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## SURVEY OF STATE CONSTITUTIONS: PROPERTY TAX PROVISIONS\*

**Alabama** (Art. XI §217): All taxable property is divided into classes: (1) utilities (30 per centum); (2) agricultural, forest, owner-occupied residential; (3) historic (10 per centum); and (4) others not classified (20 per centum). Property shall forever be taxed at the same rate, with definitions of the ratios of assessed value to the fair and reasonable market value (with certain exceptions), along with a myriad of exceptions and qualifications. It also provides for hundreds of local amendments to the constitution, many of which provide for county-specific property taxes. The constitution also limits the maximum annual levy by the state and counties (with exceptions for counties).

**Alaska** (Art. IX §2): Appraisal standards must be prescribed by law, and certain uses are exempted. Other exemptions “of like or different kind” may be granted by law.

**Arizona** (Art. IX §1, 2): All taxes shall be uniform “upon the same class of property within territorial limits of the authority levying the tax,” but there are exemptions for widows and widowers, and disabled persons with income limits. The legislature may increase income limits and amounts of exemption by general law. Exemptions from property tax are lengthy and include a sliding scale exemption for military service. The constitution also provides a “property valuation protection option” on primary residences with not more than 10 acres of land, for qualifying seniors 65 years of age or older who have lived in the residence for over 2 years, and whose income is not more than 400 percent of the supplemental security income benefit rate (500 percent for couples). The option freezes the value of such residences for property tax purposes. Section 18 limits residential taxes so that “in any tax year [taxes] shall not exceed one percent of property’s full cash value,” subject to certain exceptions for payment of bonded indebtedness, special districts, and voter overrides. The constitution includes a lengthy definition of “full cash value.”

**Arkansas** (Amendments #74, 79): The constitution provides for a uniform rate of 25 mills on all property (real and personal) to be used for schools. Principal residences are treated separately from other residences, but such limitations do not apply to “newly discovered real property, new construction or to substantial improvements to real property.” Homesteads or principal residences are limited to assessment increases of 5%. An exemption for persons who are disabled or 65 years or older provides that the assessment is the lower assessed value on either the date of purchase, date of construction, or later assessed value. Nonhomestead assessment increases are limited to 10%, and 10% every year thereafter, not to exceed appraised value.

**California** (Art. 13A): Proposition 13 limits property tax rates to 1% of the assessed value, but that rate may be exceeded by a 2/3 vote of the people, or to repay bonded indebtedness incurred prior to amendment. The assessed value may not increase more than 2% per year, so long as the residence has the same owner. Upon sale, the assessed value is adjusted to market value. Residential property owners over 55 years of age may transfer the original base value of the home to a new residence in the same county. New construction is assessed at market value and is thereafter limited to a 2% annual increase.

**Colorado** (Art. X§3, 3.5, 4): The constitution requires a uniform tax levy, and prescribes different methods of valuation for assessment of agricultural and residential properties. Residential property must be assessed at 21% of the actual value, and a complex formula for adjusting the ratio of valuation for assessment is set forth in the constitution. Other taxable property is assessed at 29%, with exceptions for lands producing minerals, oil, or gas. A homestead exemption of 50% of the first \$200,000 of the actual value of a primary residence is provided to qualifying seniors, and the legislature may adjust the exemption. The State must compensate local government for revenue lost due to the homestead exemption.

**Connecticut**: No constitutional provisions were found relating directly to property taxes.

**Delaware** (Art. VIII §1): The constitution requires uniformity of taxes within the same class of subjects within territorial limits of the authority levying the tax, but counties may exempt properties from taxation to “promote public welfare.” The legislature cannot increase the tax rate without a 3/5 vote of each house.

**Florida** (Art. 7§ 1, 4, 6): Counties are allowed to exempt certain properties, such as new or expanded businesses, and those related to renewable energy sources or historic preservation. Certain assessments are limited based on use of the property. A homestead exemption is granted and authorizes the legislature to also provide tax relief to renters.

**Georgia** (Art. VII): The constitution requires uniformity within certain classes.

**Hawaii** (Art. VIII-3, XVIII-6): Only the local governments may impose real property taxes, and such taxes must be uniform as agreed to by the local governments for 11 years (until 1980). Exemptions must also be agreed upon by the local governments.

