

**MINUTES OF THE
HOUSE REVENUE AND TAXATION
STANDING COMMITTEE
Room 445 - State Capitol, State Capitol Complex**

February 3, 2011

MEMBERS PRESENT: Rep. Patrick Painter, Chair
Rep. Carl Wimmer, Vice Chair
Rep. Joel Briscoe
Rep. Mel Brown
Rep. David Butterfield
Rep. David Clark
Rep. Tim Cosgrove
Rep. John Dougall
Rep. Susan Duckworth
Rep. Julie Fisher
Rep. Gage Froerer
Rep. Wayne Harper
Rep. Eric Hutchings
Rep. Brian King
Rep. Merlynn Newbold
Rep. Jim Nielson

STAFF PRESENT: Phil Dean, Policy Analyst
Tamara Schaff, Secretary

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

Rep. Painter called the meeting to order at 2:09 p.m.

MOTION: Rep. Wimmer moved to approve the minutes of the January 31, 2011 meeting. The motion passed unanimously, with Rep. Briscoe, Rep. Brown, Rep. Clark, Rep. Dougall, Rep. Duckworth, Rep. Fisher, Rep. Hutchings, and Rep. King absent for the vote.

H.B. 72 Taxes and Related School Funding Provisions Amendments (Rep. M. Noel)

Rep. Noel explained the bill to the committee.

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

1. *Page 1, Lines 16 through 23:*

- 16 taxes;
- 17 ▶ creates a School Equalization ~~{Fund}~~ Account and provides for
operation of the ~~{fund}~~ account ;
- 18 ▶ deposits revenues from the state sales and use tax increases into the School
19 Equalization ~~{Fund}~~ Account ;
- 20 ▶ provides a methodology for allocations from the School Equalization
~~{Fund}~~ Account ;
- 21 ▶ reduces school district certified property tax rates by the amount of allocations
from
- 22 the School Equalization ~~{Fund}~~ Account ;
- 23 ▶ prohibits all taxing entities from imposing a property tax rate higher than the

2. *Page 8, Lines 227 through 229:*

- 227 (F) a voted capital outlay levy imposed under Section 53A-16-110; and
- 228 (G) the School Equalization ~~{Fund}~~ Account , in accordance with Section
53A-21-603, except for
- 229 allocations used to abate property taxes imposed for bond payments in accordance with
Section

3. *Page 8, Lines 241 through 243:*

- 241 bonded indebtedness from the debt service levy imposed under Section 11-14-310 and
242 allocations from the School Equalization ~~{Fund}~~ Account created in Section
53A-21-603; and
- 243 (ii) divide the sum calculated under Subsection (1)(d)(i) by statewide school district

4. *Page 16, Lines 486 through 489:*

- 486 (b) the school district's ADM.
- 487 (8) "School Equalization ~~{Fund}~~ Account " or " ~~{fund}~~ account "
means the ~~{fund}~~ account created in Section
- 488 53A-21-602.
- 489 [~~(8)~~] (9) "Statewide average property tax base per ADM" means the quotient of:

5. *Page 17, Lines 503 through 515:*

503 Section 9. Section **53A-21-602** is enacted to read:
504 53A-21-602. School Equalization {~~Fund~~} Account -- Sources of revenue --
Interest.
505 (1) There is created a {~~special revenue fund~~} restricted account within
the Education Fund known as the
506 "School Equalization {~~Fund~~} Account ."
507 (2) (a) The {~~fund~~} account shall be funded by:
508 (i) sales and use tax revenues deposited in accordance with Section 59-12-103; and
509 (ii) legislative appropriations.
510 (b) Any interest earned on the {~~fund~~} account shall be deposited into the
{~~fund~~} account .
511 (3) The State Board of Education shall distribute revenues deposited into the
{~~fund~~} account in
512 accordance with Section 53A-21-603.
513 (4) A school district or charter school that receives an allocation from the School
514 Equalization {~~Fund~~} Account :
515 (a) shall first use funds to reduce and replace property taxes imposed for capital
outlay

6. *Page 18, Lines 526 through 529:*

526 (3) Except as provided in Subsection (4), the State Board of Education shall
annually:
527 (a) determine the amount of funds available in the School Equalization
{~~Fund~~} Account for
528 allocation;
529 (b) distribute 75% of the available funds to school districts in proportion to each
school

7. *Page 107, Lines 3294 through 3297:*

3294 (13) Notwithstanding Subsection (3)(a), beginning on July 1, 2012, the Division of
3295 Finance shall deposit into the School Equalization {~~Fund~~} Account created in
Section 53A-21-602 7.5%
3296 of the revenues collected from the state sales and use taxes imposed under Subsections

3297 (2)(a)(i)(A) and (2)(b)(i).

