

**MINUTES OF THE
ADMINISTRATIVE RULES REVIEW COMMITTEE**
Tuesday, January 9, 2001 - 10:00 a.m. - Room 303 State Capitol

Members Present:

Sen. Howard A. Stephenson,
Senate Chair
Rep. David Ure,
House Chair
Sen. Mike Dmitrich
Sen. L. Alma "Al" Mansell
Sen. Eddie "Ed" P. Mayne
Sen. Michael G. Waddoups
Rep. Judy A. Buffmire
Rep. James R. Gowans

Rep. Martin R. Stephens
Rep. John E. Swallow

Staff Present:

Mr. Arthur L. Hunsaker,
Research Analyst
Ms. Esther D. Chelsea-McCarty,
Associate General Counsel
Ms. Audrey Wendel,
Legislative Secretary

Note: A list of others present and copies of handouts distributed in the meeting are on file in the Office of Legislative Research and General Counsel.

1. Call to Order and Approval of November 28, 2000 Minutes

Chair Ure called the meeting to order at 10:10 a.m.

MOTION: Rep. Gowans moved to approve the minutes of the November 28, 2000 meeting. The motion passed unanimously, with Sen. Mansell and Rep. Swallow absent for the vote.

2. R865-19S-85 Sales and Use Tax Exemptions for New or Expanding Operations and Normal Operating Replacements Pursuant to Utah Code Ann. Section 59-12-104 (Existing Rule) (Sen. Stephenson)

Sen. Stephenson introduced the issue and asked questions about the scope of the rule. Mr. Bruce Johnson and Mr. Marc Johnson, Utah State Tax Commission, addressed the committee and explained the issue in greater detail. Mr. Bruce Johnson explained the governing statute, the rule written to implement it, and how the rule is typically interpreted. He suggested that if the exemption is intended to be extended to the manufacturer, a statutory clarification is needed. He also feels that R865-19S-85(A)(3)(b) is sufficient to accommodate more recent technological modifications. Committee discussion followed.

Ms. Lynn Solarczyk said that the rule may be written more clearly, but that Mr. Bruce Johnson was correct in saying a legislative remedy is needed to make the exemption extend to the manufacturer.

3. Report on R590-201 Catastrophic Coverage of Mental Health Conditions (Rep. Buffmire)

Rep. Buffmire reported to the committee on how the Insurance Department responded to her concerns with the rule as published in the November 1, 2000 Utah State Bulletin. The department plans to let R590-201 lapse and to support legislation to resolve the conflict between Sections 31A-22-720 and 31A-22-625.

Ms. Suzette Davies Green-Wright, Director, Health Insurance Division, Utah Insurance Department, said that they intend to request a change to Section 31A-22-720 to be in harmony with Section 31A-22-625. Mr. Mickey Braun, Assistant Commissioner, Department of Insurance, also provided comments.

4. Draft Bill, "Reauthorization of Administrative Rules"

Mr. Hunsaker updated the committee on the change in R156-55b-102(2), the only rule listed in the draft bill, and pointed out that the rule change was published in the January 1, 2001 Bulletin. Mr. Hunsaker said he would inform the committee when the rule goes into effect.

MOTION: Rep. Swallow moved to approve the bill as drafted. The motion passed unanimously, with Rep. Buffmire absent for the vote.

5. Committee Business

Sen. Mayne requested that R156-11a, Cosmetologist/Barber Licensing Act Rules, published in the November 15, 2000 Utah State Bulletin, be placed on the agenda of the first committee meeting after the 2001 Annual General Session. Sen. Beverly Evans, who had requested a hearing on the rule, requested that it be removed from the agenda because the Division of Occupational and Professional Licensing had agreed to modify the rule to resolve her concerns. Sen. Mayne said he had identified concerns with the rule and came to the meeting prepared to discuss them.

Mr. Kent Bishop distributed a handout titled, "Information Sheet 1/9/01" and presented information on H.B. 30, "Vehicle Towing and Reporting Requirements." He said the bill will be sponsored by Rep. Gowans.

6. Adjourn

MOTION: Sen. Waddoups moved to adjourn the meeting at 11:15 a.m. The motion passed unanimously, with Rep. Swallow absent for the vote.