

**MINUTES OF THE
SENATE REVENUE AND TAXATION STANDING COMMITTEE**

Room 250, Utah State Capitol

February 18, 2014

Members Present: Sen. Deidre M. Henderson, Chair
Sen. Curtis S. Bramble
Sen. Jim Dabakis
Sen. Wayne Harper
Sen. Scott Jenkins
Sen. Howard Stephenson

Members Excused: Sen. J. Stuart Adams
Sen. Gene Davis

Members Absent: Sen. John Valentine

Staff Present: Mr. Leif Elder, Policy Analyst
Ms. Nancy Skidmore, Committee Secretary

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

Chair Henderson called the meeting to order at 9:09 a.m.

Chair Henderson asked Sen. Harper to chair the meeting.

S.B. 188 Local Option Sales Tax Amendments (*Sen. D. Henderson*)

Sen. Henderson explained the bill to the committee.

Spoke to the bill: Andrew Jackson, Executive Director, Mountainland Association of Governments
George Chapman, Citizen

MOTION: Sen. Henderson moved to amend the bill as follows:

1. *Page 3, Line 68:*
68 provided in Subsection [~~(3)~~] ~~{(8)}~~ (9) (b)[~~(i)~~] into the County of the Second Class State Highway

2. *Page 3, Line 89:*
89 (4) Subject to Subsections (5) ~~{and (6)}~~ through (7) , a sales and use tax imposed at a rate described

3. *Page 4, Line 92:*
92 [~~(4)~~] (a) deposited as provided in Subsection [~~(3)~~] ~~{(8)}~~ (9) (b)[~~(i)~~] into the County of the

4. *Page 5, Line 139:*

139 governments of which the county is a part.

(6) (a) (i) Except as provided in Subsection (6)(b), a county, city, or town that imposes a tax described in Subsection (2)(b) shall deposit the revenue collected from a tax rate of .05% as provided in Subsection (9)(b)(i) into the Local Transportation Corridor Preservation Fund created by Section 72-2-117.5.

(ii) Revenue deposited in accordance with Subsection (6)(a)(i) shall be expended and distributed in accordance with Section 72-2-117.5.

(b) A county, city, or town is not required to make the deposit required by Subsection (6)(a)(i) if the county, city, or town:

(i) imposed a tax described in Subsection (2)(b) on July 1, 2010; or

(ii) has continuously imposed a tax described in Subsection (2)(b) for a five year period that begins the later of:

(A) the date the tax was first imposed; or

(B) July 1, 2010.

5. *Page 5, Line 140:*

140 [~~(e)~~(i)] ~~{(6)}~~ (7) (a) Subject to the other provisions of this Subsection [~~(1)~~(e)] ~~{(6)}~~ (7) , a city or

6. *Page 5, Line 145:*

145 ~~{(6)}~~ (7) (b) through (d) if:

7. *Page 5, Line 151:*

151 from a tax rate of .25% for a purpose described in Subsection [~~(1)~~(e)(ii)(B)] ~~{(6)}~~ (7) (b)(ii) if:

8. *Page 6, Line 154:*

154 [~~(B)~~] (ii) A city or town described in Subsection [~~(1)~~(e)(ii)(A)] ~~{(6)}~~ (7) (b)(i) may expend

9. *Page 6, Lines 161 through 166:*

161 ~~{(6)}~~ (7) (b)(i) determines to expend the revenues collected from a tax rate of greater than .10% but

162 not to exceed the revenues collected from a tax rate of .25% for a project or service relating to

163 an airport facility as allowed by Subsection [~~(1)~~(e)(ii)] ~~{(6)}~~ (7) (b), any remaining [revenues that are]

164 revenue that is collected from the sales and use tax imposed at the tax rate described in

165 Subsection [~~(1)~~(b)(ii)] (2)(b) that [are] is not expended for the project or service relating to an

166 airport facility as allowed by Subsection [~~(1)~~(e)(ii)] ~~{(6)}~~ (7) (b) shall be expended as follows:

