

**MINUTES OF THE  
QUASI-GOVERNMENTAL ENTITIES COMMITTEE**  
Wednesday, August 30, 2000 - 9:00 a.m. - Room 405 State Capitol

**Members Present:**

Sen. David H. Steele, Senate Chair  
Rep. Ron Bigelow, House Chair  
Sen. D. Edgar Allen  
Sen. Beverly Evans  
Sen. John L. Valentine  
Rep. Eli H. Anderson  
Rep. Trisha Beck  
Rep. Judy Ann Buffmire  
Rep. Kevin S. Garn  
Rep. Raymond W. Short  
Rep. A. Lamont Tyler  
Rep. David Ure  
Rep. Richard L. Walsh

**Members Absent:**

Sen. Pete Suazo

**Members Excused:**

**Staff Present:**

Mr. Stewart E. Smith,  
Managing Research Analyst  
Mr. Dee S Larsen,  
Associate General Counsel  
Ms. Glenda S. Whitney,  
Legislative Secretary

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

**1. Call to Order** - Chair Bigelow called the meeting to order at 9:22 a.m.

**MOTION:** Rep. Tyler moved to approve the minutes of the August 1, 2000 meeting with the amendment of Rep. Bigelow voting in opposition to Rep. Garn's motion on agenda item five, Utah Communications Agency Network. The motion passed unanimously, with Sen. Steele, Sen. Valentine, Rep. Garn, Rep. Short, and Rep. Walsh absent for the vote.

**2. Committee Business** - Chair Bigelow referred to written response letters from the Heber Valley Historic Railroad, and the Utah Dairy Commission that were sent to the committee in the mailing packet. He explained that the entities were to respond to a series of questions in written form to demonstrate their need to exist and to justify their structure and authority.

**3. Heber Valley Historic Railroad** - Mr. Robyn R. Pearson, Chairman of the Board, and Mr. Craig Lacey, Executive Director, Heber Valley Historic Railroad, presented an overview on the status of the railroad in Heber Valley. He said the railroad was created by the 1992 Legislature as an independent state agency and has operated successfully since that time performing all the duties defined by the Utah Code. Mr. Pearson said rather than reviewing the response letter they would answer informational questions from the committee.

Mr. Pearson said the railroad provides numerous public services, educational programs for children, and economic development opportunities for the state. He said it operates on the funds it generates and does not normally receive state funding, except that this year the Legislature helped with a match to come up with sufficient funds to build a depot. He explained that it is important that the Heber Valley Railroad remain affiliated with state government, because it

allows the railroad to work jointly with other agencies and municipalities on enhancement and improvement projects which are mutually beneficial.

Sen. Evans commended their efforts on the process, management, and creativity of the Historic Heber Valley Railroad.

Rep. Ure expressed concern with the Heber Valley Railroad borrowing money for a steam engine under their own signature as an independent agency. Mr. Lacey responded that according to the enabling legislation, they are not allowed to encumber the state of Utah. He said they are authorized to incur debt and are given the mandate to conduct their business, but with the understanding that they are responsible for their own debts.

Mr. Pearson also noted that they are audited each year by the State Auditors's Office.

Rep. Evans suggested that an oversight process on this independent agency could come through the Capitol Facilities Committee.

Chair Bigelow questioned what the advantage was for being a quasi-governmental agency verses a non profit entity. Mr. Pearson responded that one advantage is that they are tax exempted under quasi. He also explained that their ability to benefit for state purchasing is important for their financial viability.

**MOTION:** Rep. Ure moved for the Heber Valley Railroad oversight be with the Capitol Facilities Committee. After committee discussion, Rep. Ure withdrew his motion.

**MOTION:** Rep. Buffmire moved to leave the Heber Valley Historic Railroad as status quo. The motion passed unanimously, with Sen. Valentine absent for the vote.

**MOTION:** Sen. Allen moved that a list or a brief summary be prepared for the materials that the committee receives so they will know what will be discussed as they consider all of the entities. After committee discussion, Sen. Allen withdrew his motion.

**4. Utah Dairy Commission** - Ms. Karen Koncar, General Manager, and Ms. Jenny Bander Beck, Utah Dairy Commission, distributed a folder with additional information regarding the Utah Dairy Commission. The committee referred to their response letter and Ms. Koncar presented an update on the dairy commission. She said the dairy industry wanted to keep the approximate \$1.8 million budget local, and noted that it is important to keep the Utah Dairy Commission as a quasi entity. She said if the Utah Dairy Act was abolished, there is a chance that Utah would lose the right to collect the ten cents per hundred weight from the dairy producers. She indicated that the other five cents go directly to the National Dairy Board, USDA oversight. She further explained if Utah does not keep the ten cents, the Federal Dairy Act of 1983 would remain and our producers would still be supporting the 15 cents per hundred weight, going through USDA.

Ms. Koncar indicated that they are currently exempt from the Funds Consolidation; State Money Management Act; Budgetary Procedures; Utah Administrative Services Code; and Utah State Personnel Management Act. She said the dairy producers fund the Utah Dairy Commission. She explained that they are audited annually by the State of Utah at their expense and also audited by USDA.

**5. Draft Legislation Preparation -** Sen. Steele explained that as information is presented by each of the quasi-governmental entities, the basic question as to the need for continuation of this status is what the committee has been trying to address. He introduced a legislation proposal as a summary of previous discussions that builds on the State Auditor's proposed legislation presented at earlier meetings. Sen. Steele emphasized a narrow definition of future quasi-governmental entities as an important aspect of this proposal.

Mr. Dee S Larsen, Associate General Counsel, distributed a handout, "Quasi" Entity Act Proposal," that he explained. He said the goal of the proposal is to lay out the process and bring consistency to the approach on how quasi-governmental entities are to be enacted along with their powers and oversight. He answered questions from the committee on the proposal.

After committee discussion, Chair Bigelow asked for committee action on the proposal.

Mr. Kevin A. Howard, Utah Retirement Systems, said since this proposal was just presented, he asked to reserve the right to make comments at a future meeting on the process proposed.

**MOTION:** Sen. Steele moved to have staff prepare legislation based upon the document, "Quasi" Entity Act Proposal." The motion passed unanimously, with Sen. Evans absent for the vote.

**6. Other Items -** Chair Bigelow noted that the next meeting will be Wednesday, September 27, 2000, at 9:00 a.m.

**7. Adjourn -**

**MOTION:** Rep. Ure moved to adjourn the meeting at 11:14 a.m. The motion passed unanimously, with Sen. Evans absent for the vote.

