

**MINUTES OF THE  
HOUSE REVENUE AND TAXATION  
STANDING COMMITTEE  
Room W135 - West Office Building, State Capitol Complex**

**February 15, 2007**

**MEMBERS PRESENT:** Rep. John Dougall, Chair  
Rep. Craig A. Frank, Vice Chair  
Rep. Roger Barrus  
Rep. Tim M. Cosgrove  
Rep. Wayne A. Harper  
Rep. Gregory H. Hughes  
Rep. Christine Johnson  
Rep. Bradley G. Last  
Rep. Roz McGee  
Rep. Carol Spackman Moss  
Rep. Merlynn T. Newbold  
Rep. Gordon E. Snow  
Rep. Carl Wimmer

**MEMBERS ABSENT:** Rep. Ron Bigelow  
Rep. Aaron Tilton

**STAFF:** Bryant Howe, Assistant Director  
Rosemary Young, Secretary

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

Rep. Frank called the meeting to order at 8:04 a.m. Commissioner Pam Hendrickson of the Utah State Tax Commission at the request of the chair gave the following statistics as an indication of the annual work load of the commission: 2 million vehicles registered, 280,000,000 tax returns processed, 500,000 phone calls answered.

**MOTION:** Rep. Dougall moved to approve the minutes of the February 9 and 13, 2007 meetings. The motion passed unanimously with Rep. Cosgrove, Rep. Last, Rep. McGee, Rep. Moss, and Rep. Snow absent for the vote.

**H.B. 372 Local District Amendments (Rep. R. Lockhart)**

Rep. Lockhart introduced the bill and explained it to the committee. Raylene Ireland representing Provo City spoke in favor of the bill.

**MOTION:** Rep. Dougall moved to delete in title and body H.B. 372 and replace it with 1st Substitute H.B. 372. The motion passed unanimously with Rep. Cosgrove, Rep. Last, Rep.

McGee, Rep. Moss, and Rep. Snow absent for the vote.

**MOTION:** Rep. Dougall moved to transmit 1st Sub. H.B. 372 with a favorable recommendation. The motion passed unanimously with Rep. Cosgrove, Rep. Hughes, Rep. McGee, Rep. Moss, and Rep. Snow absent for the vote.

**S.B. 33           Special Group License Plate - Gold Star Family (Sen. C. Walker) (Rep. M. Newbold)**

**MOTION:** Rep. Dougall moved to transmit S.B. 33 with a favorable recommendation. The motion passed unanimously with Rep. Cosgrove, Rep. Hughes, Rep. McGee, Rep. Moss, and Rep. Snow absent for the vote.

**MOTION:** Rep. Newbold moved that S.B. 33 be placed on the consent calendar. The motion passed unanimously with Rep. Cosgrove, Rep. Hughes, Rep. McGee, Rep. Moss, and Rep. Snow absent for the vote.

**S.B. 5 Tax Penalty Amendments (Sen. H. Stephenson) (Rep. W. Harper)**

**MOTION:** Rep. Harper moved to transmit S.B. 5 with a favorable recommendation. The motion passed unanimously with Rep. Cosgrove, Rep. McGee, Rep. Moss, and Rep. Snow absent for the vote.

**MOTION:** Rep. Harper moved that S.B. 5 be placed on the consent calendar. The motion passed unanimously with Rep. McGee, Rep. Moss, and Rep. Snow absent for the vote.

**S.B. 142           Sales and Use Tax Exemptions and Refund for Certain Business Inputs (Sen. H. Stephenson) (Rep. W. Harper)**

**MOTION:** Rep. Harper moved to delete in title and body S.B. 142 and replace it with 1st Substitute S.B. 142. The motion passed unanimously with Rep. McGee, Rep. Moss, and Rep. Snow absent for the vote.

**MOTION:** Rep. Dougall moved to transmit 1st Sub. S.B. 142 with a favorable recommendation. The motion passed unanimously with Rep. McGee and Rep. Moss absent for the vote.

**H.B. 383           Amendments to Transportation Funding Provisions (Rep. R. Lockhart)**

Rep. Lockhart assisted by Lincoln Shurtz, Utah League of Cities and Towns, introduced the bill and explained it to the committee with a handout. Brian Bremner, Garfield County Engineer; John

Njord, Utah Department of Transportation; and Brent Gardner, Utah Association of Counties, spoke in favor of the bill.

**MOTION:** Rep. Dougall moved to amend H.B. 383 as follows:

1. Page 17, Line 499: After "the" insert "2007"

The motion passed unanimously with Rep. McGee and Rep. Moss absent for the vote.

