

**MINUTES OF THE  
SENATE REVENUE AND TAXATION STANDING COMMITTEE MEETING  
THURSDAY, FEBRUARY 17, 2011**

**ROOM 215 STATE CAPITOL**

Members Present: Sen. Curt S. Bramble, Chair  
Sen. J. Stuart Adams  
Sen. Wayne Niederhauser  
Sen. John Valentine  
Sen. Howard A. Stephenson  
Sen. Dennis Stowell  
Sen. Ben McAdams  
Sen. Ross Romero

Staff Present: Phillip V. Dean, Policy Analyst  
Kathy Helgesen, Committee Secretary

Public Speakers Present: Travis Parashonts, CEO, Cedar Band Paiutes Enterprises  
Mark Echohawk, tribal attorney, Cedar Band Paiutes  
Lincoln Shurtz, Utah League of Cities & Towns and General Motors  
Michael Cragun, Commissioner, Utah State Tax Commission  
Joel Campbell, Utah Press Association  
Leo Lines  
Mike Ostermiller, Utah Association of Realtors  
Paul Smith, Utah Apartment Association  
Andrew Jackson, Mountainland Association of Government  
Bruce Jones, General Counsel, UTA  
Zachary Frankel, Executive Director, Utah Rivers Council  
LeGrand Bitter, Executive Director, Utah Association of Special Districts  
Randy Sant, President, RS Contract Management  
Royce VanTassell, Vice President, Utah Taxpayers Association

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

Chair Bramble called the meeting to order at 7:38 a.m.

**Approval of Minutes**

**MOTION:** Sen. Stephenson moved to approve minutes of the February 11, 2011 meeting.

The motion passed unanimously with Sen. Adams, Sen. Niederhauser, Sen. McAdams, and Sen. Romero absent for the vote.

1. **SB0122 - Tax Exemption for Cedar Band of Paiute Tribe (D. Stowell)**

Sen. Stowell presented the bill.

Mr. Parashonts and Mr. Echohawk spoke in favor of the bill.

Mr. Shurtz spoke in opposition to the bill.

**MOTION:** Sen. Stowell moved to adopt Amendment #4 as follows:

1. *Page 6, Lines 160 through 162:*

- 160        (b) Beginning on the date provided in Subsection (10)(c) **and ending June 30,**  
              2019 , a tax imposed under this  
161        section on motor fuel that is sold, used, or received for sale or use in this state is reduced to  
              the  
162        extent provided in Subsection (10)(d) if:

2. *Page 14, Lines 423 through 425:*

- 423        (b) Beginning on the date provided in Subsection (13)(c) **and ending June 30,**  
              2019 , a tax imposed under this  
424        section on special fuel that is sold, used, or received for sale or use in this state is reduced  
              to  
425        the extent provided in Subsection (13)(d) if:

The motion passed unanimously with Sen. Adams, Sen. Niederhauser, Sen. McAdams, and Sen. Romero absent for the vote.

**MOTION:** Sen. Stowell moved to adopt Amendment #5 as follows:

1. *Page 1, Lines 20 through 21:*

- 20        ▶ provides for termination of a reduction; ~~{and}~~  
              ▶ addresses appropriations to the class B and class C road account; and  
21        ▶ makes technical and conforming changes.

2. *Page 2, Line 30:*

- 30        59-13-301, as last amended by Laws of Utah 2008, Chapters 153 and 382

