

# Utah Voter Information Pamphlet

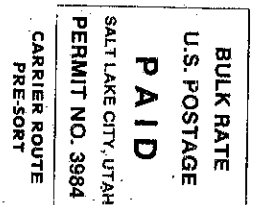


**General Election  
November 4, 1980**

COMPILED BY **DAVID S. MONSON, LT. GOVERNOR**

IN COOPERATION WITH THE UTAH STATE LEGISLATURE  
**MILES 'CAP' FERRY, SENATE PRESIDENT**  
**JAMES V. HANSEN, HOUSE SPEAKER**

ANALYSIS BY **JON M. MEMMOTT, LEGISLATIVE RESEARCH DIRECTOR**





STATE OF UTAH

Lt. Governor/Secretary of State

SALT LAKE CITY, UTAH 84114

DAVID S. MONSON  
LT. GOVERNOR/SECRETARY OF STATE  
DOUGLAS S. FOXLEY  
DEPUTY

October 1, 1980

Dear Fellow Utahn:

In the 1980 General Election, the Utah voter will be faced with various propositions which will appear on the ballot. In accordance with state law, this Voter Information Pamphlet has been prepared to provide explanations of those measures. The pamphlet also contains the arguments for and against the proposals, along with rebuttals to the arguments.

Your vote allows for direct citizen input into the issues that confront us. I hope that you will find the information helpful to you in making your decisions in the November election.

The pamphlet also contains instructions on how to mark your ballot properly.

Please take advantage of your privilege and vote on November 4, 1980.

Sincerely,

A handwritten signature in cursive script that reads "David S. Monson".

DAVID S. MONSON  
Lt. Governor

## TABLE OF CONTENTS

TITLE	PAGE
INSTRUCTIONS FOR READING THE TEXT OF THE PROPOSITIONS	5
PROPOSITION NO. 1 EXECUTIVE ARTICLE REVISION	
Ballot Title	6
Final Legislative Vote	7
Impartial Analysis	7
Arguments	10
Text	14
PROPOSITION NO. 2 REVENUE AND TAXATION ARTICLE REVISION	
Ballot Title	19
Final Legislative Vote	19
Impartial Analysis	19
Arguments	22
Text	26
PROPOSITION NO. 3 LABOR ARTICLE REVISION	
Ballot Title	31
Final Legislative Vote	31
Impartial Analysis	31
Arguments	32
Text	33
PROPOSITION NO. 4 COMPENSATION OF LEGISLATORS	
Ballot Title	35
Impartial Analysis	35
Arguments	36
Text	37
INITIATIVE A ELIMINATION OF SALES TAX ON FOOD	
Ballot Title	38
Impartial Analysis	38
Arguments	39
Text	43
INITIATIVE B TAX LIMITATION ACT	
Ballot Title	45
Impartial Analysis	45
Arguments	47
Text	50

### INSTRUCTIONS FOR READING THE TEXT OF THE PROPOSITIONS

NOTE: In reviewing the text of the propositions the following rules apply:

- (1) Underlined words and numbers represent new language added to the constitution or current language moved from another section in the constitution.  
  

Example: Sec. 5. The executive power of the State shall be vested in the Governor, who shall see that the laws are faithfully executed . . .
- (2) Bracketed and lined-through words or numbers represent current language being deleted from the constitution or current language which is being moved to another section in the constitution.  
  

Example: Sec. [ 20 ] 18. The Governor, [ ~~Secretary of State~~ ] Lieutenant Governor, State Auditor, State Treasurer, Attorney General and such other State and District officers as [ ~~may be~~ ] provided for by law . . .
- (3) All other language is the current language in the constitution which is retained without change.

**PROPOSITION NO. 1**

**EXECUTIVE ARTICLE REVISION**

Shall Article VII of the State Constitution be revised to provide that candidates for governor and lieutenant governor of each party run for office together; to allow the governor to delegate executive responsibilities to the lieutenant governor; to permit the legislature to act on bills vetoed by the governor after adjournment; to place the auditor as a member of the Board of Examiners with the governor and attorney general; to allow the legislature to establish by law the duties of the Board of Examiners; to allow the state auditor and state treasurer to run for reelection to their respective offices; to establish a procedure to determine gubernatorial disability and succession to the office of governor; to allow the governor to retain executive authority when traveling outside the state; and to make other changes in the executive article.

FOR ☐

AGAINST ☐

**EXECUTIVE ARTICLE REVISION**

**Final Votes Cast By The Legislature**

Senate:

House of Representatives:

For - 26

For - 54

Against - 0

Against - 18

Absent - 3

Absent - 3

**IMPARTIAL ANALYSIS BY LEGISLATIVE RESEARCH DIRECTOR**

**PROPOSAL**

The Executive Article provides the framework for the operation of the executive branch of the state government and defines the roles of the elected executive officials. The proposed revision to the Executive Article, if adopted, would make the following changes to the present constitution:

1. Constitutionally create Office of Lieutenant Governor--The proposed Executive Article would create the Office of Lieutenant Governor and delete the Office of Secretary of State from the constitution. Presently, the Office of Lieutenant Governor exists only by statute, and the duties of the secretary of state are carried out by the lieutenant governor.

2. Governor and Lieutenant Governor to Run for Office on Same Ticket--Beginning with the 1984 election, the candidates for governor and lieutenant governor in each party would run for office together as in the case with the candidates for Office of President and Vice President of the United States. The governor would be vested with the executive power of the state and would be able to delegate executive duties and responsibilities to the lieutenant governor.

3. Treasurer and Auditor May Run for Consecutive Terms in Office--Under the present constitution the treasurer and auditor may not serve for consecutive terms. Because of this requirement in the constitution, a pattern has developed in which the state auditor and treasurer often interchange offices in succeeding elections. This situation has resulted in a newly elected auditor reviewing his own work as former treasurer. The revision removes this prohibition and allows the state auditor and state treasurer to serve consecutive terms in office.

4. Extend the Time in Which the Governor May Review Legislation Prior to Signing or Vetoing Legislation--Present provisions allow the governor five days to sign or veto a bill while the legislature is in session and ten days to consider taking such action after adjournment of the legislature. Practically speaking, however, the volume of legislation passed in the closing days of a legislative session and the administrative tasks of typing, verifying, and final printing often leaves the governor only one or two days to consider action on major legislation. The revision would increase the governor's time to ten days while in session and twenty days after adjournment to complete this review.

5. Establishes a Procedure by Which the Legislature Can Reconvene to Reconsider any Legislation Which was Vetoed by the Governor--Under the present constitution, the governor may veto legislation after adjournment of the legislature. The legislature is not given the opportunity to reconsider or override the veto by a two-thirds vote of each house. The proposed revision would establish a procedure where, by a vote of two-thirds of the members of each house the legislature may reconvene for a limited five-day session. The session would be limited to considering the legislation and items of the appropriation vetoed by the governor after adjournment. If upon reconsideration the bill or item of appropriation passes both houses by a two-thirds vote it would become law over the governor's veto.

6. Establishes Line of Succession for Executive Authority--The proposed revision would establish a line of succession to the governor's office in case of death, disability or removal from office of the present governor. The line of succession would be as follows: (a) lieutenant governor, (b) president of the senate, and (c) speaker of the house. The present constitution requires the governor to transfer his authority to the lieutenant governor any time he is out of state. The proposed revision allows the governor to retain executive authority when traveling outside of Utah.

7. Establishes Procedure to Determine Gubernatorial Disability--The present Executive Article has no procedure to handle the possibility that a governor may be disabled while in office due to illness, injury, or other cause; and therefore be unable to carry on the duties of the office. The proposed revision would establish a procedure in which the Supreme Court would have the authority to determine when a governor was unable to discharge the duties of office. If they determine that the governor is unable to serve as governor, then the lieutenant governor would be appointed as acting governor for the unexpired term of office or until the governor recovered and was reinstated in office.

8. Modifies Board of Pardons Authority--Under the present constitution the Board of Pardons is granted the sole authority to establish conditions for granting pardons or paroles. The proposed revision would allow the legislature to establish the conditions upon which the Board of Pardons may remit fines, commute punishments, or grant pardons of convicts after a criminal conviction.

9. Changes Membership of Board of Examiners--Under the current constitution the Board of Examiners (governor, lieutenant governor, and attorney general) reviews all claims against the state except the salaries or compensation of officers established by law. The proposed revision would allow the legislature to determine those claims which the Board of Examiners would review, and would replace the lieutenant governor with the state auditor as a member of the Board of Examiners.

10. Allows Governor to Run for Federal Senate--Under the current constitution the governor is restricted from seeking election to the United States Senate during the term for which he is elected as governor. Similar provisions in other states have been declared unconstitutional when challenged in court. Therefore, that restriction is deleted in the proposed revision.

11. Eliminates Outdated Provisions--The proposed revision deletes language on the Board of Insane Asylum Commissioners and the Board of Reform School Commissioners. Both boards have been changed by legislation and are no longer required under current executive branch organization. Also deleted is Section 24 of Article VII dealing with continuation of state government in the event of an emergency. This section was an amendment added to the constitution in 1960. However, a later Utah Supreme Court ruling (Lee v State 1962) declared the amendment to be invalid. Similar valid provisions were later passed in 1964 (Article VI, Section 30) providing for the continuation of state government in the event of an emergency.

#### FISCAL EFFECT

The proposed revision of Article VII will not have any significant fiscal impact on state or local government.

Jon M. Memmott  
Legislative Research Director  
State Capitol  
Salt Lake City, Utah

## **ARGUMENTS IN FAVOR OF THE EXECUTIVE ARTICLE REVISION**

### We Need a Strong Lieutenant Governor

In the event that the governor unexpectedly leaves office we need to insure the continuity of policies free from political manipulation. The proposed amendment guarantees a strong lieutenant governor by constitutionally establishing the office, allowing the governor to delegate important responsibilities, and requiring the governor and lieutenant governor to run in tandem.

### We Need a Governor Who Will Remain Governor When Outside the State

In this age of rapid communication the requirement that the governor remain inside the state to function as governor is no longer necessary. Similar provisions in other states, such as California, have led to serious abuse, and only a constitutional amendment can eliminate this serious hazard to effective government.

### We Need a clarification of Gubernatorial Succession and an Orderly Process to Determine Gubernatorial Disability

The proposed amendment clarifies the present order of succession, making it similar to that of the U.S. Constitution. The method for determining disability involves all three branches of government, preventing political abuse of the process, without which government would be based on emergency stop gap procedures rather than orderly processes.

### The Governor Needs More Time to Consider Legislation

Those who have attended a legislative session know that hundreds of bills are sent to the governor, who then has only a few days to consider each item. An extension of time to consider bills, provided only by constitutional amendment, is essential to good government.

### We Need to Strengthen Our System of Checks and Balances

In Utah, only the governor may convene a session of the legislature. When a governor vetoes a bill immediately following a session, he or she is not likely to convene a session to allow the legislature to consider overriding the veto. A constitutional amendment can grant the legislature the authority to convene a special session for the sole purpose of reconsidering a veto. No undue advantage should be allowed to continue in our system of checks and balances.

### We Need to Strengthen the Integrity of Government by:

- a. Requiring the attorney general to remain in good standing before the bar during the term of office.
- b. Requiring the governor to appoint someone from the same political party to fill a vacancy in order to insure policy continuity and prevent abuse of the governor's appointive power.
- c. Maintaining the independence of the Board of Examiners by substituting the state auditor for the lieutenant governor.

d. Over the years the practice has arisen for the state auditor and the state treasurer to seek election to each other's office after their own term has expired because of a constitutional restriction on succeeding themselves. This would enable the new state auditor to audit his or her own work done while acting as state treasurer. The amendment prevents this potential conflict of interest and removes the unnecessary restriction.

e. Defining the heretofore vague duties of the state auditor and thereby eliminate a wasteful overlapping of duties with the constitutionally established office of legislative auditor.

**THE EXECUTIVE ARTICLE REVISION WILL ASSURE STRONGER AND MORE  
EFFICIENT STATE GOVERNMENT.**

Senator Karl N. Snow, Jr.  
1847 North Oak Lane  
Provo, Utah 84601

Senator Fred W. Finlinson  
720 Shiloh Way  
Murray, Utah 84107

## **REBUTTAL TO ARGUMENTS FOR THE EXECUTIVE ARTICLE REVISION**

Some of the changes in the proposed Executive Article Revision would be beneficial. However, taken as a whole, the amendment would be extremely costly to the people of the state, would interfere with the established political practices, and would not create a perfect executive office as inferred. It has been said that a successor to the governor's office should be established constitutionally. The constitution and law currently provide for succession to the governor's office by the secretary of state/lieutenant governor who is currently elected independently by the people of the state. What is wrong with that? To infer that the secretary of state elected by the people will act irresponsibly in the absence of the governor makes no more sense than to infer that the governor himself will act irresponsibly. Such an allegation is simply not reasonable.

The governor, with as much staff as he wishes to hire, and with the aid of the attorney general's office undoubtedly has more time than the legislature to consider and review legislative actions. While more time might be desirable, the problem is not critical. The proposed lieutenant governor's office will have to be almost as great in stature as the governor's office and with space requirements, appointments, secretary and staff, will grow in a few years to cost the state easily one million dollars and to what purpose? The creation of the empty shell of lieutenant governor's office will create an office looking for a function. Someone needs to say, "The emperor has no clothes, the proposed office no function."

Representative Lorin N. Pace  
431 South Third East, #B-1  
Salt Lake City, Utah 84111

## ARGUMENTS AGAINST THE EXECUTIVE ARTICLE REVISION

The most important feature of the proposed revision of the Executive Article of the Utah Constitution is UNNECESSARY, DUPLICATIVE AND COSTLY. The amendment would create the constitutional office of lieutenant governor and remove from the constitution the office of Secretary of State. In addition, the revision would require that the governor and lieutenant governor run together and be elected on the same party ticket. Other amendments contained in the revision are insignificant by comparison and would not by themselves justify submitting an amendment to the voters.

### The Amendment Assigns No Duties to the Lieutenant Governor

The proposed revision would establish an office whose duties and responsibilities must be assigned by the governor and the legislature. At the same time, the duties of the secretary of state (who now carries the statutory title of lieutenant governor) are assigned not only in the current Executive Article which the proposal would amend, but in other parts of the constitution as well. The result of passage of the amendment will be, therefore, to create an office with no duties and to eliminate one whose duties will still exist.

The Legislature will have to decide whether to create a statutory secretary of state to carry out the duties currently assigned to that office by the constitution and by statute. If the duties are assigned to the lieutenant governor, as they are at present, it is difficult to understand any significant purpose for amending the constitution.

### Requiring the Governor and Lieutenant Governor to be Members of the Same Political Party Will Not Assure That the Lieutenant Governor Will be a Strong Right Hand to the Governor

The second position on a tandem ticket is rarely, if ever, filled for the purpose of improving public management. Rather, the candidate is selected because of his political strength or because he provides balance to the ticket.

Being a member of the same political party will not assure the lieutenant governor's loyalty to the governor. The lieutenant governor may be assigned duties by the governor, but he will be far more interested in building his own political base than in providing strong support to the governor. The governor will realize this tendency and will not be inclined to assign significant responsibilities to the lieutenant governor.

In reality, the governor has no need for a lieutenant governor whose loyalty may be questionable. The governor can delegate responsibility to members of his staff, and he can fire a staff person who proves to be incompetent or disloyal. The lieutenant governor cannot be fired.

