

5.0 GLOSSARY

Ad Valorem Tax	A tax paid as a percentage of the assessed value of property.
Assessed Value (assessed valuation)	The value of real property for the purposes of levying ad valorem taxes. The value is a function of the market value of property and the assessment rate, which ranges from 9.5 percent for residential property to 100 percent for minerals and mine products.
Compounded Annual Growth Rate (CAGR)	The average annualized growth rate over a defined number of years, which equates to the total change between the starting and ending values, as if the change had occurred at a constant rate.
Mill Levy	A mill is 1/10 of \$.01 or \$.001 (one thousandth). A mill levy is the number of dollars a taxpayer must pay for every \$1000 of assessed value. The mill levy is determined by the amount of revenue that the taxing entity needs to collect from ad valorem taxes.
Mineral Royalty	A share of the value of production that is free of the production expenses. It is generally paid by a lessee to a lessor of a mineral lease as part of the terms of the lease. The Federal government receives a 12.5 percent royalty on coal produced from federal leases.
Severance Tax	A tax on the removal of minerals from the ground. The State of Wyoming imposes a severance tax of 7.0 percent on the value of all coal produced.
Split Estate	The term applied to situations where the surface rights and mineral rights are held by different parties/owners.