

2 **HB 2249** - H AMD 126  
3 By Representative Appelwick

4

5 On page 1, after line 14, insert the following:

6 "NEW SECTION. **Sec. 1.** It is the intent of this act to provide an  
7 annual property tax credit for homeowners against the state property  
8 tax equivalent to exempting the first twenty percent of the state-wide  
9 average assessed value of owner-occupied, single-family residential  
10 property. This credit is structured so that it will not result in  
11 increased property taxes on other taxpayers.

12 This act provides property tax relief for homeowners whose property  
13 taxes are at excessive levels. Rapid increases in home values often  
14 have the effect of increasing property taxes to excessive levels  
15 without an accompanying increase in a homeowner's ability to pay.

16 Both regular and excess property tax rates have been increasing  
17 during the last ten years. While this is a problem for all property  
18 owners, homeowners have suffered the most. Over the past decade  
19 homeowner property taxes have been taking an increasing share of  
20 household income. Home values have been increasing at a faster rate  
21 than commercial property. The share of property tax levies originating  
22 from residential property has increased as property tax levies have  
23 shifted away from the commercial sector.

24 Rising property taxes are more of a problem for residential  
25 property than for commercial property. Most property in this state is  
26 assessed at market value. The appraisal method primarily used to value  
27 residential property does not explicitly take into account taxation on  
28 the property. The method used to appraise commercial property does  
29 take into account the taxes paid on the property."

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33 On page 42, after line 25, strike all material through "entirety."  
34 on line 36, and insert the following:

1 **"TEMPORARY REDUCTION FOR 1998 TAXES**

2 NEW SECTION. **Sec. 401.** (1) The state property tax levy for  
3 collection in 1998 shall be reduced by eight percent of the levy amount  
4 that would otherwise be allowed under this chapter without regard to  
5 this section.

6 (2) The tax reduction provided in this section is in addition to  
7 any other tax reduction legislation that may be enacted by the  
8 legislature.

9 (3) State levies for collection after 1998 shall be set at the  
10 amount that would be allowed otherwise under this chapter if the state  
11 levy for collection in 1998 had been set without the reduction under  
12 subsection (1) of this section.

13 **PART V**  
14 **CONSTITUTIONAL AMENDMENT**

15 NEW SECTION. **Sec. 501.** The legislature is directed to submit to  
16 the voters in the 1998 general election the following proposed  
17 constitutional amendment:

18 Article VII, section 1. The power of taxation shall never be  
19 suspended, surrendered or contracted away. All taxes shall be uniform  
20 upon the same class of property within the territorial limits of the  
21 authority levying the tax and shall be levied and collected for public  
22 purposes only. However, the legislature may provide that increases in  
23 the assessed value of real property be phased in over a period of up to  
24 four years, under conditions and restrictions provided by law. The  
25 word "property" as used herein shall mean and include everything,  
26 whether tangible or intangible, subject to ownership. All real estate  
27 shall constitute one class: *Provided*, That the legislature may tax  
28 mines and mineral resources and lands devoted to reforestation by  
29 either a yield tax or an ad valorem tax at such rate as it may fix, or  
30 by both. Such property as the legislature may by general laws provide  
31 shall be exempt from taxation. Property of the United States and of the  
32 state, counties, school districts and other municipal corporations, and  
33 credits secured by property actually taxed in this state, not exceeding  
34 in value the value of such property, shall be exempt from taxation.  
35 The legislature shall have power, by appropriate legislation, to exempt  
36 personal property to the amount of three thousand (\$3,000.00) dollars

1 for each head of a family liable to assessment and taxation under the  
2 provisions of the laws of this state of which the individual is the  
3 actual bona fide owner.

4 Article VII, section . . . . Notwithstanding any other provision of  
5 this constitution, the legislature may provide a property tax credit  
6 against state ad valorem property tax. The credit shall only be  
7 allowed to owner-occupied single-family residential property that is  
8 not primarily used for commercial purposes. The initial amount of the  
9 credit shall not exceed the property tax imposed by the state on twenty  
10 percent of the state-wide average assessed value of owner-occupied  
11 single-family residential property that is not primarily used for  
12 commercial purposes, and thereafter the amount of the credit may  
13 increase annually at a rate not to exceed the average rate of growth  
14 over a five-year period in assessed value of that owner-occupied  
15 single-family residential property that is not primarily used for  
16 commercial purposes. The credit may not result in increased property  
17 taxes on other taxpayers.

18 The legislature may place such other restrictions and conditions  
19 upon the applicability of the credit under this section as it deems  
20 proper.

21 BE IT FURTHER RESOLVED, That this amendment is a single amendment  
22 within the meaning of Article XXIII, section 1 of the state  
23 Constitution.

24 The legislature finds that the changes contained in this amendment  
25 constitute a single integrated plan for purposes of property taxation.  
26 If this amendment is held to be separate amendments, this joint  
27 resolution is void in its entirety and is of no further force and  
28 effect.

29 **PART VI**  
30 **MISCELLANEOUS**

31 NEW SECTION. **Sec. 601.** The following acts or parts of acts are  
32 each repealed:

- 33 (1) 1997 c ... Referendum No. .... (SB 5835) s 105;
- 34 (2) 1997 c ... Referendum No. .... (SB 5835) s 201;
- 35 (3) 1997 c ... Referendum No. .... (SB 5835) s 208; and
- 36 (4) 1997 c ... Referendum No. .... (SB 5835) s 301.

1        NEW SECTION.    **Sec. 602.**    (1) Sections 101 through 126 and 201  
2 through 207 of this act take effect for taxes payable in 1999 if the  
3 proposed amendment to Article VII of the state Constitution providing  
4 for large increases in the assessed value of real property to be phased  
5 in over a period of four years and providing tax credits for owner-  
6 occupied single-family residential housing (section 501 of this act) is  
7 validly submitted to and is approved and ratified by the voters at a  
8 general election held in November 1998. If the proposed amendment is  
9 not approved and ratified, sections 101 through 126 and 201 through 207  
10 of this act are null and void in their entirety."

11        On page 43, after line 2, insert the following:

12        "(3) Section 401 of this act takes effect January 31, 1998, only if  
13 by January 31, 1998, the legislature has submitted the proposed  
14 constitutional amendment to the voters as required by section 501 of  
15 this act. If the legislature has not submitted the constitutional  
16 amendment to the voters by January 31, 1998, section 401 of this act is  
17 null and void."

18        On page 43, after line 8, insert the following:

19        "NEW SECTION.    **Sec. 404.**    The secretary of state shall submit this  
20 act to the people for their adoption and ratification, or rejection, at  
21 the next general election to be held in this state, in accordance with  
22 Article II, section 1 of the state Constitution and the laws adopted to  
23 facilitate its operation."

24        Renumber the remaining sections consecutively and correct internal  
25 references and the title accordingly.

26        EFFECT:    The Governor's proposal includes "value averaging," owner-  
27 occupied single-family residential property tax credits, and lowers the  
28 106% levy for some local governments. This amendment adds to the  
29 Governor's proposal:

30        (a) A temporary 8% state levy reduction in 1998 (equivalent to the  
31 state levy reduction in 1998 contained in SB 5835) contingent on (b)  
32 below;

33        (b) The legislature is directed to place on the ballot in 1998 a  
34 constitutional amendment to allow a homeowner's property tax credit and  
35 "value averaging";

1 (c) Repeals portions of SB 5835 (which will be a referendum on the  
2 November ballot); and  
3 (d) A referendum clause.

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