

MINUTES OF THE MEETING  
TAXATION COMMITTEE  
HOUSE OF REPRESENTATIVES  
50TH LEGISLATIVE SESSION

April 7, 1987

The meeting of the Taxation Committee was called to order by Chairman Ramirez on April 7, 1987, at 8 a.m., in Room 312B of the State Capitol.

ROLL CALL: All members were present. Also present was Greg Petesch, Director of Research, Legislative Council.

DISPOSITION OF SENATE BILL NO. 377: Rep. Patterson commented the Committee has seen this bill in past sessions.

Rep. Hoffman made a motion that SB 377 BE NOT CONCURRED IN.

Rep. Asay said he believes it is a legitimate issue and would vote against the motion.

Rep. Gilbert commented that business contracts are bid on the basis of making a profit.

Rep. Raney stated he would support the motion.

The motion made by Rep. Hoffman CARRIED with all members voting aye, except Rep. Asay, who voted no.

DISPOSITION OF SENATE BILL NO. 378: Rep. Williams stated it appears the bill is not necessary, if Rep. Ramirez' bill passes, and made a motion that SB 378 be TABLED. The motion CARRIED with all members voting aye, except Reps. Hanson, Gilbert, Patterson, Asay, and Ramirez, who voted no.

DISPOSITION OF SENATE BILL NO. 389: Rep. Williams made a motion that SB 389 BE CONCURRED IN, and made a motion to amend the effective date to January 1, 1988. The motion CARRIED unanimously.

Rep. Raney made a motion to amend the last page to "December 31, 1987". The motion CARRIED unanimously.

Rep. Gilbert asked to go on record against special legislation for school buses, and made a motion to strike lines 8-10, on page 2. The motion CARRIED, with all members voting aye, except Rep. Asay, who voted no.

Rep. Williams made a motion that SB 389 BE CONCURRED IN AS AMENDED. The motion CARRIED unanimously, and Rep. Patterson was asked to carry the bill.

DISPOSITION OF SENATE BILL NO. 224: Rep. Harrington made a motion that SB 224 BE CONCURRED IN.

Rep. Williams said he didn't believe the cost of collecting the fee has gone up much, and believed that evaporation has remained constant or decreased.

Rep. Sands advised there is no profit, when the price of the product and the tax goes up, because it is limited to 2 percent of the first 6 cents. He stated he believes SB 224 is a fair bill.

Rep. Schye commented that many other states are around 2 percent, and that it is an issue of fairness.

Chairman Ramirez advised that, after the tax is collected, it does not have to be remitted for 30-55 days, and distributors earn interest off the funds during that period of time.

Rep. Ellison advised that gas has been purchased on a temperature corrected basis.

Rep. Raney asked where the physical proof of shrinkage is, as the maximum shrinkage shown on the gasoline distributor's exhibit is four-tenths of one percent.

Rep. Williams stated the bill also has a \$1.2 million impact to the highway fund, with a shrinkage average of two-tenths of one percent per gallon.

The motion made by Rep. Harrington CARRIED, with all members voting aye, except Reps. Gilbert, Ellison, Williams, and Harp, who voted no. Rep. Schye was asked to carry the bill.

DISPOSITION OF SENATE BILL NO. 200: Rep. Keenan made a motion that SB 200 BE CONCURRED IN.

Rep. Asay stated he didn't see where .5 percent could be left as a float, as an option, and said he hoped to visit with DOJ personnel on the matter.

Chairman Ramirez advised he was opposed to the bill in any form.

Rep. Harrington stated the state is faced with a shortage in the block grant program, and that he would rather not vote for the bill, but would because it will help counties and schools to meet their financial needs.

Rep. Sands made a motion to strike (1) of section 39 on page 76, of the bill, and said the tax should be broad-based and meet with voter approval. The motion CARRIED unanimously.

Chairman Ramirez asked, if it were fair to keep the district court fee, if the ad valorem system were approved (pages 70-71), and how the district court reimbursement program would work, if the fee system were eliminated.

Rep. Williams advised that Rep. Mercer's bill changed that distribution.

Chairman Ramirez commented that the bill would put quite a load on automobiles.

