pp. 10-31 (Nov. 1960).

manual that employed three valuation methodologies. *Id.* This did not resolve the system's failures or assuage growing concerns, and a legislative audit of the Ad Valorem Tax Division's performance in 1981 noted serious uniformity problems.

8. The state finally completed a statewide reappraisal during the 1980's. After uploading appraised values and replacement cost data to a new CAMA (computer-assisted mass appraisal) system in all counties, statewide mass appraisal was realized in 1990. Prog. Eval. Ad Valorem Tax System: State-Level Admin, Wyo. Leg. Service Office Staff Rept. to Legislature (Feb. 1994).

9. Wyoming law currently directs the Department of Revenue to "promulgate rules and regulations . . . to ensure the use of appropriate statistical tests for assessed values of residential properties to protect against the statistical likelihood that any property in any stratum is over assessed." Wyo. Stat. Ann. § 39-11-102(c)(xxv) (2025). The Department shall comply with "generally accepted statistical methods and the International Association of Appraisal Officers Standards." 2009 Wyo. Sess. Laws 366. Wyoming, along with most other states or counties, employs a mass appraisal property tax system to some degree. Wyoming's legislature did not repeal these directives in conjunction with enactment of the cap exemptions.

D. Course of Proceedings: Board's actions to challenge constitutionality of valuation cap exemptions to avoid non-certification.

10. The State Board warned the legislature that the valuation caps, as applied, would render unconstitutional tax outcomes. *Supra* ¶ 3. Prior to enactment of the caps, the State Board met with the Governor's staff to warn that the cap exemptions, once applied, *would not withstand* constitutional scrutiny. It emphasized that assessment data from the CAMA system would quickly reveal deliberate and systemic⁶ non-uniformity. But even without the benefit of valuation data, the cap exemptions unambiguously treat similar or identical taxpayers differently. The assessment data would only serve to verify what the State Board knew would occur. The cap exemptions passed into law notwithstanding these warnings.

11. The die was cast. The State Board began examination of residential assessment values, gathering information from assessors and the Department of Revenue (through the State's CAMA system). It continuously queried the CAMA system, extracted

⁶ As will become clear in the legal analysis that follows, a tax feature's "deliberate and systemic" discrimination among like taxpayers, without justification, warrants direct judicial intervention. *See infra* ¶¶ 25-30.

groupings and assessment data among various property groupings, and calculated disparate tax liability patterns in every Wyoming county. The Department of Revenue and individual assessors lent their expertise as well. The State Board looked for “inverted” valuation comparisons wherein higher valued properties were assessed at lower taxable values than other properties within a group, based strictly on the caps. The State Board anticipated legal actions to reverse the trending outcomes. Given its own observations, and concerns expressed by alarmed assessors, the Board employed its “examination” authority pursuant to Wyoming Statutes section 39-11-102.1(c)(x) (2025). *See supra* ¶ 6.

12. Board Member E. Jayne Mockler, in consultation with Chairman Hardsocg, wrote a letter to Governor Gordon’s staff and others expressing her grave concerns regarding the cap exemptions’ legality. *See* Appendix A, July 1, 2024, letter. Chairman Martin Hardsocg thereafter drafted a legal memorandum to the Governor explaining how the caps’ application ran afoul of Article 15, section 11, and he identified several Board options to discontinue the exemptions. *See* Appendix B, Memorandum dated April 24, 2025. Members Hardsocg and Mockler met with the Governor’s Chief of Staff and others in May of 2025 to review the memorandum, warning that the Board would not likely certify residential assessed values. *Id.* These members could not, in accordance with their oaths or the mass appraisal benchmarks, certify that residential values were equal, uniform, or fair. The Board members emphasized that with two years of valuation data, their concerns were not only mathematically verified, but that the documented non-uniformity would worsen each year going forward. *Id.*

13. Following the 2024 abstract hearing, one Board member voted not to certify any county’s residential values. During the 2025 abstract hearings, the Board’s only two members voted to certify, but qualified their votes on the record explaining that the values were likely invalid.⁷ Affirmative votes were given with the disclaimer that the State Board was gathering an additional year of data to support non-certification in the future. The State Board maintains audio recordings of each abstract hearing and vote.

14. Planning to administratively order assessors to discontinue the cap exemptions, it prepared a comprehensive Order and scheduled issuance for November 13 of 2025. *See* Appendix C, Draft Order Suspending Application of Cap Exemptions. The Order would have required that the Department of Revenue and assessors disable automated application of the caps. *Id.* Upon notifying the Governor’s Office, the Governor’s Office asked that the State Board refrain from issuing the order.

⁷ In 2025, the Board consisted of only Chairman Hardsocg and Board Member Mockler after Vice-Chairman Dave Delicath’s retirement. For that reason, both Hardsocg and Mockler voted to certify following the 2025 abstract hearings and valuation reviews, stating their objections and serious reservations on the record. They explained that the 2026 assessment data would confirm their concerns.

15. The Governor's Office and Attorney General's Office met with Board members Hardsocg and Mockler in November and early December of 2025 to discuss an alternative course of action, a declaratory judgment action against the State and Department to challenge the cap exemptions' constitutionality. The Governor's Office and Attorney General's Office eventually agreed that the State Board should proceed with litigation⁸, including injunctive relief, to resolve whether the caps were constitutional. The Governor's Office authorized litigation funding and advised the State Board to move quickly. The State Board hired outside legal counsel to represent it in the planned action.

16. The State Board would file its declaratory judgment litigation, and seek preliminary injunctive relief, on January 20, 2026. *See* Appendix D, Complaint and Request for Injunctive Relief. After informing the Governor's Office that it would file suit on January 20, the Governor's Office sought additional time to communicate the imminent lawsuit with legislative leadership. Filing of the lawsuit was rescheduled for 1:00 p.m., on January 21, 2026. On the morning of January 21, 2026, the Governor's Office again asked for a 24-hour delay to 1:00 on January 22, 2026.

17. At approximately 10:30 a.m. on January 22, 2026, the Governor's Office summoned members of the State Board to meet. At the meeting, the Governor asked the State Board to delay commencement of the litigation. State Board members Mockler and Hardsocg warned that they, constituting the Board's majority votes, would not certify values after the June 2026 abstract review process without a working resolution of their constitutional concerns. They further warned that non-certification would possibly prevent the assessment or collection of 2026 property taxes on residential properties throughout the state, an unprecedented and untenable outcome for the counties.

⁸ A "declaratory judgment" action is a lawsuit wherein a claimant sues a defendant to establish and declare rights and obligations pursuant to a disputed statutory or regulatory provision, or to clarify rights pursuant to a contract. *See* Wyo. Stat. Ann. § §§ 1-37-101 *et seq.* (2025).

II. The Wyoming Constitution's prescribed property tax structure, and the legislature's authority to exempt property from taxation.

A. "Full value"⁹ requirement, uniform and equal taxation, and the State Board's concerns

18. "All property, except as in this constitution otherwise provided, shall be uniformly valued at its full value as defined by the legislature, in four (4) classes:" Art. 15 § 11(a), Wyo. Const. Subsection (d) directs that "[a]ll **taxation** shall be equal and uniform within each class and subclass of property." (Emphasis added). Nor may the legislature create new classes, subclasses, or direct that properties be assessed at a rate other than those set forth for classes created. *Id.* at Art. 15, § 11(c). Importantly, the "[t]he legislature shall prescribe such regulations as shall secure a just valuation for taxation of all property, real and personal." *Id.* at § 11(d). Therefore, *both valuations and taxation* must be uniform and equal within each class or subclass.