### Passage of the amendment will result in increased state expenditures

Additional staffing costs will result from assignments of new duties to the lieutenant governor. This will occur even if the duties of secretary of state remain coupled with those of the lieutenant governor. But if a separate office of secretary of state is created, we would end up with a new and costly office added to the bureaucracy of state government.

We will have added to our costs for an office which is unlikely to have any more significant purpose than to succeed if necessary to the office of governor. Since we have provisions for succession in the present constitution, we don't need the proposed amendment for that purpose.

IN SUMMARY, THE ONLY SIGNIFICANT FEATURE OF THE PROPOSED REVISION--THE ESTABLISHMENT OF THE LIEUTENANT GOVERNOR AS A CONSTITUTIONAL OFFICE--IS UNNECESSARY, DUPLICATIVE AND COSTLY.

Representative Lorin N. Pace  
431 South Third East, #B-1  
Salt Lake City, Utah 84111

## REBUTTAL TO THE ARGUMENTS AGAINST THE EXECUTIVE ARTICLE REVISION

Opponents of the Executive Article Revision note that the amendment will establish the office of lieutenant governor without specifically assigning duties to the office. This is true. However, it is not necessary to include the duties of every state office in the constitution. The major responsibilities of the current secretary of state/lieutenant governor are prescribed by statute alone and are not all contained in the constitution. The legislature established these duties and there is no indication that it will not be able to do so for a new office of lieutenant governor.

In addition, any current regulatory duties performed by the secretary of state/ lieutenant governor could be transferred to other departments without creating a new office to handle them.

Opponents also assume that the only significant provision in the Executive Article revision is that dealing with the office of lieutenant governor. This is totally not true. They have ignored other important provisions that are badly needed and long overdue.

Chief among these other important provisions are those allowing the legislature to convene a veto session, thereby strengthening our state system of checks and balances. Another important provision establishes a method of determining a governor's disability, which involves all three branches of government. This method will help ensure a smooth transition of power upon the removal or resignation of a governor.

Other important provisions neglected by the opposition are those dealing with the extension of the time allowed the governor to consider legislation. This is essential to enable the governor to more thoroughly review every item and make more effective decisions.

THE EXECUTIVE ARTICLE REVISION INCLUDES MORE THAN THE PROVISION ON THE LIEUTENANT GOVERNOR AND SHOULD BE SERIOUSLY CONSIDERED IN ITS ENTIRETY.

Senator Karl N. Snow Jr.  
1847 North Oak Lane  
Provo, Utah 84601

**COMPLETE TEXT OF  
REVISION OF EXECUTIVE ARTICLE  
1979  
GENERAL SESSION**

A JOINT RESOLUTION PROPOSING TO AMEND ARTICLE VII OF THE CONSTITUTION OF THE STATE OF UTAH; RELATING TO THE EXECUTIVE DEPARTMENT; AMENDING SECTION 1, PROVIDING FOR A LIEUTENANT GOVERNOR AND DELETING THE OFFICE OF SECRETARY OF STATE AS AN ELECTED CONSTITUTIONAL OFFICER AND PROVIDING FOR RESIDENCE OF OFFICERS OF EXECUTIVE DEPARTMENT AND LOCATION OF PUBLIC RECORDS; AMENDING SECTION 2, PROVIDING FOR ELECTION OF STATE OFFICERS BY VOTERS RATHER THAN ELECTORS AND PROVIDING THAT THE CANDIDATES FOR GOVERNOR AND LIEUTENANT GOVERNOR FROM THE SAME POLITICAL PARTY BE ELECTED JOINTLY; AMENDING SECTION 3, INSERTING LIEUTENANT GOVERNOR FOR SECRETARY OF STATE, PROVIDING FOR QUALIFICATIONS OF GOVERNOR, LIEUTENANT GOVERNOR, AND ATTORNEY GENERAL, AND REMOVING RESTRICTIONS AGAINST THE STATE AUDITOR OR STATE TREASURER BEING ELIGIBLE TO SUCCEED THEMSELVES; AMENDING SECTION 5, PROVIDING THAT THE EXECUTIVE POWER OF THE STATE SHALL BE VESTED IN THE GOVERNOR; AMENDING SECTION 8, REWORDING THE LANGUAGE USED TO ESTABLISH THE GOVERNOR'S VETO PROCEDURE AND INCREASING THE TIME ALLOWED THE GOVERNOR TO VETO BILLS AND PROVIDING FOR THE LEGISLATURE TO CALL ITSELF BACK IN SESSION AFTER ADJOURNMENT TO CONSIDER VETOED BILLS; AMENDING SECTION 11, REWORDING THE LANGUAGE USED TO ESTABLISH SUCCESSION TO THE OFFICE OF GOVERNOR IN THE EVENT OF THE DEATH, IMPEACHMENT, RESIGNATION, REMOVAL, OR DISABILITY OF THE GOVERNOR AND ESTABLISHING PROCEDURES CONCERNING SUCH DISABILITY; AMENDING SECTION 13, DELETING THE BOARD OF STATE PRISON COMMISSIONERS AND CHANGING THE COMPOSITION OF THE BOARD OF EXAMINERS AND THE TYPES OF CLAIMS IT MAY CONSIDER; AMENDING SECTION 16, DELETING THE DUTIES OF THE SECRETARY OF STATE AND PROVIDING THE DUTIES OF THE LIEUTENANT GOVERNOR; AMENDING SECTION 17, PROVIDING FOR DUTIES OF THE STATE AUDITOR; AMENDING SECTION 18, MODIFYING THE DUTIES OF THE ATTORNEY GENERAL; AMENDING SECTION 20, INSERTING THE LIEUTENANT GOVERNOR FOR SECRETARY OF STATE AND MODIFYING PAYMENT PROVISIONS FOR COMPENSATION AND TRAVEL EXPENSES OF STATE OFFICERS; AMENDING SECTION 23, REMOVING CERTAIN RESTRICTIONS ON THE GOVERNOR TO RUN FOR UNITED STATES SENATE; AMENDING SECTIONS 10, 12, 21, AND 22, DELETING THE SECRETARY OF STATE; DELETING SECTIONS 14, 15, AND 24; NUMBERING OR RENUMBERING VARIOUS SECTIONS, MODERNIZING CERTAIN MISCELLANEOUS LANGUAGE, AND REMOVING MASCULINE REFERENCES; AND PROVIDING AN EFFECTIVE DATE.

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 Article VII of the Constitution of the State of Utah to read:

Sec. 1. The elective constitutional officers of the Executive Department shall consist of Governor, ~~Secretary of State~~ Lieutenant Governor, State Auditor, State Treasurer, and Attorney General, each of whom shall hold ~~his~~ office for four years, beginning on the first Monday of January next after ~~his~~ election ~~[except that the terms of office of those elected at the first election shall begin when the State shall be admitted into the Union, and shall end on the first Monday in January, A. D. 1901].~~ The officers of the Executive Department, during their terms of office, shall reside ~~[at the seat of government, where they]~~ within the State and shall keep the public records, books and papers as provided by law. They shall perform such duties as are prescribed by this Constitution and as ~~[may be prescribed]~~ provided by law.

Sec. 2. The officers provided for in section one of this article shall be elected by the qualified ~~[electors]~~ voters of the State at the time and place of voting for members of the Legislature, and the persons respectively having the highest number of votes cast for the office voted for shall be elected; but if two or more shall have an equal and the highest number of votes for any one of said offices, the two houses of the Legislature, at its next ~~[regular]~~ session, shall elect forthwith by joint ballot one of such persons for said office.

In the election, the names of the candidates for Governor and Lieutenant Governor for each political party shall appear together on the ballot, and the votes cast for a candidate for Governor shall be considered as also cast for the candidate for Lieutenant Governor.

Sec. 3. ~~[No person shall]~~ To be eligible ~~[to]~~ for the office of Governor or ~~[Secretary of State]~~ Lieutenant Governor ~~[unless he]~~ a person shall have attained ~~[to]~~ the age of thirty years at the time of ~~[his]~~ election. ~~[nor to]~~ To be eligible for the office of Attorney General ~~[unless he]~~ a person shall, at the time of election, have attained the age of twenty-five years, be ~~[at the time of his election, and have been]~~ admitted to practice ~~[in]~~ before the Supreme Court ~~[of the Territory or]~~ of the State of Utah ~~[nor unless he shall be]~~ and be in good standing at the bar ~~[at the time of his election].~~ No person shall be eligible to any of the offices provided for in section one of this article, unless at the time of ~~[his]~~ election ~~[he shall be]~~ that person is a qualified ~~[elector,]~~ voter and shall have been a resident citizen of the State ~~[or Territory]~~ for five years next preceding ~~[his]~~ election. ~~[The state Auditor and State Treasurer shall be ineligible to election as their own successors.]~~

Sec. 4. The Governor shall be Commander-in-Chief of the military forces of the State, except when they shall be called into the service of the United States. ~~[He]~~ The Governor shall have power to call out the militia to execute the laws, to suppress insurrection, or to repel invasion.

Sec. 5. The executive power of the State shall be vested in the Governor, who shall see that the laws are faithfully executed ~~[he].~~ The Governor shall transact all executive business with the officers of the government, civil and military, and may require information in writing from the officers of the Executive Department, and from the officers and managers of State Institutions upon any subject relating to the condition, management, and expenses of their respective offices and institutions, and at any time when the ~~[Legislative Assembly]~~ Legislature is not in session, may, if ~~[he deem it]~~ deemed necessary, appoint a committee to investigate and report to ~~[him]~~ the Governor upon the condition of any executive office or State Institution. ~~[He]~~ The Governor shall communicate by message the condition of the State to the Legislature at every regular session, and recommend such measures as ~~[he]~~ may ~~[deem]~~ be deemed expedient.

Sec. 6. On extraordinary occasions, the Governor may convene the Legislature by proclamation, in which shall be stated the purpose for which the Legislature is to be convened, and it shall transact no legislative business except that for which it was especially convened, or such other legislative business as the Governor may call to its attention while in session. The Legislature, however, may provide for the expenses of the session and other matters incidental thereto. The Governor may also by proclamation convene the Senate in extraordinary session for the transaction of executive business.

Sec. 7. In case of a disagreement between the two houses of the Legislature at any special session, with respect to the time of adjournment, the Governor shall have power to adjourn the Legislature to such time as ~~[he]~~ the Governor may think proper ~~[Provided,]~~ if it ~~[be]~~ is not beyond the time fixed for the convening of the next Legislature.

Sec. 8. Every bill passed by the Legislature, before it becomes a law, shall be presented to the Governor; if ~~[he approve]~~ approved, the Governor ~~[he]~~ shall sign it, and thereupon it shall become a law; but if ~~[he do not approve]~~ disapproved, ~~[he]~~ the bill shall ~~[return it with his]~~ be returned with the Governor's objections to the house in which it originated, which house shall enter the objections at large upon its journal and proceed to reconsider the bill. If ~~[after such]~~ upon reconsideration ~~[it]~~ the bill again passes both houses by a yea and nay vote of two-thirds of the members elected to each house, it shall become a law. ~~[notwithstanding the Governor's objections. If any bill be not returned within five days after it shall have been presented to him, (Sunday and the day on which he received it excepted,)]~~



the same shall be a law in like manner as if he had signed it, unless the Legislature by its final adjournment prevent such return, in which case it shall be filed with his objections in the office of the Secretary of State within ten days after such adjournment (Sundays excepted) or become a law. If any bill presented to the Governor contains several items of appropriations of money, he may object to one or more such items, while approving other portions of the bill, in such case he shall append to the bill at the time of signing it, a statement of the item or items which he declines to approve, together with his reasons therefor, and such item or items shall not take effect unless passed over the Governor's objection as in this section provided. If any bill is not returned by the Governor within ten days after it has been presented to the Governor, Sunday and the day it was received excepted, it shall become a law without a signature; but if legislative adjournment prevents return of the bill, it shall become a law unless the Governor within twenty days after adjournment files the objections thereto with such officers as provided by law. The Governor may disapprove any item of appropriation contained in any bill while approving other portions of the bill; and in such case the Governor shall append to the bill at the time of signing it a statement for the item or items which are disapproved together with the reason's therefore, and such item or items shall not take effect unless passed over the Governor's objections as provided in this section. If the Governor disapproves any bill or item of appropriation after the adjournment sine die of any session of the Legislature, the presiding officer of each house shall poll the members of that house on the matter of reconvening the Legislature. If two-thirds of the members of each house are in favor of reconvening, the Legislature shall be convened in a session not to exceed five calendar days and at a time set jointly by the presiding officer of each house, solely for the purpose of reconsidering the bill or item of appropriation disapproved. If upon reconsideration, the bill or item of appropriation again passes both houses of the Legislature by a yea and nay vote of two-thirds of the members elected to each house, the bill shall become law or the item of appropriation shall take effect.

Sec. 9. When any State or district office shall become vacant, and no mode is provided by the Constitution and laws for filling such vacancy, the Governor shall have the power to fill the same by granting a commission, which shall expire at the next election, and upon qualification of the person elected to such office.

Sec. 10. The Governor shall nominate, and by and with consent of the Senate, appoint all State and district officers whose offices are established by this Constitution, or which may be created by law, and whose appointment or election is not otherwise provided for. If, during the recess of the Senate, a vacancy occurs in any State or district office, the Governor shall appoint some qualified person to discharge the duties thereof until the next meeting of the Senate, when [he] the Governor shall nominate some person to fill such office. If the office of [Secretary of State] Lieutenant Governor, State Auditor, State Treasurer or Attorney General be vacated by death, resignation or otherwise, it shall be the duty of the Governor to fill the same by appointment, from the same political party of the removed person; and the appointee shall hold [his] office until [his] a successor shall be elected and qualified, as [may be by law] provided by law.

Sec. 11. [In case of the death of the Governor, or his impeachment, removal from office, inability to discharge the duties of his office, resignation, or absence from the State, the powers and duties of said office shall devolve upon the Secretary of State, until the disability shall cease, or until the next general election, when the vacancy shall be filled by election. If, during a vacancy in the office of Governor, the Secretary of State resign, die or become incapable of performing the duties of the office, or be displaced, or be absent from the State, the President pro tempore of the Senate shall act as Governor until the vacancy be filled or the disability cease. While performing the duties of the Governor as in this section provided, the Secretary of State, or the President pro tempore of the Senate, as the case may be, except in cases of temporary disability, or absence from the State, shall be entitled to the salary and emoluments of the Governor.] In case of the death of the Governor, impeachment, removal from office, resignation, or disability to discharge the duties of the office, or in case of a Governor-elect who fails to take office, the powers and duties of the Governor shall devolve upon the Lieutenant Governor until the disability ceases or until the next general election, when the vacancy shall be filled by election. If, during a vacancy in the office of Governor, the Lieutenant Governor resigns, dies, is removed, or becomes incapable of performing the duties of the office, the President of the Senate shall act as Governor until the vacancy is filled or disability ceases. If in this case the President of the Senate resigns, dies, is removed, or becomes incapable of performing the duties of the office, the Speaker of the House shall act as Governor until the vacancy is filled or disability ceases. While performing the duties of the Governor as provided in this section, the Lieutenant Governor, the President of the Senate, or the Speaker of the House, as the case may be, shall be entitled to the salary and emoluments of the Governor, except in cases of temporary disability.

