

**RESOLUTION LIMITING PROPERTY TAX ON
PRIMARY RESIDENCE**

2006 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: David L. Hogue

Senate Sponsor: _____

LONG TITLE

General Description:

This joint resolution of the Legislature proposes to amend the Utah Constitution to enact a provision relating to property tax on primary residences.

Highlighted Provisions:

This resolution proposes to amend the Utah Constitution to:

- ▶ provide that a retired, elderly person on a moderate or lower, fixed income may not be required to pay more property tax on the person's primary residence than was assessed against that person's same primary residence in the previous year; and
- ▶ require the Legislature to define and implement that provision.

Special Clauses:

This resolution directs the lieutenant governor to submit this proposal to voters.

This resolution provides a contingent effective date of January 1, 2007 for this proposal.

Utah Constitution Sections Affected:

AMENDS:

ARTICLE XIII, SECTION 2

Be it resolved by the Legislature of the state of Utah, two-thirds of all members elected to each of the two houses voting in favor thereof:

Section 1. It is proposed to amend Utah Constitution Article XIII, Section 2, to read:



Article XIII, Section 2. [Property tax.]

(1) So that each person and corporation pays a tax in proportion to the fair market value of his, her, or its tangible property, all tangible property in the State that is not exempt under the laws of the United States or under this Constitution shall be:

(a) assessed at a uniform and equal rate in proportion to its fair market value, to be ascertained as provided by law; and

(b) taxed at a uniform and equal rate.

(2) Each corporation and person in the State or doing business in the State is subject to taxation on the tangible property owned or used by the corporation or person within the boundaries of the State or local authority levying the tax.

(3) The Legislature may provide by statute that land used for agricultural purposes be assessed based on its value for agricultural use.

(4) The Legislature may by statute determine the manner and extent of taxing livestock.

(5) The Legislature may by statute determine the manner and extent of taxing or exempting intangible property, except that any property tax on intangible property may not exceed .005 of its fair market value. If any intangible property is taxed under the property tax, the income from that property may not also be taxed.

(6) Tangible personal property required by law to be registered with the State before it is used on a public highway or waterway, on public land, or in the air may be exempted from property tax by statute. If the Legislature exempts tangible personal property from property tax under this Subsection (6), it shall provide for the payment of uniform statewide fees or uniform statewide rates of assessment or taxation on that property in lieu of the property tax. The fair market value of any property exempted under this Subsection (6) shall be considered part of the State tax base for determining the debt limitation under Article XIV.

(7) (a) Notwithstanding Subsection (1), a retired, elderly person on a moderate or lower, fixed income may not be required to pay more property tax on the person's primary residence in any tax year than was assessed against that person's same primary residence the previous tax year.

(b) The Legislature shall by statute define and implement the provisions of Subsection (7)(a).

Section 2. Submittal to voters.

59 The lieutenant governor is directed to submit this proposed amendment to the voters of
60 the state at the next regular general election in the manner provided by law.

61 Section 3. **Effective date.**

62 If the amendment proposed by this joint resolution is approved by a majority of those
63 voting on it at the next regular general election, the amendment shall take effect on January 1,
64 2007.

Legislative Review Note
as of 12-5-05 9:58 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

Fiscal Note
Bill Number HJR006**Resolution Limiting Property Tax on Primary Residence***23-Jan-06**9:37 AM*

State Impact

It is estimated the publication and distribution costs to put this resolution on the ballot will be \$11,500 from the General Fund.

	<u>FY 2007</u> <u>Approp.</u>	<u>FY 2008</u> <u>Approp.</u>	<u>FY 2007</u> <u>Revenue</u>	<u>FY 2008</u> <u>Revenue</u>
General Fund, One-Time	\$11,500	\$0	\$0	\$0
TOTAL	\$11,500	\$0	\$0	\$0

Individual and Business Impact

No fiscal impact.

Office of the Legislative Fiscal Analyst