Rep. Williams asked if the bill should be amended, for district court funding. Chairman Ramirez replied that amount could be taken off the top.

Rep. Asay said he wasn't certain, but believed counties would receive less with ad valorem taxes.

Chairman Ramirez made a motion to amend the bill so that fees would not be an additional charge, and would be taken out of the tax, for district court funding.

Rep. Asay asked Greg Groepper, DOR, if there would be any funds left for the counties, under the proposed system. Greg Groepper replied that it is about neutral right now, and if lowered, there would be no funds. He said the cost would be \$886,000, in addition to start-up costs, and 40 fte to look at approximately 1 million vehicles for five minutes each.

Rep. Asay requested that the Committee pass for the day until he could talk with DOJ regarding costs.

Rep. Gilbert commented that the bill makes each county support itself as, right now, some counties are supporting block grants in other counties.

Rep. Keenan withdrew her motion and Chairman Ramirez appointed Reps. Asay, Gilbert, and Keenan to study SB 200, and to report back to the Committee.

DISPOSITION OF SENATE BILL NO. 3: Rep. Asay made a motion that SB 3 BE CONCURRED IN.

Rep. Patterson advised that Sen. Keating suggested several amendments to replace "50" with "10".

Ramirez said he would request that 10 percent go to the constitutional trust instead of 50 percent.

Rep. Raney stated the bill is going about 180 degrees in the opposite direction, as with deposits, there will always be an on-going source of revenue.

Rep. Sands made a motion to amend the bill to 25 percent.

Chairman Ramirez advised he would support the amendment as that was the original amount deposited to the constitutional trust when it was created. The motion CARRIED 9-7, Reps. Williams, Schye, Keenan, Koehnke, Ream, Raney, and Harrington, voting no.

Rep. Keenan said she believes the Legislature should not spend the principal in the trust.

Rep. Raney said the state is already a coal tax "junkie".

Chairman Ramirez advised he would support the bill to get it out on the House floor for debate.

Rep. Sands made a motion that SB 3 BE CONCURRED IN AS AMENDED. The motion CARRIED, 9-7, with Reps. Williams, Schye, Keenan, Koehnke, Ream, Raney, and Harrington, voting no.

DISPOSITION OF SENATE BILL NO. 340: Rep. Koehnke made a motion that SB 340 BE CONCURRED IN, and made a motion that the proposed amendments be approved (Exhibit #1). Greg Petesch provided copies of the proposed amendments for committee review.

Chairman Ramirez asked if the Committee wanted to tie this bill more tightly to its related bill, because section 24 provides that it is effective upon passage and approval of that bill.

Rep. Gilbert stated the effective date of the bill needs to be changed.

Greg Petesch advised that a method of determining if this condition is met, is necessary, and asked who could say when the bill is effective.

Rep. Patterson made a motion to make the bill effective January 1, 1988. The motion CARRIED unanimously.

Chairman Ramirez asked if the Committee wanted to tie the bill to HB 377, or any other bill.

Rep. Sands commented it doesn't make sense to tie SB 340 to HB 377.

Chairman Ramirez said he was unsure a coordination clause would be necessary in HB 377, but replacement revenue does need to be addressed as it could cost the counties about \$55 million annually, and the state, about \$1.5 million.

Rep. Koehnke advised that Sen. Severson would rather the bill were not tied to anything else.

Rep. Sands said he didn't believe there was any bill to tie SB 340 to, and made a motion to delete the coordination clause. The motion CARRIED unanimously.

Rep. Williams made a motion that SB 340 BE NOT CONCURRED IN AS AMENDED.

Rep. Gilbert stated certain animals are not inventory, but are manufacturing plants.

Rep. Ellison advised that the bill could not be passed without replacement revenue.

Rep. Patterson made a motion to put HB 494 into SB 340 to salvage that bill. He stated the fiscal note indicates an impact of \$3.740 million, if grain is left in the bill, and would result in a \$680,000 annual reduction in funding to all of the counties, but would not affect cities and towns. He advised the effective date would be January 1, 1988, and said SB 12 addresses grain.