19. The gravamen of the present impasse: we must reconcile the property tax system mandates in section 11, Article 15, with the legislature's corresponding authority to enact exemptions pursuant to section 12. Some members of the legislature insist that its authority to enact exemptions under section 12 is largely unlimited. Section 12 reads:

§ 12. Exemptions from taxation.

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.*

Art. 15 § 12, Wyo. Const. (emphasis added).

20. Upon their enactment, the valuation cap exemptions raised a handful of constitutional concerns:

⁹ Wyoming's property tax statutes require assessment of most property (excepting agricultural property) at "fair market value," defined as "the amount in cash, or terms reasonable equivalent to cash, a well-informed buyer is justified in paying for a property and a well-informed seller is justified in accepting, assuming neither party to the transaction is acting under undue compulsion, and assuming the property has been offered in the open market for a reasonable time," See Wyo. Stat. Ann. §§ 39-11-101(a)(vi); 39-13-101(a)(i), (ii); 39-13-103(a), (b); *see also* Rules, Wyo. Dep't of Revenue, Ch. 9 § 5 (2016).

- i. Whether the legislative authority to enact exemptions (Art. 15 § 12) permits the legislature to variably render the full valuation of all residential property functionally irrelevant (Art. 15 § 11(a))?
- ii. Given that, by design, the cap exemptions impact similarly situated owners or properties within a class unevenly, and without regard to a property's characteristics or actual fair market value, do the exemptions violate the requirement that "all taxation shall be equal and uniform within each class of property" pursuant to section 11?
- iii. May the tax system treat property owners differently for the reasons selected, such as an owner's decision to purchase a house or to change the livable area of a home, versus those taxpayers who have not recently purchased their home or who change only the interior of a residence, i.e., remodel?
- iv. Because section 11 of Article 15 separately requires uniform valuation *and* uniform taxation, and directs that the *legislature* is responsible for both, has the legislature complied with this constitutional provision?

B. Reconciling sections 11 and 12 of Article 15, the legislature may not variably set aside the "full value" component of the property tax system through exemptions.

21. The first significant challenge to legislative authority to enact exemptions occurred in *State ex rel. Bd. of Comm'rs of Goshen Cnty. v. Snyder*, 29 Wyo. 199, 212 P. 771 (Wyo. 1923). The dispute concerned a statute exempting up to \$2,000 in property value of specified veterans or their widows. The Court considered the rule of construction that, "the Legislature is not authorized to exempt any property except property of the same kind and character as that described as exempt in the said section." *Id.* at 777-78 (citing Article 15, § 12). In layman's terms, challengers argued that additional property tax exemptions beyond those listed in section 12 had to be similar in concept to those listed, and that the veteran's exemption was not.

22. The Court did not, however, apply that oft-cited interpretive rule, *ejusdem generis*. See *supra* ¶ 21. Instead, the Court reasoned that: "'Expressio unius est exclusion alterius,' * * * The state governments possess all governmental power not denied to them by the Constitution, and in the absence of a prohibition expressed or necessarily implied they may take all reasonable measures for the promotion of the general welfare." *Id.* at 779 (quoting *Wheeler v. Weightman*, 96 Kan. 50, 149 Pac. 977, L. R. A. 1916A, 846).

23. The legislature's stated intent to universally "work around" core constitutional mandates in section 11 is the problem we now encounter. However broadly courts interpret the legislature's exemption authority, the legislature may not effectively neutralize fundamental tax system mandates across the entire system. That is, "[t]he legislature cannot do indirectly what it cannot do directly." *Witzenburger v. Wyo. Comm. Dev. Auth.*, 575 P.2d 1100, 1117 (Wyo. 1978) (relating to incurring debt without complying with prerequisites). The legislature well understood that it could not remove the tax system's "full value" mandate outright or destroy uniform taxation. It opted to do so indirectly through extraordinarily broad, unprecedented exemptions. Yet, as the Court in *Snyder* cautioned, the power to enact exemptions extends only as far as other constitutional provisions allow. *See supra* ¶ 22. Article 15, section 12, does not grant *carte blanche* to overwrite or disregard the constitution's anchoring tax system principles.¹⁰ *State v. Campbell Cnty. Sch. Dist.*, 2001 WY 90, ¶¶ 30-33, 32 P.3d 325, 331-33 (Wyo. 2001) ("[W]e cannot declare valid any legislation which contravenes that fundamental law [fundamental constitutional provisions].").

24. As the appended materials reveal, the valuation caps render the fair market value of Wyoming residential properties nearly irrelevant. The values of more than 50% of Wyoming's residential properties are capped. *See infra* ¶¶ 31-34. Consequently, the structure of Wyoming's property tax system is effectively disengaged for many taxpayers, while other property owners are fully subject to all guidelines. We are aware of no legal doctrine, process, or principle authorizing such in the absence of an explicit constitutional change.

C. Construing Wyoming's uniform/equal valuation and taxation mandates¹¹

25. Wyoming's Supreme Court has addressed the uniform and equal taxation mandate many times. Three cases convey a sound understanding of how we are to interpret them. The case *Bunten v. Rock Springs Grazing Association*, 215 P. 244 (Wyo. 1923), authored by venerable Chief Justice Blume, reflected the Court's first substantive ruling.

¹⁰ Other states enacting tax valuation caps have first amended their constitutions, or the limits are explicitly set forth in state constitutions. *See e.g.* F.S.A. 193.155; Art. VII, § 4(c) Fla. Const. (In 1992, Florida amended its constitution with the "Save Our Homes" assessment limitation.); *See* Art. 9, § 3, MI Const. (In 1993 Michigan's residents voted to amend its constitution to institute an assessment increase limit.); Alabama's Constitution limits increase of property taxes in various ways and specifically prevents full valuation assessments. *See* Ala. Const. of 1901, amend. 373 (1978); Arizona's Constitution limits taxable valuation increases. *Ariz. Const.*, art. IX, § 18(3)(b).

¹¹ Wyoming's 1889 Constitutional Convention debates are replete with property tax structure discussions. A delegate's comment often included an unequivocal imperative: whatever we finally decide, the tax burden must be uniform, fair and equal. *See e.g.* 1889 Journal and Debates of the Constitutional Convention of the State of Wyoming at 663, 669, 672, 681-82, 710, 712. It may have been the Convention's most uttered and universally shared sentiment.

Citing numerous decisions from other courts (as the relatively new Court often did in the 19th and early 20th centuries), Chief Justice Blume warned that tax errors do not, in and of themselves, render a tax or tax outcome unconstitutional. Rather, claimants must prove an *intentional or systematic* inequality or discrimination. *Id.* at 251-52. The Court explained:

it appears to be universally recognized by all the authorities that where assessors or boards of equalization are guilty of intentional and systematic discrimination, and probably intentional discrimination alone, such conduct is fraudulent and renders the excessive assessment and tax illegal, and authorizes a court of equity to interfere by injunction. 26 R.C.L. 247; High on Injunctions, § 494; *Lefferts v. Board of Sup'rs of Calumet County*, 21 Wis. 688; *Merrill v. Humphrey*, 24 Mich. 170; *First Nat. Bank v. Christensen*, 39 Utah, 568, 118 Pac. 778; *City Ry. Co. v. Beard* (D.C.) 283 Fed. 313. Cases collated in 3 A.L.R. 1370; Cooley on Tax'n, 1459.