**Idaho** (Art. VII §2, 8): Property taxes must be in proportion to the value of the property. The legislature may exempt a limited amount of improvements upon land. Taxes must be uniform within the same class of subjects within territorial limits of authority levying the tax, but the legislature may provide exemptions. The maximum tax rate is 10 mills on each dollar, unless a greater rate is approved by voter override.

**Illinois** (Art. IX §4, 6): The constitution provides that “taxes upon real property shall be levied uniformly by valuation ascertained as the General Assembly shall provide by law.” Further, certain larger counties may provide for classification of real property, provided that classification is “reasonable and assessments shall be uniform within each class.” The constitution sets limits on the levels of assessment or rate of tax so that the highest class shall not exceed 2½ times the level of the assessment of the lowest level, and farming land cannot be assessed higher than single family residential lands. The legislature may grant homestead exemptions or rent credits.

**Indiana** (Art. 10 §1): The State is currently seeking voter approval for an exemption in the constitution to allow the legislature to provide exemptions for “homeowner’s primary residence” and other personal property.

**Iowa**: No constitutional provisions were found relating directly to property taxes.

**Kansas** (Art.11 §13): The constitution allows the counties to exempt by ordinance, for 10 years, certain real property used for manufacturing, research and development, and similar uses, for economic development.

**Kentucky** (§170, 171): The constitution exempts principal residences of persons who are disabled or 65 years or older. Cities may exempt factories from property taxes for 5 years. Uniformity is imposed upon property of the same class. The legislature has the power to divide property into classes and determine which classes are subject to local taxation.

**Louisiana** (Art. VII, Part II, §18, 20): The constitution provides that the “percentage of fair market value shall be uniform [...] upon the same class of property.” Classifications and allowable percentages are as follows: (1) land at 10%; (2) improvements for residential purposes at 10%; (3) electric cooperatives, excluding land, at 15%; (4) public service, excluding land, at 25%; and (5) other property at 15%. Agricultural lands, timber, etc., are assessed based on upon 10% of the use value. Separate treatment is allowed for buildings with historical importance. Assessments are frozen on an owner-occupied residence when a owner reaches 65 years of age unless their income exceeds \$50,000. A homestead exemption of \$7500 of assessed value is provided. The legislature is also authorized to grant tax relief to residential lessees to provide equitable relief.

**Maine** (Art. 9 §8): Taxes shall be apportioned and assessed equally according to just value, and the legislature may assess certain types of real estate, such as: farm, agricultural, timber, and forest lands; open space; game or wildlife lands; and historic buildings.

**Maryland** (Art.15): The constitution holds that “paupers ought not be assessed for the support of the state” and the legislature must uniformly provide for the separate assessment, classification, and subclassification of land, improvements, and personal property, as it may deem proper. Taxes shall be uniform for classes or subclasses.

**Massachusetts** (Art. CXII): The State may “impose and levy proportional and reasonable assessments, rates and taxes, upon all the inhabitants of, and persons resident, and estates lying, within said Commonwealth.” In addition to the powers conferred under Articles XLI and XCIX, “the legislature may classify real property according to its use in no more than four classes and to assess, rate and tax such property differently in the classes so established, but proportionately in the same class, and except that reasonable exemptions may be granted.”

**Minnesota** (Art. 10 §1): Taxes must be uniform upon the same class, but the legislature may provide for exemptions by law.

**Mississippi** (Art. 4 §112): Taxes must be uniform and equal in accordance with certain classes; three of which are real property. Class I is residential, which may be subject to acreage limitations and is assessed at 10% of true value; Class II is all other real property not in Class I or IV and is assessed at 15%; and Class IV is public utilities assessed at 30%. Special constitutional provisions apply to nuclear-powered electric generation plants and railroads. The legislature may exempt, in whole or in part, “particular species of property.”

**Missouri** (Art. 10 §3, 4(b), 6, 6(a)): All taxes shall be uniform upon the same class or subclass. The three subclasses of real property are: (1) residential; (2) agricultural; and (3) utility, commercial, industrial, and any other property. The same percentage of value must be applied to all property within a subclass, and no subclass shall have a “percentage of true value in money in excess of 33 1/3 percent.” The constitution specifically exempts charitable, public, and similar uses, and prohibits exemptions not listed. Homesteads may be authorized by law, and the State must pay restitution to the local governments for lost revenues.

