

**Proposal to Amend Utah Constitution - Utah  
Taxpayer Oversight of Government Spending**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Tiara Auxier**

Senate Sponsor:

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**LONG TITLE**

**General Description:**

This joint resolution of the Utah Legislature proposes to amend the Utah Constitution to create taxpayer oversight of government spending.

**Highlighted Provisions:**

This resolution proposes to amend the Utah Constitution to:

- require residential real property to be assessed using the sales comparison approach;
- authorize the Legislature to exempt business personal property from property tax; and
- establish taxpayer rights that include:
  - requiring voters to approve an increase in tax revenue or most types of government debt;
  - limiting the amount of revenue a taxing entity may spend in a fiscal year without voter approval; and
  - requiring a refund of excess revenue to taxpayers.

**Other Special Clauses:**

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

This resolution provides a contingent effective date of January 1, 2027 for this proposal.

**Utah Constitution Sections Affected:**

AMENDS:

**Article XIII, Section 2**

**Article XIII, Section 3**

ENACTS:

**Article XIII, Section 9**

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

Section 1. It is proposed to amend Utah Constitution, Article XIII, Section 2, to read:

**Article XIII, Section 2 . [Property tax.]**

- (1) So that each person and corporation pays a tax in proportion to the fair market value of his, her, or its tangible property, all tangible property in the State that is not exempt under the laws of the United States or under this Constitution shall be:
- (a) assessed at a uniform and equal rate in proportion to its fair market value, to be ascertained:
    - (i) for residential real property, using solely the sales comparison approach; and
    - (ii) for property other than residential real property, as provided by law; and
  - (b) taxed at a uniform and equal rate to generate no more revenue than is authorized under Article XIII, Section 9, Subsection (4).
- (2) Each corporation and person in the State or doing business in the State is subject to taxation on the tangible property owned or used by the corporation or person within the boundaries of the State or local authority levying the tax.
- (3) The Legislature may provide by statute that land used for agricultural purposes be assessed based on its value for agricultural use.
- (4) The Legislature may by statute determine the manner and extent of taxing livestock.
- (5) The Legislature may by statute determine the manner and extent of taxing or exempting intangible property, except that any property tax on intangible property may not exceed .005 of its fair market value. If any intangible property is taxed under the property tax, the income from that property may not also be taxed.
- (6) Tangible personal property required by law to be registered with the State before it is used on a public highway or waterway, on public land, or in the air may be exempted from property tax by statute. If the Legislature exempts tangible personal property from property tax under this Subsection (6), it shall provide for the payment of uniform statewide fees or uniform statewide rates of assessment or taxation on that property in lieu of the property tax. The fair market value of any property exempted under this Subsection (6) shall be considered part of the State tax base for determining the debt limitation under Article XIV.

Section 2. It is proposed to amend Utah Constitution, Article XIII, Section 3, to read:

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

- (1) The following are exempt from property tax:
- (a) property owned by the State;
  - (b) property owned by a public library;
  - (c) property owned by a school district;

- 64 (d) property owned by a political subdivision of the State, other than a school district,  
65 and located within the political subdivision;
- 66 (e) property owned by a political subdivision of the State, other than a school district,  
67 and located outside the political subdivision unless the Legislature by statute  
68 authorizes the property tax on that property;
- 69 (f) property owned by a nonprofit entity used exclusively for religious, charitable, or  
70 educational purposes;
- 71 (g) places of burial not held or used for private or corporate benefit;
- 72 (h) farm equipment and farm machinery as defined by statute;
- 73 (i) water rights, reservoirs, pumping plants, ditches, canals, pipes, flumes, power plants,  
74 and transmission lines to the extent owned and used by an individual or corporation  
75 to irrigate land that is:
- 76 (i) within the State; and
- 77 (ii) owned by the individual or corporation, or by an individual member of the  
78 corporation; and
- 79 (j)(i) if owned by a nonprofit entity and used within the State to irrigate land, provide  
80 domestic water, as defined by statute, or provide water to a public water supplier:
- 81 (A) water rights; and
- 82 (B) reservoirs, pumping plants, ditches, canals, pipes, flumes, and, as defined by  
83 statute, other water infrastructure;
- 84 (ii) land occupied by a reservoir, ditch, canal, or pipe that is exempt under Subsection  
85 (1)(j)(i)(B) if the land is owned by the nonprofit entity that owns the reservoir,  
86 ditch, canal, or pipe; and
- 87 (iii) land immediately adjacent to a reservoir, ditch, canal, or pipe that is exempt  
88 under Subsection (1)(j)(i)(B) if the land is:
- 89 (A) owned by the nonprofit entity that owns the adjacent reservoir, ditch, canal, or  
90 pipe; and
- 91 (B) reasonably necessary for the maintenance or for otherwise supporting the  
92 operation of the reservoir, ditch, canal, or pipe.
- 93 (2)(a) The Legislature may by statute exempt the following from property tax:
- 94 (i) tangible personal property constituting inventory present in the State on January 1  
95 and held for sale in the ordinary course of business;
- 96 (ii) tangible personal property present in the State on January 1 and held for sale or  
97 processing and shipped to a final destination outside the State within 12 months;

