

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;
 - (d) Institutions of purely public charity;~~[-, and]~~
 - (e) 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;~~[-,]~~
 - (f) Public libraries, their endowments, and the income of such property as is used exclusively for their maintenance;
 - (g) Household goods of a person used in his home; **and**
 - (h) 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 provided for a homestead, which is***~~[-, and]~~ real property maintained as the permanent residence of the owner, **if the owner:**

- 1. ~~[-, who]~~Is sixty-five years of age or older;
- 2. ~~[-, or]~~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;
- 3. ***Is a partially disabled veteran of the United States Armed Forces having received a combined disability rating of at least ten percent; or***

4. Is a partially disabled law enforcement officer having received a disability rating of at least ten percent. As used in this paragraph, a partially disabled law enforcement officer is an individual having been responsible for the enforcement of the general criminal laws of this State with the authority to make arrests who became disabled as a result of an injury sustained while in active service or in training as a law enforcement officer in this State.

(b) The amount of the homestead exemption, which shall be indexed every two years and shall apply to the residence and contiguous real property, except for assessment for special benefits, shall be as follows:

1. For an owner qualifying pursuant to paragraph (a)1. or (a)2. of this subsection, the exemption amount shall be up to the assessed valuation of thirty-six thousand nine hundred dollars; and

2. For an owner qualifying pursuant to paragraph (a)3. or (a)4. of this subsection, the exemption amount shall be up to the assessed valuation of thirty-six thousand nine hundred dollars multiplied by the percentage disability rating of the owner.

(c) In order to qualify for the homestead exemption on the basis of a disability, ~~the~~_[, provided the property] owner shall have received disability payments pursuant to ~~the~~_[such] disability classification, shall have_[has] maintained ~~the~~_[such] disability classification for the entirety of the particular taxation period, and shall have_[has] filed with the appropriate local assessor by December 31 of the tax year for which the homestead exemption is sought_[taxation period], on forms provided therefor, a signed statement made under penalty of perjury indicating continuing disability as provided herein~~[made under penalty of perjury, up to the assessed valuation of sixty-five hundred dollars on said residence and contiguous real property, except for assessment for special benefits]~~.

(d) As it relates to the homestead exemption, 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. The homestead exemption~~[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 Constitution of Kentucky to provide partially disabled veterans and law enforcement officers a partial homestead exemption from state and local property taxes?"