

**MINUTES OF THE  
SENATE REVENUE AND TAXATION STANDING COMMITTEE  
JANUARY 28, 2005  
Room W130, West Office Building, State Capitol Complex**

Members Present: Sen. Curtis Bramble, Chair  
Sen. Ron Allen  
Sen. Gregory Bell  
Sen. Darin G. Peterson  
Sen. Howard A. Stephenson  
Sen. Lyle Hillyard

Members Excused: Sen. Mike Dmitrich  
Sen. John Valentine.

Staff Present: Bryant Howe, Policy Analyst  
Jeanne Wride, Committee Secretary

Public Speakers Present: Kris Poulson, Utah County Assessor  
Lee Gardner, Salt Lake County Assessor  
Pamela Silberman, Utah Issues  
Jim Olson, Utah Food Industry Association  
Edwin Rutan, Attorney Salt Lake City Corporation  
Mayor Mont Evans, Utah Restaurant Association  
Kyle Wulle, PACE 8-593  
Melva Sine, Utah Restaurant Association  
Kent Anderson, CWA 7704  
Greg Gruber, Restaurant Owner  
George Neckel, Utah Jobs for Justice  
Lorna Vogt, UPNet  
Keith Prescott, Tax Review Commission  
Mark Buchi, Attorney  
Mark Johnson, Utah State Tax Commission

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

Chair Bramble called the meeting to order at 8:20 a.m.

**APPROVAL OF MINUTES:**

**MOTION:** Sen. Allen moved to approve the minutes of January 25, 2005.

The motion passed unanimously.

Sen. Stephenson assumed the Committee Chair.

**1. S.B. 121 PROPERTY TAX EXEMPTION AMENDMENTS (Sen. C. Bramble)**

Sen. Bramble presented the bill to the committee.

**MOTION:** Sen. Bramble moved to amend S. B. 121 as follows:

1. *Page 1, Lines 18 through 24:*

- 18           ▶ provides that, for property acquired after December 31, 2005, when  
                  the property ceases  
19 to qualify for ~~{a charitable}~~ an exemption for property owned by a  
nonprofit entity and used exclusively for religious, charitable, or educational  
20 purposes or a government exemption because of a  
21 change in the ownership of the property, the new owner shall pay a proportional tax  
22 based upon the period of time:  
23           • beginning on the day that the new owner acquired the property; and  
24           • ending on the last day of the calendar year during which the new owner  
                  acquired  
25 the property;

                  ▶ provides that, for property acquired after December 31, 2005, when the  
property ceases to qualify for an exemption for property owned by a nonprofit  
entity and used exclusively for religious, charitable, or educational purposes or a  
government exemption because of a change in ownership of the property, the new  
owner and previous owner of the property are required to report the acquisition of  
the property to the county assessor within 30 days from the day that the new owner  
acquired the property;

2. *Page 2, Lines 48 through 50:*

- 48           (a) " ~~{charitable}~~ exclusive exemption" means a property tax exemption  
                  under Subsection (3)(d),  
49 for property owned by a nonprofit entity that is used exclusively for religious, charitable,  
                  or  
50 educational purposes;

3. *Page 4, Lines 103 through 112:*

103           (4) Subject to Subsection (5), if property that is allowed ~~{a charitable}~~ an  
104           exclusive exemption or a  
105           government exemption ceases to qualify for the exemption because of a change in the  
106           ownership of the property ~~{s}~~ :  
107           (a) the new owner of the property shall pay a proportional tax based  
108           upon the period of time:  
109           ~~{(a)}~~ (i) beginning on the day that the new owner acquired the property;  
110           and  
111           ~~{(b)}~~ (ii) ending on the last day of the calendar year during which the new  
112           owner acquired  
113           the property ~~{s}~~ ; and  
114           (b) the new owner of the property and the person from whom the new owner  
115           acquires the property shall notify the county assessor, in writing, of the change in  
116           ownership of the property within 30 days from the day that the new owner acquires  
117           the property.  
118           (5) Notwithstanding Subsection (4) (a) , the proportional tax described in  
119           Subsection (4) (a) :  
120           (a) is subject to any ~~{charitable}~~ exclusive exemption or government  
121           exemption that the property is  
122           entitled to under the new ownership of the property; and

4. Page 7, Lines 201 through 206:

201           (10) (a) For purposes of this Subsection (10), "~~{charitable}~~ exclusive  
202           exemption" is as defined in  
203           Section 59-2-1101.  
204           (b) (i) For purposes of Subsection (1)(a), and except as provided in Subsections  
205           (10)(b)(ii) and (iii), when a person acquires property on or after January 1 that qualifies  
206           for ~~{a~~  
207           ~~charitable}~~ an exclusive exemption, that person may apply for the  
208           ~~{charitable}~~ exclusive exemption on or before the later  
209           of:

