



28 **Other Special Clauses:**

29 This bill is repealed on November 30, 2005.

30 **Uncodified Material Affected:**

31 ENACTS UNCODIFIED MATERIAL



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

34 Section 1. **Study by Utah Tax Review Commission – Duties – Creation of**  
35 **subcommittees.**

36 (1) As used in this bill:

37 (a) "commission" means the Utah Tax Review Commission created in Section  
38 59-1-901; and

39 (b) "land value property tax system" means a property tax system where a tax levy is  
40 imposed on the value of land and not improvements to the land.

41 (2) During the 2005 interim, the commission shall study the desirability and feasibility  
42 of implementing a land value property tax system to be operated concurrent with the state's  
43 existing property tax system.

44 (3) In conducting the study described in Subsection (2), the commission:

45 (a) shall study the following subjects relating to a land value property tax system:

46 (i) the experience of other states that administer land value property tax systems;

47 (ii) the desirability and feasibility of using revenues from a land value property tax  
48 system to fund highway construction;

49 (iii) the burden imposed on taxpayers, including the compliance burden;

50 (iv) the administrative issues for:

51 (A) county officials; and

52 (B) the Utah State Tax Commission;

53 (v) how a land value property tax system will:

54 (A) affect the existing property tax system;

55 (B) be operated and administered ~~§~~ [with] ~~§~~ by ~~§~~ county officials with assistance  
55a from ~~§~~ the Utah State Tax Commission; and

56 (C) effect investment spending, including investment spending to improve unimproved  
57 land;

58 (vi) any proposed amendments to the Utah Constitution that may be necessary to

59 implement a land value property tax system; and  
60 (vii) any other issue that the commission considers appropriate;  
61 (b) shall estimate the total taxable value under a land value property tax system for:  
62 (i) the state; and  
63 (ii) each political subdivision of the state;  
64 (c) shall include a demonstration of the impact of a land value property tax system on:  
65 (i) revenue; and  
66 (ii) administration;  
67 (d) may receive assistance from a person or organization with expertise in land value  
68 property tax theory and systems; and  
69 (e) subject to Subsection (4), may establish a subcommittee to assist the commission in  
70 completing the study described in Subsection (2).  
71 (4) For the subcommittee described in Subsection (3)(e), the commission shall:  
72 (a) prescribe the subcommittee's duties; and  
73 (b) appoint the members of the subcommittee, which may include one or more:  
74 (i) members of the commission;  
75 (ii) members of the Legislature;  
76 (iii) members of the Utah State Tax Commission;  
77 (iv) employees of the Utah State Tax Commission;  
78 (v) taxpayers;  
79 (vi) tax practitioners;  
80 (vii) members of the public who have an interest or expertise in property tax;  
81 (viii) representatives of political subdivisions that impose a property tax; and  
82 (ix) county officials involved with the administration of the property tax system.  
83 (5) The commission shall make a final report on the study described in Subsection (2),  
84 including any proposed legislation, to the Revenue and Taxation Interim Committee before  
85 November 30, 2005.

86 **Section 2. Appropriation.**

87 There is appropriated from the General Fund for fiscal year 2004-05 only:

88 (1) \$3,000 to the Senate to pay for the compensation and expenses of senators on a  
89 subcommittee appointed by the commission; and

90            (2) \$5,000 to the House of Representatives to pay for the compensation and expenses  
91 of representatives on a subcommittee appointed by the commission.

92            Section 3. **Repeal date.**

93            This bill is repealed on November 30, 2005.

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**Legislative Review Note**  
**as of 1-17-05 10:54 AM**

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

**Office of Legislative Research and General Counsel**

**State Impact**

This bill appropriates \$8,000 in General Fund to the Legislature.

|              | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
|--------------|----------------|----------------|----------------|----------------|----------------|----------------|
|              | <u>Approp.</u> | <u>Approp.</u> | <u>Approp.</u> | <u>Revenue</u> | <u>Revenue</u> | <u>Revenue</u> |
| General Fund | \$8,000        | \$0            | \$0            | \$0            | \$0            | \$0            |
| <b>TOTAL</b> | <b>\$8,000</b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

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**Individual and Business Impact**

No fiscal impact.