Id. at 251. (Emphasis added); *see also Weaver v. State Bd. of Equalization*, 511 P.2d 97, 98 (Wyo. 1973) (“ ‘It must be regarded as settled that intentional systematic undervaluation by state officials of other taxable property in the same class contravenes the constitutional right of one taxed upon the full value of his property.’ ” quoting *Sunday Lake Iron Company v. Township of Wakefield*, 247 U.S. 350, 352-53 (1918)).

26. Some six decades later, the Court examined alleged non-uniformity and inequality resulting from State Board-set assessment ratios. *Rocky Mountain Oil and Gas Ass'n v. State Bd. Of Equalization*, 749 P.2d 221 (Wyo. 1987). Challenged by a group of mineral producers, the Court considered a State Board rule establishing different assessment ratios that applied to numerous property classes. *Id.* at 222-23. The Constitution did not, at the time, recognize different property classes. Claimants argued that such violated Article 15, section 11 and Article 1, section 28 of Wyoming's Constitution, requiring uniform and equal assessment and taxation. The Court agreed, answering “[t]his court cannot countenance constitutionally denied, de facto classification of property in this fashion for taxation purposes.” *Id.* at 235. Citing both the Fourteenth Amendment to the U.S. Constitution and Wyoming's Constitution, the Court reasoned:

Persuasive in this conclusion is not only the clear criteria of the Constitution and the body of similar precedent of other jurisdictions, but also the Fourteenth Amendment consideration of the United States Supreme Court in significant conclusion that an equal-protection defect results where clearly unequal application of the taxation power is applied under state authority which does not provide for the classification of taxpayers within constitutional criteria. Artificial distractions are created which are not

uniform nor result in a just valuation. We would follow the well-justified rule of constitutional interpretation that where the meaning is clear from the words used we need not search for extraneous interpretive alternatives. *State ex rel. Martin v. Melott*, 320 N.C. 518, 359 S.E.2d 783 (1987). As a result, the differentiated assessment ratio or debasement factor contravenes the Wyoming Constitution. *State Board of Tax Commissioners v. Polygram Records, Inc.*, Ind.App, 487 N.E.2d 444 (1985); *State Board of Tax Commissioners v. Pioneer Hi-Bred International, Inc.*, Ind.App., 477 N.E.2d 939 (1985).

Id. at 236. Particularly relevant to our examination, the Court expounded:

In ad valorem taxation, **a rational basis for a disputed classification must be shown with equal treatment of similarly definable taxpayers.** *Penn Mutual Life Insurance Co. v. Dep't of Licensing and Regulation*, 162 Mich.App. 123, 412 N.W.2d 668 (1987). The attendant declaration of the ratio and basis in this case runs afoul of the constitutional equal-and-uniform mandates where *all* taxpayers are indigenous to the one class by constitution. **This court will not indulge in a disputation between Fourteenth Amendment equal-protection and state Constitution just-valuation criteria of equal and uniform.** *Tulsa County Board of Equalization v. Independent School District No. 1, Okla.*, 743 P.2d 1076 (1987); 1 Cooley, *The Law of Taxation*, Ch. 6, Equality and Uniformity of Taxation § 298, p. 622[.]

Id. at 236. (Italics in original) (emboldened emphasis added). This litigation prompted an amendment to Article 15, Section 11 of Wyoming's Constitution, wherein Wyoming's residents voted to adopt three distinct classes of property. (Wyoming's voters adopted a fourth class in a 2024 constitutional amendment to this section to give flexibility when taxing residential properties.).

27. The caps, by design, generate highly disparate tax consequences for *identical* taxpayers, an outcome the Court warned against in *Rocky Mountain Oil & Gas*. The demarcation between taxpayers receiving a tax windfall, versus those who do not, serves no rational basis (other than to selectively suppress taxable values) and is, in some cases, completely arbitrary. Nor is the discriminatory outcome limited to a segment of Wyoming's residential property owners; the value of every single residential improvement or land in Wyoming may be capped depending upon the rate of value appreciation. Because the legislature's disparate treatment was and is deliberate, the caps are not likely sustainable under *Rocky Mountain Oil & Gas*, or any other articulation of the Constitution's uniformity mandate.

28. In the third case, Basin Electric Power Co-op., Inc., Basin challenged a Board of Equalization order revising how the Department of Revenue would value Basin's facilities. *Basin Elec. Power Co-op., Inc. v. Dep't of Revenue*, et al., 970 P.2d 841, 845-47 (Wyo. 1998). Basin claimed that the revised method treated it differently than other utilities in Wyoming. *Id.* The Court stressed the constitutional "command ... that the Legislature shall provide for a uniform and equal rate of assessment and taxation." *Id.* at 857 (quoting *Rocky Mountain Oil and Gas Assoc.*, *supra*, at 235-36).

29. Agreeing with Basin, the Court found that the Board improperly "directed the Department to treat non-profit utilities differently from investor-owned utilities, resulting in a *de facto* classification." *Id.* The Court reiterated that "[i]n ad valorem taxation, a rational basis for a disputed classification must be shown with equal treatment of similarly definable taxpayers." *Id.*, (quoting *Rocky Mountain Oil and Gas Assoc.*, at 236). Finally, the Court stated, " 'Discrimination may arise in various ways, for instance by the adoption of a wrong or illegal rule, principle, or method; and an unjust tax resulting therefrom has frequently been enjoined as illegal.' " *Id.* (quoting *McDermott & Co. v. Hudson*, 370 P.2d 364, 369 (Wyo. 1962)). The Court found insufficient basis for the differential treatment of Basin's facilities and, important for our review, observed that "the tax is on the property, not the owner, and a valuation for taxation purposes must **value the property, not the ownership type.**" *Id.* (Emphasis added).

30. This ruling touches upon another aspect with which we struggle. The caps, when they apply, quickly disregard a property's physical qualities and the market demand for that property. So, once assessable values are successively capped over several years, tax assessments have little or nothing to do with the property's actual value going forward. Rather, assessed value becomes a simple formula to identify a value ceiling decoupled from fair market value. Yet for uncapped assessments, fair market values and appraisal considerations remain determinative of assessed value. As we explain next, the caps have established thousands of *de facto* taxpayer classes over the first three years since 2024, with widely varied *effective* assessment rates (relative to the statutory 9.5% rate). Additional classes of taxpayers are added with each assessment cycle.

