

CORC Legislative Report 2006

CORC had an unprecedented session on the hill this year. Over 50 people from various faith communities joined us for Faith Days on the Hill, and two of CORC's three top issues were addressed by legislation, hate crimes and the sales tax on food.

Below is a summary of legislation and appropriation items on which CORC worked as well as notes on a few other bills of interest which we followed.

HOUSE BILLS

HB 90 Criminal Penalty Amendments (D. Litvack) would make hate an aggravating factor during the sentencing of a criminal. This bill was passed out of committee, substituted on the House floor, and passed the House with a vote of 67-5. It then passed the Senate unanimously and was sent to the governor for his signature.

HB 109 Sales and Use Tax - Food and Food Ingredients and Local Taxes (M. Newbold) would remove the state and local portion of sales tax from food. This has been the perennial issue for CORC, passed out of committee with a vote of 11-2, and out of the House with a vote of 57-17. It was substituted on the floor of the Senate with a bill to lower the state portion of the food tax by 2% and passed the Senate with a vote of 22-5, was sent back to the House for concurrence and then on to the governor for his signature. The effective date was changed from July 1, 2006 to January 1, 2007 at the Utah Food Retailers request.

HB 313 Minimum Wage Revisions (N. Hansen) would have increased the minimum wage to \$7 an hour. The bill failed in committee 4-6 with 3 absent.

HB 354 Tax Amendments (J. Dougall) included the text of HB 109, removing the sales tax on food, in addition to a flat income tax of 4.9%. This bill was heard in committee and passed, with a vote of 8-7 but was never heard on the House floor.

HB 462 Amendments Related to Lending (D. Hogue) put additional regulations on the payday lending industry, including requiring annual inspections and the posting of certificates of inspection in all lending outlets. This bill passed committee after limits on post-rollover interest rates were removed but was never heard on the House floor.

SENATE BILLS

SB 43 Minimum Wage Amendments (E. Mayne) would have increased the minimum wage to \$6.50 an hour. This bill was heard in committee and failed with a vote of 3-4.

SB 76 Lenders Registration Acts Amendments (E. Mayne) imposed fines on payday lenders failing to register and fines for failure to comply with existing laws, expanded disclosures, and regulated internet payday lending. This bill passed the Senate, but died in House Rules.

SB 233 Sales and Use Tax Revisions (C. Bramble) outlines streamline sales tax and how it will impact Utah. It is not clear if or when Utah will be part of this national project. For now our state will take a watch and see position.

SB 242 Tax Revisions (C. Bramble) established a flat income tax rate. The bill passed committee 5-0 and passed the Senate with a vote of 21-4. The House brought this bill up for debate in the last hour of the session. After numerous failed attempts to amend the bill it was circled (put on hold) and time expired before a vote could be taken.

Appropriations:

Restoration of dental and vision benefits for those on Medicaid
Requested: \$3.9 million for dental, \$789,000 for vision
Received: NOTHING!

Olene Walker Housing Loan Fund
Received: \$2.2 million base, plus \$1 million one time funding

Pamela Atkinson Homeless Trust Fund
Received: \$1.6 M base, plus \$1 million ongoing funding

General Assistance
Received: \$500,000 ongoing funding, plus \$5 million one-time funds
Requested: \$397,000 base ongoing, receive same amount one time

Emergency Food Network
Received: \$170,000 base, \$30,000 ongoing and \$100,000 one time funding

Other bills of interest:

HB 55 Property Tax - Circuit Breaker Qualifying Limits (W. Harper) increased the qualifying income levels for those who can receive credits on property taxes. This bill passed committee, passed unanimously in the House and the Senate and was sent to the Governor for his signature.

HB 250 Local Governments Restrictions on Limiting Certain Fees (G. Hughes) prohibits local municipalities from limiting rental application fees. In other words, cities and towns can no longer ban or cap rental application fees. CORC watched this bill, which passed both the House and Senate and was sent to the governor for his signature.

HB 277 Earned Income Tax Credit (J. Biskupski) would have provided a refundable EITC. It was pulled from committee and never heard.

SB 35 Local Option Sales and Use Tax Distribution Amendments (G. Bell) would have reduced, over a five year period, the minimum amount of tax a city or county could receive. Had this bill passed it would have helped in removing the local option portion of sales tax on food. This bill died in committee.

SB 116 Department of Financial Institution Fees (L. Hillyard) raised payday loan outlet inspection and certain filing fees.

SB 162 Department of Financial Institutions Enforcement of Applicable Laws (L. Hillyard) requires the state to comply with federal law.