**MOTION:** Rep. Wimmer moved to transmit H.B. 383 as amended with a favorable recommendation. The motion passed unanimously with Rep. Harper absent for the vote.

**1st Sub. S.B. 13 Tax Credits for Alternate Power Generation (Sen. H. Stephenson)  
(Rep. M. Noel)**

Sen. Stephenson assisted by Des Barker, Interwest Energy Alliance, introduced the bill, distributed a handout, and explained the bill to the committee. The following individuals spoke in favor of the bill:

Todd Bingham	Utah Farm Bureau
Shelly Cordon-Teuscher	UPC Wind
Elizabeth Mitchell	American Institute of Architects
Orrin Farnsworth	Utah Solar Association
Lowell Rudd	Citizen

**MOTION:** Rep. Dougall moved to hold 1st Sub. S.B. 13 in committee. The motion passed unanimously.

**S.J.R. 2 Resolution Regarding Permanent State Trust Fund (Sen. L. Hillyard) (Rep. W. Harper)**

**MOTION:** Rep. Dougall moved to transmit S.J.R. 2 with a favorable recommendation. The motion passed unanimously with Rep. Johnson absent for the vote.

**2nd Sub. S.B. 18 Use of Severance Tax Revenues (Sen. L. Hillyard) (Rep. W. Harper)**

**MOTION:** Rep. Harper moved to transmit 1st Sub S.B. 18 with a favorable recommendation.

**SUBSTITUTE**

**MOTION:** Rep. Hughes moved to amend the bill as follows

**1. Page 4, Lines 109 through 112:**

- 109        **(2) "Mining base amount" means:**  
110        **(a) {~~\$9,000,000~~} \$5,000,000 for:**  
111        **(i) fiscal year 2007-08; or**  
112        **(ii) fiscal year 2008-09; and**

**2. Page 4, Lines 115 through 118:**

- 115        **(3) "Oil and gas base amount" means:**  
116        **(a) {~~\$41,000,000~~} \$20,000,000 for:**  
117        **(i) fiscal year 2007-08; or**  
118        **(ii) fiscal year 2008-09; and**

The motion passed with Rep. Johnson and Rep. McGee voting in opposition.

**MOTION:** Rep. Harper moved to transmit 1st Sub. S.B. 18 as amended with a favorable recommendation. The motion passed with Rep. Johnson and Rep. McGee voting in opposition.

**H.B. 78        Property Tax Deferral - Senior Citizens (Rep. G. Froerer)**

**MOTION:** Rep. Dougall moved to delete in title and body H.B. 78 and replace it with 1st Substitute H.B. 78. The motion passed unanimously.

Rep. Froerer assisted by Angie Oaks, Associate General Counsel Office of Legislative Research, introduced the bill and explained it to the committee. Larry Richardson, Salt Lake County Treasurer, spoke to the bill.

**MOTION:** Rep. McGee moved to amend the bill as follows:

**1. Page 4, Line 96 through Line 115:**

- 96        **(1) For purposes of this section:**  
97        **(a) "Claimant" means:**  
98        **(i) an owner of qualifying residential property:**  
99        **(A) {~~regardless of income~~} whose total household income as defined in  
**Section 59-2-1202 is less than 300% of the maximum household income certified to a**  
**homeowner's credit under Subsection 59-2-1208(1) ; and**  
100        **(B) who:**  
101        **(I) files an application in accordance with Section 59-2-1109;**  
102        **(II) is 70 years of age or older on or before the date on which an application for**  
**deferral****

103 described in Subsection (1)(a)(i)(B)(I) is filed;  
104 (III) owes a property tax on the qualifying residential property; and  
105 (IV) resides for not less than ten months of each year in the qualifying residential  
106 property;  
107 (ii) a grantor of a trust:  
108 (A) ~~{regardless of income}~~ **whose total household income as defined in**  
**Section 59-2-1202 is less than 300% of the maximum household income certified to a**  
**homeowner's credit under Subsection 59-2-1208(1)** ; and  
109 (B) holding title to qualifying residential property;  
110 (I) who files an application in accordance with Section 59-2-1109;  
111 (II) who is 70 years of age or older on or before the date on which an application for  
112 deferral described in Subsection (1)(a)(ii)(B)(I) is filed;  
113 (III) if a property tax is owed on the qualifying residential property; and  
114 (IV) who resides for not less than ten months of each year in the qualifying  
residential  
115 property; or

