



General Fund Revenues Keeping Pace

The co-chairmen of the Consensus Revenue Estimating Group (CREG) released their quarterly update highlighting the state's revenue collections by major source. The report provides a comparison of revenue collections received from July 1, 2016 through March 2017 to the annual projections made in the January 2017 Wyoming State Government Revenue Forecast. [View the report.](#)

The report indicates current revenue collections directed to the General Fund, Budget Reserve Account, One-Percent Severance Tax Account, and the School Foundation Program are outpacing expectations set in the January 2017 report.

The total FY 2017 revenue forecast for the General Fund appears to be right on pace, while revenues to the Budget Reserve Account and School Foundation Program could possibly exceed expectations. Investment earnings for the first four contingent appropriation priorities adopted in the 2016 session are on pace to be fully funded. However, the remaining two (the Capitol Building Rehabilitation and Restoration Account and Mineral Impacted Roads) currently are not. Investment earnings are not currently on pace for any deposits to be made to the spending policy reserve accounts, which require annual investment earnings in excess of 5 percent of the five-year average market value of the respective corpus. Severance taxes and federal mineral royalty collections are exceeding CREG estimates. Sales and use taxes, which are the largest revenue source for the General Fund, and a major revenue source for municipalities and counties, continue to lag projections.

In total, the actual General Fund and Budget Reserve Account revenue collections are in excess of projected pacing by 0.2 percent and 15.3 percent, respectively, compared to the January 2017 CREG estimates through March 2017.

Of the major revenue sources for General Fund, pooled income from dividends and interest, severance taxes, and other revenues are exceeding the forecast level through March 2017; however, sales and use taxes and interest and dividends from the Permanent Wyoming Mineral Trust Fund (PWMTF) are lagging projections.

- Severance tax collections directed to the General Fund are running ahead of forecast pace by 6.4 percent.
- Sales and use tax collections, however, are trailing 3.1 percent below the forecast pace for the year.
- Although interest and dividends directed to the General Fund from the State Agency Pool are ahead of forecast pace by 4.9 percent, there are substantial realized capital losses from that pool, which have an immediate negative impact on the General Fund cash balance.
- Investment income from interest and dividends attributed to the PWMTF are lagging the projection by 3.6 percent.
- The All Other revenue category is running ahead of the forecast pace by \$6.3 million, or 3.1 percent.
- Severance tax receipts to the Budget Reserve Account are currently exceeding the January 2017 CREG forecast pace by \$20.6 million, or 18.3 percent. Federal mineral royalties directed to the Budget Reserve Account, including an adjustment for the federal fiscal year 2016 budget sequester, are \$26.1 million, or 13.6 percent above the January CREG forecast through March.

While the January 2017 CREG forecast called for year over year declines of 6.7 percent in sales and use tax collections, actual receipts through March 2017 were lagging the forecast by an additional 3.1 percent, or \$12.6 million. Four counties known for substantial coal mining or natural gas production (Campbell, Converse, Sublette and Weston) have realized year over year declines in sales and use tax collection in excess of 25 percent. It is important to note, that these declines are in addition to the nearly 21 percent drop in sales and use tax collections in FY 2016, following record high statewide collections in FY 2015.

The CREG notes Wyoming oil, natural gas production and trona prices are tracking very much in line with the January 2017 CREG estimates.

April 2017 issue of the Wyoming Insight

The April 2017 issue of the Wyoming Insight is available at the State of Wyoming's Economic Analysis Division website <http://ai.wyo.gov/economic-analysis>. The Wyoming Insight serves as an energy index and business indicators report for the State.

