



INTERIM HIGHLIGHTS

Office of Legislative Research and General Counsel
House Building, Suite W210 • Salt Lake City, Utah 84114 • (801) 538-1032

LEGISLATIVE INTERIM MEETINGS
Meetings were held June 20, 2012, unless otherwise noted.

Business and Labor

Education Requirements for Nursing Licensure Amendments

Action: *Approved as a committee bill, 2012 Fourth Special Session S.B. 4004, "Education Requirements for Nursing Licensure Amendments," which changes one of the accrediting institutions from the Northwest Accreditation Commission to the Northwest Commission on Colleges and Universities.*

Executive Branch Reports

Received a presentation and recommendation from the chairs regarding which reporting requirements should be continued or repealed.

Action: *Moved to direct staff to draft legislation incorporating the chairs' recommendations.*

Health Insurance Mandate Review

Received a report from the Insurance Department regarding health insurance mandates required by federal and state law, including coverage mandates, benefit mandates, and provider mandates.

Action: *Moved to direct staff to draft legislation to repeal the review of health insurance mandates by legislative committees.*

Quotas Applied to Limited Service Restaurant Licenses and Full Service Restaurant Licenses

Action: *Approved as a committee bill, 2012 Fourth Special Session S.B. 4001, "Alcoholic Beverage Control Act Amendments," which provides the following:*

- *four alcohol-related law enforcement officers with a primary focus on enforcement related to restaurants;*
- *increases the number of full service restaurant licenses and limited service restaurant licenses;*
- *increases certain retail license fees; and*
- *extends the effective dates of provisions related to the transfer of retail licenses.*

Sales of Media to Minors When the Original Content Rating is Altered

Received a presentation regarding the unlawful sale to minors of media that meets certain criteria, including media that has been altered such that the original content rating by the Motion Picture Association of America has been removed.

(Continued next column)

Sunset Review: Industrial Accident Restricted Account and Earmark of Certain Premium Tax Revenues

Action: *Approved as a committee bill, "Industrial Accident Restricted Account," which extends the repeal date for certain sections involving the Industrial Accident Restricted Account to July 1, 2018 and makes technical changes.*

Sunset Review: Worker Classification Coordinated Enforcement Council

Action: *Approved as a committee bill, "Worker Classification Coordinated Enforcement Council," which modifies the date that the Worker Classification Coordinated Enforcement Council is repealed.*

*Chairs: Rep. James A. Dunnigan / Sen. John L. Valentine
Staff: Bryant R. Howe (Assistant Director) / Patricia Owen (Attorney) / Robert H. Rees (Attorney) / Jennifer K. Christopherson (Secretary)*

Economic Development and Workforce Services

Economic Development of Manufacturing -- a Utah Perspective

Received presentations from government and industry representatives on economic development of manufacturing in Utah. The committee discussed ways to remove barriers and encourage the success and growth of the manufacturing industry in Utah.

*Chairs: Rep. Jim Bird / Sen. Stuart C. Reid
Staff: Benjamin N. Christensen (Policy Analyst) / Peter Asplund (Attorney) / Robert H. Rees (Attorney) / Debra Hale (Secretary)*

Economic Development Task Force

June 21, 2012

Facilitating Utah Economic Development

Received a presentation from the Governor's Office of Economic Development and the Economic Development Corporation of Utah covering cooperation between governmental and private entities to attract and grow competitive and high-value companies.

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State of Utah Economy

Received an overview of the current state of the economy in Utah, including the strengths, weaknesses, and recent trends. Currently, Utah ranks in the top ten, nationally, for long-term and short-term job growth. Despite the strong increase in production and job growth, Utah falls below the national average for increasing personal income. Part of this discrepancy can be explained by the increases in commodity prices, which doesn't directly impact the wages earned or personal income.

Chairs: Rep. Brad R. Wilson / Sen. Stuart C. Reid

Staff: Nathan W. Brady (Policy Analyst) / Benjamin N. Christensen (Policy Analyst) / Robert H. Rees (Attorney) / Jennifer K. Christopherson (Secretary)

Education

College and Career Readiness Assessments

Action: *Approved as a committee bill, "College and Career Readiness Assessment," which requires school districts and charter schools to administer college and career readiness assessments adopted by the State Board of Education.*

Proposed Legislation on Public Lands

Received a report from the Constitutional Defense Council and a legislator on issues related to public lands, including the transfer of title to certain public lands from the United States to Utah. The Public Lands Commission has been engaging various groups in other western states, exploring legal strategies and theories, and drafting legislation to address transfer of title.

Public Education Budget

Action: *Approved as a committee bill, 2012 Fourth Special Session S.B. 4003, "New School Year Supplemental Public Education Budget Adjustments," which transfers \$20.5 million from various programs to the Education Fund and appropriates approximately \$25 million to the Minimum School Program for school districts and charter schools in the 2012-13 budget.*

Chairs: Rep. Francis D. Gibson / Sen. Howard A. Stephenson

Staff: Allison M. Nicholson (Policy Analyst) / Constance C. Steffen (Policy Analyst) / Angela Oakes Stallings (Attorney) / Debra Hale (Secretary)

Government Operations

Retention of Outside Counsel and Other Services

Action: *Approved as a committee bill, 2012 Fourth Special Session S.B. 4002, "Retention of Outside Counsel, Expert Witnesses, and Litigation Support Services," which requires the Attorney General's Office to make rules to establish disclosure, transparency, accountability, and reporting in relation to the procurement of outside counsel, expert witnesses, and other litigation support services. The legislation is a re-filing of 2012 General Session S.B. 209, "Retention of Outside Counsel, Expert Witnesses, and Litigation Support Services." That bill was invalidated due to an amendment error.*

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Annual Elections Cleanup Recommendations

Received a presentation from staff regarding proposed substantive and technical changes to state elections law recommended by the Lieutenant Governor's Office in the committee's May meeting.

