

**MINUTES OF THE
HOUSE REVENUE AND TAXATION
STANDING COMMITTEE
Room 445 - State Capitol
February 29, 2012**

MEMBERS PRESENT: Rep. Patrick L. Painter, Chair
Rep. David Butterfield, Vice Chair
Rep. Stewart Barlow
Rep. Joel Briscoe
Rep. Tim Cosgrove
Rep. John Dougall
Rep. Susan Duckworth
Rep. Steve Eliason
Rep. Gage Froerer
Rep. Francis Gibson
Rep. Wayne Harper
Rep. Eric Hutchings
Rep. Brian King
Rep. Merlynn Newbold
Rep. Jim Nielson

MEMBERS EXCUSED: Rep. Mel Brown

STAFF PRESENT: Mr. Phil Dean, Policy Analyst
Ms. An Bradshaw, Secretary

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

Chair Painter called the meeting to order at 7:35 a.m.

MOTION: Rep. Dougall moved to approve the minutes of Feb. 24, 2012 and Feb. 27, 2012. The motion passed unanimously with Rep. Barlow, Rep. Eliason, and Rep. King absent for the vote.

H.B. 507 School Allocations Measured by Property Tax (*Rep. J. Dougall*)

Rep. Dougall introduced the bill to the committee with the assistance of Mr. Chris Bleak, Utah Association of Public Charter Schools.

Spoke to the bill: Mr. Tim Leffel, Davis School District

Spoke against the bill: Mr. Kory Holdaway, Utah Education Association

MOTION: Rep. Butterfield moved to hold the bill for interim study. The motion passed unanimously with Rep. Duckworth, Rep. Froerer, Rep. Gibson, and Rep. Newbold absent for the vote.

H.B. 387 Property Tax Modifications (Rep. J. Dougall)

MOTION: Rep. Dougall moved to replace HB387 with 1st Sub. HB387. The motion passed unanimously with Rep. Duckworth, Rep. Froerer, Rep. Gibson, and Rep. Newbold absent for the vote.

Spoke for the bill: Mr. Lee Gardner, Salt Lake County Treasurer
Ms. Candace Daly, National Federation of Independent Business

MOTION: Rep. Harper moved to pass 1st Sub. HB387 out favorably. The motion passed unanimously with Rep. Froerer and Rep. Gibson absent for the vote.

S.B. 24 Research Tax Credit Amendments (Sen. J. Valentine)

Sen. Valentine introduced the bill to the committee.

MOTION: Rep. Harper moved to pass the bill out favorably. The motion passed unanimously with Rep. Gibson absent for the vote.

S.B. 23 Life Science and Technology Tax Credit Amendments (Sen. C. Bramble)

Sen. Bramble introduced the bill to the committee.

MOTION: Rep. Butterfield moved to replace SB23 with 1st Sub. SB23. The motion passed unanimously with Rep. Dougall, Rep. Gibson, and Rep. King absent for the vote.

MOTION: Rep. Butterfield moved to amend 1st Sub. SB23 as follows:

1. Page 10, Lines 283 through 292:

283 (2) For fiscal year 2011-12 only, the office may issue a total of \$1,300,000 in tax
credit

284 certificates in accordance with this part.

285 (3) (a) If the total amount of tax credit certificates the office issues in a fiscal year is
286 less than the amount of tax credit certificates the office may issue under this part in a
fiscal

287 year, the office may issue the remaining amount of tax credit certificates in a fiscal year
after
288 the fiscal year for which there is a remaining amount of tax credit certificates.
289 (b) ~~{ }~~ Except as provided in Subsection (3)(c), if the total amount of
tax credit certificates the office issues in a quarter of a fiscal
290 year is less than the amount of tax credit certificates the office may issue under this part
in that
291 quarter, the office may issue the remaining amount of tax credit certificates in a quarter
after
292 the quarter for which there is a remaining amount of tax credit certificates.

(c) For fiscal year 2011-12 only, if the total amount of tax credit certificates the office issues in fiscal year 2011-12 is less than the amount of tax credit certificates the office may issue in tax credit certificates under Subsection (2), the office:
(i) may issue the remaining amount of tax credit certificates in a fiscal year after fiscal year 2011-12; and
(ii) is not required to allocate the tax credit certificates to any particular quarter.