The disability of the Governor or person acting as Governor shall be determined by either a written declaration transmitted to the Supreme Court by the Governor stating an inability to discharge the powers and duties of the office or by a majority of the Supreme Court on joint request of the President of the Senate and the Speaker of the House of Representatives. Such determination shall be final and conclusive. Thereafter, when the Governor transmits to the Supreme Court a written declaration that no disability exists, the Governor shall resume the powers and duties of the office unless the Supreme Court, upon joint request of the President of the Senate and the Speaker of the House of Representatives, or upon its own initiative, determines that the Governor is unable to discharge the powers and duties of the office. The Lieutenant Governor shall then continue to discharge these powers and duties as acting Governor. The Supreme Court has exclusive jurisdiction to determine all questions arising under this section.

Sec. 12. Until otherwise provided by law, the Governor, Justices of the Supreme Court and Attorney General shall constitute a Board of Pardons, a majority of whom, including the Governor, upon such conditions [and with such limitations and restrictions as they deem proper] as may be established by the Legislature, may remit fines and forfeitures, commute punishments, and grant pardons after convictions, in all cases except treason and impeachments, subject to such regulations as may be provided by law, relative to the manner of applying for pardons; but no fine or forfeiture shall be remitted, and no commutation or pardon granted, except after a full hearing before the Board, in open session, after previous notice of the time and place of such hearing has been given. The proceedings and decisions of the Board, with the reasons therefore in each case, together with the dissent of any member who may disagree, shall be reduced to writing, and filed with all papers used upon the hearing, in the office of [the Secretary of State] such officer as provided by law.

The Governor shall have power to grant respites or reprieves in all cases of convictions for offenses against the State, except treason or conviction on impeachment; but such respites or reprieves shall not extend beyond the next session of the Board of Pardons; and such Board, at such session, shall continue or determine such respite or reprieve, or they may commute the punishment, or pardon the offense as herein provided. In case of conviction for treason, the Governor shall have the power to suspend execution of the sentence, until the case shall be reported to the Legislature at its next regular session, when the Legislature shall either pardon, or commute the sentence, or direct its execution; [he] and the Governor shall communicate to the Legislature at each regular session, each case of remission of fine or forfeiture, reprieve, commutation or pardon granted since the last previous report, stating the name of the convict, the crime for which [he was] convicted, the sentence and its date, the date of remission, commutation, pardon or reprieve, with the reasons for granting the same, and the objections, if any, of any member of the Board made thereto.

Sec. 13. [Until otherwise provided by law, the Governor, Secretary of State and Attorney General shall constitute a Board of State Prison Commissioners, which Board shall have such supervision of all matters connected with the State Prison as may be provided by law. They shall, also,] Until otherwise provided by law, the Governor, Attorney General, and State Auditor shall constitute a Board of Examiners, with power to examine all such claims against the State as provided by law [except salaries or compensation of officers fixed by law,] and perform such other duties as [may be prescribed] provided by law; and no such claim against the State [except for salaries and compensation of officers fixed by law,] shall be passed upon by the Legislature without having been considered and acted upon by the [said] Board of Examiners.

[Sec. 14. Until otherwise provided by law, the Governor, State Treasurer and State Auditor shall constitute a Board of Insane Asylum Commissioners. Said Board shall have such supervision of all matters connected with the State Insane Asylum as may be provided by law.]

[Sec. 15. Until otherwise provided by law, the Governor, Attorney General and Superintendent of Public Instruction shall constitute a Board of Reform School Commissioners. Said Board shall have such supervision of all matters connected with the State Reform School as may be provided by law.]

Sec. [16] 14. [The Secretary of State shall keep a record of the official acts of the Legislature and Executive Departments of the State, and, when required, shall lay the same and all matters relative thereto before either branch of the Legislature, and shall perform such other duties as may be provided by law.] The Lieutenant Governor shall serve on all boards and commissions in lieu of the Governor whenever so designated by the Governor, shall perform such duties as may be delegated by the Governor, and shall perform such other duties as may be provided by law.

Sec. [17] 15. The State Auditor shall [be Auditor] perform financial post audits of Public Accounts, except as otherwise provided by this Constitution, and the State Treasurer shall be the custodian of public moneys [7]; and each shall perform such other duties as [may be] provided by law.

Sec. [18] 16. The Attorney General shall be the legal adviser of the State officers, except as otherwise provided by this Constitution, and shall perform such other duties as [may be] provided by law.

Sec. [19] 17. The Superintendent of Public Instruction shall perform such duties as [may be] provided by law.

Sec. [20] 18. The Governor, [Secretary of State] Lieutenant Governor, State Auditor, State Treasurer, Attorney General and such other State and district officers as [may be] provided for by law, shall receive for their services [monthly,] a compensation as fixed by law.

The compensation for said officers as provided in all laws enacted pursuant to this Constitution, shall be in full for all services rendered by said officers, respectively, in any official capacity or employment during their respective terms of office. No such officer shall receive for the performance of any official duty any fee for [his own] personal use, but all fees fixed by law for the performance by either of them of any official duty, shall be collected in advance and deposited with the State Treasurer monthly to the credit of the State. The Legislature may provide for the payment of actual and necessary expenses of said officers while traveling [in the State] in the performance of official [duty] duties.

Sec. [21] 19. All grants and commissions shall be in the name and by the authority of the State of Utah, sealed with the Great Seal of the State, signed by the Governor, and countersigned by [the Secretary of State] such officer as provided by law.

Sec. [22] 20. [There shall be a seal of the State, which shall be kept by the Secretary of State, and used by him officially. Said seal shall be called "The Great Seal of the State of Utah." The present seal of the Territory of Utah shall be the seal of the State until otherwise provided by law.] There shall be a seal of the State, which shall be called "The Great Seal of the State of Utah," and shall be kept by such officer as provided by law.

Sec. [23] 21. No person, while holding any office under the United States' government, shall hold any office under the State government of Utah [and the Governor shall not be eligible for election to the Senate of the United States during the term for which he shall have been elected Governor].

[Sec. 24. Notwithstanding any general or special provisions of the Constitution the legislature, in order to insure continuity of state and local governmental operations in periods of emergency resulting from disasters caused by enemy attack, shall have the power and the immediate duty (1) to provide for prompt and temporary succession to the powers and duties of public offices, of whatever nature and whether filled by election or appointment, the incumbents of which may become unavailable for carrying on the powers and duties of such offices, and (2) to adopt such other measures as may be necessary and proper for insuring the continuity of governmental operations including, but not limited to the financing thereof. In the exercise of the powers hereby conferred the legislature shall in all respects conform to the requirements of this Constitution except to the extent that in the judgment of the legislature so to do would be impracticable or would admit of undue delay.]

Section 2. The secretary of state is directed to submit this proposed amendment to the electors of the State of Utah at the next general election in the manner provided by law.

Section 3. Article VII, Constitution of Utah, shall take effect January 1, 1981, except as follows: all candidates for the state offices provided in this amendment shall stand for election to these offices under the provisions of this amendment during the election year of 1984.

## PROPOSITION NO. 2

### REVENUE AND TAXATION ARTICLE REVISION

Shall Article XIII of the State Constitution be amended to allow the legislature to exempt primary residences and personal property from property tax; to allow the legislature to reimburse local governments for any reduction in revenue caused by exemptions of primary residences or personal property; to allow the legislature to establish a property tax on municipal property located outside of the municipality's own boundaries; to exempt property owned by nonprofit organizations used for religious, charitable, hospital, educational, employee representation or welfare purposes; to exempt livestock; to allow local governments to share tax and other revenues; to remove the 75% ceiling upon the amount the state may fund for the public school program; and other organizational changes in the revenue and taxation article.

FOR ☐

AGAINST ☐

### TAX ARTICLE REVISION

#### Final Votes Cast By The Legislature

Senate:

House Of Representatives:

For - 26

For - 62

Against - 0

Against - 6

Absent - 3

Absent - 7

### IMPARTIAL ANALYSIS BY THE LEGISLATIVE RESEARCH DIRECTOR

#### PROPOSAL

The current Revenue and Taxation article establishes the guidelines and limitations for the taxing authority of state and local governments. However, because the article was established in 1896 the largest portion of it is devoted to the property tax. Therefore, the primary thrust of the proposed revision deals with constitutional changes to the property tax.

The proposed revision to the Revenue and Taxation Article, if adopted, would make the following changes to the present constitution:

#### Property Tax Amendments

##### a) Changes Municipal Exemptions

Under the current language of the constitution all property of counties, cities and other local government units are exempt from taxation. Under current law a municipality may own property outside its boundaries, within another county or city in the state. This has the potential of creating a burden in the area the property is located depending on the use of the property. Yet, that local area is now unable to tax that property because it is exempt under the constitution. The proposed revision would give the legislature the authority to establish by law, a procedure in which the municipal property located outside its own boundaries and within another local area may be subject to a property tax in that area.

**b) Changes the Religious and Charitable Exemptions**

Under the current provisions of the constitution, "... lots with buildings used exclusively for religious or charitable purposes" are exempt from property taxation. The proposed revision would make the constitutional exemption similar to current statutory language on religious and charitable exemptions. The proposed amendment provides that the property owned by a nonprofit organization which is used for religious, charitable, hospital, educational, employee representation or welfare purposes would be exempt from the property tax.

**c) Provides for a Livestock Exemption**

Under current language the legislature may exempt inventory of a livestock rancher and may establish the level of taxation of transient livestock and livestock being fed for slaughter. The proposal no longer distinguishes between types of livestock which are exempt but would simply exempt all livestock from property tax.

**d) Increases Exemptions for Residences and Personal Property**

Under the current tax article all property, unless exempted, is to be taxed at a uniform and equal rate. Therefore, property taxes must be levied on residences. The legislature may currently exempt only \$2,000 on the value of a home from taxation. The proposed revision would change this to allow the legislature to provide for the partial or complete exemption of primary residences and tangible personal property.

**e) Allows the State to Reimburse Local Governments for Reduction of Property Taxes on Residences**

Under current procedure, the property tax is levied and paid to counties, cities, towns, school districts and special districts rather than the state. Currently the constitution does not generally allow the state to transfer or share its revenues with local governments. However, if the property tax on residences were exempted the revenue received by local governments would be reduced. The proposed revision would allow the legislature to reimburse from general state revenues any political subdivision whose property tax revenues have been reduced because of an exemption of residences from the property tax.

**f) Removes the Limit on Disabled Veterans Property Tax Exemption**

Currently the constitution allows a property tax exemption of \$3,000 on property owned by disabled veterans. The proposed revision would remove the \$3,000 limit and allow the legislature to establish the exemption level to be given disabled veterans.

**General Tax Amendments**

The remaining changes in the proposed revision do not deal specifically with the property tax, but relate to the procedure and tax policy established in the constitution.

**a) Allows Local Governments the Option of Sharing of Taxes and Revenue**

Past legal opinions in Utah have indicated that Article XIII, Section 5 prevents the state from sharing its tax revenues with local governments. Section 5 has also been interpreted to prevent local governments from sharing their tax or other revenues with each other. The proposed revision would alter this second prohibition and allow local governments at their option to share tax or other revenues with other units of local government.

**b) Removes the 75% Limit on the State Funding of the Minimum School Program**

The constitution (Article X) requires the legislature to establish and maintain a uniform public school system. However, in paying for the school system, Article XIII, Section 7 requires that not more than 75% of the total cost of the operation and maintenance of the school program be paid by the state. The remaining 25% of costs are raised at the local level through property tax levies. The proposed revision would remove the 75% limit on the state contribution for the school program. The legislature could then fund more than 75% of the cost of the school program from state revenues if they determined that was appropriate.

**c) Provides for Organizational Changes in the Tax Article**

The tax article has been amended over a dozen times since its original enactment in 1896. The result is that the article is not well organized. References about assessment are included with references to exemptions and even part of the tax article is contained in the Legislative Article (Article VI). The proposed revision rearranges the order and provides subheadings within sections in order to make the article easier to read and understand.

**FISCAL EFFECT**

The legislative fiscal analyst has estimated that the exemption of livestock from property taxes would result in a revenue loss to counties, cities, towns, school districts and special districts of slightly over \$1 million beginning in fiscal year 1981-82. The remaining provisions within this amendment are permissive in nature requiring action by the legislature, local governments and/or a taxpayer to take effect and therefore revenue impacts cannot be estimated. However, the major features from a financial standpoint allows the legislature to exempt residential and personal property and to tax municipal property located outside its boundaries.

Jon M. Memmott  
Legislative Research Director  
State Capitol  
Salt Lake City, Utah 84114

## **ARGUMENTS IN FAVOR OF THE REVENUE AND TAXATION ARTICLE REVISION**

### We Need Direct Tax Relief

Recent efforts by the legislature to reduce the property tax burden were complicated by a vague and outdated constitution that prevented the legislature from reducing the burden outright. In addition, there is some question of the constitutionality of the current circuit breaker exemption. An amendment to the Utah Constitution will grant the legislature the necessary flexibility to deal with tax relief directly.

### We Need a Legislature That Can Reimburse Local Losses in Property Tax Revenue

If the property tax burden is to be reduced without creating a serious loss of revenue for local government, we need a provision enabling the legislature to reimburse local losses from general state revenues.

### We Need to Eliminate the Current 75% Limit on the State's Contribution to the Minimum School Program

The lowering of the property tax burden will adversely affect local school districts unless a constitutional amendment removes this restriction on the state, enabling local districts to use the more progressive state tax structure and tie in to state surpluses.

### We Need a Reduction in the Property Tax of Homeowners

Only a constitutional amendment will enable the legislature to exempt all or part of the primary residence from property tax.

### We Need the Capability to Tax IPP and Similar Projects That Have a Heavy Impact on Utah Communities

The state cannot afford to allow public ownership of power development in Emery and Millard Counties without requiring some contribution to help pay for schools and other local services. The presence of such energy development increases the tax burden for everyone else, yet publicly owned property is tax exempt. Only a constitutional amendment can give the legislature the necessary discretion to deal with this problem.

### We Need to Allow Local Governments to Share Revenues With Each Other if They Want To

At present, local governments cannot share revenues with each other even if such an arrangement is advantageous to both parties. Such sharing facilitates the leveling of disparities. Some local sharing already exists and the proposed amendment would simply permit such sharing to occur, not require it.

### We Need to Exempt Livestock From Property Tax

It is very difficult to administer the property tax on livestock and as a result the tax is inequitably applied. Some county assessors claim that the costs of administering the tax are greater than the revenue generated by it. The constitutional amendment will eliminate this wasteful tax.

### We Need to Clarify Property Tax Exemption

Exemptions on religious and charitable property have been interpreted inconsistently, resulting in confusion in their application. By clarifying the exemptions in the constitution there is a diminishing chance that inequities will exist in the future.

**THE TAX ARTICLE REVISION WILL ASSURE SENSIBLE PLANNING TO  
ACCOMMODATE RAPID GROWTH.**

Senator Karl N. Snow, Jr.  
1847 North Oak Lane  
Provo, Utah 84601

Senator Thorpe A. Waddingham  
615 North 100 West  
Delta, Utah 84624

## **REBUTTAL TO ARGUMENT FOR THE REVENUE AND TAXATION ARTICLE REVISION**

The tax article revision does not require and will not result in tax cuts. The implication that direct "tax relief" will be forthcoming by adoption of the proposed amendment is totally misleading. Proponents refer to "state surpluses" as being available to satisfy local revenue needs, but knowledgeable persons are not predicting state surpluses in years immediately ahead. The Utah Foundation, in its objective report on the amendment, had this to say:

"Thus, the State faced with rising costs on one hand and reduced revenues on the other probably would find it difficult to make any substantial cuts in residential property taxes in the years immediately ahead."