III. Examination Findings: the caps' impact and value "inversions."

31. The caps' non-uniform and unequal tax consequences were, and remain today, a *mathematical certainty*. The caps generated thousands of value "inversions" in each county, wherein a residential property with a higher market value than another property is assessed at a lower taxable value than that property. The difference is often substantial, and the reasons for the disparate tax burdens are arbitrary. Even if not

completely arbitrary, the policy reasons for imposing inconsistent tax burdens on identically or similarly situated taxpayers do not withstand constitutional scrutiny. After three years, numerous properties are assessed at less than market value, in some instances less than 50% of market value:

Number of Properties Subject to 4% Valuation Cap in 2026 (Categorized by % of FMV)

County	Residences	Assessed Value/FMV	9.50%	8.55-9.50%	7.60-8.55%	6.65-7.60%	5.70-6.65%	4.75-5.70%	<4.75%
		Cap Value/FMV	100%	90-99%	80-89%	70-79%	60-69%	50-59%	< 50%
Albany	12,930		3,044	7,976	1,274	262	152	86	136
Big Horn	4,715		1,055	1,602	1,327	429	163	82	52
Campbell	17,193		5,223	8,654	2,539	491	172	51	57
Carbon	8,210		2,775	4,622	385	273	114	24	17
Converse	5,912		1,770	3,723	313	50	34	11	11
Crook	3,587		1,919	996	433	92	105	19	21
Fremont	16,279		8,481	4,417	2,272	754	257	49	49
Goshen	5,193		1,213	2,490	1,146	262	47	16	19
Hot Springs	2,309		329	1,389	528	28	19	1	6
Johnson	3,928		1,678	677	705	611	186	52	19
Laramie	37,433		16,735	18,943	1,038	365	308	21	23
Lincoln	10,735		6,854	2,877	549	293	94	37	29
Natrona	31,970		6,977	16,485	5,710	1,646	607	277	266
Park	12,846		5,385	6,731	594	96	24	9	7
Platte	4,590		1,490	2,225	568	222	31	21	33
Sheridan	13,332		3,950	9,020	285	47	13	8	9
Sublette	4,942		1,599	2,603	539	104	58	14	25
Sweetwater	16,454		7,561	6,281	2,252	260	65	10	25
Teton	10,839		3,293	3,604	1,853	1,399	493	113	83
Uinta	8,654		2,605	3,504	1,821	554	133	26	11
Washakie	3,275		896	1,343	767	140	98	20	11
Weston	3,512		1,325	2,032	114	19	13	3	6
TOTAL	239,887		86,438	112,761	27,217	8,409	3,194	952	916
	100.00%		36.03%	47.01%	11.35%	3.51%	1.33%	0.40%	0.38%

Appendix E.

32. Appendix E compiles all residential properties after application of the cap in 2026, grouping them within an assessed value range *relative* to full market value. It also identifies the effective assessment rate for each column, from the statutorily required 9.5% down to under 5% in some instances. More than 60% of Wyoming's residential property owners are paying taxes on less than full value. Correspondingly, more than 60% of residential owners enjoy an *effective* assessment rate below 9.5, contrary to Wyo. Stat. Ann. 39-13-103(b)(iii)(C) (2026). Each rate reflects a de facto class of property tax liability to be compared to the others, for which there must be a valid justification.

33. Then, for example, compare Natrona County and Laramie County, counties similar in terms of the number of residential property accounts. Approximately one-fourth of Natrona County's residential properties are assessed at full value (75% are taxed at less than full value due to the cap), while Laramie County's full value assessments cover about

55% of that county's properties. *See supra* ¶ 31. Various factors are at play in this disparity. We have observed that assessor appraisal practices and resources heavily impact whether property owners enjoy the cap simply because of how each performs his or her job. *See e.g. infra* ¶ 56 (the cap exacerbated the undervaluation of properties by locking in sub-market value cap ceilings.). Some counties include neighborhoods wherein property values increased faster than in others. Regardless of the reasons for disparities between counties, taxpayers are paying less or more property taxes, relative to full market value, for the same services enjoyed in each county. Stated otherwise, capped properties bear less of a tax burden as a percentage of full market value when compared to properties taxed at full value (9.5% X appraised full value).

34. Referring to the fundamental questions discussed in paragraphs 18-20 of this Examination Report, may the legislature use its exemption authority under Article 15, section 12, to alter or circumvent the Constitution's basic property tax structure and equilibrium? A court must answer that question. But, we are unable to certify that all assessed tax outcomes comply with the Constitution's "full value" and uniformity requirements. We now have an indepth breakdown of how the caps have disrupted Wyoming's system.

A. New purchasers of residential properties versus owners who have not recently purchased.

35. Upon most open-market residential property purchases, new purchasers lose the caps' tax-limiting benefit for that tax year. Those properties are valued at full value, and the owners are assessed accordingly (9.5% of property's appraised full value). By comparison, owners (neighbors) of comparable or identical *unsold* properties in the area, if capped, continued to enjoy a capped valuation ceiling and reduction in taxes. *See* Wyo. Stat. Ann. § 39-11-105(a)(xlili) (2026). After three years, there are numerous instances of this nonuniformity (sold vs. unsold assessed values), and the disparity in assessed values will only increase as homes in rising markets sell when compared with capped properties that have not sold. *See* Appendix F for numerous examples.

36. From a uniformity or equal protection standpoint, each property owner who purchased their home in 2024 found themselves in a *de facto* class with other 2024 purchasers, and they were and are assessed differently than neighboring homes with capped assessments (assessed at no more than 4% over previous year's assessed value). The 2025 residential purchases were also taxed differently than 2023 and 2024 property purchases to the extent those earlier purchased properties benefited from the cap going forward. Below are several examples:

Example (Village Park, Sweetwater County, 2025 values)

Accounts 113709 and 113713 have the same FMV, receiving the exact same services, but the owner of 113713 has a higher assessed value. 113726 has a higher FMV than 113707, but the owner of 113707 has a higher assessed value.

Account	Fair Market Value	Capped Value	Assessed Value	Assessment Ratio	Subdivision	Sale
R0113715	103,446	93,394	8,872	8.58%	VILLAGE PARK	
R0113714	103,446	93,394	8,872	8.58%	VILLAGE PARK	
R0113731	103,446	93,394	8,872	8.58%	VILLAGE PARK	
R0113717	110,044	98,736	9,380	8.52%	VILLAGE PARK	
R0113709	110,813	99,420	9,445	8.52%	VILLAGE PARK	
R0113713	110,813	110,813	10,527	9.50%	VILLAGE PARK	12/13/2024
R0113716	112,449	100,824	9,578	8.52%	VILLAGE PARK	
R0113729	112,975	101,314	9,625	8.52%	VILLAGE PARK	
R0113730	116,306	104,673	9,944	8.55%	VILLAGE PARK	
R0113712	116,570	104,463	9,924	8.51%	VILLAGE PARK	
R0113710	118,140	106,279	10,097	8.55%	VILLAGE PARK	
R0113708	120,409	107,944	10,255	8.52%	VILLAGE PARK	
R0113705	120,409	107,944	10,255	8.52%	VILLAGE PARK	
R0113711	120,686	108,504	10,308	8.54%	VILLAGE PARK	
R0113727	121,346	108,714	10,328	8.51%	VILLAGE PARK	
R0113732	122,909	110,032	10,453	8.50%	VILLAGE PARK	
R0113720	124,652	111,761	10,617	8.52%	VILLAGE PARK	
R0113725	127,331	113,768	10,808	8.49%	VILLAGE PARK	
R0113718	127,371	112,829	10,719	8.42%	VILLAGE PARK	
R0113707	128,126	128,126	12,172	9.50%	VILLAGE PARK	9/15/2023
R0113719	130,868	117,013	11,116	8.49%	VILLAGE PARK	
R0113706	133,255	119,089	11,313	8.49%	VILLAGE PARK	
R0113721	136,470	122,123	11,602	8.50%	VILLAGE PARK	
R0113722	138,566	138,566	13,164	9.50%	VILLAGE PARK	8/30/2024
R0113726	139,019	124,185	11,798	8.49%	VILLAGE PARK	
R0113728	141,660	126,339	12,002	8.47%	VILLAGE PARK	
R0113723	148,652	132,799	12,616	8.49%	VILLAGE PARK	
R0113724	149,839	133,666	12,698	8.47%	VILLAGE PARK	

Appendix F.4.

