

County passes budget, valuation up

By ALEX HARGRAVE

alex@buffalobulletin.com

Johnson County is planning for the future with its fiscal year 2027 budget, County Commission Chairman Bill Novotny said.

Included in the budget the commission approved on July 14 are the new Kaycee Library building, a new community building at the fairgrounds and projects such as reconstruction on Rock Creek and Johnson Creek roads and work on Airport

Road. The Johnson County Courthouse will also get a new roof, Novotny said.

"I am really proud of the stewardship of this incredible building as well as all the work that has been done to preserve the Carnegie building at the museum," he wrote in an email.

"Add in some work at the airport apron that is funded

mostly with federal aviation dollars and all the work our Road and Bridge Department does to maintain what we have, and it is going to be a busy year in Johnson County."

The county's valuation for 2026 is \$504.39 million, which includes property taxes as well as mineral ad valorem taxes.

In 2025, the county's valuation was \$473.4 million. Novotny said that the valua-

tion of the county's southern tax district is down due to the location of bentonite mining. Still, commissioners were encouraged by the year-over-year increase in the county's valuation, he said.

"We are seeing revenue from uranium, which is very promising as well," he wrote in an email. "The two main (oil and gas) operators, Anschutz and EOG, have ambitious drilling plans for



Novotny

BUDGET

continued on page A18

Budget: Focus on needs, employee retention

Continued from A1

Johnson County over the next two years, which is very promising for job creation and tax revenue. I am also very optimistic that Pronghorn Energy's investment in their new asset will reverse the trend line of gas production in the county and also help the bottom line."

Residential property taxes accounted for \$106 million of the county's valuation. Whether the State Board of Equalization would certify residential property tax values was uncertain until a judge recently ruled that it must do so while the court determines the constitutionality of a 4% cap on how much residential property value can increase year to year.

County departments and ancillaries, including the Johnson County Library, Jim Gatchell Memorial Museum and Johnson County Fairgrounds, presented realistic budgets focused on needs and employee retention, Novotny said.

"Inflation and the uncertainties in the price of electricity and gas and diesel continue to make preparing the budget challenging," he

said. "The county is feeling the inflation and tariff squeeze just like Johnson County families."

The county's operating expenses are expected to total \$17.4 million, which is up a little more than \$1 million from last fiscal year's operating expenses. That increase is largely driven by the County Road and Bridge Department's work on North Bypass Road and replacement of several of the county's servers that are end of life and pose a security risk, Novotny said.

Novotny noted that a bright spot in the budget this year is the decrease in health insurance costs for its employees. Its renewal was down by roughly 1%, though many other counties across the state are seeing larger increases, he said.

"As a self-insured employer, we are actually going to be able to reduce the price our employees contribute to their health insurance because we had a lower claim year and are improving on the overall health of the county employees, which is very promising," Novotny wrote in an email.

Revenue collected by the county is expected to total roughly \$15.64 million, down from \$17.7 million budgeted last year. Federal funding makes up a portion of the county's revenue based on the percentage of federal lands within its bounds.

The county will receive Secure Rural Schools funds after Congress passed the Secure Rural Schools Reauthorization Act in December 2025. Novotny said that the \$170,000 in SRS funding, which includes this year's funding and that of the two previous years that Congress allowed the program to expire, will be earmarked for search and rescue training and purchasing a new vehicle for the sheriff's office. Secure Rural Schools was established in 2000 to compensate rural counties for revenue losses driven by a reduction in timber harvest on federal lands.

"I do want to thank Congresswoman (Harriet) Hageman for helping get the reauthorization across the finish line," he wrote in an email. "But, it is only a three year fix, so we could be back

to unfunded in the next fiscal year."

Similarly, the federal government disburses money directly to public lands counties annually through the Payment in Lieu of Taxes program. Using a statutory formula, the annual PILT payments to local governments are computed based on the number of acres of federal land within each county and on the population of the county.

In 2026, Johnson County is expected to receive more than \$1.57 million in PILT funding, according to the Department of Interior. That's up from \$1.4 million allocated last year.

Novotny said that he is concerned about the longevity of this funding source considering Congress struggles to pass a budget annually.

"Because they cannot do their jobs and pass a budget, the amount of overall PILT money is subject to sequestration, which cuts the amount and when you factor in inflation, we will struggle to provide services on public lands and maintain those roads without subsidizing those activities with property tax dollars," he said.