Adoption of the proposed amendment would involve the legislature in budgetary matters which are now purely local in nature. Any future decrease in local property taxes would be offset by a corresponding increase in the income or sales taxes collected by the state. The amendment specifically provides a mechanism for reimbursement of local governments with state revenue. The state's position would become comparable to that of the federal government which shares revenue and administers grants and consequently erodes local authority.

The proposed amendment would increase property taxes for the average taxpayer by extending exemptions to labor unions and numerous private, nonprofit corporations. Proponents claim the amendment would simply "clarify" property tax exemptions. However, the Utah Foundation states that the amendment would broaden considerably the nonprofit exemption.

**THE AMENDMENT WILL RESULT IN A GREATER TAX BURDEN AND A LESS  
RESPONSIVE GOVERNMENT TO SPEND THOSE TAX DOLLARS.**

Representative Orval C. Harrison  
1781 Hollywood Avenue  
Salt Lake City, Utah 84108



## ARGUMENTS AGAINST THE REVENUE AND TAXATION ARTICLE REVISION

THE TAX ARTICLE REVISION CONTAINS FAR-REACHING CHANGES IN GOVERNMENT'S POWER TO TAX. SOME OF THE CHANGES ARE WORTHWHILE AND SOME ARE NOT. THOSE WITH ADVERSE CONSEQUENCES OUTWEIGH THOSE WHICH ARE WORTHWHILE, AND THE MEASURE SHOULD BE DEFEATED.

The amendment does not require and will not result in tax cuts. Representations to the contrary are misleading. A careful analysis will show that the measure does not limit government's appetite to tax and spend.

What the measure will do is shift the tax burden from one revenue source to another and consequently from one taxpayer to another. The legislature could exempt primary residences from the property tax--a form of classification of property. However, the measure provides two mechanisms whereby that lost revenue would be made up or recovered by increasing another tax.

1. The state would be able to provide more funding for school operation and maintenance. The current 75% limitation would be removed so that the state could replace lost revenue from property taxes with revenue from other sources. Under the state's tax structure, the primary source would be income taxes.
2. The amendment would allow revenue sharing with local governments--a practice which is now unconstitutional. The measure specifically provides for the state to reimburse local units of government for property tax revenues lost by virtue of the exemption on primary residences. The reimbursement would come from a different source--primarily sales taxes.

In relation to other states, Utah's sales and income taxes per dollar of personal income are already high--at 8th and 14th places, respectively. They should not be increased further.

Revenue sharing is the most serious flaw in the proposed amendment. It violates a fundamental tenet of good government that the unit of government which spends money should bear the responsibility for collecting it. Under the amendment, the state would collect the taxes and counties and municipalities would spend the revenues. The spending unit of government would thus not be subject to the restraining influence of the taxpayers. The natural result would be a tendency to spend freely.

Revenue sharing would lead to another problem. The State legislature would obviously have some concern as to how funds collected by the state were spent at the local level. The legislature would become involved in issues and budget decisions which are now purely local in nature.

Other exemptions in the amendment will provide relief to special interest groups. Such special exemptions are given to livestock and nonprofit entities. The charitable exemption for nonprofit entities is much less restrictive than at present. Exempt status is extended to labor unions, and numerous nonprofit corporations are certain to be formed to take advantage of this provision. Abuses by private, nonprofit corporations are a near certainty. Honest taxpayers will pay for these abuses through increases in their own taxes.

THE PROPOSED AMENDMENT WILL NOT DECREASE THE TAX BURDEN ON THE AVERAGE TAXPAYER. THE PROPOSED AMENDMENT WILL MAKE GOVERNMENT LESS RESPONSIVE TO THE TAXPAYERS.

Representative Orval C. Harrison  
1781 Hollywood Avenue  
Salt Lake City, Utah 84108

## REBUTTAL TO THE ARGUMENTS AGAINST THE REVENUE AND TAXATION ARTICLE REVISION

Opponents of the tax article revision claim that the revision will permit state revenue sharing. The terms "sharing" implies total freedom to share any revenue at any time with any government. There is no such revenue sharing provision in the proposed revision. The revision allows the state to reimburse local governments only for revenue losses caused by state mandated property tax reductions through exemptions or abatements. "Sharing" of state revenue is not involved.

In addition, opponents claim that the revision will not require nor result in tax cuts. This is a misleading and ill-informed argument. It is true that the revision simply permits the legislature to make property tax reductions and does not require it to do so. However, under the present provision, direct property tax reductions are virtually impossible. It would be better to give the legislature the necessary flexibility to reduce property tax directly rather than to restrict tax reduction altogether.

Finally, opponents claim that the provision granting exemptions to nonprofit entities will broaden exemptions. This is not true. The revision simply places in the constitution the same exemptions as those already granted by statute since 1973. The very purpose of that statute was to prevent abuses and clarify the issue. Placing the language in the constitution will certainly not lead to greater abuse.

Senator Karl N. Snow, Jr.  
1847 North Oak Lane  
Provo, Utah 84061

**COMPLETE TEXT OF REVENUE AND  
TAXATION ARTICLE REVISION  
1980  
BUDGET SESSION**

A JOINT RESOLUTION OF THE BUDGET SESSION OF THE 43RD LEGISLATURE OF THE STATE OF UTAH PROPOSING TO AMEND ARTICLE XIII OF THE CONSTITUTION OF THE STATE OF UTAH; RELATING TO REVENUE AND TAXATION; PROVIDING FOR EXEMPTION OF THE PROPERTY OF COUNTIES, CITIES, TOWNS, SPECIAL DISTRICTS, AND ALLOWING THE LEGISLATURE TO EXCLUDE CERTAIN PUBLICLY-OWNED PROPERTY LOCATED OUTSIDE ITS GEOGRAPHIC BOUNDARIES FROM EXEMPTION FROM TAXATION; CLARIFYING THE EXEMPTION FROM TAXATION FOR CERTAIN WATER-RELATED RIGHTS AND PROPERTIES; PROVIDING FOR EXEMPTION FROM TAXATION OF CERTAIN PROPERTY USED FOR RELIGIOUS, CHARITABLE, EDUCATIONAL, EMPLOYEE REPRESENTATION, OR WELFARE PURPOSES; EXEMPTING LIVESTOCK FROM THE AD VALOREM TAX; ELIMINATING THE LIMIT ON DISABLED VETERANS EXEMPTIONS; PROVIDING THAT THE LEGISLATURE MAY PROVIDE FOR THE EXEMPTIONS OF PRIMARY RESIDENCES AND TANGIBLE PERSONAL PROPERTY AND PROVIDING A PROCEDURE WHERE THE LEGISLATURE MAY PROVIDE A REIMBURSEMENT TO POLITICAL SUBDIVISIONS OF THE STATE FOR REDUCED PROPERTY TAX REVENUES; REMOVING CERTAIN INCOME TAX PROVISIONS FROM THE LEGISLATIVE ARTICLE AND PLACING IT IN THE REVENUE AND TAXATION ARTICLE; ELIMINATING OUTDATED LANGUAGE; REMOVING THE LIMIT ON STATE SUPPORT OF THE MINIMUM SCHOOL PROGRAM; MAKING CERTAIN CHANGES IN THE ORGANIZATION OF THIS ARTICLE; SUBSTITUTING THIS RESOLUTION FOR THREE RESOLUTIONS PASSED AT THE GENERAL SESSION OF THE 43RD LEGISLATURE; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION PROPOSES TO AMEND ARTICLE XIII, SECTIONS 2, 3, 4, 7, AND 12 OF THE CONSTITUTION OF THE STATE OF UTAH; REPEALS ARTICLE VI, SECTION 23, OF THE CONSTITUTION OF THE STATE OF UTAH; AND REPEALS AND WITHDRAWS H.J.R. NOS. 23, 25, AND 31 PASSED BY THE GENERAL SESSION OF THE 43RD LEGISLATURE OF THE STATE OF UTAH AND REPLACES THEM WITH THIS RESOLUTION.

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 Article XIII of the Constitution of the State of Utah to read:

Sec. 1. The fiscal year shall begin on the first day of January, unless changed by the Legislature.

Sec. 2 (1) All tangible property in the state, not exempt under the laws of the United States, or under this Constitution, shall be taxed at a uniform and equal rate in proportion to its value, to be ascertained as provided by law.

(2) The following are property tax exemptions:

(a) The property of the state, [counties, cities, towns,] school districts, [municipal corporations] and public libraries [lots with the buildings thereon used exclusively for either religious worship or charitable purposes, and places].

(b) The property of counties, cities, towns, special districts, and all other political subdivisions of the state, except that to the extent and in the manner provided by the Legislature the property of a county, city, town, special district, or other political subdivision of the state located outside of its geographic boundaries may be subject to the ad valorem property tax;

(c) Property owned by a nonprofit entity which is used for religious, charitable, hospital, educational, employee representation, or welfare purposes;

(d) Places of burial not held or used for private or corporate benefit, [shall be exempt from taxation.]; and

(e) Livestock held in the state.

(f) Tangible personal property present in Utah on January 1, m., which is held for sale or processing and which is shipped to final destination outside this state within twelve months may be deemed by law to have acquired no situs in Utah for purposes of ad valorem property taxation and may be exempted by law from such taxation, whether manufactured, processed or produced or otherwise originating within or without the state.

(g) Tangible personal property present in Utah on January 1, m., held for sale in the ordinary course of business and which constitutes the inventory of any retailer, or wholesaler or manufacturer or farmer [ , or livestock raiser ] may be deemed for purposes of ad valorem property taxation to be exempted.

(h) Water rights, ditches, canals, reservoirs, power plants, pumping plants, transmission lines, pipes and flumes owned and used by individuals or corporations for irrigating land within the state owned by such individuals or corporations, or the individual members thereof, shall [not be separately taxed so long as] be exempted from taxation to the extent that they shall be owned and used [exclusively] for such purposes.

(i) Power plants, power transmission lines and other property used for generating and delivering electrical power, a portion of which is used for furnishing power for pumping water for irrigation purposes on lands in the State of Utah, may be exempted from taxation to the extent that such property is used for such purposes. These exemptions shall accrue to the benefit of the users of water so pumped under such regulations as the Legislature may prescribe.

(j) The taxes of the [indigent] poor may be remitted or abated at such times and in such manner as may be provided by law.

(k) The Legislature may provide by law for the exemption from taxation or abatement of taxes, in whole or in part, of [homes, homesteads, and] primary residences and tangible personal property [ , not to exceed \$2,000 in value for homes, homesteads, and all household furnishings, furniture, and equipment used exclusively by the owner thereof at his place of abode in maintaining a home for himself and family ]. The Legislature may provide by law for reimbursement from general state revenues to any political subdivision whose property tax revenues are reduced because of an exemption, abatement, or other general law relating to primary residences or tangible personal property.

(l) Property [not to exceed \$3,000 in value,] owned by disabled persons who served in any war in the military service of the United States or of the state of Utah and by the unmarried widows and minor orphans of such disabled persons or of persons who while serving in the military service of the United States or the state of Utah were killed in action or died as a result of such service may be exempted as the Legislature may provide.

(m) Intangible property may be exempted from taxation as property or it may be taxed as property in such manner and to such extent as the Legislature may provide, but if taxed as property the income therefrom shall not also be taxed. Provided that if intangible property is taxed as property the rate thereof shall not exceed five mills on each dollar of valuation.

(3) The Legislature shall provide by law for an annual tax sufficient, with other sources of revenue, to defray the estimated ordinary expenses of the state for each fiscal year. For the purpose of paying the state debt, if any there be, the Legislature shall provide for levying a tax annually, sufficient to pay the annual interest and to pay the principal of such debt, within twenty years from the final passage of the law creating the debt.

Sec. 3. (1) The Legislature shall provide by law a uniform and equal rate of assessment [ and taxation ] on all tangible property in the state according to its value in money [ , and ]. The Legislature shall prescribe by law such [ regulations ] provisions as shall secure a just valuation for taxation of such property, so that every person and corporation shall pay a tax in proportion to the value of his, her, or its tangible property [ , provided that the Legislature may determine the manner and extent of taxing transient livestock and livestock being fed for slaughter to be used for human consumption ].

(2) Land used for agricultural purposes may, as the Legislature prescribes, be assessed according to its value for agricultural use without regard to the value it may have for other purposes. ~~[Intangible property may be exempted from taxation as property or it may be taxed in such manner and to such extent as the Legislature may provide. Provided that if intangible property be taxed as property the rate thereof shall not exceed five mills on each dollar of valuation. When exempted from taxation as property, the taxable income therefrom shall be taxed under any tax based on incomes, but when taxed by the state of Utah as property, the income therefrom shall not also be taxed. The Legislature may provide for deductions, exemptions, and/or offsets on any tax based upon income. The personal income tax rates shall be graduated but the maximum rate shall not exceed six percent of net income. No excise tax rate based upon income shall exceed four percent of net income. The rate limitations herein contained for taxes based on income and for taxes on intangible property shall be effective until January 1, 1937, and thereafter until changed by law by a vote of the majority of the members elected to each house of the Legislature. All revenue received from taxes on income or from taxes on intangible property shall be allocated to the support of the public school system as defined in Article X, Section 2 of this Constitution.]~~

Sec. 4. All metalliferous mines or mining claims; both placer and rock in place, shall be assessed as the Legislature shall provide; ~~[provided]~~ but the basis and multiple now used in determining the value of metalliferous mines for taxation purposes and the additional assessed value of \$5.00 per acre thereof shall not be changed before January 1, 1935, nor thereafter until otherwise provided by law. All other mines or mining claims and other valuable mineral deposits, including lands containing coal or hydrocarbons and all machinery used in mining and all property or surface improvements upon or appurtenant to mines or mining claims, and the value of any surface use made of mining claims, or mining property for other than mining purposes, shall be assessed as other tangible property.

Sec. 5. The Legislature shall not impose taxes for the purpose of any county, city, town or other municipal corporation, but may, by law, vest in the corporate authorities thereof, respectively, the power to assess and collect taxes for all purposes of such corporation. Notwithstanding anything to the contrary contained in this Constitution, political subdivisions may share their tax and other revenues with other political subdivisions.

Sec. 6. An accurate statement of the receipts and expenditures of the public moneys, shall be published annually in such manner as the Legislature may provide.

Sec. 7. The rate of taxation on tangible property shall not exceed on each dollar of valuation, two and four-tenths mills for general State purposes, and such additional levy as the Legislature may provide for the State's share of the support of a portion of the public school system as defined in Article X, Section 2 of this Constitution, such portion consisting only of kindergarten schools, common schools and high schools. ~~[The State shall contribute not more than 75% of the total cost of operation and maintenance of a minimum school program in the State as such program shall from time to time be determined upon by the Legislature.]~~

~~[Not more than 75% of the State's portion of the revenue necessary to finance the operation and maintenance of such minimum school program shall be raised by a State property tax levy and the remainder thereof shall be raised from other State sources.]~~ The Legislature shall determine by law the method of allocation of the State's contribution to the various school districts.

Sec. 8. The making of profit out of public moneys or using the same for any purpose not authorized by law, by any public officer, shall be deemed a felony, and shall be punished as provided by law, but part of such punishment shall be disqualification to hold public office.

