

**MINUTES OF THE
HOUSE REVENUE AND TAXATION
STANDING COMMITTEE**

Room 445 - State Capitol

February 12, 2014

Members Present: Rep. Ryan Wilcox, Chair
Rep. Jim Nielson, Vice Chair
Rep. Jake Anderegg
Rep. Joel Briscoe
Rep. Tim Cosgrove
Rep. Steve Eliason
Rep. Gage Froerer
Rep. Francis Gibson
Rep. Eric Hutchings
Rep. Brian King
Rep. John Knotwell
Rep. Kay McIff
Rep. Doug Sagers
Rep. Jon Stanard
Rep. Earl Tanner

Members Absent: Rep. Mel Brown

Staff Present: Mr. Leif G. Elder, Policy Analyst
Ms. An Bradshaw, Secretary

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

Chair Wilcox called the meeting to order at 2:11 p.m.

MOTION: Rep. Eliason moved to approve the minutes of February 10, 2014. The motion passed unanimously with Rep. Anderegg, Rep. Froerer, Rep. Gibson, Rep. Hutchings, Rep. Knotwell, Rep. Sagers, and Rep. Nielson absent for the vote.

H.B. 83 **Local Government Residential Reimbursement Authority** (*Rep. Johnny Anderson*)

Rep. Anderson explained the bill to the committee with the assistance of Jeremy Keele, Salt Lake County Mayor's Office.

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

1. Page 3, Line 81:

81 (1) {~~Subject~~} If a county or municipality elects to create a fund under

this chapter, and subject to Subsections (2) and (3), a municipality or county shall establish by

The motion to amend passed unanimously with Rep. Anderegg, Rep. Froerer, Rep. Gibson, Rep. Hutchings, Rep. Knotwell, and Rep. Sagers absent for the vote.

MOTION: Rep. Tanner moved to pass the bill out favorably as amended. The motion passed unanimously with Rep. Froerer, Rep. Gibson, and Rep. Hutchings absent for the vote.

Vice Chair Nielson assumed the chair.

H.B. 209 Extension of Sales and Use Tax Exemption (Rep. R. Wilcox)

Rep. Wilcox explained the bill to the committee with the assistance of Royce Van Tassell, Utah Taxpayers Association, and Dave Reinhart, Nucor Steel. A handout, "Nucor Corporation-Utah Operations Impact on Utah Economy," was provided.

Spoke for the bill: Todd Bingham, Utah Manufacturers Association

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

1. Page 14, Lines 404 through 408:

- 404 (29) { ~~beginning on July 1, 1999, through June 30, [2014] 2029,~~ } sales or
leases of rolls,
405 rollers, refractory brick, electric motors, or other replacement parts used in the furnaces,
mills,
406 or ovens of a steel mill described in SIC Code 3312 of the 1987 Standard Industrial
407 Classification Manual of the federal Executive Office of the President, Office of
Management
408 and Budget;

The motion to amend passed with Rep. Briscoe, Rep. Cosgrove, Rep. King, Rep. McIff, and Rep. Tanner voting in opposition and Rep. Stanard and Rep. Nielson absent for the vote.

Rep. Knotwell assumed the chair.

MOTION: Rep. Eliason moved to pass the bill out favorably as amended. The motion passed with Rep. King voting in opposition and Rep. Nielson absent for the vote.

H.B. 31 Pollution Control Amendments (Rep. R. Wilcox)

Rep. Wilcox explained the bill to the committee.

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

1. *Page 5, Lines 125 through 128:*

125 (5) (a) "Freestanding pollution control property" means tangible personal property
126 located in the state, regardless of whether a purchaser purchases the tangible personal
 property
127 voluntarily or {~~a governmental entity requires the purchaser to purchase the~~
 ~~tangible personal~~
128 ~~property~~} to comply with a requirement of a governmental entity , if:

2. *Page 5, Line 138 through Page 6, Line 154:*

138 (b) "Freestanding pollution control property" does not include:
 (i) a consumable;
 (A) chemical that is not reusable;
 (B) cleaning material that is not reusable; or
 (C) supply that is not reusable;
139 {~~(i)~~} (ii) the following used for human waste:
140 (A) a septic tank; or
141 (B) other property;
142 {~~(i)~~} (iii) property installed, constructed, or used for the moving of sewage
 to a collection
143 facility of a public or quasi-public sewerage system;
144 {~~(iii)~~} (iv) the following used for the comfort of personnel:
145 (A) an air conditioner;
146 (B) a fan; or
147 (C) an item similar to Subsection (5)(b) {~~(iii)~~} (iv) (A) or (B); or
148 {~~(iv)~~} (v) office equipment or an office supply if the primary purpose of the
 office equipment
149 or office supply is not the prevention, control, or reduction of air or water pollution by:
150 (A) the disposal or elimination of, or redesign to eliminate, waste, and the use of
151 treatment works for industrial waste; or
152 (B) the disposal, elimination, or reduction of, or redesign to eliminate or reduce, air

153 contaminants, air pollution, or air contamination sources, and the use of one or more air
154 cleaning devices.

