

**JOINT MINUTES OF THE
REVENUE AND TAXATION INTERIM COMMITTEE
and the
TRANSPORTATION INTERIM COMMITTEE**

Tuesday, September 19, 2006 – 9:00 a.m. – Room W135 House Building

Members Present:

Sen. Curtis S. Bramble, Senate Chair (REV)
Sen. Sheldon L. Killpack, Senate Chair (TRA)
Rep. Wayne A. Harper, House Chair (REV)
Sen. Mike Dmitrich
Sen. Brent H. Goodfellow
Sen. Scott K. Jenkins
Sen. Ed Mayne
Sen. Howard A. Stephenson
Sen. Carlene M. Walker
Rep. Jeff Alexander
Rep. Ralph Becker
Rep. David Clark
Rep. Tim M. Cosgrove
Rep. Bradley M. Daw
Rep. Brad L. Dee
Rep. Glenn A. Donnelson
Rep. John Dougall
Rep. James A. Dunnigan
Rep. Julie Fisher
Rep. Craig A. Frank
Rep. Kerry W. Gibson
Rep. Neil A. Hansen
Rep. Gregory H. Hughes
Rep. Fred R. Hunsaker
Rep. Brad King
Rep. Rebecca Lockhart

Rep. Rosalind J. McGee
Rep. Carol Spackman Moss
Rep. Merlynn T. Newbold
Rep. Patrick L. Painter
Rep. Gordon E. Snow
Rep. Aaron Tilton
Rep. Larry B. Wiley

Members Absent:

Rep. Joseph G. Murray, House Chair (TRA)
Sen. Lyle W. Hillyard
Pres. John L. Valentine
Rep. Sheryl L. Allen
Rep. Todd E. Kiser
Rep. Bradley G. Last

Staff Present:

Mr. Phillip V. Dean, Policy Analyst
Mr. Leif Elder, Research Analyst
Mr. Bryant R. Howe, Assistant Director
Mr. Mark B. Steinagel, Policy Analyst
Ms. Shannon C. Halverson, Associate General Counsel
Ms. Angela D. Oakes, Associate General Counsel
Mr. Robert H. Rees, Associate General Counsel
Ms. Rebecca L. Rockwell, Associate General Counsel
Ms. Phalin L. Flowers, Legislative Secretary

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

1. Call to Order

Chair Harper called the meeting to order at 9:19 a.m.

2. Review of Draft Legislation "Local Option Funding for Regionally Significant Transportation Infrastructure"

Sen. Killpack and Rep. Lockhart distributed and discussed 2006 Fourth Special Session S.B. 4002, "Local Option Funding For Regionally Significant Transportation Infrastructure."

Ms. Oakes discussed the key points of the draft legislation.

Rep. Snow asked if this bill would apply to the 20 rural counties of the state.

Ms. Linda Hull, UDOT (Utah Department of Transportation), explained that it would apply to the major collector state and local roads and higher.

Rep. Clark asked if the legislation allowed for counties to raise both property taxes and sales and use taxes for transportation. Sen. Killpack explained that the legislation does allow for both options.

Ms. Andrea Wilko, Office of the Legislative Fiscal Analyst, said that if all counties impose the maximum tax allowed by the bill there will be \$116 million in revenues in fiscal year 2008. She said it would be a four percent increase per year.

Sen. Stephenson said the sales tax on food is a large part of rural counties' tax base. Ms. Wilko said the state's rate of the sales tax on food has been reduced, but the distribution hasn't changed.

Rep. Dougall asked why the draft legislation is being presented in a special session instead of waiting for the next general session. Rep. Lockhart explained that passing the bill in a special session would give Salt Lake County the option of placing a sales and use tax increase on the ballot in place of a property tax increase.

Mr. Michael Jensen and Mr. Randy Horiuchi, Salt Lake County Council, spoke to the committees in favor of the legislation. They explained why they would rather raise the sales and use tax over the property tax in Salt Lake County.

Rep. Dunnigan asked if the Salt Lake County Council would oppose including a provision that counties could only choose to increase either sales and use taxes or property taxes. Mr. Jensen and Mr. Horiuchi replied that they would not.

Rep. Newbold said her constituents have spoken in favor of using the sales and use tax option over raising property taxes.

Rep. Alexander asked if the Salt Lake County Council has approved language to go on the November ballot concerning the \$800 million bond for additional TRAX lines.

Mr. Karl Hendrickson, County Counsel, Salt Lake County Council, said the language was approved by the Council on September 15th.

Mr. Bruce Jones and Mr. John English, Utah Transit Authority, spoke in favor of the legislation.

Mr. Dennis Nordfelt, Mayor of West Valley City, spoke in favor of the legislation, but emphasized the need to take the issue before the voters.

Mr. Bob Fisher, Utah Property Rights Association, spoke to the committees.

Mr. Jim Olsen, Utah Food Industry Association, distributed and discussed a letter from the Utah Food Industry Association. He spoke in opposition to the bill and spoke in support of having one sales tax rate statewide.

Mr. Lincoln Shurtz, Utah League of Cities and Towns, spoke in favor of the legislation.

Mr. Brent Gardner, Utah Association of Counties, said that his organization has no official position on the legislation at this time.

Mr. Lane Beattie, President, Salt Lake Chamber of Commerce, said that it would save taxpayers millions of dollars by voting on the draft legislation in a special session.

Mr. Mike Jerman, Utah Taxpayers Association, distributed and discussed "Concerns with Transportation/Transit Bill." He spoke in opposition to the bill.

Ms. Michelle McOmber, Utah Medical Association, spoke in support of the bill.

MOTION: Rep. Alexander moved to favorably recommend 2006 Fourth Special Session S.B. 4002, "Local Option Funding for Regionally Significant Transportation Infrastructure."

Sen. Stephenson asked if UDOT could answer questions before any action was taken. Rep. Alexander withdrew his motion.

Mr. John Njord, Executive Director, and Mr. Carlos Braceras, Deputy Director, UDOT, spoke to the committees about the prioritization process the bill would implement.

3. Other Items / Adjourn

MOTION: Sen. Bramble moved to adjourn the meeting. The motion passed unanimously with Rep. Becker, Rep. Fisher, Rep. King, and Rep. McGee absent for the vote.

Chair Harper adjourned the meeting at 11:44 a.m.