

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

February 17, 2009

MEMBERS PRESENT: Rep. Todd Kiser, Chair
 Rep. Gage Froerer, Vice Chair
 Rep. Sheryl Allen
 Rep. Tim M. Cosgrove
 Rep. John Dougall
 Rep. Susan Duckworth
 Rep. Julie Fisher
 Rep. Wayne Harper
 Rep. Greg Hughes
 Rep. Eric Hutchings
 Rep. Christine Johnson
 Rep. Carol Spackman Moss
 Rep. Merlynn T. Newbold
 Rep. Stephen Sandstrom
 Rep. Evan Vickers

MEMBERS ABSENT: Rep. Jennifer Seelig

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

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

Rep. Kiser called the meeting to order at 8:15 a.m.

MOTION: Rep. Fisher moved to approve the minutes of the February 12, 2009 meeting. The motion passed unanimously with Rep. Allen, Rep. Hughes, Rep. Hutchings, Rep. Johnson, Rep. Moss, Rep. Sandstrom, and Rep. Froerer absent for the vote.

**S.B. 35 Sales and Use Tax Definitions Relating to Property (*Sen. W. Niederhauser*)
 (**Rep. J. Dougall**)**

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

1. *Page 22, Lines 663 through 664:*

663 (iii) property attached to oil, gas, or water pipelines, [~~other than~~] except for the
664 property listed in {+} **Subsection** {+} {~~Subsections~~} (68)(c)(iii)
 {~~through (v)~~} or (iv) .

2. Page 23, Lines 685 through 695:

685 ~~[(H)]~~ (D) tangible personal property similar to Subsections (68)(c)(iii)(A) through
686 ~~[(G)]~~ (C) as determined by the commission by rule made in accordance with Title 63G,
Chapter
687 3, Utah Administrative Rulemaking Act; ~~{+}~~ or ~~{+}~~
688 ~~{(iv) the following if attached to real property, regardless of whether the~~
~~attachment to~~
689 ~~real property is only through a line that supplies water, electricity, gas, telephone,~~
~~cable, or~~
690 ~~supplies a similar item as determined by the commission by rule made in accordance~~
~~with Title~~
691 ~~63G, Chapter 3, Utah Administrative Rulemaking Act:~~
692 ~~—(A) a hot water heater;~~
693 ~~—(B) a water [softener] filtration system; or~~
694 ~~—(C) a water [filtration] softener system; or }~~
695 ~~{(v)}~~ (iv) an item listed in Subsection (108)(c).

The motion passed unanimously with Rep. Allen, Rep. Hughes, Rep. Hutchings, Rep. Johnson, Rep. Moss, and Rep. Froerer absent for the vote.

Sen. Niederhauser introduced the amended bill and explained it to the committee.

MOTION: Rep. Cosgrove moved to transmit S.B. 35 as amended with a favorable recommendation. The motion passed unanimously with Rep. Hughes, Rep. Hutchings, Rep. Johnson, and Rep. Moss absent for the vote.

MOTION: Rep. Dougall moved that S.B. 35 be placed on the Consent Calendar. The motion passed unanimously with Rep. Hughes, Rep. Hutchings, Rep. Johnson, and Rep. Moss absent for the vote.

1st Sub. S.B. 36 Sales and Use Tax Amendments (Sen. C. Bramble) (Rep. W. Harper)

Rep. Harper introduced the bill and explained it to the committee.

MOTION: Rep. Dougall moved to transmit 1st Sub. S.B. 36 with a favorable recommendation. The motion passed unanimously with Rep. Hutchings, Rep. Johnson, and Rep. Moss absent for the vote.

H.B. 157 Property Tax Assessment Amendments (Rep. W. Harper)

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

1. *Page 1, Lines 16 through 17:*

16 ▶ requires second through sixth class counties to levy an additional .000010 per
dollar
17 of taxable value for its ~~{-Multicounty-}~~ Multicounty Assessing and Collection
Levy;

2. *Page 9, Line 250 through Page 9, Line 271:*

250 the following calendar year.
251 Section 4. Section **59-2-1606** is enacted to read:
252 59-2-1606. Multicounty Appraisal Trust Account -- ~~{-Additional-000010~~
253 ~~multicounty assessing and collecting levy}~~ Deposits into the Multicounty
Appraisal Trust Account -- Distribution and use of funds.
254 (1) As used in this section:
255 (a) "CAMA" means computer assisted mass appraisal ~~{-system}~~ .
256 (b) "CAMA fee rate" means:
257 (i) \$1.50 for the calendar year that begins on January 1, 2009; and
258 (ii) for a calendar year beginning on or after January 1, 2010, the \$1.50 shall be
259 increased each year by 2%.
260 (c) "Factored parcel count" means the product of:
261 (i) a county's parcel count described in Subsection 59-2-1603(3)(f); and
262 (ii) the county's ~~{-class-}~~ parcel factor described in Subsection
263 59-2-1603(3)(e).
264 (d) "Multicounty Appraisal Trust" means the Multicounty Appraisal Trust created by
265 interlocal agreement by all 29 counties in the state.
266 (e) "Multicounty Appraisal Trust Account" means the Multicounty Appraisal Trust
267 Account created in this section.
268 (2) (a) There is created a restricted account within the Property Tax Valuation
Agency
269 Fund known as the "Multicounty Appraisal Trust Account."
270 (b) The purpose of the Multicounty Appraisal Trust Account is to provide funding
for a
statewide ~~{-assisted mass appraisal-}~~ CAMA system that will promote:

271 (i) accurate valuation of property;

3. *Page 10, Lines 290 through 291:*

290 (4) The Multicounty Appraisal Trust shall determine which projects should be
funded
291 and oversee the administration of a statewide {~~computer assisted mass~~
~~appraisal~~} CAMA system.