= 72-2-107, as last amended by Laws of Utah 2010, Chapter 391

3. Page 6, Line 176 through Page 7, Line 186:

176        ~~{(d)(i) If but for Subsection (10)(b) the motor fuel is subject to a tax imposed~~  
          ~~by this~~  
177        ~~section:~~  
178        ~~—(A) the state shall be paid the difference described in Subsection (10)(d)(ii) if~~  
          ~~that~~  
179        ~~difference is greater than \$0; and~~  
180        ~~—(B) a person may not require the state to provide a refund, a credit, or similar~~  
          ~~tax relief~~  
181        ~~if the difference described in Subsection (10)(d)(ii) is less than or equal to \$0;~~  
182        ~~—(ii) The difference described in Subsection (10)(d)(i) is equal to the difference~~  
183        ~~calculated as follows:~~  
184        ~~—(A) determine the amount of tax imposed on the motor fuel by this section; and~~  
185        ~~—(B) subtract from the tax described in Subsection (10)(d)(ii)(A) the tax imposed~~  
          ~~and~~  
186        ~~collected by the Cedar Band on the motor fuel.}~~  
          (d) The reduction described in Subsection (10)(b) is the lesser of:  
          (i) the amount calculated by multiplying the rate imposed under Subsection (1) by  
          .30; and  
          (ii) the tax imposed and collected by the Cedar Band on the motor fuel.

4. Page 15, Lines 439 through 449:

439        ~~{(d)(i) If but for Subsection (13)(b) the special fuel is subject to a tax imposed~~  
          ~~by this~~  
440        ~~section:~~  
441        ~~—(A) the state shall be paid the difference described in Subsection (13)(d)(ii) if~~  
          ~~that~~  
442        ~~difference is greater than \$0; and~~  
443        ~~—(B) a person may not require the state to provide a refund, a credit, or similar~~  
          ~~tax relief~~  
444        ~~if the difference described in Subsection (13)(d)(ii) is less than or equal to \$0;~~  
445        ~~—(ii) The difference described in Subsection (13)(d)(i) is equal to the difference~~  
446        ~~calculated as follows:~~  
447        ~~—(A) determine the amount of tax imposed on the special fuel by this section; and~~

448 ~~—(B) subtract from the tax described in Subsection (13)(d)(ii)(A) the tax imposed~~  
and  
449 ~~collected by the Cedar Band on the special fuel.—}~~

**(d) The reduction described in Subsection (13)(b) is the lesser of:**  
**(i) the amount calculated by multiplying the rate imposed under Subsection (1) by .30;**  
**and**  
**(ii) the tax imposed and collected by the Cedar Band on the motor fuel.**

5. Page 17, Line 497:

497 Subsection (13)(b), this Subsection (13) governs.

= **Section 4. Section 72-2-107 is amended to read:**

**72-2-107. Appropriation from Transportation Fund -- Deposit in class B and class C roads account.**

(1) There is appropriated to the department from the Transportation Fund annually an amount equal to 30% of an amount which the director of finance shall compute in the following manner: The total revenue deposited into the Transportation Fund during the fiscal year from state highway-user taxes and fees, minus:

(a) those amounts appropriated or transferred from the Transportation Fund during the same fiscal year to:

- (i) the Department of Public Safety;
- (ii) the State Tax Commission;
- (iii) the Division of Finance;
- (iv) the Utah Travel Council; ~~{-and-}~~

(v) any other amounts appropriated or transferred for any other state agencies not a part of the department; and

= **(vi) revenue collected under Title 59, Chapter 13, Motor and Special Fuel Tax Act, for a transaction on Cedar Band reservation land if the reduction from a tax imposed under Title 59, Chapter 13, is in effect in accordance with Section 59-13-201 or 59-13-204; and**

(b) the amount of sales and use tax revenue deposited in the Transportation Fund in accordance with Section 59-12-103.

(2) (a) Except as provided in Subsection (2)(b), all of this money shall be placed in an account to be known as the class B and class C roads account to be used as provided in this title.

(b) The director of finance shall annually transfer \$500,000 of the amount calculated under Subsection (1) to the department as dedicated credits for the State Park Access Highways Improvement Program created in Section 72-3-207.

(3) Each quarter of every year the director of finance shall make the necessary accounting entries to transfer the money appropriated under this section to the class B and class C roads account.

(4) The funds in the class B and class C roads account shall be expended under the direction of the department as the Legislature shall provide.

The motion passed unanimously with Sen. Adams and Sen. Romero absent for the vote.