8. *Page 140, Line 4308 through Page 141, Line 4308* (3) The amendments to the following sections take effect on July 1, 2012:

4309 (a) Section 10-1-405;
4310 (b) Section 11-41-102;
= **(c) Section 26-36a-206;**
4311 ~~{(c)}~~ **(d)** Section 53A-1a-513;
4312 ~~{(d)}~~ **(e)** Section 53A-17a-133;
4313 ~~{(e)}~~ **(f)** Section 53A-17a-134;
4314 ~~{(f)}~~ **(g)** Section 53A-21-101.5;
4315 ~~{(g)}~~ **(h)** Section 59-1-401;
4316 ~~{(h)}~~ **(i)** Section 59-12-102;
4317 ~~{(i)}~~ **(j)** Section 59-12-103;
4318 ~~{(j)}~~ **(k)** Section 59-12-104.2;
4319 ~~{(k)}~~ **(l)** Section 59-12-108;
4320 ~~{(l)}~~ **(m)** Section 59-12-401;
4321 ~~{(m)}~~ **(n)** Section 59-12-402;
4322 ~~{(n)}~~ **(o)** Section 59-12-703;
4323 ~~{(o)}~~ **(p)** Section 59-12-802;
4324 ~~{(p)}~~ **(q)** Section 59-12-804;
4325 ~~{(q)}~~ **(r)** Section 59-12-1201;
4326 ~~{(r)}~~ **(s)** Section 59-12-1302;
4327 ~~{(s)}~~ **(t)** Section 59-12-1402;
4328 ~~{(t)}~~ **(u)** Section 59-12-2003;
4329 ~~{(u)}~~ **(v)** Section 59-12-2103; and
4330 ~~{(v)}~~ **(w)** Section 59-12-2204.

The motion passed unanimously, with Rep. Fisher and Rep. Hutchings absent for the vote.

Spoke to the bill: Kory Holdaway, Utah Education Association
Royce Van Tassell, Utah Taxpayers Association

Spoke in opposition to the bill: Melissa Smith, Utah Community Action Partnership
Gina Cornia, Utah Against Hunger
Patti Harrington, Utah School Boards Association
Art Sutherland, Coalition of Religious Communities

MOTION: Rep. Wimmer moved to hold H.B. 72. The motion passed unanimously with Rep. Dougall, Rep. Harper and Rep. Hutchings absent for the vote.

H.B. 184 Motor and Special Fuel Tax Act Amendments (*Rep. C. Herrod*)

Rep. Herrod explained the bill to the committee, assisted by Merritt Norton, CH4 Energy. Handouts were distributed to the committee.

Spoke to the bill: Allison Rowland, Voices for Utah Children
Bruce Johnson, Utah Tax Commission

Spoke in favor of the bill: Rep. Barrus, Utah State Legislature
David Creer, Utah State Trucking Association

MOTION: Rep. Clark moved to pass H.B. 184 with a favorable recommendation. The motion passed unanimously with Rep. Harper absent for the vote.

S.B. 24 Motor Vehicle Division Fee Amendments (*Sen. K. Van Tassell*) (Rep. Julie Fisher**)**

Sen. Van Tassell distributed a handout and explained the bill to the committee.

Spoke in favor of the bill: Bruce Johnson, Utah State Tax Commission

MOTION: Rep. Fisher moved to pass S.B. 24 with a favorable recommendation. The motion passed unanimously with Rep. Harper and Rep. Wimmer absent for the vote.

MOTION: Rep. Fisher moved to place the bill on the Consent Calendar. The motion passed unanimously with Rep. Harper and Rep. Wimmer absent for the vote.

MOTION: Rep. Dougall moved to adjourn. The motion passed unanimously with Rep. Harper and Rep. Wimmer absent for the vote. Rep. Painter adjourned the meeting at 4:09 p.m.

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