Example (Bicentennial, Sweetwater County, 2025 values)

119721 has a market value \$6,000 lower than 119722, but the owner of 119721 had a higher assessed value. 5 properties are assessed at 9.5% of FMV, while the remaining properties were assessed at approximately 8.79% of FMV.

Account	Fair Market Value	Capped Value	Assessed Value	Assessment Ratio	Subdivision	Sale
R0119746	154,083	154,083	14,638	9.50%	BICENTENNIAL	9/13/2023
R0119745	154,709	143,579	13,640	8.82%	BICENTENNIAL	
R0119740	155,929	144,440	13,722	8.80%	BICENTENNIAL	
R0119730	156,122	144,585	13,736	8.80%	BICENTENNIAL	
R0119732	156,414	144,803	13,756	8.79%	BICENTENNIAL	
R0119725	156,461	144,712	13,748	8.79%	BICENTENNIAL	
R0119720	156,787	145,032	13,778	8.79%	BICENTENNIAL	
R0119724	157,018	145,128	13,787	8.78%	BICENTENNIAL	
R0119744	157,891	145,607	13,833	8.76%	BICENTENNIAL	
R0119736	158,065	145,806	13,852	8.76%	BICENTENNIAL	
R0119735	159,653	147,275	13,991	8.76%	BICENTENNIAL	
R0119739	159,739	147,503	14,013	8.77%	BICENTENNIAL	
R0119719	160,220	160,220	15,221	9.50%	BICENTENNIAL	8/13/2024
R0119742	160,462	148,547	14,112	8.79%	BICENTENNIAL	1/23/2023
R0119743	160,592	160,592	15,256	9.50%	BICENTENNIAL	1/5/2024
R0119747	160,686	148,714	14,128	8.79%	BICENTENNIAL	
R0119738	160,915	160,915	15,287	9.50%	BICENTENNIAL	3/1/2023
R0119731	161,478	149,111	14,166	8.77%	BICENTENNIAL	
R0119734	163,248	151,114	14,356	8.79%	BICENTENNIAL	
R0119721	164,014	164,014	15,581	9.50%	BICENTENNIAL	5/31/2024
R0119723	164,978	152,881	14,524	8.80%	BICENTENNIAL	
R0119718	165,307	152,889	14,524	8.79%	BICENTENNIAL	
R0119728	166,358	154,128	14,642	8.80%	BICENTENNIAL	
R0119741	166,388	153,975	14,628	8.79%	BICENTENNIAL	
R0119737	166,643	153,731	14,604	8.76%	BICENTENNIAL	
R0119733	167,070	154,484	14,676	8.78%	BICENTENNIAL	
R0119726	168,425	155,483	14,771	8.77%	BICENTENNIAL	
R0119729	168,618	155,482	14,771	8.76%	BICENTENNIAL	
R0119722	170,075	157,313	14,945	8.79%	BICENTENNIAL	

Appendix F.5.

37. Likewise, for these Albany County properties, the cap resulted in an assessed value differential for no other reason than one owner purchased in 2024. The cap ensured

that newly purchased properties were taxed at full value. Owners of neighboring unsold properties enjoyed a capped valuation of no more than four percent over the previous year's assessed value.

Address	2025 Actual Value	2025 Cap Value	2025 Taxes	Cap Y or N
1672 Irma	\$331,026.00	\$311,909.00	\$1,622.35	Y
1670 Irma	\$337,664.00	none	\$1,756.23	N

Address	2025 Actual Value	2025 Cap Value	2025 Taxes	Cap Y or N
1878 Franklin	\$289,473.00	none	\$1,505.63	N
1956 Franklin	\$296,402.00	\$260,580.00	\$1,355.32	Y

Address	2025 Actual Value	2025 Cap Value	2025 Taxes	Cap Y or N
907 Curtis	\$355,472.00	none	\$1,848.87	N
911 Curtis	\$368,777.00	\$338,566.00	\$1,760.98	Y

Address	2025 Actual Value	2025 Cap Value	2025 Taxes	Cap Y or N
1675 6th unit 3	\$176,914.00	\$146,598.00	\$762.49	Y
1675 6th unit 4	\$173,425.00	none	\$902.06	N

Appendix K.

38. To defend these outcomes, the State must legally justify that owners of capped properties are entitled to pay less property taxes than owners of identical or even more valuable properties, dependent only upon whether an owner recently purchased the property—that is the only difference. The State must demonstrate that this disparate outcome serves a rational public purpose and is consistent with the public's general welfare. *See supra* ¶¶ 25-30.

39. Furthermore, once a property sells, the tax inequity borne by the purchased property owner taxed at full value, compared to the lighter burden carried by the owner of the unsold property, may be locked in. *See* Wyo. Stat. Ann. § 39-11-105(a)(xlili) (2024). *See* Appendix F for examples. That means that neighbors owning identical properties, e.g. townhomes, but subject to a ten percent property tax assessed value difference because a new owner purchased one of the properties, may continue to be subject to that disparate tax outcome.

40. This nonuniformity is evident whether examining a discrete neighborhood, an entire county, or whether comparing residential properties among counties. Residential

properties in relatively sluggish real estate markets or neighborhoods may never be subject to the exemptions, while properties in more robust real estate markets (where property values are increasing at greater than an annual four percent rate) will find an increasing portion of market value exempt from taxation. A county-by-county breakdown of the caps' application is found in Appendix G.

Capped Value vs. Fair Market Value

2026 Values, By County

County	Total Fair Market Value	Total Capped Value	Capped % of FMV
Albany	\$4,597,268,135	\$4,385,672,242	95.40%
Big Horn	\$1,004,352,152	\$903,677,869	89.98%
Campbell	\$4,484,521,602	\$4,181,449,390	93.24%
Carbon	\$1,439,560,504	\$1,387,337,532	96.37%
Converse	\$1,381,418,575	\$1,332,993,515	96.49%
Crook	\$878,433,040	\$805,942,171	91.75%
Fremont	\$4,142,862,348	\$3,844,636,038	92.80%
Goshen	\$1,046,862,302	\$977,168,719	93.34%
Hot Springs	\$457,692,235	\$437,982,514	95.69%
Johnson	\$1,323,106,327	\$1,187,229,546	89.73%
Laramie	\$13,482,402,266	\$13,148,769,790	97.53%
Lincoln	\$4,891,932,459	\$4,762,798,453	97.36%
Natrona	\$9,103,071,784	\$8,324,930,618	91.45%
Niobrara	\$121,345,562	\$114,282,676	94.18%
Park	\$5,592,772,879	\$5,429,007,730	97.07%
Platte	\$963,309,489	\$904,763,616	93.92%
Sheridan	\$5,730,822,642	\$5,598,270,776	97.69%
Sublette	\$1,801,929,977	\$1,721,974,739	95.56%
Sweetwater	\$3,723,251,558	\$3,506,153,242	94.17%
Teton	\$40,619,540,824	\$35,389,152,709	87.12%
Uinta	\$2,114,645,305	\$1,938,375,217	91.66%
Washakie	\$847,681,640	\$770,126,269	90.85%
Weston	\$579,407,388	\$565,162,390	97.54%

Appendix G. Teton County taxes less residential property value as a percentage of total market value than any other county.