**MOTION:** Sen. Stowell moved to send S.B. 122 out of committee with a favorable recommendation.

The motion failed 2-5-1 with Sen. Bramble, Sen. Niederhauser, Sen. Valentine, Sen. Stephenson, and Sen. McAdams voting in opposition and Sen. Adams absent for the vote.

2. **SB0226 - Income Tax Credits for Cleaner Burning Fuels (S.Urquhart)**

Sen. Urquhart presented bill.

Mr. Shurtz spoke in favor of the bill.

**MOTION:** Sen. Valentine moved to delete S.B. 226 in title and body and replace with 1st Substitute S.B. 226.

The motion passed unanimously with Sen. Adams, Sen. Stowell, and Sen. Romero absent for the vote.

**MOTION:** Sen. Niederhauser moved to send 1st Substitute S.B. 226 out of committee with a favorable recommendation.

The motion passed unanimously with Sen. Adams and Sen. Stowell absent for the vote.

**MOTION:** With the sponsor's consent, Sen. Niederhauser moved to place 1st Substitute S.B. 226 on the Consent Calendar.

The motion passed unanimously with Sen. Adams and Sen. Stowell absent for the vote.

3. **SB0076 - Distribution of Revenues Collected Under the Local Sales and Use Tax Act (D. Hinkins)**

Sen Hinkins presented the bill.

**MOTION:** Sen. Niederhauser moved to adopt Amendment #1 as follows:

6. *Page 5, Lines 135 through 136:*

135           (3) (a) ~~{The}~~ **Beginning on July 1, 2011, and ending on June 30, 2016,**  
the commission shall each year distribute to a county, city, or town the  
136 distribution required by this Subsection (3) if:

7. *Page 5, Line 144 through Page 6, Line 158:*

144           (iii) (A) for a county described in Subsection (3)(a)(i)(A), the county had located  
145 within the unincorporated area of the county for one or more days during the calendar year  
146 beginning on January 1, 2008, an establishment described in NAICS ~~{Subsector 212,~~  
~~Mining~~  
147 ~~(except Oil and Gas)}~~ **Industry Group 2121, Coal Mining** , or NAICS Code  
213113, Support Activities for Coal Mining, ~~{213114,~~  
148 ~~Support Activities for Metal Mining, or 213115, Support Activities for Nonmetallic~~  
~~Minerals~~  
149 ~~(except Fuels) Mining,}~~ of the 2002 North American Industry Classification System of  
the  
150 federal Executive Office of the President, Office of Management and Budget; or  
151           (B) for a city described in Subsection (3)(a)(i)(B) or a town described in Subsection  
152 (3)(a)(i)(C), the city or town had located within the city or town for one or more days  
during  
153 the calendar year beginning on January 1, 2008, an establishment described in NAICS  
154 ~~{Subsector 212, Mining (except Oil and Gas)}~~ **Industry Group 2121, Coal**  
Mining , or NAICS Code 213113, Support Activities for  
155 Coal Mining, ~~{213114, Support Activities for Metal Mining, or 213115, Support~~  
~~Activities for~~  
156 ~~Nonmetallic Minerals (except Fuels) Mining,}~~ of the 2002 North American Industry  
157 Classification System of the federal Executive Office of the President, Office of  
Management  
158 and Budget.

8. *Page 6, Lines 166 through 169:*

166           (A) the numerator of the fraction is the difference calculated by subtracting the  
167 distribution a county, city, or town described in Subsection (3)(a) received under this

section  
168 for the calendar year beginning on January 1, {~~2007~~ 2008 , from the distribution  
under this section that  
169 the county, city, or town received for the calendar year beginning on January 1,  
{~~2008~~ 2007 ; and

The motion passed unanimously with Sen. Adams and Sen. Stowell absent for the vote.

**MOTION:** Sen. Valentine moved to send S.B. 76, as amended, out of committee with a favorable recommendation.

The motion passed unanimously with Sen. Stephenson and Sen. Stowell absent for the vote.

