

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

3 2017 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Val L. Peterson**

6 Senate Sponsor: Curtis S. Bramble

8 **LONG TITLE**

9 **General Description:**

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

12 **Highlighted Provisions:**

13 This resolution proposes to amend the Utah Constitution to:

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

18 **Special Clauses:**

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

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

21 **Utah Constitution Sections Affected:**

22 AMENDS:

23 **ARTICLE XIII, SECTION 3**

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

27 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.