

**MINUTES OF THE
LEGISLATIVE MANAGEMENT COMMITTEE**

March 29, 2000 -- 2:00 p.m. -- Room 303 State Capitol

Members Present:

Speaker Martin R. Stephens, Chair
President R. Lane Beattie, Vice-chair
Sen. Leonard M. Blackham
Sen. Mike Dmitrich
Sen. Lyle W. Hillyard
Sen. Paula F. Julander
Sen. Millie M. Peterson
Rep. Patrice M. Arent
Rep. Ralph Becker
Rep. Greg J. Curtis
Rep. Kevin S. Garn
Rep. David Ure

Members Excused:

Sen. Scott N. Howell
Rep. David M. Jones
Rep. Brad King

Members Absent:

Sen. L. Alma Mansell

Staff Present:

Richard V. Strong,
Director
M. Gay Taylor,
General Counsel
L. Kaye Clark,
Secretary

Note: A list of others present and a copy of materials on file in the Office of Legislative Research and General Counsel.

1. **Call to Order** - Chairman Stephens called the meeting to order at 2:05 p.m.
2. **Legislative Management Committee Membership** - Chairman Stephens explained that Sen. Howell was not able to attend the meeting and had sent a memo stating that Sen. Ron Allen would represent him at the meeting.

Ms. Taylor distributed a handout and reviewed provisions regarding appointing replacements for members that are in statute for the Legislative Management Committee (LMC) and that are in the joint legislative rules for the Executive Appropriations Committee. She noted that for the LMC, Utah Code Section 36-12-6 states "if a vacancy occurs, a replacement shall be chosen by the leadership of the appropriate party of the house in which the vacancy occurs." The committee noted that consistent membership on these committees is very important, and expressed concern that there not be new members at each meeting.

MOTION: Sen. Hillyard moved to place this item on the agenda for discussion at the next meeting with committee members requested to give their suggestions or recommendations to Mr. Strong or Ms. Taylor on how to resolve this issue.

SUBSTITUTE MOTION: Sen. Peterson moved that this committee interpret "vacancy" on a meeting by meeting basis and that the replacement be chosen by the appropriate leadership. Sen. Hillyard spoke against the motion. The motion failed with Sen. Peterson voting in favor.

The committee then voted on the original motion. The motion passed with Sen. Peterson voting in opposition.

3. Approval of the November 16, 1999 Minutes

MOTION: Sen. Blackham moved to approve the minutes of the November 16, 1999 meeting. The motion passed unanimously.

4. Presentation from UTFc - Chairman Stephens introduced the topic and stated that he had asked the Utah Technology Finance Corporation (UTFc) last year to consider a privatization initiative. He emphasized that today's discussion was not to adopt a plan, but to review the concept and voice any concerns about a privatization approach. Mr. Duane Blackley, Executive Director, UTFc, distributed the handouts "Utah Technology Finance Corporation, Talking Points," "A penny for your thoughts," and "Utah Technology Finance Corporation Strategic Planning Report February 2000." Mr. Blackley reported that the UTFc is proposing a two-step process that would result in privatization. He explained that step one would convert the UTFc's loan portfolio into cash in preparation for privatization; and step two would then organize UTFc, LLC, a new private for-profit corporation. After the Small Business Investment Corporation license is granted, UTFc, LLC will purchase from the state significantly all of the state's assets for cash and effectively dissolve the current UTFc. He plans to meet with legislative leaders and the Governor to work out the details and determine methods and amounts necessary to return the state's investment through repayments to the State of Utah.

Ms. Taylor highlighted provisions in statute concerning privatization of quasi-governmental entities. Mr. Blackley stated that the UTFc will comply with the laws and responded to questions from the committee including questions about the amount of the state's investment in the UTFc and how repayment to the state might be structured.

Chairman Stephens highlighted his three goals in this privatization initiative: 1) that the state's investment be returned; 2) that the state be held harmless from any liability of the UTFc; and 3) that the UTFc continue to fulfill its role, but in the private sector.

MOTION: Rep Garn moved that the LMC conceptually support the privatization of the UTFc. The motion passed unanimously. President Beattie was absent for the vote.

Chairman Stephens indicated he would anticipate periodic reports on this initiative during the interim, with the next report possibly in May or probably July.

5. Review of the 2000 General Session

A. Statistics - Mr. Strong reviewed the handout concerning statistics for session from 1994-2000. He also noted that in the last three years 71% of all requests were introduced and in the last session 52% of the introduced bills passed with 118 bills passing on the final day.

B. Vetoed Legislation - The committee received copies of letters from the Governor regarding the legislation he vetoed.

C. Reconvening - Mr. Strong noted that any veto override must begin by April 30, 2000. Chairman Stephens noted that polling is underway in both the House and Senate.

6. Site Visits - Mr. Strong highlighted from the March 31, 1999 committee minutes the motion to hold the 2000 legislative site visit in Carbon and Emery Counties. Sen. Dmitrich noted that the visit has been scheduled for September 19-20. He reviewed several points of interest in the counties as potential tours during the visit.

Chairman Stephens noted there are legislative funds available to finance the visit and that a coordinating committee from the House and Senate will be formed to assist the local legislators with their efforts.