Sec. 9. No appropriation shall be made, or any expenditure authorized by the Legislature, whereby the expenditure of the State, during any fiscal year, shall exceed the total tax then provided for by law, and applicable for such appropriation or expenditure, unless the Legislature making such appropriation, shall provide for levying a sufficient tax, not exceeding the rates allowed in section seven of this article, to pay such appropriation or expenditure within such fiscal year. This provision shall not apply to appropriations or expenditures to suppress insurrections, defend the State, or assist in defending the United States in time of war.

Sec. 10. All corporations or persons in this State, or doing business herein, shall be subject to taxation for State, County, School, Municipal or other purposes, on the real and personal property owned or used by them within the Territorial limits of the authority levying the tax.

Sec. 11. There shall be a State Tax Commission consisting of four members, not more than two of whom shall belong to the same political party. The members of the Commission shall be appointed by the Governor, by and with the consent of the Senate, for such terms of office as may be provided by law. The State Tax Commission shall administer and supervise the tax laws of the State. It shall assess mines and public utilities and adjust and equalize the valuation and assessment of property among the several counties. It shall have such other powers of original assessment as the Legislature may provide. Under such regulations in such cases and within such limitations as the Legislature may prescribe, it shall review proposed bond issues, revise the tax levies of local governmental units, and equalize the assessment and valuation of property within the counties. The duties imposed upon the State Board of Equalization by the Constitution and Laws of this State shall be performed by the State Tax Commission.

In each county of this State, there shall be a County Board of Equalization consisting of the Board of County Commissioners of said county. The County Boards of Equalization shall adjust and equalize the valuation and assessment of the real and personal property within their respective counties, subject to such regulation and control by the State Tax Commission as may be prescribed by law. The State Tax Commission and the County Boards of Equalization shall each have such other powers as may be prescribed by the Legislature.

Sec. 12. (1) Nothing in this Constitution shall be construed to prevent the Legislature from providing a stamp tax or a tax based on income, occupation, licenses, ~~[or]~~ franchises, or other tax provided by law. The Legislature may provide for deductions, exemptions, or offsets on any tax based upon income, occupation, licenses, franchises, or other tax as provided by law pursuant to this section.

2. Notwithstanding any provision of this Constitution, the Legislature, in any law imposing income taxes, may define the amount on, in respect to, or by which the taxes are imposed or measured, by reference to any provision of the laws of the United States as the same may be or become effective at any time or from time to time and may prescribe exemptions or modifications to any such provision.

3. All revenue received from taxes on income or from taxes on intangible property shall be allocated to the support of the public school system as defined in Article X, Sec. 2 of this Constitution.

Sec. 13. The proceeds from the imposition of any license tax, registration fee, driver education tax, or other charge related to the operation of any motor vehicle upon any public highway in this state, and the proceeds from the imposition of any excise tax on gasoline or other liquid motor fuel used for propelling such vehicles, except for statutory refunds and adjustments allowed thereunder and for costs of collection and administration, shall be used exclusively for highway purposes as follows:

(1) The construction, improvement, repair and maintenance of city streets, county roads, and state highways, including but not restricted to payment for property taken for or damaged by rights of way, and for the administrative costs necessarily incurred for said purposes.

(2) The administration of a driver education program.

(3) The enforcement of state motor vehicle and traffic laws.

(4) Tourists and publicity expense in any single biennium not in excess of the lesser of the following:

(a) .5 per cent of the total biennial revenues from motor fuel taxes, or

(b) an amount equal to the 1959-1961 biennium.

Section 2. Article VI, Sec. 23, of the Constitution of Utah is repealed.

Section 3. H.J.R. No. 23, H.J.R. No. 25, and H.J.R. No. 31 passed by the general session of the 43rd legislature of the State of Utah are repealed and withdrawn in their entireties from the next general election, and the secretary of state is directed in lieu thereof to submit the proposed amendment provided for by this joint resolution to the electors of the State of Utah at the next general election in the manner provided by law.

Section 4. If approved by the electors of the state, the amendment proposed by this joint resolution shall take effect on January 1, 1981.

### PROPOSITION NO. 3

#### LABOR ARTICLE REVISION

Shall Article XVI, Section 3 of the State Constitution be amended to remove the prohibition against the legislature establishing work release programs outside prison grounds for inmates, and to remove the prohibition of the employment of women in underground mines.

FOR ☐

AGAINST ☐

#### LABOR ARTICLE REVISION

Final Votes Cast By The Legislature

Senate:

House of Representatives:

For - 24

For - 65

Against - 0

Against - 0

Absent - 4

Absent - 10

#### IMPARTIAL ANALYSIS BY LEGISLATIVE RESEARCH DIRECTOR

##### PROPOSAL

The principal effect of the proposed revision of Section 3 of Labor Article (Article XVI) would be to amend current provisions to bring them into conformity with current federal laws and modern correctional programs.

As it now reads the section requires the legislature to prohibit women from working in underground mines; prohibits inmates to contract for work and prohibits work programs outside the prison grounds.

The proposed revision deletes the prohibition against women working in underground mines. In so doing, the Utah Constitution is brought into conformity with Federal Equal Employment Opportunity laws and judicial decisions.

The proposed revision also deletes the prohibition against the contracting of inmate labor. This would then allow the state to establish a prison industry which would allow inmates to work during their term of imprisonment.

Finally, the proposed revision deletes the prohibition against inmates working outside of prison grounds. This would then allow the use of work release programs for inmates as one alternative program for inmates in the overall correctional, training and rehabilitation programs of Utah.

##### FISCAL EFFECT

The revision allowing women to work in underground mines would have no fiscal effect on the state. The fiscal impact of the proposed revision concerning prison labor is difficult to estimate and therefore only rough estimates can be given. These estimates are based upon



experiences of other states and a current pre-parole work release program used by the Utah Division of Corrections.

The Division of Corrections estimates that 200 inmates with a minimum security risk, currently have job commitments with employers outside the prison. The projected annual gross earnings of these inmates is \$950,000. Based on current policy, the \$950,000 earnings would be apportioned as follows: \$214,000 would be deducted for taxes, \$150,000 would go to family support payments, \$25,000 would go to restitution payments, \$18,000 would be deducted to reimburse the state for the inmate's living and transportation expenses and the remaining \$466,000 would be available for inmate savings and personal expenses.

Also, if the state housed one hundred inmates, judged not to be a security risk, in a less expensive community facility outside the prison, the savings would be approximately \$220,000 per year.

The proposed revision would allow the creation of a prison industry program which would make possible additional jobs for inmates within the prison. These inmate jobs would benefit the state as the working inmates pay additional taxes, family support, restitution and living expenses. However, it is not possible to estimate the fiscal effect without knowing the possible type of industry program that would be developed by the legislature and the Division of Corrections.

Jon M. Memmott  
Legislative Research Director  
State Capitol  
Salt Lake City, Utah 84114

### ARGUMENTS IN FAVOR OF THE PRISONER WORK RELEASE AMENDMENT

All but three states in the Union have authorized work-release programs and community correction centers. Utah has also authorized such programs but the Utah Constitution does not allow convict labor outside the prison grounds. In view of modern corrections philosophy and the widespread establishment of work-release programs throughout the United States, such a restriction is clearly outdated. The proposed constitutional amendment simply deletes this restriction and allows the current Utah corrections facilities to continue operating without the fear of being declared unconstitutional at some later date and being shut down in mid-operation. Work release programs and community correction centers provide the following benefits:

1. By working and earning money, inmates can become productive members of society rather than burdens on the taxpayer. For example, at one community correction center during the first seven years of operation, 854 inmates earned \$1,258,054, paid \$265,907 in taxes, contributed \$156,983 in support for their families, \$11,028 in medical expenses, and \$6,254 towards restitution for victims. Had they been incarcerated, the total burden of those obligations would have been on society.

2. Inmates will be able to support themselves and keep themselves and their families off welfare.

3. The programs provide the inmate with money upon completion of his sentence so that he will not be inclined to steal in order to buy food and clothing.

4. Such programs act as "decompression chambers" to help convicts readjust to a free society.

5. Prisoners involved in a work release program are usually near the end of their sentences when they begin the program and will be released anyway. Since they will be released, it gives them a chance to test their personal stability in community life on a gradual basis rather than releasing them cold on the streets.

6. It is less costly to house an individual in a community correction center than in the state prison (\$21 per day vs. \$29 per day).

7. Inmates reside closer to families and communities, thereby enhancing their educational and employment opportunities as well as their probability of succeeding in a crime-free life.

Community supervision is the future of corrections. At the present time the Utah Division of Corrections operates six community correction centers, four in Salt Lake County and two in Weber County. These centers provide an intermediate form of supervision which lies between the 24-hour-a-day custody of the Utah State Prison and the periodic contact provided by probation and parole. Work release programs offer an opportunity for an individual leaving the Prison to experience the day-to-day frustrations of living and readjusting in the community while still being supervised to provide maximum protection to community residents.

The amendment also deletes a provision prohibiting women from working in underground mines. Drafted in an era of extensive labor legislation reform the requirement is now outdated in our day of equal employment for all citizens. It is clearly unconstitutional.

Senator William N. Jones  
1856 North Fort Lane  
Alpine, Utah 84003

Representative Genevieve Atwood-Ferrari  
1216 First Avenue  
Salt Lake City, Utah 84103

(No negative arguments to the measure were submitted within the time requirements established by law)

### COMPLETE TEXT OF PRISONER WORK RELEASE AMENDMENT 1979 GENERAL SESSION

A JOINT RESOLUTION OF THE 43RD LEGISLATURE OF THE STATE OF UTAH PROPOSING TO AMEND ARTICLE XVI, SEC. 3, CONSTITUTION OF UTAH, TO REMOVE THE PROHIBITION AGAINST WORK RELEASE TYPE PROGRAMS, RESTITUTION PROGRAMS, AND REHABILITATION PROGRAMS FOR PRISONERS, AND TO REMOVE PROHIBITION AGAINST WOMEN WORKING IN UNDERGROUND MINES.

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

Section 1. It is proposed to amend Article XVI, Sec. 3, Constitution of Utah, to read:

Sec. 3. The Legislature shall prohibit:

- (1) The employment of ~~[women, or of]~~ children under the age of fourteen years, in underground mines.
- (2) The involuntary contracting of convict labor.
- ~~[(3) The labor of convicts outside prison grounds, except in public works under the direct control of the State.]~~
- [4](3) The political and commercial control of employees.

Section 2. The Secretary of State is directed to submit this proposed amendment to the electors of the State of Utah at the next general election in the manner provided by law.

## PROPOSITION NO. 4

### COMPENSATION OF LEGISLATORS

Shall Article VI, Section 9 of the State Constitution be amended to compensate members of the legislature \$40 per day (while actually in session), and reimburse expenses of up to \$40 per day and mileage as provided by law.

FOR ☐

AGAINST ☐

### COMPENSATION OF LEGISLATORS

Final Votes Cast By the Legislature

Senate:

House of Representatives:

For - 21

For - 50

Against - 7

Against - 24

Absent - 1

Absent - 1

### IMPARTIAL ANALYSIS BY LEGISLATIVE RESEARCH DIRECTOR

#### PROPOSAL

The salary and expenses paid to Utah legislators are set by the Utah Constitution in Section 9 of the Legislative Article (VI). The current salary level is \$25 per day while in session, expenses (food, lodging, and other direct expenses) of \$15 per day while in session, and mileage (direct travel expenses) as provided by law. This compensation level was last established at the November 5, 1968, election and has been effective without change since January 1, 1969.

The proposed revision would increase the salary level to \$40 per day and increase expenses allowed legislators up to \$40 per day while the legislature is in session. The mileage expense for instate travel would remain as provided by law, which is 23 cents per mile. The increase in compensation, if approved by the voters, would be effective beginning July 1, 1981.

#### FISCAL EFFECT

Based on the current membership of the House (75) and Senate (29) the legislative fiscal analyst has estimated the increase in expense that would be incurred from passage of this proposal would be:

(1) Per Diem--(Increase from \$25 to \$40 per day)--The proposed increase would provide each legislator a \$900 salary increase during the general session and a \$300 increase during the budget session. The total increased per diem expenses including FICA and retirement would be:

General Session (60 days)-- \$113,600  
Budget Session (20 days)-- \$ 37,900

(2) Expenses--The proposed amendment is permissive allowing up to \$40 per day for expenses. Therefore, the estimated additional expense will depend upon the plan adopted to compensate legislators for expenses during a session. The proposed increase could provide for an additional expense allowance for each legislator of up to \$1,500 during a general session and \$500 during a budget session. The maximum increased cost that could be incurred if the legislature were to adopt the full \$40 level for each legislator would be:

General Session-- \$156,000  
Budget Session -- \$ 52,000

(3) Mileage Expenses--The mileage expense provisions remain the same, and therefore there is no increase in mileage travel expense because of the enactment of this proposal.

(4) Interim Study Committee--The legislators meet approximately one day a month in study committees between the legislative sessions to study, prepare, and review major items to be considered during the session. The increase in cost each year for the interim committee meetings is estimated by the legislative fiscal analyst to be \$21,800 per year.

(5) Effective Date--The effective date of these increases is July 1, 1981, so that the increased cost would not be incurred until fiscal year 1982.

Jon M. Memmott  
Legislative Research Director  
State Capitol  
Salt Lake City, Utah 84114

### ARGUMENTS IN FAVOR OF THE COMPENSATION OF LEGISLATORS

CITIZENS OFTEN QUESTION PUBLIC OFFICIALS' SALARIES, BUT UTAH'S LEGISLATORS HAVE BEEN PAID ONLY \$25 PER SESSION DAY SINCE 1968

The compensation of Utah's state senators and representatives is fixed in the constitution and can be changed only by vote of the citizens of the state. Legislators' salaries are the only ones established in the constitution.

The last constitutional amendment affecting legislative pay was adopted in 1968. It established pay at \$25 per day in session and \$15 per day for expenses. These amounts are totally inadequate to insure that service in the legislature will not become a financial hardship on many members.

THE DOLLAR WAS WORTH 2.3 TIMES ITS VALUE TODAY IN 1968, WHEN LEGISLATIVE PAY WAS LAST INCREASED

Inflation has so greatly reduced the purchasing power of the dollar since 1968, that \$58.25 would be required today to match the daily salary of \$25 in 1968. The proposed amendment asks for only \$40. The amendment also establishes a maximum of \$40 per day for expenses, instead of the present flat \$15. This will allow the legislature to provide a higher level of expense reimbursement to those who must live away from home during legislative sessions, than for those who live in or near Salt Lake.

UTAH IS AMONG THE LOWEST RANKING STATES IN LEGISLATIVE PAY

Compared with the other 49 states, Utah ranks 48th in compensation paid to legislators. Pay increases in most other states are greater and far more frequent than in Utah, and even with the proposed change Utah will rank near the bottom.

### WE NEED TO COMPENSATE LEGISLATORS FOR THE ROLE THEY PLAY AS THE STATE'S LAWMAKERS

There is no job exactly comparable to that of a state legislator. Members of the legislature are responsible for determining policies and programs affecting all aspects of the State of Utah's social and economic system. They are entrusted with the responsibility for approving state fiscal policies, appropriating funds for essential public services, and considering a broad range of legislation impacting on the state's future economic well-being. If we want men and women of ability and commitment to serve in this capacity, we must be willing to remunerate them for their service.