Chairman Ramirez stated that it might be better to leave grain in SB 340 and to table Sen. Aklestad's SB 12.

Rep. Patterson's motion to amend CARRIED unanimously.

Rep. Raney requested an updated fiscal note before the bill is debated on the House floor.

Rep. Williams made a substitute motion to TABLE SB 340. The motion FAILED 10-4, with 1 abstention, on a roll call vote (attached). The vote was reversed to BE CONCURRED IN AS AMENDED.

DISPOSITION OF SENATE BILL NO. 12: Rep. Ellison made a motion that SB 12 be TABLED. The motion CARRIED with all members voting aye, except Rep. Hoffman, who voted no.

DISPOSITION OF SENATE BILL NO. 36: Rep. Asay made a motion that SB 36 BE CONCURRED IN.

Rep. Williams made a substitute motion that SB 36 be TABLED. The motion FAILED 6-10 (roll call vote attached). The vote was reversed to BE CONCURRED IN.

DISPOSITION OF SENATE BILL NO. 100: Rep. Gilbert made a motion that SB 100 BE CONCURRED IN, and made a motion to amend the bill to its original form, except to strike "house trailers" in the title, and to insert "travel trailers", and to strike "excluding" on page 1, line 16, and reinsert "including".

Chairman Ramirez advised the bill requires a \$1 million general fund impact per biennium, and so the new car sales tax would go to the highway fund, and property taxes would go to the general fund and to local governments.

Greg Groepper stated he was unsure of the total dollar amount, but believed that Chairman Ramirez' concept of the situation to be correct, because the new car sales tax is earmarked for highways.

Chairman Ramirez read from (6) on page two, and said it appears the legislation would cost about \$100,000 and would cost local governments and schools about \$373,000 annually, and asked if taxpayers would pay about \$500,000 annually in property taxes with the proposed amendment. Greg Groepper replied that, right now, travel trailers are up to 45 feet in length or longer, and that he feared the language referring to mobile homes would be confusing.

Rep. Gilbert said this situation was, originally, an oversight, which is corrected by the amendment.

Chairman Ramirez advised that 20 percent of affected vehicles are house trailers.

The motion made by Rep. Gilbert FAILED 8-8, (roll call vote attached).


Rep. Gilbert made a motion that SB 100 be TABLED.

Greg Petesch advised the Committee they should either pass the bill out or kill it because it includes the definition of a motor vehicle. He explained that the law was amended via three separate bills which changed the definition of motor vehicles, and said trailer and motor homers are motor vehicles for the purpose of titles, but the tax is not being collected because of the language in the law. Mr. Petesch said the bill clarifies status quo, as it is written right now, and there would be no impact to the general fund or to the counties, but less money would go to the highway fund without the amendment.

Rep. Gilbert withdrew his motion to table SB 100.

Rep. Williams made a motion that SB 100 BE CONCURRED IN.  
The motion CARRIED unanimously.

ADJOURNMENT: There being no further business before the  
Committee, the meeting was adjourned at 9:45 a.m.

  
Representative Jack Ramirez,  
Chairman

DAILY ROLL CALL

HOUSE TAXATION COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date April 7, 1987

NAME	PRESENT	ABSENT	EXCUSED
REP. RAMIREZ	✓		
REP. ASAY	✓		
REP. ELLISON	✓		
REP. GILBERT	✓		
REP. HANSON	✓		
REP. HARP			✓
REP. HARRINGTON	✓		
REP. HOFFMAN	✓		
REP. KEENAN	✓		
REP. KOEHNKE	✓		
REP. PATTERSON	✓		
REP. RANEY	✓		
REP. REAM	✓		
REP. SANDS	✓		
REP. SCHYE	✓		
REP. WILLIAMS	✓		





8. Page 2, line 9  
Strike: "DELETE the"  
Insert: "reduce from"  
Following: "deposit"  
Strike: "REQUIREMENT THAT AT LEAST"  
Following: "50%  
Insert: "to 25% the amount"
9. Page 2, line 10  
Strike: "BE"

Representative Jack Ramirez,  
Chairman.