- 98 (iii) subject to Subsection (2)(b), property to the extent used to generate and deliver  
99 electrical power for pumping water to irrigate lands in the State;  
100 (iv) up to 45% of the fair market value of residential property, as defined by statute;  
101 (v) household furnishings, furniture, and equipment used exclusively by the owner of  
102 that property in maintaining the owner's home; and  
103 (vi) ~~[tangible personal property that, if subject to property tax, would generate an~~  
104 ~~inconsequential amount of revenue]~~ business personal property so long as the  
105 exemptions are uniform.
- 106 (b) The exemption under Subsection (2)(a)(iii) shall accrue to the benefit of the users of  
107 pumped water as provided by statute.
- 108 (3) The following may be exempted from property tax as provided by statute:
- 109 (a) property owned by a disabled person who, during military training or a military  
110 conflict, was disabled in the line of duty in the military service of the United States or  
111 the State;
- 112 (b) property owned by the unmarried surviving spouse or the minor orphan of a person  
113 who:
- 114 (i) is described in Subsection (3)(a); or  
115 (ii) during military training or a military conflict, was killed in action or died in the  
116 line of duty in the military service of the United States or the State; and
- 117 (c) real property owned by a person in the military or the person's spouse, or both, and  
118 used as the person's primary residence, if the person serves under an order to federal  
119 active duty out of state for at least 200 days in a continuous 365-day period.
- 120 (4) The Legislature may by statute provide for the remission or abatement of the taxes of  
121 the poor.
- 122 (5) The State or a political subdivision may refund property tax to satisfy the requirements  
123 of Article XIII, Section 9.

124 Section 3. It is proposed to enact Utah Constitution, Article XIII, Section 9, to read:

125 **Article XIII, Section 9 . [Utah Taxpayer Oversight of Government Spending.]**

- 126 (1) The provisions of this article apply to the State and a political subdivision of the State.
- 127 (2)(a) The State or a political subdivision shall submit, in accordance with statute, any  
128 legislation that imposes a new tax, expands an existing tax to make additional items  
129 or transactions subject to the tax or fee, increases an existing tax rate, extends an  
130 expiring tax, causes a property tax rate to decrease less than it would under current  
131 law, is projected to result in a tax revenue gain, or creates a multiple fiscal-year

financial obligation without adequate reserves pledged irrevocably for the direct payment of the multiple fiscal-year financial obligation to voters for approval or rejection.

(b) The State or a political subdivision need not comply with Subsection (2)(a) if the creation of a financial obligation is to refinance a bonded debt at a lower interest rate or to add new employees to a retirement plan or if the annual revenue is less than the entity's annual payments on general obligation bonds, pensions, and final court judgments.

(3) The State or a political subdivision may not:

(a) increase revenue through a new transfer tax, a new state real property tax, a political subdivision income tax, an increase in the state income tax rate, or a change in the definition of taxable income before the start of a taxable year; or

(b) impose multiple rates of income tax.

(4)(a) The State or a political subdivision may not spend, within one fiscal year, more than the previous fiscal year's budget adjusted for inflation and population, growth in personal income, growth in state gross domestic product, growth in property values, or growth in student population, as provided by statute, without voter approval.

(b) The State or a political subdivision may obtain voter approval to spend more than a previous fiscal year as provided by statute, except that the State or a political subdivision may not eliminate a fiscal year spending limit.

(5) The State or a political subdivision shall refund, as provided by statute, revenue collected that exceeds the State's or the political subdivision's fiscal year spending limit.

(6) The State may not impose on any political subdivision the cost of a new program or new spending, or increases in existing programs or spending.

(7) This article shall be interpreted to reasonably restrain most the growth in government.

(8)(a) Individual or class action enforcement suits may be filed and shall have the highest civil priority of resolution.

(b) Successful plaintiffs are allowed costs and reasonable attorney fees, but the State or a political subdivision is not unless a suit against the State or the political subdivision is ruled frivolous.

(c) Revenue collected, kept, or spent illegally for four full fiscal years before a suit is filed shall be refunded with 10% annual simple interest from the initial conduct.

#### **Section 4. Submittal to voters.**

The lieutenant governor is directed to submit this proposed amendment to the voters of

166 the state at the next regular general election in the manner provided by law.

167           Section 5. **Contingent effective date.**

168 If the amendment proposed by this joint resolution is approved by a majority of those  
169 voting on it at the next regular general election, the amendment shall take effect on January 1,  
170 2027.