

Senator Daniel McCay proposes the following substitute bill:

**PROPOSAL TO AMEND UTAH CONSTITUTION -
TANGIBLE PERSONAL PROPERTY TAX AMENDMENTS**

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Daniel McCay

House Sponsor: _____

LONG TITLE

General Description:

This joint resolution of the Legislature proposes to amend the Utah Constitution to modify provisions relating to the taxation of tangible personal property.

Highlighted Provisions:

This resolution proposes to amend the Utah Constitution to:

- ▶ provide for tangible personal property to be taxed or exempt from taxation, as provided by statute and subject to existing constitutional provisions.

Special Clauses:

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

This resolution provides a contingent effective date of January 1, 2021 for this proposal.

Utah Constitution Sections Affected:

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:



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

27 (1) (a) So that each person and corporation pays a tax in proportion to the fair market
28 value of his, her, or its tangible real property, all tangible real property in the State that is not
29 exempt under the laws of the United States or under this Constitution shall be:

30 [~~(a)~~] (i) assessed at a uniform and equal rate in proportion to its fair market value, to be
31 ascertained as provided by law; and

32 [~~(b)~~] (ii) taxed at a uniform and equal rate.

33 (b) Except as otherwise provided in this section and in Article XIII, Section 3, tangible
34 personal property may be taxed or exempt from taxation, as provided by statute.

35 (2) Each corporation and person in the State or doing business in the State is subject to
36 taxation on the tangible property owned or used by the corporation or person within the
37 boundaries of the State or local authority levying the tax.

38 (3) The Legislature may provide by statute that land used for agricultural purposes be
39 assessed based on its value for agricultural use.

40 (4) The Legislature may by statute determine the manner and extent of taxing livestock.

41 (5) The Legislature may by statute determine the manner and extent of taxing or
42 exempting intangible property, except that any property tax on intangible property may not
43 exceed .005 of its fair market value. If any intangible property is taxed under the property tax,
44 the income from that property may not also be taxed.

45 (6) Tangible personal property required by law to be registered with the State before it
46 is used on a public highway or waterway, on public land, or in the air may be exempted from
47 property tax by statute. If the Legislature exempts tangible personal property from property tax
48 under this Subsection (6), it shall provide for the payment of uniform statewide fees or uniform
49 statewide rates of assessment or taxation on that property in lieu of the property tax. The fair
50 market value of any property exempted under this Subsection (6) shall be considered part of the
51 State tax base for determining the debt limitation under Article XIV.

52 **Section 2. Submittal to voters.**

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

55 **Section 3. Contingent effective date.**

56 If the amendment proposed by this joint resolution is approved by a majority of those

57 voting on it at the next regular general election, the amendment shall take effect on January 1,
58 2021.