2. *Page 4, Line 116 through Page 5, Line 125:*

116 (iii) the unmarried surviving spouse of an owner described in Subsection (1)(a)(i) or  
a  
117 grantor described in Subsection (1)(a)(ii) of qualifying residential property if:  
118 (A) the unmarried surviving spouse, regardless of age, files an application in  
119 accordance with Section 59-2-1109;  
120 (B) a property tax is owed on the qualifying residential property;  
121 (C) **the un married surviving spouse's total household income as defined in**  
**Section 59-2-1202 is less than 300% of the maximum household income certified to a**  
**homeowner's credit under Subsection 59-2-1208(1);**  
(D) the unmarried surviving spouse resides for not less than ten months of each  
year in  
122 the qualifying residential property; and  
123 ~~{D}~~ (E) the deceased spouse previously obtained a deferral:  
124 (I) in accordance with this section; and  
125 (II) for the qualifying residential property described in (1)(a)(iii)(B).

**SUBSTITUTE**

**MOTION:** Rep. Dougall moved to amend 1st Sub H.B. 78 as follows:

1. *Page 4, Line 96 through Line 115:*

- 96        (1) For purposes of this section:  
97        (a) "Claimant" means:  
98        (i) an owner of qualifying residential property:  
99        (A) ~~{regardless of income}~~ **whose total household income as defined in**  
**Section 59-2-1202 is less than 150% of the maximum household income certified to a**  
**homeowner's credit under Subsection 59-2-1208(1)** ; and  
100       (B) who:  
101       (I) files an application in accordance with Section 59-2-1109;  
102       (II) is 70 years of age or older on or before the date on which an application for  
deferral  
103       described in Subsection (1)(a)(i)(B)(I) is filed;  
104       (III) owes a property tax on the qualifying residential property; and  
105       (IV) resides for not less than ten months of each year in the qualifying residential  
106       property;  
107       (ii) a grantor of a trust:  
108       (A) ~~{regardless of income}~~ **whose total household income as defined in**  
**Section 59-2-1202 is less than 150% of the maximum household income certified to a**  
**homeowner's credit under Subsection 59-2-1208(1)** ; and  
109       (B) holding title to qualifying residential property:  
110       (I) who files an application in accordance with Section 59-2-1109;  
111       (II) who is 70 years of age or older on or before the date on which an application for  
112       deferral described in Subsection (1)(a)(ii)(B)(I) is filed;  
113       (III) if a property tax is owed on the qualifying residential property; and  
114       (IV) who resides for not less than ten months of each year in the qualifying  
residential  
115       property; or

2. *Page 4, Line 116 through Page 5, Line 125:*

- 116       (iii) the unmarried surviving spouse of an owner described in Subsection (1)(a)(i) or  
a  
117       grantor described in Subsection (1)(a)(ii) of qualifying residential property if:  
118       (A) the unmarried surviving spouse, regardless of age, files an application in

- 119 accordance with Section 59-2-1109;  
120 (B) a property tax is owed on the qualifying residential property;  
121 (C) **the un married surviving spouse's total household income as defined in**  
**Section 59-2-1202 is less than 150% of the maximum household income certified to a**  
**homeowner's credit under Subsection 59-2-1208(1);**  
(D) the unmarried surviving spouse resides for not less than ten months of each  
year in  
122 the qualifying residential property; and  
123 ~~(D)~~ (E) the deceased spouse previously obtained a deferral:  
124 (I) in accordance with this section; and  
125 (II) for the qualifying residential property described in (1)(a)(iii)(B).

The substitute motion failed with Rep. Barrus, Rep. Dougall, Rep. Frank, Rep. Newbold, Rep. Snow, and Rep. Wimmer voting in favor.

The vote on the original motion to amend passed with Rep. Dougall voting in opposition.

**MOTION:** Rep. Harper moved to transmit 1st Sub. H.B. 78 as amended with a favorable recommendation. The motion passed with Rep. Barrus, Rep. Dougall, Rep. Frank, Rep. Last, and Rep. Newbold voting in opposition and Rep. Snow absent for the vote.

**H.B. 166      Transportation Revisions (*Rep. W. Harper*)**

H.B. 166 was not considered in this meeting.

**H.B. 161      Corporate Franchise and Income Tax Credits Relating to Biodiesel or Syngas  
Production (*Rep. M. Noel*)**

H.B. 161 was not considered in this meeting.

**MOTION:** Rep. Hughes moved to adjourn. The motion passed unanimously with Rep. Snow absent for the vote.

Rep. Frank adjourned the meeting at 10:02 a.m.

House Revenue and Taxation Standing Committee  
February 15, 2007  
Page 8

---

Rep. John Dougall, Chair