41. The caps also tend to discriminate in favor of more valuable properties, insulating them from property value increases, while often leaving less-valuable properties to be taxed nearer or at fair market value each year. We see this regressivity in the

following survey of Teton County residential properties, where the top ten percent of properties by value pay taxes on less of the value, while the lowest ten percent of properties by market value pay taxes on closer to 100% of fair market value.

Teton County Regressivity of Appraised Values (2025)

Home Type	Average % of FMV	
	<i>Top 10%</i>	<i>Bottom 10%</i>
Condos	93%	99%
Mobile Homes	100%	100%
Residential Homes	89%	97%
Townhomes	90%	100%

Condos in the top 10% of values pay taxes based on 93% of the home's market value. Condos in the bottom 10% of values pay taxes based on 99% of the home's market value, 6% more than the top 10%. Residential homes in the top 10% of values pay taxes based on 89% of the home's market value. Condos in the bottom 10% of values pay taxes based on 97% of the home's market value, 8% more than the top 10%.

Appendix H.

42. The State Board and Department of Revenue statistically measure “regressivity” or “progressivity” in appraisal and assessment practices. The Price Related Differential, or PRD, examines the relationship between appraised values and market values to ensure that assessors are not undervaluing higher-valued properties, relative to lower-valued properties. *See* Rules, Wyo. St. Bd. of Equalization, Ch. 5 §§ 3(a)(x), (xiii), (xiv), 6(a)(ii)(E) (2021).

B. Altered residential structures.

43. An entirely different disparate treatment occurs among property owners who improve their homes, depending upon the way they do so. A property owner who adds value by *altering the property's foundational footprint*, such as adding to the foundation's perimeter *in any way*, loses the valuation cap exemption that year. Fair market value sets that property's assessable value and the cap applies again going forward to that baseline value. Assessors are to assess those modified properties at full value *regardless of the value increase (or decrease)*. Wyo. Stat. Ann. § 39-11-105(a)(xliii) (2025); *see* Rules, Wyo. Dep't of Revenue, Ch. 14 § 18(f) (2024), *supra* ¶ 1. By comparison, an owner who

remodels or improves a residence internally, *without altering the property's structural footprint or area living space*, continues to enjoy the cap and the valuation increase over four percent is not taxed. *Id.* Property owners who remodeled homes also gained a tax advantage when compared to property owners who did not change their property, but who also enjoyed the cap.

44. The following properties located in Natrona County demonstrate the disparate valuation outcomes resulting from internal remodels versus properties that were not internally remodeled. Note that the property at 1207 S. Washington Street, because it was remodeled and subject to the cap, paid a lower tax rate as a percentage of market value than all other neighboring properties listed. The value added through the remodel substantially increased the portion of value exempted from taxation:

Kenwood Remodel, Natrona County

Account	Fair Market Value	Appraised Value	Assessed Value	Effective Assessment		Address	Owner Occupied?
				Ratio*	Remodeled?		
R0016740	315,040	208,127	19,772	6.28%	YES	1207 S WASHINGTON ST	NO
R0016739	242,834	183,983	17,478	7.20%	NO	1221 S WASHINGTON ST	YES
R0016741	133,475	113,744	10,806	8.10%	NO	1203 S WASHINGTON ST	NO
R0016747	258,533	244,148	23,194	8.97%	NO	1216 S WASHINGTON ST	YES
R0016748	298,015	219,753	20,877	7.01%	NO	1224 S WASHINGTON ST	YES
R0016749	166,828	162,261	15,415	9.24%	NO	1234 S WASHINGTON ST	NO

Source: Department of Revenue, Natrona County CAMA System

* Assessed Value/Fair Market Value

Appendix I.1.

45. Comparing the following Laramie County properties, one of which was remodeled internally, and another which was sold, illustrates the caps' tax inequity:

Property	Previous Year Market Value	Fair Market Value	Capped Value	% FMV	Sale
TRACT 3	189,610	994,222	994,222	100%	2/26/2024
TRACT 83 (remodeled)	935,387	1,056,365	977,735	93%	
TRACT 64	943,392	981,589	973,639	99%	

Appendix I.2. The owner of remodeled Tract 83 enjoyed a tremendous tax windfall because the caps exempted all but four percent of the property's value increase from

taxation, including the value added through the remodel. The outcome is an “inversion” of values wherein a property is taxed at a lower assessable value when compared to another property, even though the former property has a higher fair market value. That taxpayer enjoys the inflated tax discount each year thereafter, and tax outcomes are no longer predictable.

46. Again, we discern no rational reason to discriminate against taxpayers who add living area to a residence through an addition (assessing those properties at full value), versus owners who remodel internally (capping assessed value at 104% of the previous assessed value). And here again, the cap effectively ensures that a property’s features and appraised market value lose their relevance as the delta between market values and capped values increases. Not so, however, for owners whose property assessments are not capped. Those owners remain within the unfortunate class of taxpayers that is subject to the Constitution’s “full value” and uniform taxation mandates.

C. Evidence of non-uniform taxation can now be verified for nearly every Wyoming residential property.

47. Finally, we may examine the caps’ nonuniform valuation and tax impact on each residential property owner through what we call an “inversion.” An “inversion” may be found when comparing the market and assessed values of any two residential properties. Before the caps went into effect, a residential property’s assessed or taxable value was ***always 9.5% of market value***. See *supra* at fn. 2; ¶¶ 32, 35; *infra* ¶ 67. Statutory law still dictates that assessed value is 9.5% of a property’s appraised market value. *Id.* The caps, by suppressing assessed values at no more than four percent over a property’s previous assessed value, generate an *effective* assessment rate of less than 9.5% for the capped properties because the assessed values are limited to 104% of the previous year’s assessed value.

48. The value “inversion” occurs when a property’s appraised full market value is greater than another property’s appraised full market value, but its capped assessed value drops below the assessed value of the property to which it is compared. Consequently, the owner of the more valuable property is paying *less property tax and is taxed at a lower assessment rate* than the owner of the comparable property, even though the market value of the first property is higher.

