

**MINUTES OF THE
WORKFORCE SERVICES & COMMUNITY & ECONOMIC DEVELOPMENT
STANDING COMMITTEE
FRIDAY, FEBRUARY 11, 2005 - 9:00 A.M.
Room W015, West Office Building, State Capitol Complex**

Members Present: Sen. Carlene Walker, Committee Chair
Sen. Dan Eastman
Sen. Fred Fife
Sen. Peter Knudson
Sen. Mark Madsen

Members Excused: Sen. Beverly Evans
Sen. Ed Mayne

Staff Present: Art Hunsaker, Policy Analyst
Bonnie Brinton, Committee Secretary

Public Speakers Present: Rep. Brad L. Dee
Stan Lockhart, Chair, Utah Technology Industry Council
Tom Bingham, President, Utah Manufacturers Association
Lynn Pace, Utah League of Cities and Towns
Brent Gardner, Utah Association of Counties

A list of visitors and a copy of handouts are filed with the committee minutes.

Chair Walker called the meeting to order at 9:10 a.m.

1. Approval of Minutes

MOTION: Sen. Fife moved to approve the minutes of February 9, 2005.

The motion passed unanimously with Sen. Eastman absent for the vote.

2. H.B. 11 Economic Development Incentives (Rep. B. Dee)

Rep. Dee presented the bill, proposed amendments to the bill and responded to questions from Committee members.

MOTION: Sen. Knudson moved to accept the following amendments to HB11:

1. Page 4, Lines 109 through 113:

109 {(4) "Indirect revenues" means the imputed use of a generally accepted

- indirect }
- 110 {economic multiplier as defined by a fiscal impact model approved by the
Governor's Office of }
- 111 {Planning and Budget to quantify by estimate the indirect tax revenues that are in
addition to }
- 112 {~~direct tax revenues.~~ }
- 113 {~~(5)~~ } (4) "Local incentives" means financial and other assistance provided
by local taxing
2. *Page 4, Line 118:*
- 118 {~~(6)~~ } (5) "New incremental jobs" means jobs that are:
3. *Page 5, Line 122:*
- 122 {~~(7)~~ } (6) "New local revenues" mean incremental new local tax revenues
that are generated
4. *Page 5, Lines 125 through 128:*
- 125 taxes and fees, derived from the projects, {~~together with indirect local government~~
revenues }
- 126 {generated by the projects } but not to include any portion of sales taxes earmarked
for state
- 127 government or other taxing jurisdictions eligible for sales tax revenues.
- 128 {~~(8)~~ } (7) "New state revenues" means incremental new state tax revenues
that are
5. *Page 5, Lines 130 through 131:*
- 130 portion of sales taxes, and company and employee income taxes derived from the
projects,
- 131 {together with indirect state revenues generated by the projects, } but not to
include any portion of
6. *Page 5, Line 134:*
- 134 {~~(9)~~ } (8) "Partial rebates" means returning a portion of the new local
revenues and new

7. *Page 5, Lines 146 through 150:*

146 (2) (a) The department, with the approval of the board, may enter into
agreements

149 the same restrictions and limitations as provided in Section 9-2-2004. =

(b) The limitations and restrictions applied to partial rebates of new state
revenues in Section 9-2-2004 also apply to partial rebates of new local revenues
under this part.

150 Section 6. Section **9-2-2205** is enacted to read:

Those speaking in favor of the bill were: Stan Lockhart, Chair, Utah Technology Industry Council; Tom Bingham, President, Utah Manufacturers Association; Lynn Pace, Deputy City Attorney, League of Cities and Towns; and Brent Gardner, Utah Association of Counties.

MOTION: Sen. Eastman moved to pass HB11, as amended, out of committee with a favorable recommendation.

The motion passed unanimously.

MOTION: Sen. Fife moved to adjourn the meeting.

Chair Walker adjourned the meeting at 9:33 a.m.

Minutes were reported by Bonnie Brinton, Secretary.

Sen. Carlene Walker, Committee Chair