

**MINUTES OF THE  
REVENUE AND TAXATION INTERIM COMMITTEE**  
Wednesday, October 19, 2016 – 8:30 a.m. – Room 445 State Capitol

**Members Present:**

Sen. Deidre M. Henderson, Senate Chair  
Rep. Daniel McCay, House Chair  
Sen. Curtis S. Bramble  
Sen. Jim Dabakis  
Sen. Gene Davis  
Sen. Howard A. Stephenson  
Rep. Joel K. Briscoe  
Rep. Kim Coleman  
Rep. Steve Eliason  
Rep. Gage Froerer  
Rep. Eric K. Hutchings

Rep. Ken Ivory  
Rep. John Knotwell  
Rep. Jeremy A. Peterson  
Rep. Marie H. Poulson  
Rep. Robert M. Spendlove  
Rep. Jon E. Stanard

**Staff Present:**

Mr. Leif G. Elder, Policy Analyst  
Mr. Bryant R. Howe, Assistant Director  
Ms. Andrea Valenti Arthur, Associate General Counsel  
Ms. Bree A. Frehner, Legislative Assistant

**Note:** A list of others present, a copy of related materials, and an audio recording of the meeting can be found at [www.le.utah.gov](http://www.le.utah.gov).

**1. Committee Business**

Chair Henderson called the meeting to order at 8:38 a.m.

**MOTION:** Sen. Bramble moved to approve the minutes of the September 21, 2016, meeting. The motion passed unanimously. Sen. Davis, Sen. Stephenson, Rep. Briscoe, Rep. Eliason, Rep. Froerer, Rep. Ivory, Rep. Knotwell, and Rep. McCay, were absent for the vote.

**2. Utah Educational Savings Plan Tax Amendments**

Rep. Peterson distributed draft legislation "Student Prosperity Savings Plan – Tax Amendments" (2017FL0293/004). He discussed the draft legislation and "Bill Proposal: The Student Prosperity Saving Plan," which was included in the mailing packet. Rep. Peterson responded to questions from the committee.

Ms. Lynne Ward, Executive Director, Utah Educational Savings Plan, spoke in favor of the draft legislation. She responded to questions from the committee.

Ms. Rachel Gregson, Community Action Partnership of Utah, provided anecdotal evidence of a program, Utah's Bright Future Fund, which encourages saving for secondary education. She responded to questions from the committee.

Mr. Robert Hunter, Chief Executive Officer, United Way of Northern Utah, spoke in favor of the draft legislation.

**3. Golf Course Assessment Amendments**

Chair Henderson asked Rep. McCay to conduct the meeting.

Mr. Mark Jensen, General Manager, Oakridge Country Club, explained that publicly owned golf courses do not pay property taxes while privately owned golf courses do pay property taxes, which creates an inequity between these different types of courses. He distributed, as general information for committee members, 2016 General Session H.B. 459, "Golf Course Property Tax Amendments," which did not pass but did attempt to address the issue Mr. Jensen explained.

Mr. Steve Young, attorney, Holland & Hart, on behalf of the Utah Golf Association, spoke to the issue.

Mr. Jensen and Mr. Young responded to questions from the committee.

#### **4. Assessment of Static Property**

Rep. Brian M. Greene distributed "Property Tax Changes" (2017FL0290/005). He noted that the goal of the draft legislation is to prevent substantial year-to-year increases in the assessed value of land that has not been improved, rezoned, or leased since the previous year's assessment (static property). Rep. Greene introduced a constituent, Mr. Vaughn Mayo.

Mr. Mayo, taxpayer, provided anecdotal evidence of how large increases in the assessed value of static property affect property owners.

Rep. Greene explained that the purpose of the draft legislation "Property Tax Changes" is to provide some degree of certainty to static property owners of the property's fair market value. He discussed the provisions of the draft legislation. He and Mr. Mayo responded to questions from the committee.

#### **5. Sales and Use Tax Exemption Changes**

Sen. Bramble distributed draft legislation "Sales and Use Tax Exemption Changes" (2017FL0291/003). He explained that erroneous application of an existing statute concerning whether a car wash is required to collect sales tax has created a need for clarity. He described how the draft legislation addresses this issue. He responded to questions from the committee.

Ms. Rebecca Rockwell, Commissioner, Utah State Tax Commission, explained that the draft legislation will not have a fiscal note because any tax collected up to this point has been erroneously collected. She clarified that the draft legislation removes a subjective determination that is difficult to apply. She responded to questions from the committee.

**MOTION:** Sen. Bramble moved that the committee approve draft legislation "Sales and Use Tax Exemption Changes" as a committee bill. The motion passed with Sen. Dabakis voting in opposition. Sen. Davis, Sen. Stephenson, Rep. Coleman, Rep. Froerer, Rep. Knotwell, and Rep. Spendlove were absent for the vote.

Chair McCay asked Sen. Henderson to conduct the meeting.

#### **6. New Growth and Property Taxes**

Rep. McCay discussed 2017 General Session draft legislation "Revenue and Taxation Modifications" (2017FL0299/004), which was included in the mailing packet. He explained that the draft legislation prevents property that is no longer greenbelt from being considered new growth until improvements are actually made on the property. He responded to questions from the committee.

**MOTION:** Rep. McCay moved that the committee approve draft legislation "Revenue and Taxation Modifications" as a committee bill. The motion passed unanimously. Sen. Davis, Rep. Coleman, and Rep. Froerer were absent for the vote.

Chair Henderson asked Rep. McCay to conduct the meeting.

**7. New Auto Dealership Application Amendments**

This agenda item was not discussed.

**8. Other Items/Adjourn**

Chair McCay informed the committee that the Legislative Management Committee approved an additional Revenue and Taxation Interim Committee meeting to be held before November 30.

**MOTION:** Rep. Knotwell moved to adjourn the meeting. The motion passed unanimously. Sen. Davis and Rep. Froerer were absent for the vote.

Chair McCay adjourned the meeting at 10:52 a.m.