### WE NEED TO INCREASE COMPENSATION IF WE ARE TO ATTRACT A CROSS- SECTION OF UTAH CITIZENS TO SERVE IN THE LEGISLATURE

In a state that prides itself on its part-time, lay legislature, more and more legislators are finding that service in the State Legislature imposes a substantial financial burden. With pay at such a low level, only those individuals who can afford to leave their jobs during sessions are able to serve. Many have commented that service in the legislature will soon be limited to the wealthy, the subsidized, and the retired. The proposed increase is a conservative step towards insuring that Utah will be able to retain its citizen legislature.

Senator Karl G. Swan  
347 Upland Drive  
Tooele, Utah 84074

Representative G. LaMont Richards  
2315 East 1300 South  
Salt Lake City, Utah 84108

(No negative arguments against the measure were submitted within the time requirement established by law.)

### COMPLETE TEXT OF COMPENSATION OF LEGISLATORS 1980 BUDGET SESSION

A JOINT RESOLUTION OF THE BUDGET SESSION OF THE 43RD LEGISLATURE OF THE STATE OF UTAH PROPOSING TO AMEND ARTICLE VI, SECTION 9, CONSTITUTION OF UTAH; PROVIDING THAT LEGISLATIVE SALARIES SHALL BE ADJUSTED TO \$40 PER DIEM AND EXPENSES UP TO \$40 PER DIEM AS PROVIDED BY LAW; AND PROVIDING AN EFFECTIVE DATE.

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 Article VI, Section 9 of the Constitution of Utah, to read:

Sec. 9. The members of the Legislature shall receive compensation of [~~\$25~~] \$40 per diem while actually in session, expenses of [~~\$15~~] up to \$40 per diem while actually in session, and mileage as provided by law; provided that such compensation shall commence July 1, 1981 [and mileage as provided by law].

Section 2. The secretary of state is directed to submit this proposed amendment to the electors of the State of Utah at the next general election in the manner provided by law.

Section 3. If approved by the electors of this state, this amendment shall take effect January 1, 1981.

## INITIATIVE PROPOSAL A

### ELIMINATION OF STATE SALES TAX ON FOOD

Shall the 4% state sales tax on food be eliminated except on food prepared for immediate consumption on or off the premises of the retailer and on food sold through a vending machine at a price in excess of fifteen cents, while retaining the present county, city and town local option to tax the sale of food?

FOR ☐

AGAINST ☐

### ELIMINATION OF STATE SALES TAX ON FOOD

Impartial Analysis by the Legislative Research Director

#### PROPOSAL

At present, Utah law requires a state tax of 4% of the purchase price upon every retail sale, including food items. The only current exceptions to this 4% sales tax requirement are the sale of coal, fuel oil, and other fuels. The revenues raised from this state 4% sales tax go into the general fund of the state to fund state government services.

In addition to the 4% state sales tax, present Utah law allows the counties, cities, and towns to impose an additional 3/4% tax upon every retail sale within their boundaries. The same definitions and exemptions apply to the local government sales tax provisions as apply to the state tax. The revenues raised by the 3/4% local option sales tax go into the general fund of the units of local government at the point of sale and are used to fund local government services. Also, any county or municipality within a transit district may impose an additional tax of 1/4% on all retail sales to fund the public transportation system. The only counties and municipality currently levying this 1/4% transit tax are Davis County, Salt Lake County, Weber County, and Park City.

If adopted this initiative proposal would:

1. Exempt food from the 4% state portion of the tax on retail sales. The 3/4% local sales tax and 1/4% public transit tax would remain on retail sales of food at the option of local governments.

2. Apply the exemption to food items which are eligible for purchase with food stamps. Such products include almost all food items except alcoholic beverages, tobacco, hot prepared foods, vitamins and minerals, and other non-food items such as soaps and toiletry items.

3. Maintain the tax on food which is sold for immediate consumption on or off the premise of the retailer. Therefore, the 4% sales tax will remain on those foods purchased for immediate consumption.

4. Maintain the 3/4% local sales tax and 1/4% transit tax on all food items. Therefore, if this initiative proposal is adopted, citizens of Davis County, Salt Lake County, Weber County, and Park City would still pay a 1% sales tax on food purchases (3/4% local option tax plus 1/4% transit tax). The remaining portion of the state would pay a 3/4% sales tax on food purchases.

The revenues from the 3/4% tax would go to the general funds of local governments at the point of sale, and the 1/4% tax to the transit district authority.

#### LEGAL SUFFICIENCY

The Legislative General Counsel in its review of the legal sufficiency of this initiative proposal (Opinion No. 80-014) indicated that a serious question exists concerning the certification procedure used in placing this proposal on the ballot. Therefore, the Legislative General Counsel recommended that a declaratory judgment action be brought prior to the election to clarify the validity of this petition. Such an action may be brought and resolved prior to the general election.

#### FISCAL EFFECT

The approval of this measure would remove the 4% state sales tax on food items beginning in December 1980. This measure would then be in effect for approximately one-half of the 1980-81 fiscal year. According to estimates by the legislative fiscal analyst, state revenues would be reduced by \$18-20 million in 1980-81. In the first full year of operation, in fiscal year 1981-82, the state revenues would be reduced \$60-65 million.

The revenues to local governments and the transit districts would not be reduced upon approval of this measure.

Jon M. Memmott  
Legislative Research Director  
State Capitol  
Salt Lake City, Utah 84114

### ARGUMENTS IN FAVOR OF ELIMINATION OF SALES TAX ON FOOD

This November you will have an opportunity to abolish the state sales tax on food once and for all. There are so many good reasons why this should be done that we can allow the facts to speak for themselves.

Fact 1--TAX REDUCTION FOR ALL--Food tax removal will mean a significant tax reduction for all. It will enable us to buy about two weeks extra groceries every year with the money we now must use to pay the sales tax on food.

While helpful to everyone, our retired senior citizens, persons who live on fixed incomes, and large families would be helped most.

Fact 2--TAX REFORM--Low income groups spend more of their income to buy food than those of us with larger incomes. This makes the state sales tax on food a regressive tax, one that falls hardest on those who can afford it least.

Eliminating this tax will be a big step toward a progressive tax structure in Utah.

Fact 3--SLOWING TAX ESCALATION--As things now stand, whenever the price of groceries climb, so does the state sales tax on food. With the long inflationary spiral, we have felt the effects of rising food prices AND the effect of a rising sales tax on food.

**Fact 4--STRANGE BEDFELLOWS--**Most Utahns share the unhappy distinction with residents of Mississippi of paying the highest food tax in America--5%. Only five states tax food as much as 4 %. **MOST STATES SIMPLY NO LONGER TAX FOOD.**

Most recently, the citizens of neighboring Colorado, Nevada and Washington voted to abolish the sales tax on food.

There is enough intelligent leadership and ability in Utah to raise necessary state revenues without a tax on food. If other states can do it, so can we.

**Fact 5--POPULARITY--**Food tax opponents can be found among both young and old, Democrats and Republicans, and urban and rural residents of Utah, according to one newspaper poll. Nearly 100,000 Utahns signed the petitions to help win a place on this year's ballot.

**Fact 6--OPPOSITION--**The Salt Lake Chamber of Commerce Board of Directors is on record in opposing food tax repeal. They believe food tax removal would produce an increase in business taxes.

Some politicians appear interested in keeping citizens out of the decision-making process on taxation, and also oppose the citizens' initiative.

**Fact 7--SUPPORTERS--**The groups that have expressed support for repeal of the food tax include the League of Women Voters, Utah AFL-CIO, the state Democratic and Libertarian parties, the Utah Coalition of Senior Citizens, many churches and others.

**Fact 8--PROPERTY TAXES--**Will your property taxes be hiked if you vote to eliminate the state sales tax on food? Not at all. The food tax is a state tax. Property taxes are levied by county and city governments. One tax has nothing to do with the other. If we vote to abolish the state food tax, the state CANNOT raise taxes on our homes.

Finally, the issue becomes simple. When you have an unfair tax, get rid of it. Vote to repeal the state sales tax on food.

Mike Shane  
28 East 2100 South  
Salt Lake City, Utah 84115

### REBUTTAL TO ARGUMENTS IN FAVOR OF ELIMINATION OF SALES TAX ON FOOD

#### Fact 1

While removal of the sales tax on food may provide relief for low income persons, the tax relief will not be as significant as proponents claim. Sales tax will be removed only on food, not other items purchased at the supermarket. This will result in a tax savings less than that claimed. In addition, even under present constitutional restrictions, the legislature was able to provide rebates, which returned more money to low income families than removal of the sales tax on food ever could.

#### Fact 2

Proponents assume that the sales tax is the only regressive tax in Utah. Sudden removal of the sales tax may force other taxes higher, also making them regressive. This will only shift the burden of state revenue from one tax to another.

#### Fact 3

Inflation has caused other taxes to go up as well, particularly the income tax, which affects both high and low income groups.

#### Fact 4

The question is not one of the appropriateness of removing the sales tax on food but of the irresponsibility of the method of sudden, wholesale cuts. It should be phased out gradually in conjunction with other areas of tax reform in order to maintain a fair and orderly tax reduction.

#### Fact 5, 6 and 7

A thorough review and discussion of both sides of the issue could very well change attitudes. Up to now, there has been only one side argued before the people.

#### Fact 8

While property taxes may not be increased, income and other state taxes almost certainly will be increased.

Finally, the issue is not as simple as getting rid of an unfair tax. Other questions must be asked, such as:

- Can the state afford such a large and sudden revenue loss?
- Is there some better way to provide tax relief and use wise and careful planning for future revenues to replace the loss?

**FLEXIBILITY IS THE KEY**

Raymond L. Hixson  
3985 Prospector Drive  
Salt Lake City, Utah 84121

## ARGUMENTS AGAINST THE ELIMINATION OF SALES TAX ON FOOD

The initiative to remove the sales tax on food is an ill-conceived proposal that is not what it purports to be.

Tax reduction is a worthy goal, but when the tax reduction is nothing more than a reshifting of the tax burden, it becomes a meaningless gesture. The cost off is not the proper method for reducing taxes in the State of Utah. During the 1970's, growth in Utah contributed healthy surpluses in state revenues. Because of these surpluses the legislature was able to provide some tax relief in the form of rebate in 1979.

But the state is now entering a period of tight revenues. The 1980 estimates indicate that tax revenues and federal revenue sharing could fall a dramatic \$35 million short of expectations. Such a shortfall could very easily wipe out any sizeable surpluses such as the \$19 million surplus of 1979 used to finance the rebate program.

The largest portion of this expected shortfall, \$20 million, will come in sales tax revenue. Yet it is estimated that the removal of the sales tax on food would mean an additional revenue loss of between \$60 and \$90 million per year. Add this to the expected \$20 million shortfall and one sees that the result could be disastrous to state financing.

How then will this staggering shortfall be avoided? Trimming government fat is the most common alternative. There is much that can be done to cut government spending. But this shortfall is too large for a mere belt-tightening of government expenditures. The tightening needed to offset this shortfall would be so large that it would cut into the very heart of government services.

The other alternative is to raise other taxes. But this will only shift the burden from the sales tax to the income and other taxes, forcing a dramatic increase in the tax bill on other segments of the taxpaying population.

In addition, the proposed initiative, if passed, automatically changes the tax structure of the state. The sales tax on food would be removed regardless of the changing needs of the state. There would be no legislative debate and no flexibility. Such a sudden change in the tax structure could severely strain state financing. A better approach would consist of allowing the legislature, after appropriate input and debate, to cut taxes at the right time. Flexibility is needed to adapt the tax structure to the constantly changing needs of a growing Utah. A rigid, arbitrary change in the tax structure is not the answer.

We need change. We need tax relief. Shifting the burden will not help. Slicing off huge portions of tax revenue in one chop will not help. Reasoned discussion looking toward the future is the answer. Flexibility is the key.

VOTE NO ON INITIATIVE PROPOSAL A.

Raymond L. Hixson  
3985 Prospector Drive  
Salt Lake City, Utah 84121

## REBUTTAL TO THE ARGUMENTS AGAINST ELIMINATION OF SALES TAX ON FOOD

Your vote removing the state food tax is a vote for a tax cut that could have been made from state surpluses years ago. Instead, the 1979 legislature rebated a \$54,000,000 surplus, returning up to \$400 to owners of expensive homes. Most homeowners and renters got only \$100 back. This year homeowners and renters are due even less. Food tax removal would have helped more.

A family of four with an intermediate budget could save \$170 a year by removal of the state food tax.

Removal could begin anytime in 1980-81. When removed, the \$50-60 million people will save in food tax will stimulate the economy.

Utah's long-run economic outlook is healthy. We are approaching substantial energy development. Development should pay its own costs, not be subsidized by Utah taxpayers. Severance tax on coal, for instance, makes good sense. Only Utah among western coal-producing states doesn't tax coal. In the future most Utah coal will be used in other states and in other countries. Once our coal is gone, it is gone forever. Utahns should realize some revenue from this natural resource.

Thirty-one states don't tax food. Governor Matheson supports removal. We cannot depend on the legislature to make this tax cut. Cumbersome rebates are not tax cuts. Citizens used their constitutional rights to petition. Now the people can vote the tax off.

VOTE YES ON PROPOSAL A ON NOVEMBER 4.

Senator Frances Farley  
Member of Board-Cost Off  
1418 Federal Way  
Salt Lake City, Utah 84102

## COMPLETE TEXT OF ELIMINATION OF THE STATE SALES TAX ON FOOD

AN ACT PROVIDING FOR ELIMINATION OF THE STATE SALES TAX ON FOOD; RELATING TO REVENUE AND TAXATION; AND PROVIDING AN EFFECTIVE DATE; AMENDING SECTIONS 59-15-2, 59-15-4 AND 59-15-6, UTAH CODE ANNOTATED 1953, AS AMENDED THROUGH THE LAWS OF UTAH 1977.

Be It Enacted By The Legislature Of The State Of Utah:

Section 1. Section 59-15-4, Utah Code Annotated 1953, as amended through the laws of Utah 1977, is amended by adding the following sentence to subsection (A), the sale of food as defined in section 59-15-2, Utah Code Annotated, shall not be subject to the tax by the State of Utah; however, food may be subject to taxation pursuant to Title 11, Chapter 9 and Chapter 20, Utah Code Annotated 1953 as amended.



Section 2. Section 59-15-2, Utah Code Annotated 1953, as amended through the laws of Utah 1977, is amended by adding the following subsection: the term "food" means all food for human consumption which is eligible for purchase with food coupons issued by the United States Department of Agriculture under regulations in effect on January 1, 1977, regardless of whether the retailer from whom the food is purchased or the purchaser participates in the food stamp program. As used in this section, the term "food" does not mean food normally prepared for immediate consumption on or off the premises of the retailer, nor does it include food sold through a vending machine, except as otherwise provided in Section 59-15-6.

Section 3. Section 59-15-6, Utah Code Annotated 1953, as amended through the laws of Utah 1977, is amended by adding between the first and second paragraph thereof the following paragraph: The sale of food as defined in Section 59-15-2, Utah Code Annotated, shall be exempt from taxation under this act by the State of Utah; however, food may be subject to taxation pursuant to Title 11, Chapter 9, and Chapter 20, Utah Code Annotated 1953 as amended.

Section 4. This act shall take effect pursuant to Section 20-11-5 Utah Code Annotated 1953.

