

JOINT RESOLUTION ON MOTOR VEHICLE TAXES AND FEES

2012 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: John Dougall

Senate Sponsor: _____

LONG TITLE

General Description:

This joint resolution of the Legislature proposes to amend the Utah Constitution to modify a provision on the use of charges related to motor vehicles.

Highlighted Provisions:

This resolution proposes to amend the Utah Constitution to:

- ▶ modify a provision requiring certain proceeds from charges related to motor vehicles to be used for specified purposes; and
- ▶ specify that certain sales tax revenues are not subject to that provision.

Special Clauses:

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

This resolution provides a contingent effective date of January 1, 2013, for this proposal.

Utah Constitution Sections Affected:

AMENDS:

ARTICLE XIII, SECTION 5

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

Section 1. It is proposed to amend Utah Constitution Article XIII, Section 5, to read:



28 **Article XIII, Section 5. [Use and amount of taxes and expenditures.]**

29 (1) The Legislature shall provide by statute for an annual tax sufficient, with other
30 revenues, to defray the estimated ordinary expenses of the State for each fiscal year.

31 (2) (a) For any fiscal year, the Legislature may not make an appropriation or authorize
32 an expenditure if the State's expenditure exceeds the total tax provided for by statute and
33 applicable to the particular appropriation or expenditure.

34 (b) Subsection (2)(a) does not apply to an appropriation or expenditure to suppress
35 insurrection, defend the State, or assist in defending the United States in time of war.

36 (3) For any debt of the State, the Legislature shall provide by statute for an annual tax
37 sufficient to pay:

38 (a) the annual interest; and

39 (b) the principal within 20 years after the final passage of the statute creating the debt.

40 (4) Except as provided in Article X, Section 5, Subsection (5)(a), the Legislature may
41 not impose a tax for the purpose of a political subdivision of the State, but may by statute
42 authorize political subdivisions of the State to assess and collect taxes for their own purposes.

43 (5) All revenue from taxes on intangible property or from a tax on income shall be used
44 to support the systems of public education and higher education as defined in Article X,
45 Section 2.

46 (6) Proceeds from fees, taxes, and other charges related to the operation of motor
47 vehicles on public highways and proceeds from an excise tax on liquid motor fuel used to
48 propel those motor vehicles shall be used for:

49 (a) statutory refunds and adjustments and costs of collection and administration;

50 (b) the construction, maintenance, and repair of State and local roads, including
51 payment for property taken for or damaged by rights-of-way and for associated administrative
52 costs;

53 (c) driver education;

54 (d) enforcement of state motor vehicle and traffic laws; and

55 (e) the payment of the principal of and interest on any obligation of the State or a city
56 or county, issued for any of the purposes set forth in Subsection (6)(b) and to which any of the
57 fees, taxes, or other charges described in this Subsection (6) have been pledged, including any
58 paid to the State or a city or county, as provided by statute.

59 (7) (a) Fees and taxes on tangible personal property imposed under Section 2,
60 Subsection (6) of this article are not subject to Subsection (6) of this Section 5 and shall be
61 distributed to the taxing districts in which the property is located in the same proportion as that
62 in which the revenue collected from real property tax is distributed.

63 (b) Revenue from any sales and use tax on motor vehicles or on parts or service for
64 motor vehicles is not subject to Subsection (6) of this Section 5.

65 (8) A political subdivision of the State may share its tax and other revenues with
66 another political subdivision of the State as provided by statute.

67 Section 2. **Submittal to voters.**

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

70 Section 3. **Effective date.**

71 If the amendment proposed by this joint resolution is approved by a majority of those
72 voting on it at the next regular general election, the amendment shall take effect on January 1,
73 2013.

Legislative Review Note
as of 1-20-12 5:36 PM

Office of Legislative Research and General Counsel