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

1	STUDY ON RESIDENTIAL PROPERTY TAX		
2	AMENDMENTS		
3		1998 GENERAL SESSIO	N
4		STATE OF UTAH	
5	Sponsor: Howard A. Stephenson		
6 7 8	Howard C. Nielson Robert M. Muhlestein Mike Dmitrich	Joseph L. Hull Eddie P. Mayne Blaze D. Wharton	Craig L. Taylor Nathan C. Tanner L. Steven Poulton
9	AN ACT RELATING TO REVENUE AND TAXATION; REQUIRING THE REVENUE AND		
10	TAXATION INTERIM COMMITTEE TO ADDRESS THE ISSUE OF WHETHER TO		
11	AMEND THE UTAH CONSTITUTION TO AUTHORIZE A PROPERTY TAX EXEMPTION		
12	FOR RESIDENTIAL PROPERTY OF NOT TO EXCEED A STATEWIDE AVERAGE OF		
13	45%; REQUIRING THE REVENUE AND TAXATION INTERIM COMMITTEE TO		
14	PREPARE LEGISLATION I	F IT DETERMINES TO AMEND	THE UTAH CONSTITUTION;
15	PRESCRIBING THE PROVISIONS TO BE CONTAINED IN THE LEGISLATION; AND		
16	AUTHORIZING THE REVENUE AND TAXATION INTERIM COMMITTEE TO		
17	REQUEST THE TAX REVIEW COMMISSION TO PROVIDE ASSISTANCE IN		
18	ADDRESSING THE ISSUE OF WHETHER TO AMEND THE UTAH CONSTITUTION		
19	AND IN PREPARING LEGISLATION.		
20	This act enacts uncodified material.		
21	Be it enacted by the Legislature of the state of Utah:		
22	Section 1. Revenue a	nd Taxation Interim Committee	study on constitutional
23	amendment Preparation of	of legislation.	
24	(1) The Revenue and Taxation Interim Committee shall, on or before the November 199		
25	interim meeting, address the i	ssue of whether to amend Utah Con	nstitution 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 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 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 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 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

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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
1	(f) any other provisions the Revenue and Taxation Interim Committee determines to be
5	necessary.
5	(4) The Revenue and Taxation Interim Committee may request the Tax Review
7	Commission to provide assistance in:
3	(a) addressing the issue of whether to amend Utah Constitution Article XIII, Section 2;
)	<u>and</u>
)	(b) preparing legislation as provided in Subsections (2) and (3).