## INITIATIVE PROPOSAL B

### TAX LIMITATION ACT

Should a law be adopted which would:

1. Limit taxes on real property to 1% of market value; establish 1977 county assessor's valuation as market value, except appraised value shall be the market value of property purchased, constructed or transferred after 1977; limit annual inflationary increases in market value to 2%.
2. Require two-thirds vote of legislature to increase state taxes; prohibit new ad valorem, sales or transaction taxes on real property.
3. Authorize counties, cities and special districts with two-thirds vote of electors to impose special taxes except on real property.

FOR ☐

AGAINST ☐

### TAX LIMITATION ACT

#### IMPARTIAL ANALYSIS BY LEGISLATIVE RESEARCH DIRECTOR

#### PROPOSAL

This proposal while entitled "Tax Limitation Act" deals primarily with only the real property tax. The provision is similar in language to the California "Jarvis Amendment" with one significant difference. This proposal is a statutory amendment and the Jarvis Amendment was a state constitutional amendment.

Under present law, property taxes in Utah are the principal local revenue source used to finance schools, county and municipal governments. The distribution of property taxes is as follows: schools, 59%; counties, 21%; cities and towns, 11%; and special districts, 9%. The state government imposes no property taxes. The assessment of property and the rate it will be taxed are established by the constitution and by statute. The constitution requires that all property, except that exempted by the constitution, be uniformly assessed and taxed.

The statutes specify the level of assessment; i.e., what percentage of market value will be taxed, presently 25%, and the maximum rates (mill levies) each local government can charge. The statutes also require that all property be given 1978 values.

If adopted, the initiative proposal would:

1. Establish the maximum amount of property tax at 1% of the fair market value. The act defines fair market value as that shown on the 1977 tax bill under market value.
2. Exempt from the 1% limitation any property taxes or special assessments used to repay debt obligations (bonds) which were approved prior to the approval of this proposal.
3. Provide that when property is sold or when newly constructed property is purchased it shall be assessed at the fair market value on the date of purchase rather than the 1977 value.

4. Establish that the maximum increase in fair market value due to inflation cannot exceed 2% for any given year.

5. Provide that any changes in state tax laws which would increase revenues would require a two-thirds vote in both the house and senate to pass, instead of a majority vote now required in each house.

6. Allow cities, counties and special districts to impose special taxes except real property taxes and sales taxes on real property by a vote of approval from two-thirds of the qualified voters of each district.

#### LEGAL SUFFICIENCY

This provision is a statutory enactment rather than a constitutional amendment and therefore must meet the constitutional guidelines established in the Utah and Federal Constitutions. It is the opinion of the Legislative General Counsel (Opinion No. 80-017) that Sections III, IV, V, and VI of the initiative proposal are unconstitutional. However, the proposal contains a clause which maintains those provisions which are not declared unconstitutional. If that were done, Sections I, II, VII, VIII and IX would still be effective. This would retain the sections which limit real property taxes to 1% of the fair market value and require a two-thirds voter approval for special taxes by cities, towns and special districts.

All other provisions described above, including the definition of fair market value, are included in the sections which are in the opinion of the Legislative General Counsel unconstitutional. However, to be declared unconstitutional, legal action must be taken. The final determination of the legal sufficiency of this initiative proposal is for the courts to resolve.

#### FISCAL EFFECT

Because of some of the questions of legal sufficiency raised in the Legislative General Counsel's opinion it is difficult to project the revenue impact of this initiative proposal. However, the legislative fiscal analyst has provided an estimate based upon the premise that the provision is constitutional in all aspects. Also, that where the language of the proposal conflicts with current practices or does not establish a procedure, the analyst has provided a reasonable interpretation.

The legislative fiscal analyst has estimated that the direct revenue loss for school districts and local governments will range from \$95 to \$105 million for fiscal year 1982-83, the first year of application of this proposal. Also, the school districts would lose an additional \$90 million of state funding in fiscal year 1982-83. This is because the Utah Constitution limits the amount the state can contribute to a school district's budget to 75%. Therefore, if the school district loses direct revenue, it will lose state revenue in a three to one ratio.

In each succeeding year, there would be an increase in the direct loss of \$10 million to school districts and local governments.

Jon M. Memmott  
Legislative Research Director  
State Capitol  
Salt Lake City, Utah 84114

#### ARGUMENTS IN FAVOR OF TAX LIMITATION ACT

Governments and regulatory agencies tend to spend as much money as they get. We need, therefore, a limitation on revenue.

THE POWER TO TAX PRIVATE PROPERTY IS THE POWER TO DESTROY AND THAT POWER SHOULD BE LIMITED.

Is the property tax a fair tax? The property tax is not fair because it is treated illogically and unfairly like a scaled personal income tax. It is unlike a gasoline tax which is used for roads etc. to benefit the owners of automobiles. Property tax is not used to benefit property owners. For instance: Elderly people and many others who can ill afford it, pay exorbitant taxes to educate other people's children.

In the case of property tax, a very unjust and terrible thing occurs. When a person beautifies or makes improvement on his property, even though benefits accrue to the whole community, he is penalized by increased taxes.

WILL TAX LIMITATION CREATE A BETTER ECONOMIC CLIMATE IN UTAH?

Yes, in many ways.

It is estimated that in California millions of dollars were invested in supermarkets and other building programs after the property taxes were reduced. Also with taxes lowered or limited it would be possible to hold a ceiling on, or reduce rent, because increased taxes are always passed on to renters. This limitation on taxes will help curb inflation.

Politicians always ask, "What are you going to do to replace the money?" The real question is not where the bureaucrats are going to get replacement money, but: Where can we save money from present programs?

In Utah, most of the costs of county governments, school districts etc. are locked in by state and federal mandated programs. The catch now is that these programs must be accepted by local governments, school districts, etc. The passage of tax limitation will prevent acceptance of these programs. If such programs are beyond the ability of the local governments or school district to pay, they will either have to be scaled down or scrapped, it's that simple! We, on a local level, do not need all these local, state and federal programs.

If governments, school districts, etc. have a source of unlimited revenue and can spend that revenue for anything they think is a good cause, there will be no limit to the number of good causes they will be able to find, and they will always be calling for more revenue.

H. Austin Belnap, Co-Chairman  
Concerned Taxpayers of Utah  
1990 South 1100 East  
Salt Lake City, Utah 84105



## REBUTTAL TO ARGUMENTS IN FAVOR OF THE TAX LIMITATIONS ACT

The gasoline tax is unique because the tax is theoretically paid by the user for benefit received. Could benefits and taxes be determined in a similar manner for street lighting, police and fire protection and general overhead costs for city and county and other taxing district employees? Public schools have been mentioned. Are parents of school children the only beneficiaries of the school system? What about the children themselves, the teachers, or other school employees, the future employers and, in fact, the public in general. Is there anyone who does not benefit from public education?

It is impossible for some property owners to pay property taxes. Some couldn't pay them even if the entire school levy were eliminated from the property tax burden, but there is relief for that in the law and more could be provided if needed.

Home beautification seldom results in a tax increase but substantial investment in improvement of property increases values. If a better home is purchased, the valuation will be higher and if a present home is improved to make it equal to a better home, it also would result in an increased value.

R. Milton Yorgason, County Assessor  
Chairman, Utah Association of Counties  
Revenue and Taxation Committee  
309 City and County Building  
Salt Lake City, Utah 84111

## ARGUMENTS AGAINST THE PROPERTY TAX LIMITATION

Section II The response is threefold: (1) This is not a real limitation at present; (2) The limitation cannot be determined without establishing the Fair Market Value which is discussed below; (3) The limitation is meaningless if the tax article revision passes which could allow the elimination or modification of school mill levies from property tax.

Section IV The term "tax bill" is unknown. In 1977, probably no county showed a Fair Market Value on either the evaluation notice or the tax notice. The Fair Market Value was commonly computed from the assessed value assuming that the assessed value was 20% of the Fair Market Value. The assessed value in 1977, however, was not 20% of the Fair Market Value and it still isn't today. In 1977, the assessment level was only 5.63% of Fair Market Value in Sanpete County and 18.95% in Juab County. All other counties were some place between these extreme and the state average was 12.88%. The Reappraisal Program was inaugurated in 1969 to overcome this problem but it was thwarted by inflation. Additional legislation enacted in 1979 will probably bring this under control when all counties have been reappraised under its terms.

The objective of the current law is to comply with the State Constitution which states that all tangible property shall be taxed uniformly according to its value in money and also to insure fair and equal taxation. To be fair with all taxpayers, Fair Market Value must be correct and the assessment level must be the same in all counties and school districts in relation to each other, and all taxpayers within taxing units must be assessed at the same level.

Under the Tax Limitation Act, the 1977 inequities would be perpetuated and new ones would be added as new construction comes on the tax rolls and when old properties change hands.

The real problems arise from the wording "all real property not already assessed up to the 1977 tax level may be reassessed to reflect that valuation." The 1977 tax level is not defined in this Tax Limitation Act and if a determination is made in its definition, it must be an arbitrary one. In any case, it would require the establishment of both a Fair Market Value and an acceptable assessment level which would require a new Reappraisal Program or an adaptation of the one we have. Clearly, this is a contradiction of the thought expressed in the first sentence of this section which defines the Fair Market Value as the amount on the 1977 tax bill.

Section V This section limits the annual increase in value to 2% due to inflation. This is unrealistic as indicated by all studies if inflation continues as in the past.

R. Milton Yorgason, County Assessor  
Chairman, Utah Association of Counties  
Revenue and Taxation Committee  
309 City and County Building  
Salt Lake City, Utah 84111

## REBUTTAL TO THE ARGUMENTS AGAINST THE PROPERTY TAX LIMITATION

Mr. Yorgason spends much time discussing the Fair Market Value and says it cannot be established. The Tax Limitation Act clearly sets forth in Section IV how the Fair Market Value shall be established.

In Mr. Yorgason's third paragraph he talks about making a fair tax each year. The equalization lines are full because the property tax has never been a fair tax. True, basing the tax on the 1977 assessment levels would be somewhat unfair because Mr. Yorgason and all of the state officials made it unfair by not evaluating all the counties at once the same way. However, this would be corrected in a very fair manner by basing property tax on fair market values determined by sales as provided in the Tax Limitation Act.

H. Austin Belnap, Co-Chairman  
Concerned Taxpayers of Utah  
1990 South 1100 East  
Salt Lake City, Utah 84105

## THE COMPLETE TEXT OF TAX LIMITATION ACT

AN ACT LIMITING AD VALOREM ON REAL PROPERTY TO 1% OF VALUE EXCEPT TO PAY INDEBTEDNESS PREVIOUSLY APPROVED BY VOTERS. ESTABLISHING 1977 ASSESSED VALUE OF PROPERTY FOR TAX PURPOSES. LIMITING ANNUAL INCREASES IN VALUE. PROVIDING FOR REASSESSMENT AFTER SALE, TRANSFER, OR CONSTRUCTION. REQUIRING 2/3 VOTE OF LEGISLATURE TO ENACT ANY CHANGE IN STATE TAXES DESIGNED TO INCREASE REVENUES. PROHIBITING IMPOSITION BY STATE OF NEW AD VALOREM SALES OR TRANSACTION TAXES ON REAL PROPERTY. AUTHORIZING SPECIFIED LOCAL ENTITIES TO IMPOSE SPECIAL TAXES EXCEPT TAXES ON REAL PROPERTY.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF UTAH:

SECTION I. TITLE. This act shall be known as, and may be cited as, the TAX LIMITATION LAW.

SECTION II. The maximum amount of any ad valorem tax on real property shall not exceed one percent (1%) of the fair market value of such property. The one percent (1%) to be collected by the counties and apportioned according to law.

SECTION III. The limitation provided for in Section II shall not apply to ad valorem taxes or special assessments to pay the interest and redemption charges on any indebtedness approved by the voters prior to the time this law becomes effective.

SECTION IV. The fair market value means the County Assessor's valuation of real property as shown on the 1977 tax bill under market value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1977 assessment. All real property not already assessed up to the 1977 tax levels may be reassessed to reflect that valuation.

SECTION V. The fair market value base may reflect from year to year the inflationary rate not to exceed two percent (2%) for any given year or reduction as shown in the consumer price index or comparable data for the area under taxing jurisdiction.

SECTION VI. From and after the effective date of this law, any changes in State taxes enacted for the purpose of increasing revenues collected pursuant thereto whether by increased rates or changes in methods of computation, must be imposed by an Act passed by not less than two-thirds (2/3) of all members elected to each of the two houses of the Legislature, except that no new ad valorem taxes on real property, or sales or transaction taxes on the sales of real property may be imposed.

SECTION VII. Cities, counties and special districts, by a two thirds vote of the qualified electors of such district, voting in an election, may impose special taxes on such district, except ad valorem taxes on real property or a transaction tax or sales tax on the sale of real property within such City, County, or Special District.

SECTION VIII. This law shall take effect 60 days after the adoption of this legislation, except Section VI which shall become effective upon the adoption of this law.

SECTION IX. If any section, part, clause, or phrase hereof is for any reason held to be invalid or unconstitutional, the remaining section shall not be affected but will remain in full force and effect.

## Davis, Cache and Salt Lake Counties

# Instructions to Voters FOR PREPARING BALLOTS

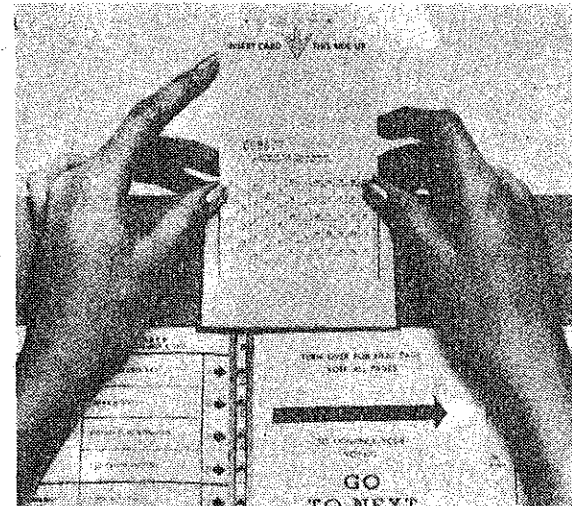
### HOW TO OBTAIN BALLOT FOR VOTING

Speak your name and address to the election judges who will present ballot or ballots to you, if your name is on the official register.

On receiving your ballot from the election judge, immediately retire alone to one of the voting booths and vote your ballot as follows:

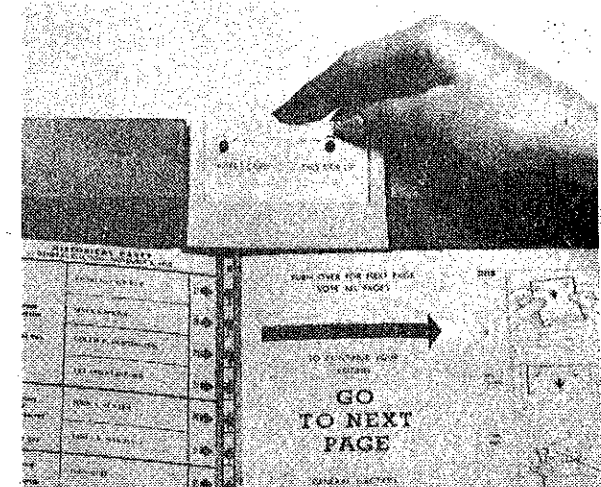
### STEP 1

Using both hands, slide the ballot card all the way into the Vote Recorder.