5. Page 7, Line 210 through Page 8, Line 215:

210           (ii) Notwithstanding Subsection (10)(b)(i), a person who acquires property on or  
211           after

- 211 January 1, 2004, and before January 1, 2005, that qualifies for ~~{a charitable}~~ an  
exclusive exemption, may
- 212 apply for the ~~{charitable}~~ exclusive exemption for the 2004 calendar year on or  
before September 30, 2005.
- 213 (iii) Notwithstanding Subsection (10)(b)(i), a person who acquires property on or  
after
- 214 January 1, 2005, and before January 1, 2006, that qualifies for ~~{a charitable}~~ an  
exclusive exemption, may
- 215 apply for the ~~{charitable}~~ exclusive exemption for the 2005 calendar year on or  
before the later of:

The motion passed with Sen. Allen and Sen. Hillyard absent for the vote.

Kris Poulson, Utah County Assessor and Lee Gardner, Salt Lake County Assessor  
spoke in favor of the bill.

**MOTION:** Sen. Bramble moved to pass S.B. 121, as amended, out of committee with a  
favorable recommendation.

The motion passed unanimously.

Sen. Bramble assumed the Committee chair.

## 2. **S.B. 139 MINIMUM WAGE PROVISIONS** (Sen. H. Stephenson).

Sen. Stephenson presented the bill to the committee.

**MOTION:** Sen. Allen moved to amend S.B. 127 as follows:

1. Page 1, Line 42 strike "not"

The motion failed with Sen. Allen voting in favor..

Pamela Silberman, Utah Issues; Edwin Rutan, Attorney, Salt Lake City Corporation;  
Kyle Wulle, PACE 8-593; Kent Anderson, CWA 7704; George Neckel, Utah Jobs for  
Justice; and Lorna Vogt, UPNet spoke in opposition.  
Jim Olson, Utah Food Industry Association; Mayor Mont Evans, Utah Restaurant  
Association; Melva Sine, Utah Restaurant Association; and Greg Gruber, Restaurant Owner  
spoke in favor.

**MOTION:** Sen. Peterson moved to pass S.B. 139 out of committee with a favorable recommendation.

The motion passed with Sen. Allen voting against.

**3. S.B. 53 LAND VALUE PROPERTY TAX STUDY (Sen. H. Stephenson)**

Sen. Stephenson presented the bill to the committee.

Keith Prescott, Chairman, Utah Tax Review Commission, spoke to the bill.

**MOTION:** Sen. Bell moved to pass S.B. 53 out of committee with a favorable recommendation.

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

**4. S.B. 54 PROPERTY TAX CONFIDENTIALITY AMENDMENTS (Sen. H. Stephenson)**

Sen. Stephenson presented the bill to the committee.

Mark Buchi, Attorney, and Mark Johnson, Utah State Tax Commission, spoke to the bill.

**MOTION:** Sen. Stephenson moved to pass S.B. 54 out of committee with a favorable recommendation.

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

**5. S.B. 127 TAX, FEE, OR CHARGE AMENDMENTS (Sen. L. Hillyard)**

Sen. Hillyard presented the bill to the committee.

**MOTION:** Sen. Bell moved to amend S.B. 127 as follows:

1. Page 1, Line 22: After line 22 insert:  
"►provides a credit for sales and use taxes relating to certain repossessions of a motor vehicle;"
2. Page 2, Line 49: After line 49 insert:  
"ENACTS:  
59-12-104.3, Utah Code Annotated 1953"

3. Page 54, Line 1665: After line 1665 insert:  
"Section 5. Section **59-12-104.3** is enacted to read:  
**59-12-104.3. Credit for certain repossessions of a motor vehicle.**  
(1) Subject to Subsection (2), a seller of a motor vehicle may claim a credit for a tax under this chapter:  
(a) that the seller collected; and  
(b) on a motor vehicle that:  
(i) has been repossessed; and  
(ii) that the seller resells.  
(2) The amount of the credit allowed by Subsection (1) is equal to the product of:  
(a) the portion of the motor vehicle's purchase price that:  
(i) was subject to a tax under this chapter; and  
(ii) remains unpaid at the time of the repossession of the motor vehicle; and  
(b) the tax rate imposed by Subsection 59-12-103(2)(a):  
(i) on the motor vehicle's purchase price; and  
(ii) on the date the motor vehicle was purchased by the person that owns the motor vehicle at the time of the repossession."

**Renumber remaining sections accordingly.**

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

**MOTION:** Sen. Bell moved to pass S.B. 127 , as amended, out of committee with a favorable recommendation.

The motion passed unanimously.

**MOTION:** Sen. Hillyard moved to adjourn.

The motion passed unanimously.

Sen. Bramble adjourned the meeting at 9:55 a.m.

Minutes recorded by Jeanne Wride, Committee Secretary

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Sen. Curtis Bramble, Committee Chair

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