

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

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

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

6 **(1)** There shall be exempt from taxation:

7 **(a)** Public property used for public purposes;

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

9 **(c)** Real property owned and occupied by, and personal property both tangible
10 and intangible owned by, institutions of religion;

11 **(d)** Institutions of purely public charity;~~[-, and -]~~

12 **(e)** Institutions of education not used or employed for gain by any person or
13 corporation, and the income of which is devoted solely to the cause of education;~~[-, -]~~

14 **(f)** Public libraries, their endowments, and the income of ~~the~~^[such] property as is
15 used exclusively for their maintenance;

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

17 **(h)** Crops grown in the year in which the assessment is made~~[-,]~~ and in the hands
18 of the producer.

19 **(2)** **(a)** ***There shall be a homestead exemption provided for***~~[-, and -]~~ real property
20 maintained as the permanent residence of the owner, **if the owner:**~~[who -]~~

21 **1.** Is sixty-five years of age or older;~~[-,]~~ or

22 **2.** Is classified as totally disabled under a program authorized or administered by
23 an agency of the United States government or by any retirement system either within or
24 without the Commonwealth of Kentucky, provided the property owner **has:**

25 **a.** Received disability payments pursuant to ~~the~~^[such] disability classification;~~[-,]~~
26 ~~has~~

27 **b.** Maintained ~~the~~^[such] disability classification for the **entire**~~[entirety of the]~~

1 particular} taxation period; and[, and has }

2 c. Filed with the appropriate local assessor by December 31 of the taxation
3 period, on the provided forms[~~provided therefor~~], a signed statement, made under
4 penalty of perjury, indicating continuing disability.[~~as provided herein made under~~
5 ~~penalty of perjury,~~]

6 (b) The amount of the homestead exemption shall be as follows:

7 1. For a totally disabled veteran with a permanent and total one hundred
8 percent service-connected disability rating from the United States Department of
9 Veterans Affairs or its successor, the amount shall be the full assessed value of the real
10 property; and

11 2. For all other owners, the amount shall be up to the assessed valuation of
12 sixty-five hundred dollars, as indexed every two years.

13 (c) The homestead exemption shall apply to the[~~on said~~] residence and
14 contiguous real property, except for assessment for special benefits.

15 (d) For a totally disabled veteran with a permanent and total one hundred
16 percent service-connected disability rating from the United States Department of
17 Veterans Affairs or its successor, the homestead exemption shall:

18 1. Be transferred to the veteran's surviving spouse upon the death of the
19 veteran regardless of the age or disability status of the surviving spouse;

20 2. Continue to apply to the property as long as the property is owned and
21 maintained by the veteran's surviving spouse as his or her personal residence; and

22 3. Cease to apply upon the remarriage of the veteran's surviving spouse.

23 (e) The real property may be held by legal or equitable title, by the entireties,
24 jointly, in common, as a condominium, or indirectly by the stock ownership or
25 membership representing the owner's or member's proprietary interest in a corporation
26 owning a fee or a leasehold initially in excess of ninety-eight years. The homestead
27 exemption[~~exemptions~~] shall apply only to the value of the real property assessable to the

1 owner or, in case of ownership through stock or membership in a corporation, the value
2 of the proportion which his interest in the corporation bears to the assessed value of the
3 property.

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

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

10 ➔Section 2. This amendment shall be submitted to the voters of the
11 Commonwealth for their ratification or rejection at the time and in the manner provided
12 for under Sections 256 and 257 of the Constitution and under KRS 118.415. The question
13 to be submitted to the voters shall read as follows: "Are you in favor of amending the
14 Constitution of Kentucky to exempt from ad valorem property taxes real property owned
15 by and maintained as the permanent residence of a veteran with a permanent and total
16 100% disability rating by the United States Department of Veterans Affairs due to his or
17 her service in the United States Armed Forces and to allow, upon the death of the veteran,
18 the exemption to remain with the property until the death, relocation, or remarriage of the
19 surviving spouse?"

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