

**MINUTES OF THE HOUSE
BUSINESS AND LABOR
STANDING COMMITTEE**

Room 129 State Capitol

February 5, 2003

Members Present: Rep. Katherine M. Bryson, Chair
Rep. Brent D. Parker, Vice Chair
Rep. J. Stuart Adams
Rep. Jackie Biskupski
Rep. Craig W. Buttars
Rep. David Clark
Rep. Stephen D. Clark
Rep. Carl W. Duckworth
Rep. Jim Dunnigan
Rep. Ben C. Ferry
Rep. Neil A Hansen
Rep. Todd E. Kiser
Rep. Mike Morley

Staff Present: Ms. Mary Catherine Perry, Policy Analyst
Ms. Linda Error, Committee Secretary

Visitors: List of visitors filed with committee minutes

Chair Bryson called the meeting to order at 8:12 a.m.

Rep. Biskupski moved to approve the minutes of the February 3, 2003 meeting. The motion passed unanimously.

1st Sub. H.B. 162 Amendments Related to Financial Institutions (*J. Alexander*)

Rep. Kiser moved to delete in title and body **1st Sub. H.B. 162** and replace it with **4th Sub. H.B. 162**. The motion passed unanimously.

Spoke for the bill: George King, Zion's Bank, employee
Craig Peterson, Pres., Salt Lake Chamber
Jim Anderson, Pres., Bank of Utah
Doug DeFries, CFO, Bank of Utah
Chantel Chase, Zion's Bank, employee
Kelly Matthews, Wells Fargo Bank, employee
Drew Tuttle, First Utah Bank, employee
Kim Butters, Zion's Bank, employee
Thone Heppler, Zion's Bank, employee
Jeff Klekus, Zion's Bank, employee

Spoke against the bill: Dan McConkie, Davis County Commissioner
Tiffany Domiano, citizen
Judson Bagley, citizen
Curt Doman, Pres., Granite Credit Union
Bob Howell, Pres., Utah Power and Light Credit Union
Brent Hill, owner, Daniels Summit Lodge
Thelma Saunders, Weber County Commissions Office
Mike Milovich, Pres., Carbon County Credit Union
Casey Christensen, citizen
Lynda Yeates, citizen
Steve Andersen, citizen
Edwin Dennis, Vice Chair, Deseret Credit Union
Greg Howely, citizen
Kim Kelter, KL&KL Investiments
Lynn Handley, Vice Pres., Mountain America Credit Union
Orrin Colby, citizen
Tamara Wass, Golden West Credit Union, employee

Spoke to the bill: Mike Jerman, Vice Pres., Utah Taxpayers Association

MOTION: Rep. Parker moved to amend the bill as follows:

1. Page 30, Lines 906-911:Delete lines 906-911 and insert:
"(1) For purposes of this section, "competitive equity assessment" means an amount calculated for each fiscal year by subtracting the amount of federal income taxes paid by the credit union in that taxable year from the lesser of:
(a) the amount calculated to be equal to what the credit union's federal income tax liability would be if the credit union were subject to federal income tax in the same manner as a state-chartered bank; or
(b) the amount calculated by multiplying by 30% the amount equal to the federal taxable income the credit union would have if the credit union were subject to a federal income tax in the same manner as a state-chartered bank:
(i) as determined on a separate return basis before intercompany eliminations as determined by the Internal Revenue Code; and
(ii) after:
(A) the net operating loss deduction; and
(B) special deductions for dividends received."

2. Page 43, Line 1313: After "income tax" insert "in the same manner as a state-chartered bank"

The motion passed unanimously.

MOTION: Rep. S. Clark moved to delete in title and body **4TH Sub. H.B. 162** and replace it with **5th Sub. H.B. 162**. The motion failed with Rep. S. Clark voting in favor.

Spoke to the bill: Howard Headlee, President, Utah Bankers Association
Scott Earl, President, Utah League of Credit Unions

MOTION: Rep. Buttars moved to pass **4th Sub. H.B. 162** out favorably, as amended

SUBSTITUTE

MOTION: Rep. Hansen moved to send the bill to interim study. The motion failed, with Rep. Biskupski, Rep. Duckworth, and Rep. Hansen voting in favor.

Rep. Ferry declared a conflict of interest.

The original motion passed, with Rep. Biskupski, Rep. Duckworth, Rep. Dunnigan, and Rep. Hansen voting in opposition.

MOTION: Rep. D. Clark moved to adjourn the meeting. The motion passed unanimously.

Chair Bryson adjourned the meeting at 10:02 a.m.

Rep. Katherine Bryson, Chair