

1                                   **RESOLUTION ON PROPERTY TAX FOR**  
2                                   **CERTAIN PERSONAL PROPERTY**

3                                   2005 GENERAL SESSION

4                                   STATE OF UTAH

5                                   **Sponsor: John W. Hickman**

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7 **LONG TITLE**

8 **General Description:**

9                   This joint resolution of the Legislature proposes to amend the Utah Constitution to  
10 authorize the statutory creation of a property tax exemption.

11 **Highlighted Provisions:**

12                   This resolution proposes to amend the Utah Constitution to:

13                   ▶ authorize the statutory creation of a property tax exemption for personal property  
14 required to be used in a person's employment.

15 **Special Clauses:**

16                   This resolution directs the lieutenant governor to submit this proposal to voters.

17                   This resolution provides an effective date.

18 **Utah Constitution Sections Affected:**

19 AMENDS:

20                   **ARTICLE XIII, SECTION 3**

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22 *Be it resolved by the Legislature of the state of Utah, two-thirds of all members elected to each*  
23 *of the two houses voting in favor thereof:*

24                   Section 1. It is proposed to amend Utah Constitution Article XIII, Section 3, to read:

25                   **Article XIII, Section 3. [Property tax exemptions.]**

26                   (1) The following are exempt from property tax:

27                   (a) property owned by the State;



- 28 (b) property owned by a public library;
- 29 (c) property owned by a school district;
- 30 (d) property owned by a political subdivision of the State, other than a school district,
- 31 and located within the political subdivision;
- 32 (e) property owned by a political subdivision of the State, other than a school district,
- 33 and located outside the political subdivision unless the Legislature by statute authorizes the
- 34 property tax on that property;
- 35 (f) property owned by a nonprofit entity used exclusively for religious, charitable, or
- 36 educational purposes;
- 37 (g) places of burial not held or used for private or corporate benefit;
- 38 (h) farm equipment and farm machinery as defined by statute; and
- 39 (i) water rights, reservoirs, pumping plants, ditches, canals, pipes, flumes, power
- 40 plants, and transmission lines to the extent owned and used by an individual or corporation to
- 41 irrigate land that is:
  - 42 (i) within the State; and
  - 43 (ii) owned by the individual or corporation, or by an individual member of the
  - 44 corporation.
- 45 (2) (a) The Legislature may by statute exempt the following from property tax:
  - 46 (i) tangible personal property constituting inventory present in the State on January 1
  - 47 and held for sale in the ordinary course of business;
  - 48 (ii) tangible personal property present in the State on January 1 and held for sale or
  - 49 processing and shipped to a final destination outside the State within 12 months;
  - 50 (iii) subject to Subsection (2)(b), property to the extent used to generate and deliver
  - 51 electrical power for pumping water to irrigate lands in the State;
  - 52 (iv) up to 45% of the fair market value of residential property, as defined by statute;
  - 53 and
  - 54 (v) household furnishings, furniture, and equipment used exclusively by the owner of
  - 55 that property in maintaining the owner's home.
- 56 (b) The exemption under Subsection (2)(a)(iii) shall accrue to the benefit of the users
- 57 of pumped water as provided by statute.
- 58 (3) The following may be exempted from property tax as provided by statute:

59 (a) property owned by a disabled person who, during military training or a military  
60 conflict, was disabled in the line of duty in the military service of the United States or the State;  
61 [and]

62 (b) property owned by the unmarried surviving spouse or the minor orphan of a person  
63 who:

64 (i) is described in Subsection (3)(a); or

65 (ii) during military training or a military conflict, was killed in action or died in the line  
66 of duty in the military service of the United States or the State[-]; and

67 (c) personal property owned by a person who is required to use that personal property  
68 at the person's place of employment as a condition of employment.

69 (4) The Legislature may by statute provide for the remission or abatement of the taxes  
70 of the poor.

71 Section 2. **Submittal to voters.**

72 The lieutenant governor is directed to submit this proposed amendment to the voters of  
73 the state at the next regular general election in the manner provided by law.

74 Section 3. **Effective date.**

75 If the amendment proposed by this joint resolution is approved by a majority of those  
76 voting on it at the next regular general election, the amendment shall take effect on January 1,  
77 2007.

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**Legislative Review Note**  
**as of 11-22-04 9:40 AM**

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

**Office of Legislative Research and General Counsel**

**State Impact**

It is estimated that publication and distribution costs to put this resolution on the ballot will be \$11,500 from the General Fund.

	<u>FY 2006</u> <u>Approp.</u>	<u>FY 2007</u> <u>Approp.</u>	<u>FY 2006</u> <u>Revenue</u>	<u>FY 2007</u> <u>Revenue</u>
General Fund	\$0	\$11,500	\$0	\$0
<b>TOTAL</b>	<b>\$0</b>	<b>\$11,500</b>	<b>\$0</b>	<b>\$0</b>

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**Individual and Business Impact**

No fiscal impact.

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**Office of the Legislative Fiscal Analyst**