# STANDING COMMITTEE REPORT

APRIL 7

19 37

Mr. Speaker: We, the committee on HOUSE TAXATION

report SENATE BILL NO. 35

do pass  
 do not pass

be concurred in  
 be not concurred in

as amended  
 statement of intent attached

Representative Jack Ramirez, Chairman



THIRD reading copy ( BLUE )  
color

# STANDING COMMITTEE REPORT

APRIL 7 19 37

Mr. Speaker: We, the committee on HOUSE TAXATION

report SENATE BILL NO. 100

- do pass
- do not pass

- be concurred in
- be not concurred in

- as amended
- statement of intent attached

Representative Jack Ramirez, Chairman

*JRS*

THIRD reading copy ( BLUE )  
color

# STANDING COMMITTEE REPORT

APRIL 7

19 37

Mr. Speaker: We, the committee on HOUSE TAXATION

report SENATE BILL NO. 224

- do pass
- do not pass

- be concurred in
- be not concurred in

- as amended
- statement of intent attached

Representative Jack Ramirez, Chairman

*JMS*  
THIRD reading copy ( BLUE )  
color

APRIL 7

19 57

Mr. Speaker: We, the committee on HOUSE TAXATIONreport SENATE BILL NO. 349

- do pass  
 do not pass

- be concurred in  
 be not concurred in

- as amended  
 statement of intent attached

As amended as follows:

Representative Jack Ramirez Chairman

1. Title, lines 8 and 9  
 Following: "ACT" on line 8  
 Strike: remainder of line 8 through line 9 in its entirety  
 Insert: "EXEMPTING FROM PROPERTY TAXATION PRODUCER-HELD  
 GRAIN IN"
2. Title, line 10  
 Following: "STORAGE,"  
 Strike: "AND ON BEES, POULTRY,"  
 Following: "LIVESTOCK"  
 Strike: remainder of line 10 through "LAWS" on line 14  
 Insert: "LESS THAN 20 MONTHS OF AGE, AND SWINE LESS THAN 6  
 MONTHS OF AGE"
3. Title, line 15  
 Following: "15-6-136"  
 Strike: ", "  
 Insert: "AND"  
 Following: "15-6-207,"  
 Strike: remainder of line 15 through "81-7-118," on line 21
4. Title, line 22  
 Strike: "CONTINGENT"  
 Insert: "DELAYED"
5. Page 2, line 2.  
 Following: "+"  
 Insert: ";
6. Page 2, line 11.  
 Following: line 10  
 Insert: "(a) livestock, poultry, bees, and other  
 species of domestic animals and wildlife raised in  
 domestication or a captive environment, except for  
 cats, dogs, and other household pets not raised for  
 profit, and the unprocessed products of such animals  
 and wildlife;  
 (b) all unprocessed agricultural products on the  
 farm or in storage except:  
 (i) all perishable fruits and vegetables in farm

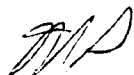
*gms*  
 THIRD reading copy ( BLUE )  
 color

CARRIED BY REP. PATERSON

.....April 7.....19 37..

storage and owned by the producer; and  
(ii) all producer-held grain in storage;"

7. Page 2, line 11.  
Following: "(c)"  
Insert: "(c)"
8. Page 2, line 14  
Strike: "(a)"  
Insert: "(i)"
9. Page 2, line 16.  
Strike: "(b)"  
Insert: "(ii)"
10. Page 2, line 21.  
Strike: "(C)"  
Insert: "(iii)"
11. Page 3, line 4.  
Strike: "agricultural products"  
Insert: "perishable fruits and vegetables"
12. Page 3, line 6.  
Following: line 5  
Insert: "(b) all producer-held grain in storage;"  
(c) all nonperishable unprocessed agricultural products, except livestock, held in possession of the original producer for less than 7 months following harvest;"  
Reamend: subsequent subsections
13. Page 3, line 9.  
Following: "(b)"  
Insert: "except as provided in subsection (1)(a),"
14. Page 3, line 13.  
Following: "(a)"  
Strike: remainder of line 13 through line 15 in its entirety  
Insert: "which have not attained the age of 20 months as of the last day of any month if assessed on the average inventory basis or on March 1 if assessed as provided in 15-24-911(1)(a); and"