Highlights from this month's issue include:

1. **Natural Gas and Crude Oil Prices Rally in April.** "April's natural gas and crude oil prices improved compared to March prices," according to Jim Robinson, principal economist for the state's Economic Analysis Division. The April 2017 price at the Opal Hub averaged \$2.76 per million British thermal units (MMBtu) to date, compared to the \$2.57 per MMBtu average in March 2017. By comparison, the April 2016 average price was \$1.71 per MMBtu. The West Texas Intermediate crude oil price averaged \$51.30 per bbl. in April 2017, an increase over the March 2017 average price of \$49.58 per bbl. and was \$10.34 per bbl. higher than the April 2016 price. The oil rig count numbered 9 for March, while the conventional gas rig count was 9 for the same month. Year-to-date applications for permits to drill for oil reached 2,358 through the end of March compared to 1,395 in 2016. Oil and gas jobs numbered 10,600 in February, a decline of 100 from a year earlier.
2. **Teton and Crook Counties Record Gains in Sales and Use Tax Collections for Fiscal 2017.** After nine months of fiscal year (FY) 2017, the state's 4 percent sales and use tax collections declined by \$65.5 million (-12.9%) in a comparison to FY 2016. "Teton and Crook were the only counties to register a gain after the first nine months of collections. Campbell County recorded

the largest decline, measuring \$22.3 million, while Natrona County trailed last year's pace by \$8.1 million. Of the twelve industry sectors that are tracked, only transportation & utilities generated a gain when compared to FY 2016," noted Robinson.

3. **Single Family Building Permits Running Ahead of Pace in 2017.** Year-to-date housing units permitted through the end of March 2017 increased by 2.2 percent (+7 units) compared to 2016. "Single family permits rose by 5.1 percent (+14 units) after three months in 2017 while multifamily permits lagged last year's pace by 14.9 percent or 7 units," remarked Robinson.

Calendar of Events

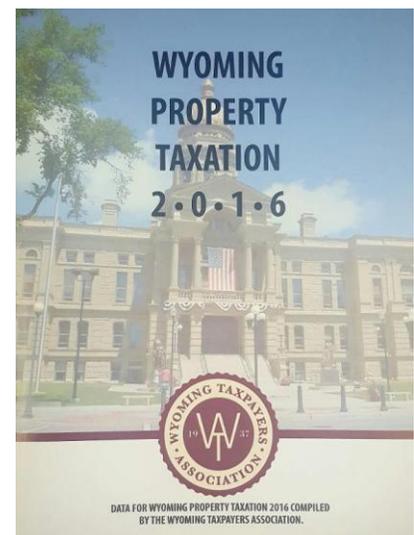
- May 19, 2017 - Spring Board Meeting - Cheyenne, WY
- September 12, 2017 - Interim Revenue Committee Reception - Buffalo, WY
- October 26-27, 2017 - Annual Conference - Cheyenne, WY

Upcoming Interim Committee Meetings

- Joint Agriculture: May 8-9, 2017, Devils Tower, Best Western Devils Tower Inn, 8:00 a.m.
- Joint Revenue: May 11-12, 2017, Saratoga, Platte Valley Convention Center, 8:00 a.m.
- Joint Corp., Elections & Polit. Subdivisions: May 18-19, 2017, Laramie, TBD, 8:00 a.m.
- Joint Transportation, Hwys., & Military Affairs: May 30-31, 2017, Douglas, TBD, 8:00 a.m.
- Joint Education: June 20-21, 2017, Casper, UW at Casper College, 8:30 a.m.
- Joint Minerals, Business & Econ. Devel: June 29-30, 2017, Casper, TBD, 8:00 a.m.
- Joint Appropriations Committee: July 17-18, 2017, Rawlins, Jeffrey Memorial Center, 8:00 a.m.

Wyoming Property Taxation 2016

The Wyoming Taxpayers Association is pleased to offer its members the [Wyoming Property Taxation 2016](#), a detailed guide to property taxation in Wyoming. Inside you will find the tax base and tax rates for schools, counties, cities, towns and special districts levying property taxes this year. Wyoming's 2016 statewide assessed valuation, totaling \$20.9 billion, decreased \$5.1 billion, or -19.7 percent, from the 2015 level. This was the largest annual decline in assessed valuation since 2010. Just over 50 percent of the 2016 assessed value was from mineral production alone, compared to 61 percent in 2015



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