**Montana** (Art.VIII §3, 4, 5): The State is required to appraise, assess, and equalize the valuation of all property to be taxed, and all taxing districts must use the assessed valuation of the State. The legislature may exempt certain uses (charitable, educational, etc.) and “any other classes of property.”

**Nebraska** (Art.VIII §2): Certain property may be classified and exempted by the legislature, including homestead exemptions by classification of owners. The constitution also provides that “increased value of land by reason of shade or ornamental trees planted along the highway shall not be taken into account in the assessment of such land.” Mandatory exemptions are provided for the homes of paraplegic veterans or multiple amputees.

**New Hampshire** (Part II, Art. 5): The State must levy proportional and reasonable assessments, rates, and taxes.

**New Jersey** (Art. 8, §1, Par. 1-6): Taxation must be by a “uniform rule,” but special provisions are made for agricultural property and, for up to 5 years, in rehabilitation areas. Exemptions may be granted by the legislature. Veterans and their spouses are entitled to a \$250 deduction from their tax bill and, subject to income limitations, persons age 65 and over and disabled persons may also take such a deduction. The legislature may grant a homestead exemption and may set differing rates based on age or disability.

**New Mexico** (Art. VIII §1, 5, 6, 15): Taxes must be “equal and uniform upon subjects of the same class” but the constitution provides for “different methods [...] to determine value of different kinds of property” while limiting the percentage of value against which rates are assessed to 33 1/3 percent. The legislature is required to value residential property so as to limit annual increases in valuation, and the limit may be based on owner-occupancy, age, or income and on statewide or local level. “Any valuation limitations authorized as a local jurisdiction option shall provide for applying statewide or multi-jurisdictional property tax rates to the value of property as if the valuation increase limitation did not apply.” Exemptions are granted for the head of a family and veterans for amounts up to \$4000. Large tracts of land may not be assessed at a lower rate than smaller tracts of the same character or quality. An exemption is provided for the principal residence of disabled veterans or their spouses.

**North Carolina** (Art. V §2): The legislature has the power to classify property for taxation on a statewide basis by a uniform rule. The constitution allows an exemption of up to \$1000 for a residence.

**North Dakota** (Art. X §1, 5): The constitution prohibits a tax on the assessed value of real or personal property to “defray expenses of the state,” and requires uniformity within the same class of property. The legislature may only exempt personal property or conservation and wildlife properties.

**Ohio** (Art. XII §2, 2A): The constitution limits the tax rate to 1 percent, except by voter override. Land and improvements must be taxed uniformly, but the legislature may provide homestead exemptions for disabled persons, veterans, and older persons. The constitution creates two classes of property: (1) residential and agricultural; and (2) other.

**Oklahoma** (Art. 10 §5, 6c, 8): Taxes must be uniform upon the same class of subject, and certain classes of property are exempt. The legislature may authorize local jurisdictions to exempt manufacturing facilities and utilities for up to 5 years as an “inducement to their location.” The constitution also exempts storm shelters (tornadoes) from property tax. The legislature may permit local governments to grant tax relief for historic preservation or reinvestment, and within enterprise zones. Taxes are limited to not less than 11 percent, but not more than 13.5 percent, of fair cash value for highest and best use. The legislature may enact classifications. Other provisions limit increases and provide for voter overrides.

**Oregon** (Art. XI §11): The State enacted tax limitations on assessed value and rate of tax. Rollbacks were enacted from 1997 back to the 1995 levels and then reduced 10%. The constitution also provides a limit of 3% on assessed value increase thereafter, but has separate provisions for new construction, subdivisions, lot line adjustments, or rezoning. There are a number of other complex provisions relating to exemptions, limits, and school financing.

**Pennsylvania** (Art. 8 §1 - 4): All taxes shall be “uniform upon the same class” of property, with special provisions for agricultural land and forests, and public utilities subject to gross receipts taxes. The legislature may exempt certain uses and create classes based on age, disability, and income. The constitution allows for special taxation standards to encourage improvement of deteriorating areas, and for “long time owner-occupants [...] in areas where real property values have risen markedly as a consequence of the refurbishing and renovating of other deteriorating residences and the construction of new residences.” The homestead exemption may not exceed “1/2 of the median assessed value of all the homestead property within the taxing jurisdiction,” and the tax millage may not be increased to compensate for homestead exclusions. Disabled veterans and their spouses are exempt.

**Rhode Island** (Art. VI §12): “The general assembly shall, from time to time, provide for making new valuations of property, for the assessment of taxes, in such manner as it deems best.”