15. Page 3, lines 18 through 20.  
Following: "January-1"  
Strike: remainder of line 18 through "of bees" on line 20  
Insert: "swine which have not attained the age of 6 months  
as of January 1"
16. Page 4, line 4 through page 22, line 14  
Strike: sections 9 through 22 in their entirety  
Renumber: subsequent sections
17. Page 22, lines 16 and 17  
Following: "revenue" on line 16  
Strike: remainder of line 16 through "board of livestock"  
on line 17
18. Page 22, lines 21 through 23  
Following: "1988" on line 21  
Strike: remainder of line 21 through "~~Act~~" on line 23  
Insert: "January 1, 1988"

CARRIED BY REP. PATTERSON





# STANDING COMMITTEE REPORT

APRIL 7

19 87

Mr. Speaker: We, the committee on HOUSE TAXATION

report SENATE BILL NO. 377

- do pass
- do not pass

- be concurred in
- be not concurred in

- as amended
- statement of intent attached

Representative Jack Ramirez, Chairman

THIRD reading copy ( BLUE )  
color

# STANDING COMMITTEE REPORT

APRIL 7

19 87

Mr. Speaker: We, the committee on HOUSE TAXATION

report SENATE BILL NO. 389

do pass  
 do not pass


be concurred in  
 be not concurred in

as amended  
 statement of intent attached

Representative Jack Ramirez, Chairman

Be amended as follows:

1. Title, line 9  
Strike: "An"  
Insert: "A DELAYED"
2. Page 2, line 10  
Strike: "60"  
Insert: "844"
3. Page 2, line 21  
Strike: "July 1, 1987"  
Insert: "January 1, 1988"
4. Page 3, line 23  
Strike: "June 30, 1987"  
Insert: "December 31, 1987"

  
THIRD reading copy ( BLUE )  
color

EX  
4-7-87  
Dover  
K. K.

#1  
4-7-87  
SB 340

Amendments to SB 340 (third reading bill)

1. Page 9, line 15.  
Strike: "less than 100% or"  
Following: "the"  
Insert: "average annual"
  
2. Page 9, line 16.  
Following: "generated"  
Insert: "in the 3 previous years, beginning with revenue generated"
  
3. Page 9, line 17.  
Strike: "1986"  
Strike: "year"  
Insert: "years 1985, 1986, and 1987"
  
4. Page 10, line 18.  
Strike: "BOARD OF LIVESTOCK"  
Insert: "county assessor in the county in which the owner or agent resides or, if neither resides in the state, in the county in which the majority of the owner's poultry or livestock is located"
  
5. Page 10, line 22.  
Strike: "BOARD OF LIVESTOCK"  
Insert: "county assessor"
  
6. Page 10, lines 24 and 25.  
Strike: ". THE BOARD OF LIVESTOCK SHALL COMPILE"  
Insert: "and forward"
  
7. Page 11, line 1.  
Following: "livestock"  
Insert: "to the board of livestock"
  
8. Page 11, line 3.  
Strike: "AFTER"  
Insert: "Upon notification of"  
Strike: "IS"
  
9. Page 11, line 5.  
Strike: "BOARD"  
Insert: "county assessor"
  
10. Page 11, line 20.  
Strike: "BOARD OF LIVESTOCK may"  
Insert: "county assessor shall"
  
11. Page 11, line 22.  
Strike: "BOARD'S"  
Insert: "assessor's"

12. Page 11, line 24.

Strike: "may"

Insert: "shall"

13. Page 14, line 11.

Strike: "BOARD OF LIVESTOCK"

Insert: "county assessor"

14. Page 15, lines 3 and 4.

Strike: "BOARD OF LIVESTOCK"

Insert: "county assessor"

15. Page 15, line 19.

Strike: "BOARD OF LIVESTOCK"

Insert: "county assessor"

16. Page 22, line 20.

Following: "date"

Insert: "-- coordination"

17. Page 22, line 23.

Following: "ACT"

Insert: ", except that if House Bill No. 377, containing similar provisions for the exemption of livestock, is passed and approved as required by law, this act is not effective."