Chairman Stephens discussed possible locations for the 2001 legislative site visit including Salt Lake, Weber, Davis, and Utah Counties.

MOTION: Sen. Hillyard moved that the LMC send a letter to all the legislators inviting them to make a proposal for the 2001 legislative site visit by June 1, 2000. The motion passed unanimously. President Beattie was absent for the vote.

7. Proposed Management/Executive Appropriations and Interim Meeting Schedule - Mr. Strong reviewed the proposed 2000 interim schedule. He suggested some changes from the regular third Wednesday interim day due to some meeting conflicts.

MOTION: Rep. Arent moved to approve the proposed interim schedule with the dates in November switched to the 14th and 15th. Sen. Hillyard suggested adopting the calendar without November and have the staff review the scheduling issues and make recommendations for November's schedule at the May LMC meeting. Rep. Arent adopted Sen. Hillyard's suggestion as part of her motion. The motion passed unanimously. President Beattie was absent for the vote.

Rep. Arent requested that Mr. Strong provide information about the timeliness of drafting bills for the 2000 session compared to recent sessions. Chairman Stephens agreed to discuss this item at the next meeting.

Chairman Stephens noted that the Public Utilities and Technology Interim Committee had requested approval to hold four additional meetings during the 2000 interim. He explained that a letter will be sent to the committee chairs requesting proposed agendas for those meetings before the committee considers the request.

8. Study Requests/Reports in Appropriations Acts - Mr. Strong reviewed the 12-page handout and noted that item 256 in H.B. 1 requires the Utah Transit Authority to report to a designated committee of the legislature before completing an agreement for acquisition or purchase.

MOTION: Rep. Garn moved that the Executive Appropriations Committee be designated as the committee to receive that report. The motion passed unanimously. President Beattie and Rep. Becker were absent for the vote.

9. Proposed Study Items from SJR 12 and Additional Items - Mr. Strong reported on the categorization of the 208 study items included in S.J.R. 12, Master Study Resolution. He noted that recently the LMC has directed each of the interim committees to review these items and any other items a committee determines it wants to consider and have them provide the LMC with a list of the study items.

Mr. Strong reviewed requests that the following items be added by the LMC as study items: 1) H.B. 367, Interest On Mortgage Loan Reserve Accounts Amendments, by Sen. Davis; 2) S.B. 266, Architects Licensing, by Sen. Valentine; and 3) H.B. 255, Sales and Use Tax on Public Accommodations and Services Taxed by Tribes, and H.B. 284, Motor and Special Fuel Taxes, by Rep. K. Johnson. Rep. Johnson requested that H.B. 255 and H.B. 284 be assigned to the Revenue and Taxation Interim Committee.

MOTION: Sen. Dmitrich moved to approve H.B. 255 and H.B. 284 as study items, to assign H.B. 255 to the Revenue and Taxation Interim Committee, and to assign H.B. 284 to both the Revenue and Taxation and the Transportation Interim Committees. The motion passed unanimously. President Beattie, and Rep. Becker were absent for the vote.

MOTION: Rep. Garn moved to approve H.B. 367 and S.B. 266 as study items, and to send them along with S.J.R. 12 to the interim committees with a request that they report back to the next meeting of the LMC with their recommendations.

SUBSTITUTE MOTION: Rep. Ure moved to include in the previous motion that S.B. 266 be assigned to the Occupational and Professional Licensing Review Committee as a study item, and that H.B. 367 be sent to the Business, Labor, and Economic Development Interim Committee. The motion passed unanimously. President Beattie and Rep. Becker were absent for the vote.

10. Sunset Entities - Mr. Strong reviewed the handout "Sunset Act-Acts of Entities that are Scheduled for Repeal in 2001 and January 1, 2002" and noted that there are three acts that will sunset on January 1, 2001.

MOTION: Rep. Garn moved to send this information to the interim committees with a

request that the committees indicate any reviews they will undertake, and that Mr. Strong identify which committee these sunsets should be reviewed by if any item is not selected by the committees. The motion passed unanimously. President Beattie was absent for the vote.

11. Revenue and Taxation Interim Committee Request - Chairman Stephens reviewed a letter requesting that members of the Revenue and Taxation Interim Committee receive legislative per diem and reimbursement when they attend meetings of the Tax Review Commission. The LMC discussed prior actions in this regard and the need for legislative crossover this year.

MOTION: Rep. Garn moved to deny the request at this time. The motion passed with Sen. Hillyard voting in opposition. President Beattie was absent for the vote.

12. Litigation - Ms. Taylor informed the LMC that a complaint has been filed by Ingrid Quiroz and the La Prensa Spanish Newspaper against Rep. Baca. She reviewed the legislative policy and the provisions in statute regarding the Office of the Attorney General's responsibility to provide legal representation to the legislative branch of state government in cases where Risk Management coverage applies. She noted that unless the LMC determines the Attorney General cannot adequately defend the legislative branch, the Attorney General is to assume the responsibility. Ms. Taylor recommended the Attorney General could adequately represent Rep. Baca in the litigation that had been filed. The committee agreed with this recommendation.

13. Other Business - none

14. Adjournment

MOTION: Sen. Peterson moved to adjourn the meeting at 3:30 p.m. The motion passed unanimously.