10. *Page 6, Line 168:*
168[(3)] ~~{(8)}~~ (9) (c) into the County of the Second Class State Highway Projects Fund created by
11. *Page 6, Line 171:*
171[(3)] ~~{(8)}~~ (9) (c) into the Local Transportation Corridor Preservation Fund created by Section
12. *Page 6, Line 175:*
175 accordance with Subsections ~~[(1)(e)(ii) and (iii)]~~ ~~{(6)}~~ (7) (b) and (c):
13. *Page 6, Line 182:*
182[(1)(e)(ii)] ~~{(6)}~~ (7) (b); and
14. *Page 7, Lines 185 through 187:*
185 body determines in accordance with Subsection ~~[(1)(e)(iv)(A)(I)]~~ ~~{(6)}~~ (7) (d)(i)(A);
186 ~~[(B)]~~ (ii) shall, on or before the April 1 immediately following the date the city or town
187 legislative body provides the notice described in Subsection ~~[(1)(e)(iv)(A)]~~ ~~{(6)}~~ (7) (d)(i) to the
15. *Page 7, Line 192:*
192[(1)(e)(ii)] ~~{(6)}~~ (7) (b); and
16. *Page 7, Lines 195 through 197:*
195 body determines in accordance with Subsection ~~[(1)(e)(iv)(B)(I)]~~ ~~{(6)}~~ (7) (d)(ii)(A);
196 ~~[(C)]~~ (iii) shall, on or before April 1 of each year after the April 1 described in
197 Subsection ~~[(1)(e)(iv)(B)]~~ ~~{(6)}~~ (7) (d)(ii):
17. *Page 7, Line 201:*
201[(1)(e)(ii)] ~~{(6)}~~ (7) (b); and
18. *Page 7, Lines 204 through 208:*
204 body determines in accordance with Subsection ~~[(1)(e)(iv)(C)(I)]~~ ~~{(6)}~~ (7) (d)(iii)(A);
and
205 ~~[(D)]~~ (iv) may not change the tax rate the city or town legislative body determines in
206 accordance with Subsections ~~[(1)(e)(iv)(A) through (C)]~~ ~~{(6)}~~ (7) (d)(i) through (iii)
more frequently
207 than as prescribed by Subsections ~~[(1)(e)(iv)(A) through (C)]~~ ~~{(6)}~~ (7) (d)(i) through
(iii).
208 ~~[(2)]~~ (7) (8) Before a city or town legislative body may impose a sales and use tax under
19. *Page 8, Line 214:*
214 [(3)] ~~{(8)}~~ (9) (a) Subject to Subsections [(3)] ~~{(8)}~~ (9) (b) through (e) and Section [59-12-2207](#), the

20. Page 8, Lines 219 through 232:

219 (b) Except as provided in Subsection [~~(3)~~] ~~{(8)}~~ (9) (c) and subject to Section 59-12-
2207,
220 the commission shall deposit revenues collected within a county, city, or town from a
sales and
221 use tax under this section that ~~{f}~~ : ~~{}~~ ~~a county, city, or town legislative body~~
determines to expend
222 for a purpose described in Subsection (3)(a) or (4)(a) into the County of the Second
Class State
223 Highway Projects Fund created by Section 72-2-121.2 if the county, city, or town
legislative
224 body provides written notice to the commission requesting the deposit. }
225 [~~(i)~~ are required to be expended for a purpose described in Subsection (1)(b)(ii)(A) into
226 the County of the Second Class State Highway Projects Fund created by Section 72-2-
121.2;
227 ~~{f}~~ ~~{(ii)}~~ (i) are required to be expended for a purpose described in Subsection
{(1)(b)(ii)(B)} (6)(a)
228 into the Local Transportation Corridor Preservation Fund created by Section 72-2-
117.5; or]
229 [~~{(iii)}~~ (ii) a county, city, or town legislative body determines to expend for a
purpose
230 described in Subsection {(1)(b)(i)(A)} (3)(a) or {(1)(b)(ii)(C)(f)} (4)(a) into the
County of the Second Class
231 State Highway Projects Fund created by Section 72-2-121.2 if the county, city, or
town
232 legislative body provides written notice to the commission requesting the deposit. ~~{}~~

