

**PROPOSAL TO AMEND UTAH CONSTITUTION -- ACTIVE  
MILITARY PROPERTY TAX EXEMPTION**

2017 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Val L. Peterson**

Senate Sponsor: Curtis S. Bramble

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**LONG TITLE**

**General Description:**

This joint resolution of the Legislature proposes to amend the Utah Constitution to modify a provision relating to a property tax exemption.

**Highlighted Provisions:**

This resolution proposes to amend the Utah Constitution to:

- ▶ modify a provision relating to a property tax exemption for a person in the military or the person's spouse; and
- ▶ modify a time of service required to qualify for a property tax exemption from 200 days in a calendar year to 200 days in a continuous 365-day period.

**Special Clauses:**

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

This resolution provides a contingent effective date of January 1, 2019 for this proposal.

**Utah Constitution Sections Affected:**

AMENDS:

**ARTICLE XIII, SECTION 3**

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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 3, to read:



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

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

30 (a) property owned by the State;

31 (b) property owned by a public library;

32 (c) property owned by a school district;

33 (d) property owned by a political subdivision of the State, other than a school district,  
34 and located within the political subdivision;

35 (e) property owned by a political subdivision of the State, other than a school district,  
36 and located outside the political subdivision unless the Legislature by statute authorizes the  
37 property tax on that property;

38 (f) property owned by a nonprofit entity used exclusively for religious, charitable, or  
39 educational purposes;

40 (g) places of burial not held or used for private or corporate benefit;

41 (h) farm equipment and farm machinery as defined by statute;

42 (i) water rights, reservoirs, pumping plants, ditches, canals, pipes, flumes, power  
43 plants, and transmission lines to the extent owned and used by an individual or corporation to  
44 irrigate land that is:

45 (i) within the State; and

46 (ii) owned by the individual or corporation, or by an individual member of the  
47 corporation; and

48 (j) (i) if owned by a nonprofit entity and used within the State to irrigate land, provide  
49 domestic water, as defined by statute, or provide water to a public water supplier:

50 (A) water rights; and

51 (B) reservoirs, pumping plants, ditches, canals, pipes, flumes, and, as defined by  
52 statute, other water infrastructure;

53 (ii) land occupied by a reservoir, ditch, canal, or pipe that is exempt under Subsection  
54 (1)(j)(i)(B) if the land is owned by the nonprofit entity that owns the reservoir, ditch, canal, or  
55 pipe; and

56 (iii) land immediately adjacent to a reservoir, ditch, canal, or pipe that is exempt under  
57 Subsection (1)(j)(i)(B) if the land is:

58 (A) owned by the nonprofit entity that owns the adjacent reservoir, ditch, canal, or

59 pipe; and

60 (B) reasonably necessary for the maintenance or for otherwise supporting the operation  
61 of the reservoir, ditch, canal, or pipe.

62 (2) (a) The Legislature may by statute exempt the following from property tax:

63 (i) tangible personal property constituting inventory present in the State on January 1  
64 and held for sale in the ordinary course of business;

65 (ii) tangible personal property present in the State on January 1 and held for sale or  
66 processing and shipped to a final destination outside the State within 12 months;

67 (iii) subject to Subsection (2)(b), property to the extent used to generate and deliver  
68 electrical power for pumping water to irrigate lands in the State;

69 (iv) up to 45% of the fair market value of residential property, as defined by statute;

70 (v) household furnishings, furniture, and equipment used exclusively by the owner of  
71 that property in maintaining the owner's home; and

72 (vi) tangible personal property that, if subject to property tax, would generate an  
73 inconsequential amount of revenue.

74 (b) The exemption under Subsection (2)(a)(iii) shall accrue to the benefit of the users  
75 of pumped water as provided by statute.

76 (3) The following may be exempted from property tax as provided by statute:

77 (a) property owned by a disabled person who, during military training or a military  
78 conflict, was disabled in the line of duty in the military service of the United States or the State;

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

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

82 (ii) during military training or a military conflict, was killed in action or died in the line  
83 of duty in the military service of the United States or the State; and

84 (c) real property owned by a person in the military or the person's spouse, or both, and  
85 used as the person's primary residence, if the person serves under an order to federal active duty  
86 out of state for at least 200 days in a [~~calendar year or 200 consecutive days~~] continuous  
87 365-day period.

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

90           Section 2. **Submittal to voters.**

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

93           Section 3. **Contingent effective date.**

94           If the amendment proposed by this joint resolution is approved by a majority of those  
95 voting on it at the next regular general election, the amendment shall take effect on January 1,  
96 2019.

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**Legislative Review Note**  
**Office of Legislative Research and General Counsel**