

**WORK SESSION**

**HB 2030, HB 2031, HB 2032**

TAPE 34 A

**HOUSE REVENUE COMMITTEE**

**FEBRUARY 8, 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

Staff Present:

- Paul Warner, Legislative Revenue Officer
- Mazen Malik, Economist
- Debra Buchanan, Finance Director, Dept. of Revenue
- Joan Robinson, Legislative Counsel
- Kristi Bowman, Committee Assistant

**TAPE 34, SIDE A**

002 Chair Butler Calls meeting to order at 1:35 p.m.

**OPENS WORK SESSION FOR HOUSE BILL 2030**

006 Mazen Malik Provides overview of this bill (Exhibit 1) originally discussed on 01/27/05. This bill will allow state agencies to use Electronic Fund Transfers (EFT) or Store Value Cards for payment from various state programs. Discusses the -1 amendment (Exhibit 2) which addresses the concerns from counties who do not have the ability to receive electronic funds. The amendment also addresses the concern that Dept. of Revenue does not have to use EFT for tax refunds as their only method of payment.

030 Chair Butler Asks for explanation of section b (line 2) in the amendment.

033 Malik Responds that the language prohibits an agency from assessing penalties against a payee unable to receive payment via EFT.

039 Chair Butler Asks for explanation of section 3 (line 10).

041 Malik Explains that this section states that the Dept. of Revenue is exempt from using EFT as the primary method of payment. They will still be able to use paper checks.

- 055 Rep. Boquist Requests from the chair that a representative from the Dept. of Revenue confirm that these changes are approved by the agency.
- 061 Debra Buchanan Provides expert testimony. Confirms that the Dept. of Revenue will not draft rules that mandate taxpayers to receive funds via EFT only. She expresses concern about the increased use of direct deposit with refunds in the future and the possibility of the Dept. of Revenue being in violation of this statute.
- 079 Rep. Riley Agrees with Ms. Buchanan about her concerns. The language in the amendment is ambiguous.
- 096 Chair Butler Committee stands at ease at 1:40 p.m.
- 098 Chair Butler Reconvenes at 1:50 p.m. Continues work session on House Bill 2030.
- 129 Malik Discusses fiscal information received from fiscal office and a new fiscal impact statement from the Dept. of Justice (Exhibit 4) that will be reviewed by the fiscal office soon.
- 143 Chair Butler Expresses concern about revised wording on amendment.

158 Joan Robinson Explains wording on amendment. The language after line 17 was designed to prevent the Dept. of Revenue from requiring taxpayers to accept electronic funds transfers. She suggests alternative language.

190 Chair Butler Asks Ms. Robinson to clarify the wording in the amendment with Dept. of Revenue and the State Treasurer's Office.

200 Chair Butler Continues House Bill 2030 to a future work session date.

#### **CLOSES WORK SESSION FOR HB 2030**

#### **OPENS WORK SESSION FOR HB 2031**

210 Malik Provides overview of House Bill 2031 (Exhibit 5). The bill allows an electronic image of a check to be proof of a check instead of a paper check. Aligns with the new Check-21 standards.

227 Chair Butler Reviews bill history.

233 Rep. Berger MOTION: MOVES HB 2031 TO THE FLOOR WITH A DO-PASS RECOMMENDATION AND TO BE PLACED ON THE CONSENT CALENDAR.

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

**CLOSES WORK SESSION FOR HB 2031**

**OPENS WORK SESSION FOR HB 2032**

247 Malik Provides overview of House Bill 2032 (Exhibit 6). This bill pertains to cash flow projections and examinations of these projections by the State Treasurer. No revenue or fiscal impact.

261 Chair Butler Asks if cash flow projections are required each time of an issuance of revenue bonds.

263 Malik Responds that this is the current policy, and this bill would provide more flexibility for agencies with the reporting requirements.

280 Rep. Berger MOTION: MOVES HB 2032 TO THE FLOOR WITH A DO PASS RECOMMENDATION.

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

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

**CLOSES WORK SESSION FOR HB 2032**

290 Chair Butler Adjourns meeting at 2:05 p.m.

Additional information submitted by State Treasurer Office regarding various bonding programs discussed in public hearing for House Bill 2041 on 02/03/05. (Exhibit 7).

Tape Log Submitted by:

Reviewed by:

Kristi Bowman, Committee Assistant

Kim Taylor James, Committee  
Coordinator

Exhibit Summary:

- 1. HB 2030, Staff Measure Summary, Malik, 1 pg., 02/08/05
- 2. HB 2030, Proposed Amendment HB 2030-1, Malik, 1 pg., 02/07/05
- 3. HB 2030, Fiscal Analysis, Legislative Fiscal Office, 1 pg., 02/07/05
- 4. HB 2030, Fiscal Impact Estimate, Dept. of Justice, 1 pg., 02/07/05
- 5. HB 2031, Staff Measure Summary, Malik, 1 pg., 02/08/05
- 6. HB 2032, Staff Measure Summary, Malik, 1 pg., 02/08/05

- 7. HB 2041, Follow-up information, State Treasurer's Office, 25 pp., 02/07/05