DaveC\dw3\amdsb340\Helen'sPC

ROLL CALL VOTE

HOUSE TAXATION

COMMITTEE

DATE 4-7-87 BILL NO. 863

NAME	ABSTAIN	AYE	NAY
RAMIREZ, REP. JACK			✓
ASAY, REP. TOM			✓
ELLISON, REP. ORVAL			✓
GILBERT, REP. BOB			✓
HANSON, REP. MARION			✓
HARP, REP. JOHN			✓
HARRINGTON, REP. DAN		✓	
HOFFMAN, REP. ROBERT			✓
KENNAN, REP. NANCY		✓	
KOEHNKE, REP. FRANCIS		✓	
PATTERSON, REP. JOHN			✓
RANEY, REP. BOB		✓	
REAM, REP. BOB		✓	✓
SANDS, REP. JACK			
SCHYE, REP. TED		✓	
WILLIAMS, REP. MEL		✓	
TALLY		7	9

Joann Banschbach  
Secretary

Rep. Jack Ramirez  
Chairman

Motion: Wms - table - not failed

ROLL CALL VOTE

HOUSE TAXATION

COMMITTEE

DATE 4-7 BILL NO. SB 36

NAME	ABSTAIN	AYE	NAY
RAMIREZ, REP. JACK			✓
ASAY, REP. TOM		4	✓
ELLISON, REP. ORVAL			✓
GILBERT, REP. BOB			✓
HANSON, REP. MARION			✓
HARP, REP. JOHN			✓
HARRINGTON, REP. DAN		✓	
HOFFMAN, REP. ROBERT			✓
KENNAN, REP. NANCY		✓	
KOEHNKE, REP. FRANCIS			✓
PATTERSON, REP. JOHN			✓
RANEY, REP. BOB		✓	
REAM, REP. BOB		✓	
SANDS, REP. JACK			✓
SCHYE, REP. TED		✓	
WILLIAMS, REP. MEL		✓	
TALLY		6	10

Joann Banschbach  
Secretary

Rep. Jack Ramirez  
Chairman

Motion: Wms - table

---



---



---

ROLL CALL VOTE

HOUSE TAXATION

COMMITTEE

DATE April 7

BILL NO. SB 100

NAME	ABSTAIN	AYE	NAY
RAMIREZ, REP. JACK			✓
ASAY, REP. TOM		✓	
ELLISON, REP. ORVAL		✓	
GILBERT, REP. BOB		✓	
HANSON, REP. MARION		✓	
HARP, REP. JOHN		✓	
HARRINGTON, REP. DAN			✓
HOFFMAN, REP. ROBERT		✓	
KENNAN, REP. NANCY			✓
KOEHNKE, REP. FRANCIS		✓	
PATTERSON, REP. JOHN		✓	
RANEY, REP. BOB			✓
REAM, REP. BOB			✓
SANDS, REP. JACK			✓
SCHYE, REP. TED			✓
WILLIAMS, REP. MEL			✓
		8	8

TALLY

Joann Banschbach  
Secretary

Rep. Jack Ramirez  
Chairman

Motion: Yilbert Amend

---



---



---



---

ROLL CALL VOTE

HOUSE TAXATION

COMMITTEE

DATE 4/7 BILL NO. SB 347

NAME	ABSTAIN	AYE	NAY
RAMIREZ, REP. JACK		✓	
ASAY, REP. TOM			✓
ELLISON, REP. ORVAL			✓
GILBERT, REP. BOB			✓
HANSON, REP. MARION			✓
HARP, REP. JOHN	✓		
HARRINGTON, REP. DAN		✓	
HOFFMAN, REP. ROBERT			✓
KENNAN, REP. NANCY			✓
KOEHNKE, REP. FRANCIS			✓
PATTERSON, REP. JOHN			✓
RANEY, REP. BOB			✓
REAM, REP. BOB		✓	
SANDS, REP. JACK			✓
SCHYE, REP. TED			✓
WILLIAMS, REP. MEL		✓	
TALLY	1	4	10

Joann Banschbach  
Secretary

Rep. Jack Ramirez  
Chairman

Motion: Wms - Table

---



---



---