

**MINUTES OF THE  
SENATE REVENUE AND TAXATION STANDING COMMITTEE MEETING**  
Room 250, State Capitol  
February 12, 2013

Members Present:            Sen. Deidre Henderson, Chair  
                                      Sen. J. Stuart Adams  
                                      Sen. Jim Dabakis  
                                      Sen. Gene Davis  
                                      Sen. Wayne A. Harper  
                                      Sen. Scott K. Jenkins  
                                      Sen. Howard A. Stephenson  
                                      Sen. John L. Valentine

Members Absent:            Sen. Curtis S. Bramble

Staff Present:                Mr. Phillip V. Dean, Policy Analyst  
                                      Ms. Nancy A. Skidmore, Committee Secretary

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

Chair Henderson called the meeting to order at 2:12 p.m.

**Approval of Minutes**

**MOTION:**    Sen. Harper moved to approve the minutes of February 8, 2013. The motion passed unanimously with Sens. Adams, Davis, and Jenkins absent for the vote.

**1st Sub S.B. 58 Amendments to Sales and Use Tax (*W. Harper*)**

Sen. Harper presented and explained the bill.

**MOTION:**    Sen. Harper moved to replace 1st Sub S.B. 58. with 2nd Sub S.B. 58. The motion passed unanimously with Sens. Adams, Davis, and Jenkins absent for the vote.

**MOTION:**    Sen. Valentine moved to amend 2nd Sub S.B. 58. as follows:

*1. Page 29, Lines 875 through 878:*

875            (7) (a) The revenue and interest described in Subsection (6)(a) may be ~~{expended~~  
                  ~~for~~  
876    ~~local purposes}~~    used to lower sales tax rates as the Legislature may provide by

statute.

877 (b) The revenue and interest described in Subsection (6)(b) may {~~be expended as~~  
~~the~~  
878 ~~Legislature~~} be used to lower sales tax rates as may {~~provide~~} be  
provided by statute.

The motion passed, with Sens. Dabakis and Davis voting in opposition and Sens. Adams and Jenkins absent for the vote.

**MOTION:** Sen. Stephenson moved to pass 2nd Sub S.B. 58 out favorably. The motion passed, with Sens. Dabakis and Davis voting in opposition and Sens. Adams and Jenkins absent for the vote.

**S.B. 171 Sales and Use Tax Exemption for Electronic Financial Payment Services (*H. Stephenson*)**

Sen. Stephenson presented and explained the bill.

Spoke in favor of the bill: Jeff Edwards, President and CEO, Economic Development Corporation of Utah

Spoke to the bill: Allison Rowland, Director of Research and Budget, Voices for Utah Children  
Gary R. Thorup, Attorney, Representing eBay  
Rob Wall, City Attorney, City of South Jordan

**MOTION:** Sen. Stephenson moved to pass S.B. 171 out favorably. The motion passed unanimously with Sen. Davis absent for the vote.

**H.B. 67 Personal Property Taxation Revision (*G. Froerer*)**

Sen. Froerer presented and explained the bill.

**MOTION:** Sen. Harper moved to substitute H.B. 67 with 1st Sub. H.B. 67. The motion passed unanimously with Sens. Dabakis and Davis absent for the vote.

Spoke to the bill: John Ulibarri, Weber County Assessor, President, Utah Association of County Assessors  
Lee Brinton, Meadow Creek Development  
Jayceen Walker, Building Owners and Managers Association of Utah  
Chase Everton, Utah Taxpayers Association

**MOTION:** Sen. Adams moved to pass 1st Sub. H.B. 67 out favorably. The motion passed unanimously with Sen. Davis absent for the vote.

**SUB 1 H.B. 74 Property Tax Modifications (Rep. Mathis)**

**MOTION:** Sen. Valentine moved to amend 1st Sub. H.B. 74 as follows:

1. *Page 11, Lines 318 through 327*  
*House Floor Amendments*  
*2-8-2013:*

318        ~~H~~→ [(32)] (33) ←~~H~~ "Split estate mineral rights owner" means a person who:  
319        (a) has a legal right to extract a mineral from property;  
320        (b) does not hold more than a ~~H~~→ [1%] 25% ←~~H~~ interest in:  
321        (i) the {~~property's~~} land surface rights of the property where the wellhead  
is located ; or  
322        (ii) an entity with an ownership interest in the {~~property's~~} land surface rights  
of the property where the wellhead is located ;  
323        (c) is not an entity in which the owner of the {~~property's~~} land surface rights  
of the property where the wellhead is located holds more  
324        than a ~~H~~→ [1%] 25% ←~~H~~ interest; and  
325        (d) does not have a relationship with an owner of the {~~property's~~} land surface  
rights of the property where the wellhead is located ~~H~~→ [that  
326        is a relationship described in Subsection 267(b), Internal Revenue Code, except that the  
term  
327        1% shall be substituted for the term 50% in Subsection 267(b), Internal Revenue Code]  
←~~H~~ .

The motion passed unanimously with Sens. Adams, Davis, and Harper absent for the vote.

Spoke in favor of the bill:        Lee Peacock, Utah Petroleum Association

Spoke to the bill:                Bruce Johnson, Chair, Utah Tax Commission

**MOTION:** Sen. Jenkins moved to pass 1st Sub. H.B. 74 out favorably. The motion passed unanimously, with Sens. Adams, Davis, Harper, and Stephenson absent for the vote, and Sen. Valentine declaring a conflict of interest.

**MOTION:** Sen. Jenkins moved to adjourn. The motion passed with Sens. Adams, Davis, Harper, and Stephenson absent for the vote.

Chair Henderson adjourned the meeting at 3:50 p.m.

Minutes reported by Nancy A. Skidmore, Secretary

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Sen. Deidre M. Henderson, Committee Chair