

JOINT CONFERENCE COMMITTEE ON SB 622

July 9, 1999 Hearing Room E

11:00 a.m. Tape 3

MEMBERS PRESENT: Sen. David Nelson, Chair

Sen. Lee Beyer

Rep. Ryan Deckert

Rep. Jim Hill

Rep. Bob Montgomery

Sen. Charles Starr

MEMBER EXCUSED:

STAFF PRESENT: Sherry Sheng, Administrator

Nancy Masee, Administrative Support

MEASURE HEARD: SB 622A Work Session

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
TAPE 1, A		
003	Chair Nelson	Opens meeting at 11:00 a.m. Explains the bill is being printed and will be available in this room at 1:00 p.m. Recesses until 2:00 p.m.
004	Chair Nelson	Reconvenes meeting at 2:35 p.m.
<u>SB 622A WORK SESSION</u>		

022	Sherry Sheng	Committee Administrator. Summarizes the issue of allowing funds of the telecommunications infrastructure account to remain with the electing carrier until the money is needed for specific projects and explains the option to place funds with the state treasury. States there was a question of tax benefits if the money remained in the carrier's account.
056	Dick Yates	Legislative Revenue. Addresses the issue of whether the telecommunications infrastructure account should remain with the utility or with the state treasury. Leaving the money with the utility, interest would accrue to the utility upon which the utility would pay income tax. Placing the money with the Treasury, the interest accrued would be available for investment. States there is no change in ownership or property generating income or losses that would influence tax consequences.
080	Chair Nelson	Asks if there is a windfall resulting from the placement of the money.
082	Yates	Replies there is no windfall.
083	Sen. Starr	Asks if the fund is left with the utility, can private schools access funds for telecommunications enhancement.
037	Chris Crean	Legislative Counsel. Explains constitutional issue prohibits moneys to be drawn from the state treasury for religious or theological institutions. Money remaining with the carriers does not enter the state treasury. Giving money to charitable organizations can be deducted from taxes. By leaving the money in a private account, the telecommunications infrastructure account, it can be spent on unlimited projects. For these reasons there is not a constitutional problem.
146	Chair Nelson	Asks about funds staying outside the State Treasury, could they fund private religious institutions.
159	Crean	Responds yes they can if the private institutions are not the primary beneficiary and if the funds do not come from the state treasury.
187	Sheng	Refers to page 16, line 23-26, the language addressing who can submit proposals.
190	Rep. Deckert	Asks Yates what the tax advantages would be to a carrier from maintaining the infrastructure fund.
192	Yates	Answers that where the deposits are held do not affect the tax benefits.
198	Rep. Deckert	Asks what is the amount a carrier will accrue in benefits according to SB 622.
204	Yates	Responds he will study this further.

207	Chair Nelson	Adjourns meeting at 3:35 p.m. and says the committee will meet next Tuesday morning.
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Submitted By, Reviewed By,

Nancy Masee, Sherry Sheng,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ SB 622A, -A29 Amendments, Staff, 32 pp