2. *Page 11, Lines 325 through 330:*

325 (1) (a) Except as provided in Subsection 63M-1-2903(3)(b), for each quarter of a
fiscal
326 year after fiscal year 2011-12, the office shall allocate:
327 (i) 25% of the total amounts made available for allocation in accordance with
Section
328 63M-1-2903 for the tax credits under Sections 59-7-614.6 and 59-10-1109; and
329 (ii) 25% of the amounts made available for allocation in accordance with Section
330 63M-1-2903 for the tax credit under Section 59-10-1025.

The motion to amend passed unanimously with Rep. Dougall, Rep. Gibson, and Rep. King absent for the vote.

MOTION: Rep. Butterfield moved to further amend 1st Sub. SB23 as follows:

1. *Page 2, Lines 44 through 46:*

44 (f) "Qualifying agreement" means an agreement under Subsection 63M-1-2908 that
45 includes a provision for an eligible business entity to make new capital expenditures of at

46 least
 { ~~\$750 million~~ — \$1 billion in the state.

2. *Page 12, Line 361 through Page 13, Line 367:*

361 (c) for the seven taxable years immediately following the last of the two taxable
 years

362 described in Subsection (1)(b) if:

363 (i) the agreement with the office described in Section 63M-1-2908 includes a
 provision

364 that the tax credit applicant will make new capital expenditures of at least { ~~\$750~~
 million} — \$1 billion in the

365 state; and

366 (ii) the tax credit applicant makes new capital expenditures of at least { ~~\$750~~
 million} — \$1 billion in

367 the state in accordance with the agreement with the office described in Section
 63M-1-2908.

The motion to amend passed unanimously with Rep. Dougall, Rep. Gibson, Rep. Harper, and Rep. King absent for the vote.

MOTION: Rep. Duckworth moved to pass 1st Sub. SB23 favorably as amended. The motion passed unanimously with Rep. Gibson, Rep. Harper, and Rep. King absent for the vote.

H.B. 158 Student-based Budgeting (*Rep. D. Butterfield*)

Rep. Butterfield introduced the bill to the committee.

Spoke for the bill: Ms. Judi Clark, Parents for Choice in Education

Spoke to the bill: Mr. Royce Van Tassell, Utah Taxpayers Association

Spoke against the bill: Mr. Richard Reese, Murray School District
 Mr. Kory Holdaway, Utah Education Association

MOTION: Rep. Butterfield moved to hold the bill for interim study. The motion passed unanimously with Rep. Gibson absent for the vote.

Chair Painter relinquished the chair to Vice Chair Butterfield.

S.B. 31 Classroom Size Amendments (*Sen. K. Morgan*)

Sen. Morgan introduced the bill to the committee.

Spoke for the bill: Sen. Howard Stephenson, Utah State Senate
 Ms. Janis Dubno, Voices for Utah Children
 Mr. Richard Reese, Murray School District
 Mr. Kory Holdaway, Utah Education Association
 Ms. Deon Turley, Utah Parent Teacher Association

MOTION: Rep. Harper moved to table SB31.

SUBSTITUTE MOTION: Rep. Cosgrove moved to pass SB31 favorably. The motion failed with Rep. Briscoe, Rep. Duckworth, Rep. Gibson, and Rep. Hutchings voting in favor of the motion. Rep. Barlow, Rep. Eliason, and Rep. King were absent for the vote.

MOTION: The original motion to table SB31 passed with Rep. Briscoe, Rep. Cosgrove, Rep. Duckworth, and Rep. Hutchings voting in opposition. Rep. Barlow, Rep. Eliason, and Rep. King were absent for the vote.

MOTION: Rep. Dougall moved to adjourn the meeting. The motion passed unanimously with Rep. Barlow, Rep. Eliason, and Rep. King absent for the vote.

Vice Chair Butterfield adjourned the meeting at 9:33 a.m.

Rep. Patrick L. Painter, Chair