21. Page 8, Lines 233 through 234:

233 (c) Subject to Subsection [~~(3)~~] ~~{(8)}~~ (9) (d) or (e), if a city or town legislative body
provides
234 notice to the commission in accordance with Subsection [~~(1)(e)(iv)~~] ~~{(6)}~~ (7) (d), the
commission

22. Page 8, Lines 238 through 243:

238 (ii) deposit any remaining revenues described in Subsection [~~(1)(e)(iii)~~] ~~{(6)}~~ (7) (c)
in
239 accordance with Subsection [~~(1)(e)(iii)~~] ~~{(6)}~~ (7) (c).
240 (d) (i) If a city or town legislative body provides the notice described in Subsection
241 [~~(1)(e)(iv)(A)~~] ~~{(6)}~~ (7) (d)(i) to the commission, the commission shall transmit or
deposit the
242 revenues collected from the sales and use tax:
243 (A) in accordance with Subsection [~~(3)~~] ~~{(8)}~~ (9) (c);

23. Page 9, Line 247:

- 247 town legislative body provides the notice described in Subsection [~~(1)(e)(iv)(B)~~] ~~{(6)}~~
~~(7)~~ (d)(ii) to
24. *Page 9, Lines 251 through 255:*
251 [~~(1)(e)(iv)(B) or (C)~~] ~~{(6)}~~ ~~(7)~~ (d)(ii) or (iii) to the commission, the commission shall
transmit or
252 deposit the revenues collected from the sales and use tax:
253 (A) in accordance with Subsection [~~(3)~~] ~~{(8)}~~ ~~(9)~~ (c);
254 (B) beginning on the July 1 immediately following the date the city or town legislative
255 body provides the notice described in Subsection [~~(1)(e)(iv)(B) or (C)~~] ~~{(6)}~~ ~~(7)~~ (d)(ii)
or (iii) to the
25. *Page 9, Line 258:*
258 legislative body provides the notice described in Subsection [~~(1)(e)(iv)(B) or (C)~~] ~~{(6)}~~
~~(7)~~ (d)(ii) or
26. *Page 9, Lines 262 through 270:*
262 in Subsection [~~(1)(e)(iv)(A)~~] ~~{(6)}~~ ~~(7)~~ (d)(i) does not provide the notice described in
Subsection
263 [~~(1)(e)(iv)(A)~~] ~~{(6)}~~ ~~(7)~~ (d)(i) to the commission on or before the date required by
Subsection
264 [~~(1)(e)(iv)~~] ~~{(6)}~~ ~~(7)~~ (d) for providing the notice, the commission shall transmit,
transfer, or deposit
265 the revenues collected from the sales and use tax within the city or town in accordance
with
266 Subsections [~~(3)~~] ~~{(8)}~~ ~~(9)~~ (a) and (b).
267 (ii) If a city or town legislative body that is required to provide the notice described in
268 Subsection [~~(1)(e)(iv)(B) or (C)~~] ~~{(6)}~~ ~~(7)~~ (d)(ii) or (iii) does not provide the notice
described in
269 Subsection [~~(1)(e)(iv)(B) or (C)~~] ~~{(6)}~~ ~~(7)~~ (d)(ii) or (iii) to the commission on or
before the date
270 required by Subsection [~~(1)(e)(iv)~~] ~~{(6)}~~ ~~(7)~~ (d) for providing the notice, the
commission shall
27. *Page 9, Lines 273 through 275:*
273 (A) Subsection [~~(3)~~] ~~{(8)}~~ ~~(9)~~ (c); and
274 (B) the most recent notice the commission received from the city or town legislative
275 body under Subsection [~~(1)(e)(iv)~~] ~~{(6)}~~ ~~(7)~~ (d).

The motion passed unanimously.

MOTION: Sen. Jenkins moved to pass the bill out favorably. The motion passed unanimously.

MOTION: Sen. Jenkins moved to adjourn. The motion passed unanimously.

Sen. Harper adjourned the meeting at 9:25 p.m.

Sen. Deidre M. Henderson, Chair

