



February 1, 2002

SENATE JOINT RESOLUTION No. 3

DIGEST OF SJ 3 (Updated January 31, 2002 1:00 PM - DI 84)

Citations Affected: Articles 10 and 13 of the Constitution of the State of Indiana.

Synopsis: Elimination of property taxes. Allows the general assembly to eliminate the property tax. Allows the general assembly to establish a formula to limit the debt of political subdivisions if property is not assessed for property tax purposes. This proposed amendment has not been previously agreed to by a general assembly.

Effective: This proposed amendment must be agreed to by two consecutive general assemblies and ratified by a majority of the state's voters voting on the question to be effective.

Ford

November 20, 2001, read first time and referred to Committee on Finance.
January 31, 2002, reported favorably — Do Pass.

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February 1, 2002

Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

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SENATE JOINT RESOLUTION No. 3

A JOINT RESOLUTION proposing an amendment to Articles 10 and 13 of the Constitution of the State of Indiana concerning taxation.

Be it resolved by the General Assembly of the State of Indiana:

- 1 SECTION 1. The following amendment to the Constitution of the
2 State of Indiana is proposed and agreed to by this, the One Hundred
3 Twelfth General Assembly of the State of Indiana, and is referred to the
4 next General Assembly for reconsideration and agreement.
5 SECTION 2. ARTICLE 10, SECTION 1 OF THE CONSTITUTION
6 OF THE STATE OF INDIANA IS AMENDED TO READ AS
7 FOLLOWS: Section 1. (a) The General Assembly **may provide, by**
8 **law, for the levy and collection of a tax on property.**
9 (b) **If a property tax is authorized, the General Assembly** shall
10 provide, by law, for a uniform and equal rate of property assessment
11 and taxation, and shall prescribe regulations to secure a just valuation
12 for taxation of all property, both real and personal. **However,** the
13 General Assembly may exempt from property taxation any property in

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1 any of the following classes:

- 2 (1) Property being used for municipal, educational, literary,
 3 scientific, religious, or charitable purposes;
 4 (2) Tangible personal property other than property being held for
 5 sale in the ordinary course of a trade or business, property being
 6 held, used, or consumed in connection with the production of
 7 income, or property being held as an investment; **or**
 8 (3) Intangible personal property.

9 **(b) In addition**, the General Assembly may exempt any motor vehicles,
 10 mobile homes, airplanes, boats, trailers, or similar property, provided
 11 that an excise tax in lieu of the property tax is substituted therefor.

12 SECTION 3. ARTICLE 13, SECTION 1 OF THE CONSTITUTION
 13 OF THE STATE OF INDIANA IS AMENDED TO READ AS
 14 FOLLOWS: Section 1. **(a)** No political or municipal corporation in this
 15 State shall ever become indebted, in any manner or for any purpose to
 16 an amount, in the aggregate, exceeding two per centum on the value of
 17 the taxable property within such corporation, to be ascertained by the
 18 last assessment for State and county taxes, previous to the incurring of
 19 such indebtedness; and all bonds or obligations, in excess of such
 20 amount, given by such corporations, shall be void: Provided, That in
 21 time of war, foreign invasion, or other great public calamity, on petition
 22 of a majority of the property owners in number and value, within the
 23 limits of such corporation, the public authorities, in their discretion,
 24 may incur obligations necessary for the public protection and defense
 25 to such amount as may be requested in such petition.

26 **(b) If the General Assembly does not authorize the imposition**
 27 **of a property tax, the General Assembly shall, by law, establish a**
 28 **limitation on the debt of a political or municipal corporation that**
 29 **is equivalent to the limitation imposed under subsection (a).**

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COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred Senate Joint Resolution No. 3, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Joint Resolution 3 as introduced.)

BORST, Chairperson

Committee Vote: Yeas 14, Nays 0.

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