49. The following is an example wherein the caps generated five “inverted” assessed values within Albany County for the subject Albany County residential property:

Property Tax Inversion Audit

AUDITED ACCOUNT: R0003813
COUNTY: ALBANY
FAIR MARKET VALUE: \$851,436
ASSESSED VALUE: \$71,080
LOCATION: 13 N 78 W 35

Inversion Account	2026 FMV	2026 Assessed Value	Location
R0014947	\$906,160	\$56,714	UP 4TH B 8 L
R0027954	\$939,052	\$30,826	WILD HORSE R
R0033056	\$929,402	\$50,828	BERNER MILL
R0033133	\$862,115	\$64,195	GRASSY HOLLO
R0033691	\$918,473	\$49,425	15 N 73 W 22

Appendix J.A. For each of the five value inversions, the property owner of R0003813 is paying taxes on a higher assessed value than the five listed Albany County owners even though his property is less valuable than those Albany County properties listed. This outcome is not an anomaly. Indeed, this outcome is now very common.

50. Most residential Wyoming properties have at least one inversion somewhere in the state. For many properties, there are hundreds or thousands of inversions *in the same county*. Below is a distribution of inversions for all properties in the state, but the inversions refer only to properties located in the same county. The number of inversions for each property, if compared to all properties statewide, would be much larger.

Inversion Count Distribution Summary

Inversion Range	Property Count	Percentage of Total
No Inversions (0)	1,494	0.62%
1 to 9 Inversions	19,995	8.33%
10 to 50 Inversions	54,669	22.79%
51 to 100 Inversions	38,545	16.07%
101 to 500 Inversions	89,053	37.12%
501 to 1000 Inversions	27,884	11.62%
Over 1000 Inversions	8,274	3.45%

Appendix J.B. As the numbers illustrate, assessed values as a function of market value, and virtually every aspect of residential property taxation tied to the assessed value, is no longer uniform. In a sense, the caps assure nonuniformity. It should be noted that with every residential property sale and every change to a property's value through improvement, numerous additional inversions arise and discriminatory taxation proliferates.

51. The State Board, through its staff, may examine any residential property account and identify for that account all "inversions" within a defined geographical boundary, such as a subdivision, town, city, county, or the state in total. The State Board is working on a program accessible to all property owners to run that analysis and will offer the tool to the public through its website if possible.

D. The State Board's and Department's regulatory oversight, including all measures to maintain uniformity, are generally of no consequence for most assessed value-capped properties.

52. Wyoming's constitutional tax structure and statutory assessment sequence begin with each property's "full valuation" and a uniform assessment practice. *See* Art. 15, § 11, Wyo. Const., *supra* ¶¶ 18-19. The State Board and Department of Revenue measure and monitor whether assessors are valuing at full market, and whether they are assessing uniformly relative to market value. *Supra* ¶¶ 4-6, 9. Each year after completing an extensive statistical analysis of each assessor's appraised values, the State Board "certifies" values so that each county may levy taxes and set budgets. *Supra* ¶¶ 4-6; *infra* ¶¶ 59-61.

53. Wyoming's mass appraisal system statistically measures each assessor's assessment practice in at least four respects: 1) assessments tied to fair market value, referred to as "appraisal level" or median; 2) uniformity of full valuation assessments within a defined statistical range, referred to as the "Coefficient of Dispersion"; 3) assurance that more valuable properties, relative to less valuable properties, are treated the same when it comes to determining taxable value, which is measured by a countywide "Price-related differential"; and 4) a comparison of assessed valuations of sold properties to assessed valuations of unsold properties, the change of which must differ by no more than five percent (referred to as the "sold to unsold comparison"). Rules, Wyo. Bd. of Equalization, Ch. 5 §§ 5-6 (2021). When sold properties are taxed differently from unsold properties in a given tax year, and the State Board or Department statistically confirms the practice, an assessor may be "sales chasing." Uniformity is diminished.

54. The State Board occasionally orders assessors to modify valuation practices when these statistical analytics reveal a failure to appraise and assess at a uniform, fair market value. *Supra* ¶¶ 2-3; *Id* at §§ 3-5; *See e.g. In the Matter of Natrona County Property Valuations for 2019-20*, Doc. No. 2019-01 (Wyo. St. Bd. of Equalization, July 30, 2019); *In the Matter of Teton County Property Valuations for 2017-2018*, Doc. No. 2017-01 (Wyo. St. Bd. of Equalization, July 6, 2016). Moreover, Wyoming Statutes section 39-11-102(c)(xxv) (2025) requires that the Department adopt statistical analytics to ensure residential properties are uniformly valued, i.e., mass appraisal. The State Board may “equalize” county values or pursue other measures to resolve an assessor’s failure to value and assess at full value, or to uniformly assess taxpayers within a class. *Supra* ¶¶ 4-6.

55. However, for owners of value-capped properties, an assessor’s appraisal adjustments will typically have little or no impact. For example, an owner of property the value of which is capped at 80% of assessable market value, would be less likely to experience an assessor’s appraisal adjustment because those adjustments apply to each county’s *market valuations*, not capped assessments. Property owners who do not enjoy the exemption, on the other hand, will experience the full impact of State Board or department-mandated appraisal practice modifications and oversight. It’s as though the legislature carved all capped properties from the Constitution’s protective structure.

56. Varying assessor practices are yet another destabilizing factor when comparing the caps’ consequences county-by-county. If, for example, an assessor’s office undervalued an entire neighborhood prior to enactment of the caps, the caps then prevented an effective correction. In that scenario, the caps locked in a lower ceiling for all undervalued properties in that neighborhood, and the assessor’s subsequent appraisal adjustments to market values (and assessed values) had no effect. *See* example in Appendix F.1.A and F.1.B. (comparing Alcova and Western Casper groupings). Owners in other neighborhoods in that county, if the assessor had not undervalued those properties at the time the caps became effective, were assessed at higher values and paid more taxes relative to market value. *See* Appendix F.

57. In sum, the valuation caps eroded the property tax system’s equality and uniformity on numerous levels. Because the caps continually suppress valuations, the disparity between like or identical properties grows larger each year. Continued inaction will result in greater distress to taxpayers who experience the abrupt assessed value spikes that will eventually occur when the caps are removed.

IV. Legal Conclusions: Disregard of Constitutional Full Valuation and Uniformity Requirements and Non-Certification of Residential Property Tax Valuations

58. The State Board lacks authority to declare a statute unconstitutional. *Johnson v. State ex re. Wyo. Dep't of Transp.*, 2020 WY 19, ¶ 10, 458 P.3d 40, 44 (Wyo. 2020) (“law is clear that administrative agencies have no authority to rule on the constitutionality of statutes,...”) (citations omitted). “Rather, the correct course is an independent action for declaratory judgment.” *Escarcega v. State ex rel. Wyo. Dep't of Transp.*, 2007 WY 38, ¶ 22, 153 P.3d 264, 270 (Wyo. 2007) (quoting *Torres v. State ex. rel. Wyo. Worker's Safety & comp. Div.*, 2004 WY 92, ¶ 6, 95 P.3d 794, 795 (Wyo. 2004)). Because board members Hardsocg and Mockler verified that residential property values as a class do not conform with Wyoming's Constitution, they prepared litigation to obtain a judicial ruling concerning the system's constitutionality. *Supra* ¶¶ 10-17. At the Governor's request, the State Board has not initiated the litigation. *Id.*

59. Regardless, the State Board must resolve whether to certify residential values before a levy of taxes can proceed. *Supra* ¶ 5; see Wyo. Stat. Ann. § 39-11-102.1(c)(ii), (v), (ix) (2025). That certification step flows from the Board's constitutional obligation to monitor adherence to Article 15, section 11 of Wyoming's Constitution, especially to ensure uniform assessments, i.e., equalization. This presents a classic catch-22: how does the State Board certify residential values it knows are, by design, wildly non-uniform within each county and throughout the state? May the State Board withhold certification, preventing counties from levying taxes on residential properties? Even if the Board certifies residential values, would this Board's examination undermine defense of their legality if challenged? There is no clear answer.

