

Prepared by the LRC staff for
Comprehensive Property Tax Task Force
October 22, 2025

Comprehensive Property Tax Task Force: Proposals for Committee Consideration

Proposal A: Senator Karr

- Increases income limits for the property tax assessment freeze for multi-member households, from \$65,000 to an amount determined by the committee
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Proposal B: Representative Jamison

- Requires each tax bill to include a URL link and QR code that takes the taxpayer to a website maintained by the Department of Revenue, giving the individual more detail regarding their tax bill, without requiring the county to spend money on extra printing and mailing costs
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Proposal C: Representative Jamison

- Requires that municipal property taxes be sequestered into a fund distinct from the municipality's general fund
 - A report is made annually summarizing the expenditures from this fund, providing transparency on the municipality's use of property tax revenues
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Proposal D: Representative Jamison

- Subjects school districts to the same property tax limitations as all other taxing districts, where the annual increase in property tax revenues may not exceed the limit set forth in § 10-13-35, unless an opt out is implemented
 - $PropTax_{year\ 2} = PropTax_{year\ 1} + IndexFactor + Growth + TIF_{expire} + Discretionary + Bonds$
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Proposal E: Representative Jamison

- Allows property owners to apply for property tax relief programs online, instead of submitting physical forms to the county, as is currently required
 - Accomplished through a website maintained by the Department of Revenue
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Proposal F: Representative Jamison

- Prohibits a property used as a “lodging establishment,” for which the owner remits the required sales tax, to be classified as owner-occupied
 - Requires the Department of Revenue to notify any county of an owner-occupied property that generates sales tax as a lodging establishment, and requires that the county reclassify the property accordingly
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Proposal G: Representative Heinemann

- Raises the minimum value of a new structure or addition that qualifies for the discretionary formula from \$30,000 to \$100,000
 - Raises the minimum proportion of taxable value under the discretionary formula to 30%
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Proposal H: Representative Odenbach

- Creates a new fund dedicated to state aid to education for school districts' general fund and special education fund
 - Deposits into the state aid to education fund all state lottery revenues that are currently distributed to the state general fund
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Proposal I: Representative Odenbach

- Repeals the authorization for a school district to transfer moneys from its capital outlay fund to its general fund
 - Limits annual increases in a school district's capital outlay property taxes to the lesser of 3% or inflation, removing additional increases allowed from annexation, development of property, reclassification of property, the termination of a tax increment financing district, and the application of the discretionary formula
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Proposal J: Senator Otten

- Expands an existing property tax relief program for disabled veterans, by increasing the maximum exempt assessed value from \$200,000 to the entire assessed value of the property
 - Offers a refund of property taxes for those who qualify but did not apply for the program, covering up to the last five years that the individual was eligible but did not apply or receive the exemption
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Proposal K: Representative Jamison

- Authorizes a municipality to implement a property tax rebate program for owner-occupied property according to criteria determined by the governing body of the municipality
 - Only property taxes imposed by the municipality may be refunded under its program
 - Any applicant that meets the criteria established by the municipality must receive the rebate
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Proposal L: Senator Howard

- Reduces the total maximum proportion of all tax increment base values from 10% of all assessed value in the city or county to 2.5% of all assessed value in the city or county
 - Requires that at least 50% of the area within a proposed TIF district be blighted
 - Amends the definition of "blight" by removing a reference to a predominance of open space or a diversity of ownership as possible qualifications
 - Requires the county approve of a TIF district established by a municipality
 - Strikes the authorization of grants provided by the governing body for purposes of the TIF district
 - Requires a special election for TIF districts with an estimated project cost of \$10 million or more
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Proposal M: Senator Sue Peterson

- Subject to certain conditions, requires that all school district excess tax levies (opt outs) must be approved by an election
 - Applies to school general fund opt outs and capital outlay opt outs
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Proposal N: Senator Sue Peterson

- Decreases the required petition to refer a school district excess tax levy (opt out) to a vote from 5% of the registered voters in the district to 5% of all voters who voted in the most recent special election of the district
 - Increases the days provided to gather signatures from 20 to 40
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Proposal O: Senator Sue Peterson

- Requires that all capital outlay certificates issued by a school district must be approved by an election
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Proposal P: Senator Sue Peterson

- Changes the vote requirement for excess tax levy (opt out) elections from a simple majority to 60%
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Proposal Q: Senator Deibert

- Creates a dedicated fund in the state treasury to replace the property tax portion of local effort for school district general funds and special education funds
 - Any sources of revenue the committee chooses to put toward reducing the general fund and special education levies can be directed into this fund for that purpose.
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Proposal R: Senator Deibert

- Creates a local effort replacement fund in the state treasury, used to replace a proportion of school districts' local effort from property taxes
 - On July 1, 2027, when the sunset date is reached for the sales and use tax rate reduction, deposit into the local effort replacement fund the additional revenue raised by the 0.3% increase from the current tax rate of 4.2%
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Proposal S: Senator Mehlhaff

- Reduces the maximum school district general fund and special education fund mill levies to zero for all property classes
 - Creates a local effort replacement fund in the state treasury, and directs into that fund revenue from an additional 1.9% sales tax
 - Interest earned on moneys in the fund must remain in the fund
 - Moneys from the fund will be used to replace the revenue that districts currently raise from the general fund and special education levies, up to their need, as calculated in the state aid formulas
 - Districts may opt out of the maximum general fund levies, which will be zero, if they wish to raise revenue above their calculated need
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Proposal T: Representative Hansen