### STEP 2

Be sure the two holes at the top of the card fit over the two red pins on the Vote Recorder.



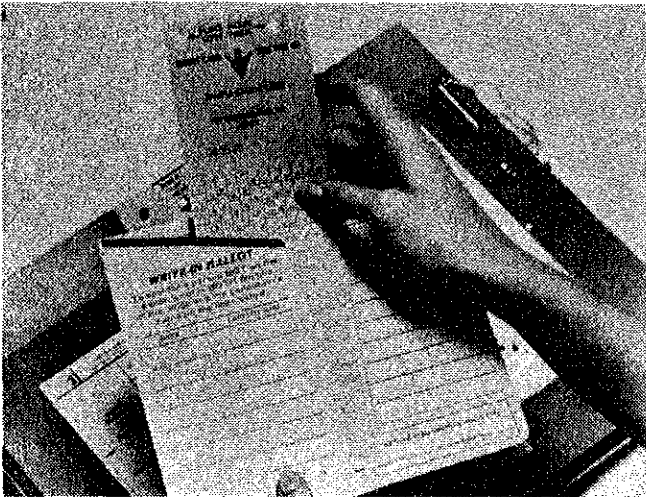
### STEP 3

To vote, hold the punch straight up and push down through the card for each of your choices. Vote all pages as instructed. Use the punch provided. Do not use pen or pencil.



#### STEP 4

After voting, slide the card out of the Vote Recorder and place it under the flap in the write-in envelope. If you make a mistake, ask for another ballot.



#### WRITE-IN VOTING

A write-in vote is cast by writing the office title and the candidate's full name or by placing a sticker (with the office and write-in name printed on it) in the space provided for on the write-in ballot envelope as shown above. Do not punch a hole in the punch card ballot for the position you have written in.

#### VOTING FOR CANDIDATES ON ONE TICKET

If you wish to cast a "straight party" vote for all the candidates of one party, punch the position indicated next to the desired party. If you have voted "straight party" you have voted for each candidate of that party.

#### VOTING FOR CANDIDATES ON TWO OR MORE TICKETS

If you desire to vote for candidates on two or more tickets, you may accomplish this by simply punching the ballot next to the desired candidates's name as indicated on the ballot. If you have voted straight party and change your mind and desire to vote for a candidate of another party, it is permissible to do that by simply punching the ballot next to the desired candidate's name.

#### VOTING INITIATIVE AND REFERENDUM QUESTIONS

In case of a question submitted to the vote of the people, punch a hole for the answer you desire to give.

#### HOW TO OBTAIN A NEW BALLOT

Do not vote a spoiled or defaced ballot. Identification marks or the spoiling or defacing of a ballot will render it invalid.

If you spoil or deface your ballot, return the spoiled ballot to the judge who will cancel it and issue you a new ballot.

#### HOW TO OBTAIN ASSISTANCE IN MARKING BALLOT

Any voter who declares under oath to the election judges that he cannot read or write the English language, or that he is physically unable to prepare his ballot without assistance, or that he is physically unable to enter the polling place, being at the entrance thereto, shall upon his request receive the assistance of any two election judges who are of different political parties.

Any voter who does not understand the English language is entitled to have two interpreters each from a different political party to assist him.

Any voter who is blind or has defective vision so that he cannot read his ballot or mark it correctly, may select any qualified elector to assist him.

#### DEPOSITING BALLOT

After you have voted the ballot place it under the flap of the write-in ballot envelope and return it to the election judge. Speak your name and the judge will remove the stub. The voter then deposits the write-in ballot envelope containing the ballot card in the ballot box.

#### All Counties Except Davis, Cache and Salt Lake

# Instructions to Voters FOR PREPARING BALLOTS

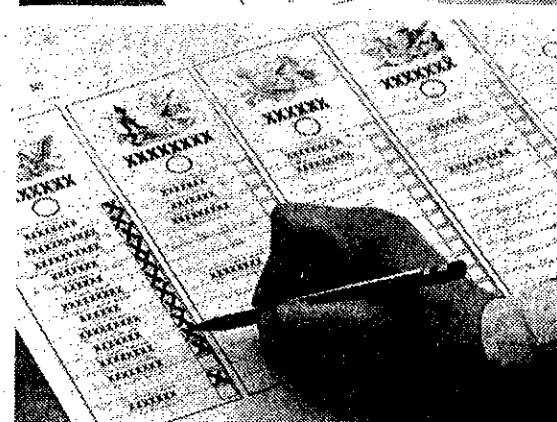
#### HOW TO OBTAIN BALLOT FOR VOTING

Speak your name and address to the election judges who will present ballot or ballots to you, if your name is on the official register.

On receiving your ballot from the election judge, immediately retire alone to one of the voting booths and prepare your ballot by marking a cross (X) as explained below.

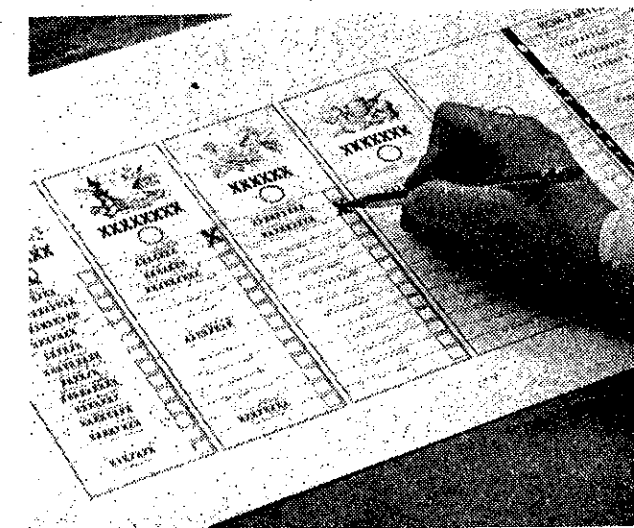
#### VOTING FOR CANDIDATES ON ONE TICKET

If you desire to vote for all the candidates on any ticket you may mark in the circle above that ticket, or in the squares opposite the names of all candidates on the ticket, or may make both such markings as shown below.



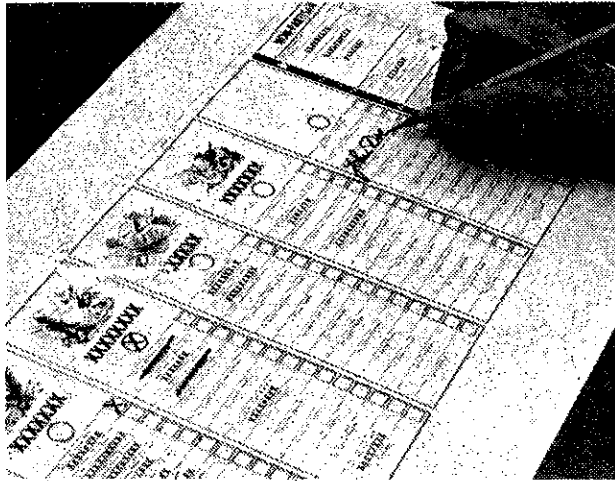
#### VOTING FOR CANDIDATES ON TWO OR MORE TICKETS

If you desire to vote for candidates on two or more tickets, you may mark in the squares opposite the names of the candidates for whom you wish to vote without marking in any circle, or you may indicate your choice by marking in the circle above one ticket and marking in the squares opposite the names of the candidates of your choice upon other tickets.



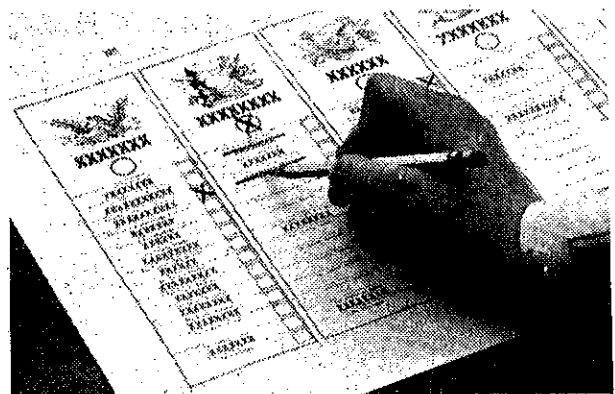
## WRITE-IN VOTING

You may also insert in writing or by sticker (with the office and write-in name printed on it) in the proper place on the blank ticket the name of any person for whom you desire to vote, and you shall be deemed to have voted for that person whether you make or fail to make a cross mark opposite such name.



## DELETING VOTE FOR CERTAIN CANDIDATES

If a cross is marked in a circle above a ticket, the voter MAY or may not draw a line or lines through the name or names of any candidate on that ticket for whom he does not wish to vote. However, in municipal elections and any other election when an office is listed that requires more than one person to be elected the voter SHALL draw a line through the names of the persons of that ticket for whom he does not wish to vote.



## VOTING NON-PARTISAN CANDIDATES

Judicial, state school, local school, etc. are non-partisan contests and are located in the extreme right column on the ballot. Just above the voting squares are instructions as to how many persons can be voted for that particular office.

Clerk

**NON-PARTISAN**

**Six Year Term**  
Vote on each of the following

UNCONTESTED

Shall ~~XXXXXXXXXX~~ be retained in the office of District Judge of the District Court of the Third Judicial District? Yes ☐ No ☐

Shall ~~XXXXXXXXXX~~ be retained in the office of District Judge of the District Court of the Third Judicial District? Yes ☐ No ☐

Shall ~~XXXXXXXXXX~~ be retained in the office of District Judge of the District Court of the Third Judicial District? Yes ☐ No ☐

**District No. 6, Four Year Term** Vote For One

~~XXXXXXXXXX~~ ☐

~~XXXXXXXXXX~~ ☐

~~XXXXXXXXXX~~ ☐

**South Summit School District**  
Representative Precinct No. 4 Vote For One

~~XXXXXXXXXX~~ ☐

~~XXXXXXXXXX~~ ☐

~~XXXXXXXXXX~~ ☐

## VOTING INITIATIVE AND REFERENDUM QUESTIONS

In case of a question submitted to the vote of the people, mark a cross for the answer you desire to give.

For State Representative, District No. 10 ☐ For State Representative, District No. 11 ☐ For State Representative, District No. 12 ☐

For County Commissioner, 1st Term ☐ For County Commissioner, 2nd Term ☐ For County Commissioner, 3rd Term ☐

**Proposition No. 1**  
Should Article IV of the State Constitution be amended to decrease the minimum voting age to 18 years in all elections in conformity with the United States Constitution; to reduce residency requirements for voting to 30 days next preceding any election or such other period as provided by law; to remove property qualifications for voting found in this Article; and to replace the term "electors" by the term "voters" For ☐ Against ☐

**Initiative Proposal B**  
Should a law be adopted, the purpose of which shall be:  
1. To authorize the recall of any public officer whether elected or appointed, for any reason whatsoever including political reasons, by the registered voters of the electoral district from which said officer is elected or appointed; and  
2. To authorize a special election to replace any officer as a result of a recall petition signed by registered voters of at least 10% for state officers, 15% for county officers, and 15% for local officers. For ☐ Against ☐

## HOW TO OBTAIN A NEW BALLOT

Do not vote a spoiled or defaced ballot.

Identification marks or the spoiling or defacing of a ballot will render it invalid.

If you spoil or deface your ballot, return the spoiled ballot to the judge who will cancel it and issue you a new ballot.

## HOW TO OBTAIN ASSISTANCE IN MARKING BALLOT

Any voter who declares under oath to the election judges that he cannot read or write the English language, or that he is physically unable to prepare his ballot without assistance, or that he is physically unable to enter the polling place, being at the entrance thereto, shall upon his request receive the assistance of any two election judges who are of different political parties.

Any voter who does not understand the English language is entitled to have two interpreters each from a different political party to assist him.

Any voter who is blind or has defective vision so that he cannot read his ballot or mark it correctly, may select any qualified elector to assist him.

## HOW TO PREPARE BALLOT FOR DEPOSIT IN THE BALLOT BOX

Fold your ballot in the same manner as when you received it, and hand it (speaking your name) to the judge, who will remove the stub and return the ballot to you. Deposit the ballot in the ballot box yourself, in full view of the judges.

## INDEX

### MEASURES

	PAGE
Ballot Marking Procedures	51
Elimination of State Sales Tax on Food (Initiative Proposal A)	38
Constitutional Amendment Executive Article Revision (Proposition No. 1)	6
Constitutional Amendment Labor Article Revision (Proposition No. 3)	31
Constitutional Amendment Legislative Article Revision (Proposition No. 4)	35
Constitutional Amendment Revenue and Taxation Revision (Proposition No. 2)	19
Tax Limitation Act (Initiative Proposal B)	45

## HOW TO REGISTER TO VOTE

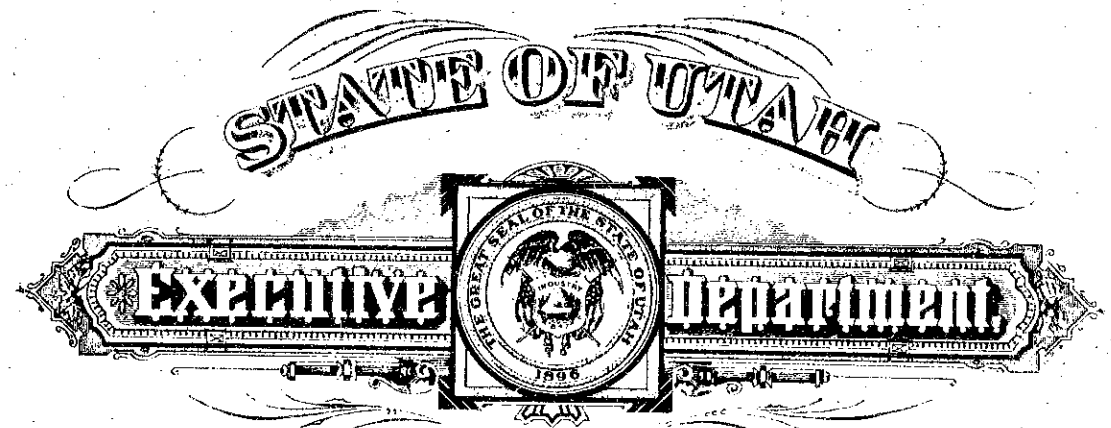
If you will be 18 or over and will have been a resident of the State of Utah for 30 days preceding the election in November, you may register to vote and you are urged to do so by one of the following methods:

1. You may register with the registration agent of your election district between 8:00 a.m. and 9:00 p.m. on October 11th, 14th, and 28th.
2. You may register at the County Clerks office of your County during regular working hours, up to ten days preceding the November election day.
3. You may register by mail at any time prior to 15 days before the November election day by mailing in the Utah Election Registration form. You will then be notified by the County Clerk of your registration.

**BE SURE TO REGISTER**

**BE SURE TO VOTE**





I, David S. Monson, Lieutenant Governor/Secretary  
of State of the State of Utah, do hereby certify that  
the foregoing measures will be submitted to the voters  
of the State of Utah at the election to be held throughout  
the State on November 4, 1980, and the foregoing pamphlet  
is complete and correct according to law.

Witness my hand and the  
Great Seal of the State of  
Utah, at Salt Lake City, Utah  
this 1st day of October, 1980.



*David S. Monson*  
David S. Monson  
Lieutenant Governor/Secretary of State