

## CONSTITUTIONAL AMENDMENT B – ARGUMENT IN FAVOR

### Constitutional Amendment B: A more simple, efficient and transparent tax policy

It does not make sense to use taxes to pay taxes. This is why the Utah Constitution exempts government entities from paying property taxes on property that it owns. Amendment B simply provides real property *leased* by the state or a local government entity to also be exempt from property taxes.

- **Simplicity:** Currently, property is tax assessed on leased property, even when that property is leased by a governmental entity. In these instances, the state is essentially paying itself a property tax. This is like paying yourself to wash your own car. Whether the state owns or leases the real property it doesn't make sense to use taxpayer dollars to pay more taxes. Amendment B simplifies this process and makes the tax policy consistent whether the state owns or leases property.
- **Efficiency:** When the state allocates taxpayers dollars to a state agency or a government entity to provide services, it should avoid waste and inefficiencies. If these entities are forced to use a portion of their allocated tax dollars to pay property tax, they spend less on the services they are supposed to provide. By eliminating the property tax on property leased by these entities, more tax dollars will go toward their intended purposes and less tax dollars will go to waste.
- **Transparency:** Property taxes paid by a governmental entity on leased property is redistributed to other taxing entities that did not vote to impose the tax. For example, for a school district that leases property could lose part of their education funds to other governmental entities. Amendment B will increase transparency and accountability by ensuring that property tax stays with the entity that imposes it.
- **Fiscal Impact:** This change will not INCREASE or DECREASE revenues at all. The fiscal impact of Amendment B is revenue neutral.

Whether the state owns or leases property it does not make sense to use tax dollars to pay property taxes. Join us in voting FOR Amendment B for a more simple, efficient and transparent tax policy.

Senator Dan Hemmert  
Representative Adam Robertson

## **CONSTITUTIONAL AMENDMENT B – REBUTTAL TO ARGUMENT IN FAVOR**

Property owners who lease land to state or local government entities already receive the benefit of a reliable tenant leasing the land at fair market value. Amendment B seeks to provide an additional benefit to these property owners by giving them a tax exemption, to boot.

The proponents of this amendment argue that it is “revenue neutral.” While technically accurate, that characterization is misleading. Passing this constitutional amendment would result in a tax cut for every property owner who leases land to the state. **This will result in a tax increase for every other taxpayer in the state.**

The choice is simple: If you lease land to the state, Amendment B will save you money. If you are like the rest of us who do not, Amendment B will raise your taxes.

Voters wisely rejected this idea a few years ago. It's time to do so again.

### **Vote Against Amendment B.**

- Senator Gene Davis and Representative Sandra Hollins

## **CONSTITUTIONAL AMENDMENT B – ARGUMENT AGAINST**

### **Amendment B rewards a few at the expense of all others.**

Amendment B is a government giveaway to certain property owners who voluntarily lease their property to the government. This is a tax exemption that every other property owner would be expected to pay.

Each year, local governments are guaranteed the same amount of revenue they received in the previous year and adjust the property tax rate to ensure this. When we grant exemptions, the share is spread among the remaining taxpayers.

The taxes the exempted property owner would have paid are then shifted to every other taxpayer to offset the difference. In short, this measure only helps a small handful of property owners while making everyone else pay the exempted owner's share.

Property tax is a vitally important source of local government funding. School districts, cities, and counties rely on property tax to provide essential services like educating our children, constructing and maintaining streets, making sure our air and water are clean, and protecting our communities.

### **Why provide a special handout to those who already benefit from leasing property to the government?**

The property owner who leases to the government is already receiving the benefit of a good and reliable tenant paying market value using public dollars. Passing this measure would provide that property owner with the additional benefit of a tax exemption.

Two years ago, the citizens of this state were asked to vote on a constitutional amendment nearly identical to this one. The people wisely rejected that change on Election Day. We ask that you make the same decision here.

The state constitution has worked well for 122 years without this property tax exemption. The constitution is intentionally hard to change. We should only tinker with it when it is absolutely necessary--when the reasons to do so are compelling and the need is vital. There is no compelling reason to make this change now.

**Vote Against Constitutional Amendment B.**

- Senator Gene Davis and Representative Sandra Hollins

**CONSTITUTIONAL AMENDMENT B – REBUTTAL TO ARGUMENT AGAINST**

Amendment B is not a giveaway to property owners who lease property to the government. The real property tax exemption that Amendment B provides ONLY applies when the government is leasing 100% of a tax parcel and paying the real property tax directly (i.e., the government writes the check directly to the county). Amendment B has zero effect on the property owner. With or without Amendment B, the property owner who leases the property to the government does not pay the property tax. The property tax exemption is not given to the property owner, it is given to the government tenant who is paying the property tax directly. The exemption terminates when the government's lease terminates. The only beneficiary from Amendment B is the government (and indirectly all taxpayers) because it no longer has to waste our tax dollars to pay taxes. Using taxes to pay taxes makes no sense, which is why this exemption already exists in our state constitution when the government owns property outright.

The local governments and school districts who rely on property tax as a revenue source will not see a change in funding as a result of Amendment B.

We the people should demand the elimination of government waste and inefficiencies. Amendment B ensures that our government is less wasteful and inefficient by stopping the use of taxes to pay taxes. Vote for amendment B!

- Senator Hemmert & Representative Robertson