

HJR 79 -- Real Property Tax Limit

Sponsor: Davis

Upon voter approval, beginning January 1, 2009, this proposed constitutional amendment limits the increase in real property tax rates to the rate in effect on December 31, 2005, plus inflation. For each subsequent year, the tax rate will equal the proceeding year's rate plus inflation or a voter-approved rate increase. The limitation does not apply to property tax or special assessments levied to pay the principal, interest, and redemption charges on bonded indebtedness or other long-term obligations.

The local government district's fiscal year spending is limited to the rate of inflation in the prior calendar year plus any annual local growth. An emergency reserve cash fund is created in each district to be used for declared emergencies only. The district must transfer revenue in excess of the spending limit to the fund so that at year end the balance is 1% of the spending limit. Excess reserves are refunded through temporary property or sales tax reductions.

The amendment removes the countywide property tax on utility, industrial, commercial, railroad, and other property that is not residential, agricultural, or horticultural property originally implemented for the replacement of lost revenue from the tax exemption of certain personal property of manufacturers, refiners, distributors, wholesalers, and retail merchants and establishments.