**South Carolina**: Art. X, §3: The constitution exempts certain properties, including new manufacturing establishments after July 1977 for economic development and industrial plants designed to control or abate air, water, or noise pollution. A homestead exemption (\$10,000) is provided for persons who are disabled, blind, or 65 years and over. The exemption amount may be raised by the legislature. The legislature may also approve other homestead exemptions, and provide further exemptions “by general laws applicable uniformly to property throughout the state” with the approval of 2/3 of each house.

**South Dakota** (Art. XI §2): “To the end that the burden of taxation may be equitable upon all property, and in order that no property which is made subject to taxation shall escape, the Legislature is empowered to divide all property including moneys and credits as well as physical property into classes and to determine what class or classes of property shall be subject to taxation and what property, if any, shall not be subject to taxation. Taxes shall be uniform on all property of the same class ....”

**Tennessee** (Art. XI §11, Art. II §28): The constitution grants a homestead exemption of \$5000 or “such greater amount as the General Assembly may establish.” The constitution classifies real property into four subclasses and assessment percentages as follows: (1) public utilities at 55%; (2) industrial and commercial at 40%; (3) residential at 25% (but two or more rental units is commercial); and (4) farm property at 25%. The legislature may provide relief for elderly and low-income owners of owner-occupied residences, and for permanently disabled persons.

**Texas** (Art. 8 §1 a-f): Taxation must be uniform and equal but the legislature may limit the “maximum average annual percentage increase in the appraised value of residence homesteads” to 10%, or a greater percentage, for each year since the most recent tax appraisal. There are complex homestead provisions and specific rules for agricultural lands, open space, farms, wildlife, or ranch management purposes. Exemptions are allowed for cultural, historical, or redevelopment purposes, and mobile marine drilling, as well as disabled veterans, and survivors of military personnel killed on active duty.

**Utah** (Art. XIII §2, 3): Taxes must be assessed at a uniform and equal rate, and properties taxed at uniform and equal rate. The constitution allows agricultural land to be assessed based on agricultural value, and exemptions may include up to 45% of the fair market value of residential properties. The properties of veterans and disabled persons may also be exempted, and the legislature may allow “remission or abatement” for taxes of the poor.

**Vermont** (Chap. 1, Art. 9): The constitution provides that citizens are “bound to contribute the member’s proportion towards the expence” of the State.

**Virginia** (Art. X §1): All taxes shall be “uniform upon the same class of subject within the territorial limits of the authority levying the tax,” with exceptions for land annexed by cities and towns. The legislature may “define and classify taxable subjects.”

**Washington** (Art. 7 §10): The legislature may grant tax relief to retired owners of owner-occupied residences, and limit such relief by income level limits.

**West Virginia** (Art. X §1b): Property must be assessed at 60% of its value, except that the legislature may, by a 2/3 vote, establish a “higher percentage [...] which shall be uniform as to all classes of property,” but not more than 100%. The constitution provides a homestead exemption for the first \$20,000 of assessed valuation for owner-occupied residences of persons who are disabled or 65 years or older. The legislature is also authorized to provide a similar exemption for other owner-occupied residences, and to provide tax relief to residential or agricultural renters. Increases in value from statewide reappraisals are phased in over a specified 10-year period in equal amounts, and the legislature may provide for phasing for subsequent statewide appraisals.

**Wisconsin** (Art. VIII §8): Taxes must be uniform, but agricultural, undeveloped, forest, and mineral lands, may be treated differently.

**Wyoming** (Art. 15 §2, 3, 4, 5, 12): The constitution has specific sections for coal mines, and mines and mining claims. All taxes shall be uniform and equal within the classifications. The constitution allows a state tax of not more than 4 mills on the dollar of assessed valuation for schools and charities. Counties are limited to imposing a tax of not more than 12 mills (excluding debt repayment). Uniform assessments are required within three classes: (1) minerals and mine production; (2) industrial; and (3) other. Agricultural and grazing lands may be valued at other than full value, based on the land’s capability to produce under normal conditions. Public and charitable exemptions are allowed and others “as the legislature may by general law provide.”

\* Disclaimer: Due to time constraints, only a cursory summary of constitutional provisions directly related to property taxes is provided and related constitutional provisions and recent amendments may have been omitted. No statutory property tax provisions are included. States not surveyed are: Michigan, Nevada, and New York.