

AN ACT proposing an amendment to Section 170 of the Constitution of Kentucky relating to property exempt from taxation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔Section 1. It is proposed that Section 170 of the Constitution of Kentucky be amended to read as follows:

(1) There shall be exempt from taxation:

(a) Public property used for public purposes;

(b) Places of burial not held for private or corporate profit;

(c) Real property owned and occupied by, and personal property both tangible and intangible owned by, institutions of religion; institutions of purely public charity, and institutions of education not used or employed for gain by any person or corporation, and the income of which is devoted solely to the cause of education, public libraries, their endowments, and the income of such property as is used exclusively for their maintenance;

(d) Household goods of a person used in his home; **and**

(e) Crops grown in the year in which the assessment is made, and in the hands of the producer.

(2) (a) There shall be a partial exemption from taxation on~~[- and]~~ real property maintained as the permanent residence of the owner~~[-]~~ who:

1. Is sixty-five years of age or older~~[-]~~ or

2. Is classified as totally disabled under a program authorized or administered by an agency of the United States government or by any retirement system either within or without the Commonwealth of Kentucky, provided the property owner received disability payments pursuant to **the~~[-such]~~ disability classification and~~[-]~~ has maintained the~~[-such]~~ disability classification for the entire~~[-entirety of the particular]~~ taxation period, and has filed with the appropriate local assessor by December 31 of the taxation period, on forms provided therefor, a signed statement indicating continuing disability as provided herein**

made under penalty of perjury, up to the assessed valuation of sixty-five hundred dollars, as indexed every two years, on ~~the~~^{said} residence and contiguous real property, except for assessment for special benefits.

(b) The partial exemption shall:

1. Be transferred to the surviving spouse upon the death of the qualifying owner regardless of the age or disability status of the surviving spouse;

2. Continue to apply to that property as long as the property is owned and maintained by the surviving spouse as his or her personal residence; and

3. Cease to apply if the surviving spouse remarries.

(c) The real property may be held by legal or equitable title, by the entireties, jointly, in common, as a condominium, or indirectly by the stock ownership or membership representing the owner's or member's proprietary interest in a corporation owning a fee or a leasehold initially in excess of ninety-eight years.

(d) The exemptions shall apply only to the value of the real property assessable to the owner or, in case of ownership through stock or membership in a corporation, the value of the proportion which his interest in the corporation bears to the assessed value of the property.

(3) The General Assembly may authorize any incorporated city or town to exempt manufacturing establishments from municipal taxation, for a period not exceeding five years, as an inducement to their location.

(4) Notwithstanding the provisions of Sections 3, 172, and 174 of this Constitution to the contrary, the General Assembly may provide by law an exemption for all or any portion of the property tax for any class of personal property.

➔Section 2. This amendment shall be submitted to the voters of the Commonwealth for their ratification or rejection at the time and in the manner provided for under Sections 256 and 257 of the Constitution and under KRS 118.415. The question to be submitted to the voters shall read as follows: "Are you in favor of amending the

Kentucky Constitution to allow the homestead exemption from property tax on real property to be transferred to the surviving spouse upon the death of the qualifying spouse?"

→Section 3. If ratified by the voters of the Commonwealth, this Act shall apply to property assessed on and after the January 1st immediately following the date of ratification.