3. *Page 6, Lines 155 through 158:*

155 (6) (a) "Pollution control facility" means real property in the state, regardless of
156 whether a purchaser purchases the real property voluntarily or ~~{a governmental entity~~
requires
157 the purchaser to purchase the real property} to comply with a requirement of a
governmental entity , if the primary purpose of the real property is the
158 prevention, control, or reduction of air pollution or water pollution by:

4. *Page 6, Line 169 through Page 7, Line 185:*

169 (c) "Pollution control facility" does not include:
(i) a consumable;
(A) chemical that is not reusable;
(B) cleaning material that is not reusable; or
(C) supply that is not reusable;
170 ~~{(i)}~~ (ii) the following used for human waste:
171 (A) a septic tank; or
172 (B) another facility;
173 ~~{(ii)}~~ (iii) property installed, constructed, or used for the moving of sewage
to a collection
174 facility of a public or quasi-public sewerage system;
175 ~~{(iii)}~~ (iv) the following used for the comfort of personnel:
176 (A) an air conditioner;
177 (B) a fan; or
178 (C) an item similar to Subsection (6)(c) ~~{(iii)}~~ (iv) (A) or (B); or
179 ~~{(iv)}~~ (v) office equipment or an office supply if the primary purpose of the
office equipment
180 or office supply is not the prevention, control, or reduction of air or water pollution by:
181 (A) the disposal or elimination of, or redesign to eliminate, waste, and the use of
182 treatment works for industrial waste; or
183 (B) the disposal, elimination, or reduction of, or redesign to eliminate, or reduce, air
184 contaminants, air pollution, or air contamination sources, and the use of one or more air
185 cleaning devices.

5. *Page 7, Lines 193 through 197:*

193 (1) Except as provided in Subsection (2), a purchase or lease of the following is
194 exempt from a tax imposed under Title 59, Chapter 12, Sales and Use Tax Act:

195 (a) freestanding pollution control property;

196 (b) tangible personal property {~~, including tangible personal property that has~~
an

197 economic life of less than three years.} if the tangible personal property is:

6. *Page 7, Lines 209 through 213:*

209 (iii) property described in Subsection (1)(b), a part described in Subsection (1)(c), or
a

210 product described in Subsection (1)(d).

(2) A purchase or lease of the following is not exempt under this section:

(a) a consumable chemical that is not reusable;

(b) a consumable cleaning material that is not reusable; or

(c) a consumable supply that is not reusable.

211 {~~(2)~~} **(3)** A purchase or lease of office equipment or an office supply is not
exempt under this

212 section if the primary purpose of the office equipment or office supply is not the
prevention,

213 control, or reduction of air or water pollution by:

The motion to amend passed unanimously with Rep. Nielson absent for the vote.

MOTION: Rep. Stanard moved to pass the bill out favorably as amended. The motion passed unanimously with Rep. Nielson absent for the vote.

Chair Wilcox resumed the chair.

H.B. 74 Energy Efficient Vehicle Tax Credits (*Rep. V. L. Snow*)

Rep. Snow explained the bill to the committee with the assistance of Kevin Emerson, Utah Clean Energy, Jeff Edwards, Economic Development Corporation of Utah, and Mat Carlile, Division of Air Quality.

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

1. *Page 4, Lines 104 through 107:*

104 (b) for the original purchase of a new vehicle fueled by natural gas that is
registered in this state, the
105 lesser of:
106 (i) \$2,500; or
107 (ii) 35% of the purchase price of the vehicle;

2. *Page 9, Lines 249 through 252:*

249 (b) for the original purchase of a new vehicle fueled by natural gas that is
registered in this state, the
250 lesser of:
251 (i) \$2,500; or
252 (ii) 35% of the purchase price of the vehicle;

The motion to amend passed unanimously.

Spoke for the bill: Lincoln Shurtz, General Motors
Linda Johnson, Clean Action Team
Ingrid Griffee, Utah Moms for Clean Air
Brooke Scott, Utah Moms for Clean Air

MOTION: Rep. Stanard moved to pass the bill out favorably as amended. The motion passed unanimously with Rep. McIff and Rep. Nielson absent for the vote.

H.B. 338 Alcohol Beverage License Amendments (*Rep. G. Froerer*)

This bill was not heard.

MOTION: Rep. Knotwell moved to adjourn the meeting. The motion passed unanimously with Rep. McIff and Rep. Nielson absent for the vote.

Chair Wilcox adjourned the meeting at 4:04 p.m.