

**RESOLUTION CAPPING PROPERTY TAX FOR
CERTAIN RESIDENTS**

2003 GENERAL SESSION

STATE OF UTAH

Sponsor: D. Chris Buttars

This joint resolution of the Legislature proposes to amend the Utah Constitution to prevent state and local taxing authorities from levying or collecting more property tax from certain owners of primary residences than was collected during the previous year.

This joint resolution directs the lieutenant governor to submit this proposal to voters and provides an effective date.

This resolution proposes to change the Utah Constitution as follows:

AMENDS:

ARTICLE XIII, SECTION 2

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 as provided by law; and

(b) taxed at a uniform and equal rate.

(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.

(7) (a) Notwithstanding any other provision of this Constitution, no state or local authority that levies a property tax may levy or collect a tax on a person's property to the extent that the amount of the tax exceeds the amount of property tax that the person was required to pay the previous calendar year on the same property if:

(i) the property is the person's primary residence, as defined by statute;

(ii) the person:

(A) owns the property; or

(B) co-owns the property with one or more persons for whom the property is also the primary residence; and

(iii) the person:

(A) is 65 years old or older; or

(B) has for 25 or more consecutive years:

(I) owned or co-owned the property; and

(II) used the property as the person's primary residence.

(b) If Subsection (7)(a) limits the amount of property tax a person is required to pay on property, it also equally limits the amount of property tax that a co-owner of that property is required to pay.

Section 2. **Submittal to voters.**

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

61 Section 3. **Effective date.**

62 If the amendment proposed by this joint resolution is approved by a majority of those
63 voting on it at the next regular general election, the amendment shall take effect on January 1,
64 2005.

Legislative Review Note
as of 1-21-03 12:44 PM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel

Fiscal Note
Bill Number SJR006**Resolution Capping Property Tax for Certain Residents** 27-Jan-03
9:06 AM

State Impact

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

	<u>FY 04 Approp.</u>	<u>FY 05 Approp.</u>	<u>FY 04 Revenue</u>	<u>FY 05 Revenue</u>
General Fund	\$0	\$11,500	\$0	\$0
TOTAL	\$0	\$11,500	\$0	\$0

Individual and Business Impact

No fiscal impact.

Office of the Legislative Fiscal Analyst