

Senator Howard A. Stephenson proposes to substitute the following bill:

STUDY ON RESIDENTIAL PROPERTY TAX

AMENDMENTS

1998 GENERAL SESSION

STATE OF UTAH

Sponsor: Howard A. Stephenson

Howard C. Nielson

Joseph L. Hull

Craig L. Taylor

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Mike Dmitrich

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AN ACT RELATING TO REVENUE AND TAXATION; REQUIRING THE REVENUE AND TAXATION INTERIM COMMITTEE TO ADDRESS THE ISSUE OF WHETHER TO AMEND THE UTAH CONSTITUTION TO AUTHORIZE A PROPERTY TAX EXEMPTION FOR RESIDENTIAL PROPERTY OF NOT TO EXCEED A STATEWIDE AVERAGE OF 45%; REQUIRING THE REVENUE AND TAXATION INTERIM COMMITTEE TO PREPARE LEGISLATION IF IT DETERMINES TO AMEND THE UTAH CONSTITUTION; PRESCRIBING THE PROVISIONS TO BE CONTAINED IN THE LEGISLATION; AND AUTHORIZING THE REVENUE AND TAXATION INTERIM COMMITTEE TO REQUEST THE TAX REVIEW COMMISSION TO PROVIDE ASSISTANCE IN ADDRESSING THE ISSUE OF WHETHER TO AMEND THE UTAH CONSTITUTION AND IN PREPARING LEGISLATION.

This act enacts uncodified material.

Be it enacted by the Legislature of the state of Utah:

Section 1. Revenue and Taxation Interim Committee study on constitutional amendment -- Preparation of legislation.

(1) The Revenue and Taxation Interim Committee shall, on or before the November 1998 interim meeting, address the issue of whether to amend Utah Constitution Article XIII, Section 2

1 to authorize a property tax exemption for residential property of not to exceed a statewide average
2 of 45% of fair market value as provided by statute.

3 (2) If the Revenue and Taxation Interim Committee determines to amend Utah
4 Constitution Article XIII, Section 2 as provided in Subsection (1), the Revenue and Taxation
5 Interim Committee shall prepare legislation on or before the November 1998 interim meeting:

6 (a) amending Utah Constitution Article XIII, Section 2; and

7 (b) providing for the implementation of the constitutional amendment under Subsection
8 (2)(a) by statute as provided in Subsection (3).

9 (3) Legislation providing for the implementation of the constitutional amendment under
10 Subsection (2)(a) by statute § [shall] MAY § contain the following provisions:

11 (a) a provision that on January 1, 2001, for property tax purposes:

12 (i) all residential property in the state § [shall] MAY § be valued at fair market value; and

13 (ii) primary residences shall be subject to an exemption of 45% of fair market value as the
14 Revenue and Taxation Interim Committee provides;

15 (b) a provision that if a person acquires residential property after January 1, 2001, the
16 residential property § [shall] MAY § be valued:

17 (i) on the date the residential property is acquired; and

18 (ii) in an amount equal to:

19 (A) fair market value; or

20 (B) the percentage of fair market value the Revenue and Taxation Interim Committee
21 determines to be necessary to achieve an exemption for residential property of not to exceed a
22 statewide average of 45% of fair market value;

23 (c) a provision exempting from the valuation requirements under Subsection (3)(b) an
24 acquisition of residential property by a person:

25 (i) living with a spouse in the residential property at the time of the spouse's death; and

26 (ii) who acquires the residential property as a result of the spouse's death;

27 (d) a provision that beginning on January 1, 2002, residential property § [shall] MAY § be adjusted
28 for inflation or deflation on a statewide or regional basis, subject to limits on the amount of the
29 adjustment established by the Revenue and Taxation Interim Committee to achieve an exemption
30 for residential property of not to exceed a statewide average of 45% of fair market value;

31 (e) a provision authorizing an exemption for a person acquiring residential property for

- 1 the first time in an amount equal to the portion of fair market value the Revenue and Taxation
2 Interim Committee determines to be necessary to achieve an exemption for residential property
3 of not to exceed a statewide average of 45% of fair market value; and
4 (f) any other provisions the Revenue and Taxation Interim Committee determines to be
5 necessary.
6 (4) The Revenue and Taxation Interim Committee may request the Tax Review
7 Commission to provide assistance in:
8 (a) addressing the issue of whether to amend Utah Constitution Article XIII, Section 2;
9 and
10 (b) preparing legislation as provided in Subsections (2) and (3).