60. Some may suggest that the Board certify and wait until a taxpayer or another entity sues to challenge the caps. Because the legislature passed several additional exemptions that reduced property taxes for nearly all property owners, the layering of exemptions masked the caps' destabilizing effects. See Wyo. Stats. Ann. §§ 39-11-105(a)(xlv) (2025) (exempting 50% of assessed value for long-term owners); 39-11-105(a)(xlvi) (2025) (exempting 25% of the first million dollars of value of Wyoming homeowners who occupy their homes). Homeowners enjoy these additional exemptions without realizing that the capped assessed values, upon which these layered exemptions operate, are often not at market value, are non-uniform, and are discriminatory. Nor are homeowners readily able to canvass the state's complex CAMA system, assuming they understand how the caps technically operate. Few entities, such as the State Board or Department, are situated to fully examine and discern the damage Wyoming's property tax system has sustained. In any event, the State Board is constitutionally bound to counter the destabilization of Wyoming's constitutional system.

61. **For the reasons set forth, the State Board is unable to certify the state’s residential land or improvement values.** Moreover, delaying and allowing the cap exemptions’ non-uniformity to continue is not an option. Delay will cause greater harm to owners whose property values will abruptly return to a constitutional full value, uniform system. At the same time, owners currently taxed on the full value of their properties are entitled to uniformity without delay, and exemptions must be constitutionally grounded.

62. The legislature has historically enacted many property tax exemptions. *See* Wyo. Stat. Ann. §§ 39-11-105; 39-13-105 (2025). The valuation cap exemptions are, however, different and unprecedented: once triggered, they *supplant the tax system’s core valuation structure and assessment sequence* for more than half of Wyoming’s residential properties (that proportion is increasing annually). *See supra* ¶¶ 31-33. That structure and sequence, by constitutional and statutory law, begin each year with a determination of “full” market value as of January 1. *See* Wyo. Stat. Ann. § 39-13-103(b)(i)(A) (2025). Yet, “full value” may become irrelevant when the 104% cap on assessed values is determinative each year. We are unable to reconcile the assessed valuations derived from the caps, as applied, with Article 15, section 11 of the Constitution, which requires that property tax assessments be a function of each property’s “full value.” *Supra* ¶ 18.

63. The legislature’s reliance on Article 15, section 12 of Wyoming’s Constitution is misplaced. Although its authority to exempt property is liberally construed, *infra* ¶¶ 18-24, the legislature may not effectively remove “full value” and uniform valuation/assessment/taxation across an entire property class. It may do so only after amending the Constitution.

64. All exemptions, by design, treat specified taxpayers or properties differently. Taxing authorities must be able to justify that difference, and those disparities must serve a public interest such as extending tax relief to taxpayers for economic reasons or to military veterans. For the valuation caps on residential land and improvements, they are not narrowly tailored nor do they further a recognized public interest. But even assuming they do, the caps arbitrarily discriminate as follows:

- i. New property owners vs. existing owners in areas where market values are rising more than four percent each year;
- ii. Owners who add value to a residence by internally remodeling vs. those who do not;
- iii. Owners who add value to a residence by internally remodeling vs. owners who add living space to a home through a foundational change or who add square footage;

- iv. Owners of relatively higher valued properties vs. owners of relatively lower valued properties, a regressive tax discrimination; and,
- v. Any owners enjoying an undervalued property assessment prior to the caps' enactment vs. property owners taxed at fair market value upon the caps' enactment.

Accordingly, we are unable to certify residential values. “In ad valorem taxation, a rational basis for a disputed classification must be shown with equal treatment of similarly definable taxpayers.” *Rocky Mountain Oil and Gas Ass’n*, 749 P.2d 221 at 236; *see supra* ¶ 26.

65. For property values that are capped, the properties' intrinsic values and physical characteristics are now less determinative of the properties' tax burden, or they are not determinative at all. The caps effectively remove the “ad valorem” component of the tax: “ad valorem” means “according to value.” *Ad Valorem*, Black's Law Dictionary (1990 ed. 1990). But for non-capped properties, the intrinsic value or market demand remains determinative when calculating property taxes. We are unable to certify taxable values of properties for which the physical characteristics are largely irrelevant.

66. Considering the Constitution's equal protection mandates, Art. 1, §§ 2-3, we doubt the de facto classes and disparate treatment resulting from the cap exemptions would survive any level of judicial scrutiny, i.e., rationally related to a public interest. *See Allhusen v. State By and Through Wyo. Mental Health Professions Licensing Bd.*, 898 P.2d 878 (Wyo. 1995) (Mental health licensing exemptions under statutory act discriminated against de facto class of practitioners on unjustifiable grounds and, consequently, violated equal protection rights.).

67. Constitutionally mandated mechanisms to warn of non-uniformity, in particular the State Board's annual regulatory functions and review, are rendered inoperative for most capped properties. The Department of Revenue and State Board statistically measure whether each assessor values residential properties at fair market value, that assessed taxable values are uniform relative to the market and each other (called a ratio study), and that assessed valuations are uniform among and between expensive and less expensive properties. *Supra* ¶¶ 4-6, 52-56. The cap exemptions ensure that many properties are removed from the full value structure of Wyoming's basic system, are not uniformly assessed, and that more expensive and value-accruing properties are taxed at a lower relative assessment rate when compared to less expensive properties in a robust real estate market.

68. The valuation cap exemptions undermine compliance with the Department's and State Board's mass appraisal assessment guidelines, which the legislature mandated in Wyoming Statutes section 39-11-102(c)(xxv) (2025).

V. Conclusion

69. Considering the Board's constitutional duty, and the oath each member has given, we are unable to certify that residential properties in Wyoming are assessed in accordance with Article 15, Section 11 of Wyoming's Constitution. The system's variable departure from "full value" and uniform/equal assessment mandates over three years is so pervasive, no remedy other than immediate suspension of the caps and issuance of notices of valuation change for properties subject to the caps will assure compliance with constitutional and statutory law in 2026.

DATED this 11 of June 2026.

STATE BOARD OF EQUALIZATION


E. Jayne Mockler, Chairman


Martin L. Hardsocg, Vice-Chairman

ATTEST:


Jennifer Fujinami, Executive Assistant

CERTIFICATE OF SERVICE

I certify that on the **11** day of June of 2026, I served the foregoing **Examination Record, Findings, and Report in Support of Residential Property Tax Value Certification Decision** by placing a true and correct copy thereof to be delivered electronically via email to the following persons:

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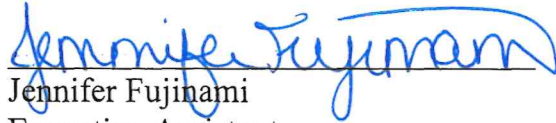
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