

Prepared by the LRC staff for
October 23, 2025

Comprehensive Property Tax Task Force: Recommendations to the Executive Board

Recommendation A: Senator Karr

- Increases income limits for the property tax assessment freeze for multi-member households, from \$65,000 to \$85,000
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Recommendation 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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Recommendation 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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Recommendation 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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Recommendation 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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Recommendation 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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Recommendation 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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Recommendation J: Senator Otten

- Offers a refund of property taxes for those who qualify but did not apply for property tax relief programs for disabled and paraplegic veterans, covering up to the last five years that the individual was eligible but did not apply or receive the relief
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Recommendation 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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Recommendation 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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Recommendation 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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Recommendation 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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Recommendation 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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Recommendation 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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Recommendation 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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Recommendation 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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Recommendation V3: Representative Hansen

- Requests the Executive Branch's cooperation to bring recommendations to the Legislature for a 5% cut to the general fund
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Recommendation W: Senator Karr

- Creates a new fund dedicated to providing property tax relief
 - 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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Recommendation X: Representative Hansen

- Provides approximately \$120 million of property tax relief through property tax credits of approximately \$500 for all 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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