

**MINUTES OF THE
HOUSE GOVERNMENT OPERATIONS STANDING COMMITTEE
Room 30, House Building
February 29, 2016**

Members Present: Rep. Jack R. Draxler, Chair
Rep. Brad M. Daw, Vice Chair
Rep. Patrice M. Arent
Rep. Rebecca Chavez-Houck
Rep. Fred C. Cox
Rep. Keith Grover
Rep. Merrill F. Nelson
Rep. Lee B. Perry
Rep. Dean Sanpei

Members Absent: Rep. Val L. Peterson

Staff Present: Mr. Brian J. Bean, Policy Analyst
Ms. Rosemary Young, Committee Secretary

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

Chair Draxler called the meeting to order at 8:03 a.m.

MOTION: Rep. Perry moved to approve the minutes of the Feb. 24, 2016 meeting. The motion passed unanimously with Rep. Daw, Rep. Grover, and Rep. Nelson absent for the vote.

Vice Chair Daw assumed the chair.

H.B. 392 Executive Appropriations Committee Report Amendments (Rep. D. Sanpei)

Rep. Sanpei explained the bill.

MOTION: Rep. Sanpei moved to amend H.B. 392 as follows:

1. Page 9, Lines 269 through 273:

269 (1) Except as provided in Section 59-7-102 and subject to the other provisions of
this
270 part, **{+}** beginning on July 1, 1994, and ending on the last day of the taxable
year that begins on
271 or after January 1, 2012, but begins on or before December 31, 2012, **{+}** an S
corporation is
272 subject to taxation in the same manner as that S corporation is taxed under Subchapter S -
Tax

273 Treatment of S Corporations and Their Shareholders, Sec. 1361 et seq., Internal Revenue
Code.

2. *Page 10, Lines 286 through 297:*

286 (8) Provisions under this chapter governing the following apply to an S corporation:
287 (a) an assessment;
288 (b) a penalty;
289 (c) a refund; or
290 (d) a record required for an S corporation.
291 {~~(9) (a)~~ **During the 2011 interim, the Revenue and Taxation Interim
Committee shall**
292 **study the fiscal impacts of:**
293 ~~— [(i) (a) the enactment of Laws of Utah 2009, Chapter 312; and~~
294 ~~— [(ii) (b) the taxation of S corporations under this part. }~~
295 [(b) On or before November 30, 2011, the Revenue and Taxation Interim Committee
296 shall report its findings and recommendations on the study to the Executive
Appropriations
297 Committee.]

The motion passed unanimously with Rep. Grover and Rep. Nelson absent for the vote.

MOTION: Rep. Arent moved to pass H.B. 392 out favorably. The motion passed unanimously with Rep. Grover and Rep. Nelson absent for the vote.

MOTION: Rep. Arent moved to place H.B. 392 on the Consent Calendar. The motion passed unanimously with Rep. Grover and Rep. Nelson absent for the vote.

S.B. 147 Revisor's Technical Corrections to Utah Code (Sen. R. Okerlund)

Sen. Okerlund explained the bill.

MOTION: Rep. Arent moved to amend S.B. 147 as follows:

1. *Page 155, Lines 4796 through 4801:*

4796 (3) "High cost infrastructure project" means a project:
4797 (a) (i) [~~a project~~] that expands or creates new industrial, mining, manufacturing, or
4798 agriculture activity in the state, not including a retail business; or
4799 (ii) that {~~includes~~} involves new investment of at least \$50,000,000 in an
existing industrial,

- 4800 mining, manufacturing, or agriculture entity, by the entity;
4801 (b) that requires or is directly facilitated by infrastructure construction; and

The motion passed unanimously with Rep. Grover and Rep. Nelson absent for the vote.

MOTION: Rep. Cox moved to pass S. B. 147 out favorably. The motion passed unanimously with Rep. Grover and Rep. Nelson absent for the vote.

MOTION: Rep. Arent moved to place S.B. 147 on the Consent Calendar. The motion passed unanimously with Rep. Grover and Rep. Nelson absent for the vote.

S.B. 63 Survey Monument Replacement (Sen. R. Okerlund)

Sen. Okerlund explained the bill.

MOTION: Rep. Draxler moved to pass S. B. 63 out favorably. The motion passed unanimously with Rep. Grover and Rep. Nelson absent for the vote.

H.B. 397 Department of Administrative Services Revisions (Rep. S. DiCaro)

Rep. DiCaro explained the bill assisted by John Reidhead, Director, Department of Finance.

MOTION: Rep. Arent moved to pass H.B. 397 out favorably. The motion passed unanimously with Rep. Grover and Rep. Sanpei absent for the vote.

MOTION: Rep. Arent moved to place H.B. 397 on the Consent Calendar. The motion passed unanimously with Rep. Grover and Rep. Sanpei absent for the vote.

MOTION: Rep. Draxler moved to recess until 9 a.m. The motion passed unanimously with Rep. Sanpei absent for the vote.

Vice Chair Daw reconvened the meeting at 9:16 a.m.

H.B. 346 Urban Redevelopment Tax Credit (Rep. S. Handy)

Rep. Handy explained the bill assisted by Tom Christopoulos, Ogden City Community and Economic Development.

Spoke for the bill: Randy Sant Utah League of Cities and Towns

MOTION: Rep. Perry moved to replace H.B. 346 with 1st Substitute H.B. 346. The motion passed unanimously with Rep. Sanpei absent for the vote.

MOTION: Rep. Draxler moved to amend 1st Sub. H.B. 346 as follows:

1. Page 10, Lines 275 through 276:

275 Section 9. Effective date.

276 This bill takes effect for a taxable year beginning on or after January 1,

~~2016~~ 2017 .

The motion passed unanimously with Rep. Sanpei absent for the vote.

MOTION: Rep. Draxler moved to pass 1st Sub H.B. 346 out favorably. The motion passed with Rep. Cox, Rep. Grover, and Rep. Daw voting in opposition and Rep. Sanpei absent for the vote.

H.B. 395 Legislative Reports Amendments (Rep. S. Eliason)

Rep. Eliason explained the bill.

MOTION: Rep. Nelson moved to pass H.B. 395 out favorably. The motion passed unanimously with Rep. Sanpei absent for the vote.

MOTION: Rep. Arent moved to place H.B. 395 on the Consent Calendar. The motion passed unanimously with Rep. Sanpei absent for the vote.

MOTION: Rep. Chavez-Houck moved to adjourn. The motion passed unanimously with Rep. Sanpei absent for the vote.

Vice Chair Daw adjourned the meeting at 9:46 a.m.