

**MINUTES OF THE
TAX REFORM TASK FORCE PUBLIC HEARING**

Tuesday, October 25, 2005 – 6:00 p.m. – County Commission Chambers, Price, UT

Members Present:

Sen. Curtis S. Bramble, Senate Chair
Rep. Wayne A. Harper, House Chair
Sen. Howard A. Stephenson
Sen. Mike Dmitrich
Rep. John Dougall
Rep. Gregory H. Hughes
Rep. Todd E. Kiser
Rep. Rosalind J. McGee
Rep. Merlynn T. Newbold
Comm. Pam R. Hendrickson

Members Absent:

Pres. John L. Valentine
Rep. Ralph Becker
Rep. Gordon E. Snow
Rep. Stephen H. Urquhart
Mr. Neil H. Ashdown

Staff Present:

Mr. Phillip V. Dean, Policy Analyst
Mr. Bryant R. Howe, Assistant Director
Ms. Angela D. Oakes, Associate General Counsel
Mr. Leif Elder, Research Assistant

Note: A list of others present, copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov.

1. Welcome and Introduction

Chair Bramble called the meeting to order at 6:00 p.m.

Task Force members introduced themselves.

2. Review of Task Force Recommendations -- Sen. Curtis S. Bramble, Senate Chair and Rep. Wayne A. Harper, House Chair

Chair Bramble and Chair Harper reviewed the task force recommendations.

3. Public Comment on Task Force Recommendations

Mr. Dave Sackerson, Mayor of Moab City, said that Moab has made a conscious decision to pursue tourism as an economic development strategy. He said that Moab does not impose a property tax and that nearly all economic development efforts have been to promote tourism. He said that by giving the school district the one percent local option sales and use tax, the burden of providing infrastructure and services for tourists is shifted from tourists to the community. He said that with no city sales tax residents would have to pay for everything, including services for tourists.

Mr. Glen Johnson, Mayor of Green River City, said that Green River does not impose a property tax. He explained that Green River depends on tourism for jobs and income. He said that if the one percent local option sales and use tax was eliminated that his city would lose \$200,000. He expressed concern that the resort community tax and transient room tax will also be removed. He said that 40 percent of the population of his city lives at or below the federal poverty level. He said that these citizens with low incomes cannot afford to pay higher property taxes. He said that he also opposes any change to the distribution formula for the one percent local option sales and use tax.

Mr. Nick Tatton, Price City Council, said there has been an increased demand for services in Price. He said that sales and use tax revenues have helped Price become self-sufficient so that it does not have to ask the state or county for assistance or reduce services. He spoke against eliminating the one percent local option sales and use tax. He spoke in favor of an indexed property tax if the local option sales and use tax is removed.

Mr. Ira Hatch, Emery County Commissioner, spoke in favor of an inflationary increase for the certified property tax rate. He spoke against any changes to the centrally assessed property tax system. He expressed concern about the proposed constitutional amendment regarding personal property. He said that while imposing the sales and use tax on food is an equitable tax because everyone pays, steps should be taken to remove this burden from the poor.

Mr. Gary Kofford, Emery County Commissioner, said that he is afraid that if given the power to determine how certain personal property is taxed, the Legislature will abuse this power and make too many changes. He expressed concern about the declining property tax value of some centrally assessed firms. He said that Emery County does not impose the .25 percent county option tax because its retail sales and use tax base is very small.

Mr. Steve Barton, Treasurer, Emery County, asked questions regarding the property tax.

Mr. Chuck Buchanan, Helper City Councilman, said there are 1,800 residents in his city, 18 percent of whom are retired. He said that Helper City has a low property tax. He explained that the residents are paying for emergency services for two-thirds of the county. He said he is concerned about losing the sales and use tax and increasing the property tax.

Mr. Mack Johnson, Price Trading Company, expressed concern with the compliance costs of the property tax on business personal property.

4. Adjourn

Chair Bramble adjourned the meeting at 7:30 p.m.