CALL TO ORDER AND WELCOME
Commission Chair William Longbrake welcomed those in attendance and called the meeting to order at 10:00 a.m.

The Chair introduced a new JLARC staff member, Peter van Moorsel, and asked him to introduce himself.

1. Action item: Approval of 10/16/15 meeting minutes

MOTION: A motion was made to approve the October 16, 2015 meeting minutes.

The motion was seconded and carried.
(See TVW recording at 01:31)

2. Legislative session update

Legislative Auditor Keenan Konopaski reviewed highlights of the 2016 legislative session.

The Commissioners discussed how certain bills would impact future reviews at JLARC with Legislative Auditor Keenan Konopaski and Dana Lynn of the JLARC staff.
(See TVW recording at 02:04)
3. **Overview of 10-year planning process**

John Woolley of the JLARC staff introduced the 10-year planning process. The Chair asked Commissioners to review the meeting schedules to see if the dates work for them and to consider changing the September meeting from September 16 to September 9, 2016.

(See TVW recording at 11:57)

4. **Discussion of key issues and staff briefing papers**

The Chair introduced the staff issue papers and suggested they be reviewed in a different order than they are numbered. The Chair requested the issue papers be republished with a summary of the Commission’s discussion to give the public another opportunity to comment on them. Legislative Auditor Keenan Konopaski and Deputy Legislative Auditor John Woolley briefly described each topic and responded to Commissioner questions.

(See TVW recording at 17:34)

- **Issue papers**

  - **Issue #4** - Should preferences receive greater priority in the schedule if they have an expiration date or if the Legislature specifically requests a JLARC review?
    
    (See TVW recording at 21:58)

  - **Issue #2** - Should the Commission continue to group preferences, such as by industry sector or by similarity of purpose?
    
    (See TVW recording at 34:57)

  - **Issue #5** - Should preferences with a new “performance statement” provision receive greater priority in the schedule?
    
    (See TVW recording at 49:57)

  - **Issue #1** - Are there factors with respect to previously reviewed preferences that should be considered in determining the review schedule?
    
    (See TVW recording at 54:50)

  - **Issue #3** - Are there preferences that the Commission should determine as critical to the tax structure, and thus not subject to review?
    
    (See TVW recording at 01:07:22)

  - **Issue #6** –Are there questions evaluated by JLARC staff that should be deemphasized? Are there questions that should be modified or added?
    
    (See TVW recording at 01:10:54)

  - **Issue #7b** - For preferences intended to accomplish using one tax approach over another, should there be an additional evaluation question to identify changes in fiscal impacts over time?
    
    (See TVW recording at 01:28:05)
Issue #7a- Should there be a more specific question for evaluating a tax preference’s impact on the distribution of the tax liability?

(See TVW recording at 01:31:45)

Issue #8- Does the overall review effort merit additional JLARC staff resources?

(See TVW recording at 01:50:52)

- Data Confidentiality

Legislative Auditor Keenan Konopaski summarized this issue. The topic was requested by Commissioner Miller at the last meeting. Out of 632 tax preferences subject to JLARC staff review, there are 21 preferences with two or fewer beneficiaries. Due to taxpayer confidentiality laws, the taxpayer savings for these preferences are not disclosable. However, recent changes to taxpayer accountability rules permit the disclosure of some taxpayer savings in the aggregate or when preferences are grouped together. For the 21 preferences with two or fewer beneficiaries, the combined total amount saved by the beneficiaries is at least $35 million.

(See TVW recording at 1:56:44)

- DOR options for additional outreach

It was suggested at the last meeting that DOR provide a more formal notice to businesses when a relevant preference will be coming up for review. Kim Davis of DOR’s Research and Fiscal Analysis Division indicated that DOR would be willing to post a message from JLARC staff on their website and listserv. The Chair suggested that JLARC staff do what they can to enhance awareness about the reviews.

(See TVW recording at 02:03:39)

5. Public testimony on key issues

The Chair asked if any members of the public wished to testify. No one wished to do so.

6. Next steps

The Chair requested that each Commissioner review the issue papers and submit suggestions or recommendations for specific policies that would govern the next 10 year review process to the Legislative Auditor by May 9.

(See TVW recording at 02:09:59)

The Chair adjourned the meeting at 12:18 p.m.