- Reduces the maximum school district general fund and special education levies to zero for owner-occupied property
 - Increases state sales tax from 4.2% to 4.5%, which will generate \$105.3 million
 - Implements a new tax on vaping at 35%, which will generate \$7.3 million
 - Utilizes 50% of the future fund revenues for property tax reduction, which will equal \$12.2 million
 - Utilizes 50% of the tourism tax revenues for property tax reduction, which will equal \$8.8 million
 - Removes the sales tax exemption for advertising services, which will generate \$41.3 million
 - Removes the sales tax exemption for radio and television broadcasting, which will generate \$7.2 million
 - Reduces general fund expenditures by 3.2%
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Proposal U: Representative Hughes

- Reduces the maximum school district general fund and special education levies to zero for owner-occupied property
 - Increases state sales tax from 4.2% to 4.5%, which will generate \$105.3 million
 - Increases contractor's excise tax from 2.0% to 2.5%, which will generate \$54.8 million
 - Implements a new tax on vaping at 35%, which will generate \$7.3 million
 - Removes the sales tax exemption for advertising services, which will generate \$41.3 million
 - Removes the sales tax exemption for radio and television broadcasting, which will generate \$7.2 million
 - Removes the sales tax exemption for services performed for rodeos, which will generate \$1.5 million
 - Applies sales tax to mini storage, which will generate \$1.5 million
 - Removes the sales tax exemption for services performed for the purchase of bulk water, which will generate \$7.7 million
 - Reduces general fund expenditures by 1.21%
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Proposal V: Senator Howard

- Reduces, for owner-occupied property, the school district general fund and special education fund mill levies to zero, and reduces county general fund levies to zero for owner-occupied property with state general fund dollars
 - Increases state sales tax from 4.2% to 4.5%, which will generate \$105.3 million
 - Increases contractor's excise tax from 2.0% to 2.5%, which will generate \$54.8 million
 - Increases the wholesale alcohol excise tax from 2% to 4%, which will generate \$3.2 million
 - Increases alcohol beverage excise taxes by 25%, which will generate \$2.3 million
 - Implements a new tax on vaping at 35%, which will generate \$8.3 million
 - Increases a tobacco products excise tax from 35% to 40%, which will generate \$1.7 million
 - Increases the tax mill rate on cigarettes from 76.5 to 101.5, which will generate \$9.0 million
 - Utilizes 33% of the future fund revenues for property tax reduction, which will equal \$8.0 million
 - Increases the tourism tax from 1.5% to 4%, which will generate \$29.2 million
 - Removes the sales tax exemption for advertising services, which will generate \$41.3 million
 - Removes the sales tax exemption for radio and television broadcasting, which will generate \$7.2 million
 - Removes the sales tax exemption for services performed for rodeos, which will generate \$1.5 million
 - Applies sales tax to mini storage, which will generate \$1.5 million
 - Removes the sales tax exemption for the supply of bulk water, which will generate \$7.7 million
 - Removes the sales tax exemption for membership fees to organizations, which will generate \$9.3 million
 - Removes the sales tax exemption for social services and credit counseling services, which will generate \$12.0 million
 - Removes the tax credit to insurance companies for giving money to educational scholarships, which will generate \$5.0 million
 - Reduces general fund expenditures by 5.01%
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Proposal V2: Howard

- Reduces, for owner-occupied property, the school district general fund special education fund, and capital outlay fund mill levies to zero, for owner-occupied property
 - Increases state sales tax from 4.2% to 4.5%, which will generate \$105.3 million
 - Increases contractor's excise tax from 2.0% to 2.25%, which will generate \$27.4 million
 - Increases the wholesale alcohol excise tax from 2% to 4%, which will generate \$3.2 million
 - Increases alcohol beverage excise taxes by 25%, which will generate \$2.3 million
 - Implements a new tax on vaping at 40%, which will generate \$8.3 million
 - Increases a tobacco products excise tax from 35% to 40%, which will generate \$1.7 million
 - Increases the tax mill rate on cigarettes from 76.5 to 101.5, which will generate \$9.0 million
 - Utilizes 33% of the future fund revenues for property tax reduction, which will equal \$8.0 million
 - Increases the tourism tax from 1.5% to 4%, which will generate \$29.2 million
 - Removes the sales tax exemption for advertising services, which will generate \$41.3 million
 - Removes the sales tax exemption for radio and television broadcasting, which will generate \$7.2 million
 - Removes the sales tax exemption for services performed for rodeos, which will generate \$1.5 million
 - Applies sales tax to mini storage, which will generate \$1.5 million
 - Removes the sales tax exemption for the supply of bulk water, which will generate \$7.7 million
 - Removes the sales tax exemption for membership fees to organizations, which will generate \$9.3 million
 - Removes the sales tax exemption for social services and credit counseling services, which will generate \$12.0 million
 - Removes the tax credit to insurance companies for giving money to educational scholarships, which will generate \$5.0 million
 - Reduces general fund expenditures by 5.07%
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Proposal V3: Representative Hansen

- Requests the Executive Branch's cooperation to bring recommendations to the Legislature for a 5% cut to the general fund



Proposal W: Senator Karr

- Creates a new fund dedicated to providing property tax relief to owners of owner-occupied property
 - On an annual basis, deposits into the new fund 25% of the annual increase in state revenues from the prior year
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Proposal X: Representative Hansen

- Provides a \$500 property tax credit for owner-occupied property
 - The credit is funded half through moneys in the housing and infrastructure fund and half through current reserves
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Proposal Y: Senator Howard

- Provides a \$500 property tax credit for owner-occupied property
- The credit is funded through moneys in current reserves

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