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

Rep. Harper, assisted by Kris Poulson, Utah County Assessor, introduced the bill and explained it to the committee. Brent Gardner, Utah Association of Counties, spoke in favor of the bill.

MOTION: Rep. Cosgrove moved to transmit H.B. 157 as amended with a favorable recommendation. The motion passed unanimously with Rep. Johnson and Rep. Moss absent for the vote.

H.B. 199 Statewide Equalization of School Funding (*Rep. W. Harper*)

Rep. Harper moved to amend H.B. 199 as follows:

1. *Page 4, Lines 103 through 104:*

103 Part 6. {~~Capitol~~} Capital Outlay Equalization Program
104 53A-21-601. Capital Outlay Equalization Program -- Definitions.

2. *Page 5, Lines 126 through 127:*

126 (e) "Contributing district" or "contributing school district" means a
participating school district that
127 in a fiscal year receives less revenue from the allocations made under Section 53A-21-602
than

3. *Page 5, Line 130:*

130 (f) "Neutral school district" means a participating school district that in a fiscal
year receives the

4. Page 5, Lines 133 through 134:

133 53A-21-603.

134 (g) "Participating school district" or "participating district" means a school district that:

(i) is located in a county of the first, second, or third class; or

(ii) is located in a county of the fourth, fifth, or sixth class and notifies the

State Board of Education of its intent to participate in the Capital Outlay Equalization Program.

(h) "Rate reduction limitation increment" means, for a receiving district whose

5. Page 5, Line 142:

142 ~~{(b)}~~ (i) "Receiving district" or "receiving school district" means a participating school district that in a

6. Page 5, Lines 149 through 151:

149 2010-11, the State Board of Education shall allocate funding from the Capital Outlay

150 Equalization Fund to a participating school district in an amount equal to the product of:

151 (i) the adjusted allocation amount per student; and

7. Page 6, Lines 168 through 169:

168 (2) The State Board of Education shall allocate to a participating school district the greater of an

169 amount equal to {a} the participating school district's allocation pursuant to Subsection (1) or an amount equal to

8. Page 6, Lines 170 through 177:

170 the revenue generated within the participating school district by the imposition of the basic capital outlay

171 levy required under Section 53A-21-603 if {:

172 —(a) the school district is in a county of the fourth through sixth class; or

173 —(b)—} the participating school district:

174 {(f)} (a) has a school district property tax base per enrolled student less

175 than 70% of the
176 statewide average property tax base per enrolled student; and
177 {(fi)} (b) a combined capital levy rate greater than 70% of the highest
combined capital levy
178 rate.

9. *Page 6, Line 180 through Page 7, Line 184:*

180 shall reduce each district's allocation by an equal percentage.
181 (4) A participating school district shall remit to the State Board of Education an
amount equal to the
182 revenue generated from the basic capital outlay tax rate imposed under Section
53A-21-603 on
183 or before the June 30 immediately following the end of the taxable year in which the
participating1 school
184 district imposes the basic capital outlay tax rate.

10. *Page 7, Line 199:*

199 decrease other allocations that would otherwise be made to a participating school
district, if the accounting

11. *Page 7, Lines 205 through 207:*

205 For taxable years beginning on or after January 1, 2010, in order to qualify for receipt
of
206 state funds pursuant to Title 53A, Chapter 17a, Minimum School Program Act, a
participating school district
207 shall impose a basic capital outlay tax rate of {:000727} .000584 per dollar of
taxable value.

12. *Page 7, Line 212 through Page 8, Line 215:*

212 (b) "Combined capital outlay certified tax rate" means a combined capital levy tax
rate
213 that will provide the same ad valorem property tax revenues for a participating school
district as were
214 budgeted by that participating school district for the prior year for the
participating school district's combined capital levy

215 rate.

13. Page 8, Lines 219 through 224:

219 (3) The calculation of a participating school district's combined capital outlay
certified tax rate shall

220 be used:

221 (a) by the State Board of Education to determine the allocation of funds from the
222 Capital Outlay Equalization Fund in accordance with Section 53A-21-602; and

223 (b) to offset ~~{a}~~ the participating school district's aggregate certified tax
rate as provided in Section

224 59-2-924.5.

The motion passed unanimously.

Rep. Harper, assisted by Angela Oakes, Associate General Counsel, Office of Legislative Research and General Counsel, introduced the bill and explained it to the committee with the use of a handout. Janet Roberts, Utah School Boards Association, and Brian Allen, Cottonwood Heights City, spoke against the bill. Kathie Johnson, South Jordan City Council, and Royce Van Tassell, Utah Taxpayers Association, spoke in favor of the bill.

MOTION: Rep. Allen moved to transmit H.B. 199 with a favorable recommendation.

SUBSTITUTE MOTION: Rep. Hutchings moved to adjourn. The motion passed with Rep. Allen, Rep. Dougall, Rep. Harper, Rep. Newbold, and Rep. Kiser voting in opposition and Rep. Moss and Rep. Sandstrom absent for the vote.

Rep. Kiser adjourned the meeting at 9:54 a.m.

Rep. Todd E. Kiser, Chair