#### 4. **SB0188 - Tax Commission Amendments (J. Valentine)**

Sen. Valentine presented the bill.

Mr. Cragun spoke in favor of the bill.

Mr. Campbell spoke to the bill.

**MOTION:** Sen. Valentine moved to adopt amendment #1 as follows:

1. *Page 4, Lines 98 through 104:*

98 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
the  
99 commission shall make rules:  
100 (a) to establish procedures for holding a meeting that is not open to the public  
to conduct a hearing on,  
101 discuss or take action on a confidential tax matter; and  
102 (b) except as provided in Subsection (4), to establish procedures and requirements  
for  
103 keeping confidential minutes and a confidential recording of a meeting that is not open to  
the  
104 public.

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

**MOTION:** Sen. Valentine moved to send S.B. 188, as amended, out of committee with a favorable recommendation.

The motion passed unanimously with Sen. Adams, Sen. Stephenson, and Sen. McAdams absent for the vote.

Sen. Niederhauser assumed the chair.

**5. SB0178 - Municipal Land Use Amendments (C. Bramble)**

Sen. Bramble presented the bill.

Mr. Lines spoke in opposition to the bill.

Mr. Ostermiller, Mr. Smith, and Mr. Shurtz spoke in favor of the bill.

**MOTION:** Sen. Bramble moved to delete S.B. 178 in title and body and replace with 1st Substitute S.B. 178.

The motion passed unanimously with Sen. Adams and Sen. McAdams absent for the vote.

**MOTION:** Sen. Bramble moved to send 1st Substitute S.B. 178 out of committee with a favorable recommendation.

The motion passed unanimously with Sen. Stowell and Sen. McAdams absent for the vote.

**6. SB0218 - Trust Deed Amendments (C. Bramble)**

The bill was not considered.

**7. SB022 - Public Transit Amendments (C. Bramble)**

Sen. Bramble presented the bill.

Mr. Jackson, Mr. Jones, and Mr. Bitter spoke in favor of the bill.

Mr. Frankel spoke to the bill.

**MOTION:** Sen. Bramble moved to adopt Amendment #1 as follows:



1. *Page 1, Lines 21 through 24:*

21           ▶ provides that a county, city, or town legislative body is not required to submit an  
22 opinion question to the county's, city's, or town's registered voters to impose a  
23 certain sales and use tax to fund public transit if the county, city, or town imposes a  
24 certain sales and use tax ~~{on or after July 1, 2010, but}~~ on or before July 1, 2011;  
and

2. *Page 7, Lines 204 through 208:*

204           (2) Notwithstanding Section 59-12-2208, a county, city, or town legislative body is  
not  
205 required to submit an opinion question to the county's, city's, or town's registered voters in  
206 accordance with Section 59-12-2208 to impose a sales and use tax under this section if the  
207 county, city, or town imposes the sales and use tax under Section 59-12-2216 ~~{on or~~  
~~after July 1,~~  
208 ~~2010, but}~~ on or before July 1, 2011.

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

**MOTION:** Sen. Valentine moved to send S.B. 222, as amended, out of committee with a favorable recommendation.

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

8. **SB0070 - Community Development and Renewal Agencies Amendments (C. Bramble)**

Sen. Bramble presented the bill.

Mr. Sant and Mr. VanTassell spoke to the bill.

**MOTION:** Sen. Valentine moved to send S.B. 70 out of committee with a favorable recommendation.

The motion passed unanimously with Sen. Stowell and Sen. Romero absent for the vote.

9. **HB0226S01 - Local Government Fee Authority (W. Harper)**

The bill was not considered.

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

The motion passed unanimously with Sen. Stowell and Sen. Romero absent for the vote.

Chair Niederhauser adjourned the meeting at 9:29 a.m.

Minutes were reported by Kathy Helgesen, Committee Secretary.

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Sen. Curt Bramble, Committee Chair