

**WORK SESSION HB 2052, HB 2054**

**PUBLIC HEARING AND WORK SESSION  
HB 2446**

TAPES 37 A, 38 A

**HOUSE REVENUE COMMITTEE**

**FEBRUARY 10, 2005 1:30 PM STATE CAPITOL BUILDING**

Members Present:

- Rep. Tom Butler, Chair
- Rep. Vicki Berger, Vice-Chair
- Rep. Mark Hass, Vice-Chair
- Rep. Brian Boquist
- Rep. Sal Esquivel
- Rep. Larry Galizio
- Rep. Betty Komp
- Rep. Andy Olson
- Rep. Chuck Riley

Witnesses Present:

- Dexter Johnson, Legislative Counsel

Staff Present:

- Paul Warner, Legislative Revenue Officer
- Mazen Malik, Economist
- Kristi Bowman, Committee Assistant

**TAPE 37, SIDE A**

002 Chair Butler Calls meeting to order at 1:30 p.m.

**OPENS WORK SESSION FOR HOUSE BILL 2052**

005 Mazen Malik Gives overview (Exhibit 1). Bill originally discussed on 1/31/05. It increases the housing revenue bond limit to \$2.5 billion. Notes a difference in revenue impact statement (Exhibit 2) from previous impact statement because of a change to the funding mechanism.

045 Chair Butler Comments that with higher interest rates there would be more demand for the program.

053 Malik Responds that most likely higher interest rates and higher costs of homes will increase the need for low income housing.

065 Chair Butler Asks for further questions from committee members.

077 Rep. Boquist Asks if there is an impact on the general fund.

078 Malik

Responds that there is no impact. The amounts of the debt and the bond proceeds are considered “non-limited” funds because they come in and go out at the same time.

- 080 Rep. Boquist Asks for clarification of term “built-in” pertaining to the state economist’s model for this program.
- 090 Malik Explains that the state economist projects the number of new housing units and construction jobs that would be created based on the already established or “built-in” structure of the housing bonds.
- 108 Rep. Boquist MOTION: MOVES HB 2052 TO THE HOUSE FLOOR WITH A DO PASS RECOMMENDATION AND BE REFERRED TO THE WAYS AND MEANS COMMITTEE.
- 117 Chair Butler ORDER: THERE BEING NO OBJECTION, THE CHAIR SO ORDERS. MOTION PASSES 9-0-0. VOTING AYE: BERGER, BOQUIST, ESQUIVEL, GALIZIO, HASS, KOMP, OLSON, RILEY, BUTLER.
- CLOSES WORK SESSION FOR HOUSE BILL 2052
- OPENS WORK SESSION FOR HOUSE BILL 2054
- 125 Malik Gives overview (Exhibit 3). This bill was heard originally on 1/31/05. It allows a threshold limit from \$150,000 and establishes Housing Council rules. Also extends the maturity period on Housing bonds

from 42 to 47 years. Discusses new fiscal analysis (Exhibit 4) concluding that the fiscal impact is indeterminate because the amount of needed housing is not currently known.

200 Rep. Riley MOTION: MOVES HB 2054 TO THE HOUSE FLOOR WITH A DO PASS RECOMMENDATION.

210 Chair Butler ORDER: THERE BEING NO OBJECTION, THE CHAIR SO ORDERS. MOTION PASSES 9-0-0. VOTING AYE: BERGER, BOQUIST, ESQUIVEL, GALIZIO, HASS, KOMP, OLSON, RILEY, BUTLER.

CLOSES WORK SESSION FOR HOUSE BILL 2054

OPENS PUBLIC HEARING FOR HOUSE BILL 2446

215 Paul Warner Gives overview (Exhibit 5). This is the first of a series of reviser's bills that will be reviewed by the committee. It corrects errors and repeals obsolete material in the tax statute.

234 Dexter Johnson Discusses changes proposed. During the interim his staff identifies certain inconsistencies and technical mistakes in the statutes, and HB 2446 seeks to correct language in the tax statute. This bill is a little different in that there is a "note" at the end of each section that describes what changes have been made.

- 260 Chair Butler Asks about some of the wording changes, for instance, rural enterprise zone in section 2, page 3, line 17.
- 276 Johnson The substance of the section is the same as what the language replaces. He also reviewed the changes with the Dept. of Revenue, and they agree that there are no substantive changes other than to improve the wording.
- 320 Rep. Boquist Asks about page 19 that defines tangible personal property that does include livestock. Refers to previous committee discussions about taxing livestock.
- 339 Johnson Explains that this is existing law. It only includes livestock as tangible personal property. It eliminates the “unless otherwise specifically provided” language, which does not conform to legislative form and style.
- 384 Rep. Riley Comments that he wants to ensure that the right choice of words is utilized when making these changes.
- 400 Rep. Boquist Asks again about the tax exemption for livestock. Why not eliminate the word livestock in the text if there is already an exemption for it?
- 415 Johnson Responds that in the future if there was a decision that tangible personal property would be subject to tax that unless someone remembered that livestock was included in the definition, livestock would remain exempt.

443 Rep. Boquist Requests clarification on section 73, page 40, that referees for soccer matches are considered independent contractors. Should referees for other sports be included?

452 Johnson Reviews additional information in sections 115 and 116, page 60, and provides history of previous legislation affecting this section.

**TAPE 38,SIDE A**

059 Chair Butler Asks if there might be any amendments to this bill on the Senate side?

060 Johnson Responds that he is not aware of any amendments for this bill.

CLOSES PUBLIC HEARING FOR HOUSE BILL 2446

OPENS WORK SESSION FOR HOUSE BILL 2446

074 Rep. Riley MOTION: MOVES HB 2446 TO THE FLOOR WITH A DO PASS RECOMMENDATION.

079 Chair Butler ORDER: THERE BEING NO OBJECTION, THE CHAIR SO ORDERS. MOTION PASSES 9-0-0. VOTING AYE: BERGER,

BOQUIST, ESQUIVEL, GALIZIO, HASS, KOMP, OLSON,  
RILEY, BUTLER.

- 086 Chair Butler Discusses the use of the consent calendar with the committee.
- 095 Chair Butler Adjourns meeting at 2:15 p.m.

Tape Log Submitted by:

Reviewed by:

Kristi Bowman, Committee Assistant

Kim Taylor James, Committee  
Coordinator

Exhibit Summary:

1. 1. HB 2052, Staff Measure Summary, Malik, 1 pg., 02/10/05
2. 2. HB 2052, Revenue Impact Statement, Legislative Revenue Office, Malik, 1 pg., 02/10/05
3. 3. HB 2054, Staff Measure Summary, Malik, 1 pg., 02/10/05
4. 4. HB 2054, Fiscal Analysis Report, Frawley, Legislative Fiscal Office, 1 pg., 02/10/05
5. 5. HB 2446, Staff Measure Summary, Warner, 1 pg., 02/10/05
6. 6. HB 2446, No Expenditure Impact Statement, Legislative Fiscal Office, 1 pg., 02/10/05