Action: *Voted to direct staff to open bill files to address 10 of the 16 election law changes recommended by the Lieutenant Governor's Office.*

Anonymous Campaign Contributions

Discussed potential changes to state law governing the disposition of anonymous contributions made to candidates for public office.

Boards and Commissions Report

Received a report from staff summarizing results from the survey of state boards and commissions requested by the committee during the 2011 Interim.

Action: *Voted to open a bill file to repeal those statutorily created boards and commissions whose survey respondent recommended repeal of the board or commission, and to repeal other boards or commissions. The committee also voted to continue seeking survey responses from those boards and commissions that have yet to submit survey results.*

Changing Political Party Affiliation

Discussed options for addressing the July 1, 2013 sunset date for Utah Code Section 20A-2-107.5 regarding party affiliation.

Action: *Voted to take no action to change the sunset date of July 1, 2013.*

Privatization of Surplus Property Services

Discussed whether some of the surplus property functions of the Department of Administrative Services should be privatized.

Chairs: Rep. Kraig Powell / Sen. Peter C. Knudson

Staff: Art L. Hunsaker (Policy Analyst) / Emily R. Brown (Attorney) / Thomas R. Vaughn (Attorney) / Kimberly A. Heiner (Secretary)

Health and Human Services

Medicaid Data Breach

Received a report from the Department of Health and the Department of Technology Services on the Medicaid data breach that occurred in March. The Department of Health reported that it will submit a building block request to fund the cost of responding to the incident, which now totals approximately \$2 million.

Office of Inspector General of Medicaid Services

Received a report from the Medicaid Inspector General that his office has recovered \$8 million in Medicaid provider reimbursements on a budget of \$1.5 million. Approximately 70% of the funds recovered are credited to the federal government while 30% go to the state. The recovery of an additional \$17.6 million is in process and \$3 million in reimbursements have been avoided.

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Sunset Review: Supported Employment Services

Received a report from the Division of Services for People With Disabilities (DSPD) on its program to help persons with a disability obtain and maintain employment.

Action: Voted to remove DSPD's supported employment program from the Sunset Act and require the division to give a biennial report on the program to the Health and Human Services Interim Committee.

Chairs: Rep. Paul Ray / Sen. Allen M. Christensen

Staff: Mark D. Andrews (Policy Analyst) / RuthAnne Frost (Attorney) / Cathy J. Dupont (Attorney) / Lori R. Rammell (Secretary)

Judiciary

Report from Legislative Auditor

Received a report from the Legislative Auditor regarding "A Performance Audit of the Division of Child and Family Services." Considered intent language and recommendations about the audit from the Office of the Legislative Fiscal Analyst and received an update regarding compliance with audit recommendations from the Department of Human Services and the Division of Family and Child Services.

Chairs: Rep. Kay L. McCliff / Sen. Mark B. Madsen

Staff: Jerry D. Howe (Policy Analyst) / Esther Chelsea-McCarty (Attorney) / Jennifer K. Christopherson (Secretary)

Law Enforcement and Criminal Justice

License Plate Readers

Discussed the current practice in Utah of governmental entities using license plate readers. Reviewed the rules governing the use of license plate readers, who has access to the information, and how the information is collected and stored.

Master Study Resolution Items

Received presentations from the sponsors of those Master Study Resolution items that the committee prioritized for the 2012 Interim. The committee discussed:

- studying the fiscal impact and moral issues regarding capital punishment;
- amending existing statutes regarding the crime of enticing minors through the internet; and
- consolidating various emergency response provisions in existing statute.

Additionally, the committee will likely study, but did not have time to review, the issue of increasing costs of correctional health care.

Chairs: Rep. Curtis Oda / Sen. Todd Weiler

Staff: Nathan W. Brady (Policy Analyst) / Susan Creager Allred (Attorney) / Lori R. Rammell (Secretary)

Legislative Management Committee

June 19, 2012

Actions

Approved the prioritized study items of the following interim committees:

- Business and Labor

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- Economic Development and Workforce Services
- Education
- Government Operations
- Health and Human Services
- Judiciary
- Law Enforcement and Criminal Justice
- Natural Resources, Agriculture, and Environment
- Political Subdivisions
- Public Utilities
- Revenue and Taxation
- Transportation

Approved the meetings and agendas of the following appropriations subcommittees:

- Higher Education
- Infrastructure and General Government
- Social Services
- Executive Offices and Criminal Justice

Report from State Auditor

Received a report from the State Auditor about the use of state purchasing cards. The study noted that state agencies are not following all of the requirements related to procurement policies and the use of purchase cards contained in State Accounting Policies and Procedures issued by the Department of Administrative Services.

June 20, 2012

Amicus Brief

Action: Voted to direct the Office of Legislative Research and General Counsel to file an amicus brief on behalf of the Legislature in the appeal of the case "Utahans for Ethical Government v. Clerks of All Counties in the State of Utah, et. al."

Chairs: Speaker Rebecca D. Lockhart / President Michael G. Waddoups

Staff: Michael E. Christensen (Director) / John L. Fellows (General Counsel) / Phalin L. Flowers (Administrative Assistant)

Native American Legislative Liaison Committee

June 21, 2012

Meetings with Tribal Leaders

Members of the committee met with local tribal leaders from the Confederated Tribes of the Goshute Reservation on the reservation at Ibapah, Utah. Issues discussed included economic development, water, transportation, and telecommunications.

Chairs: Rep. Jack R. Draxler / Sen. Kevin T. Van Tassel

Staff: John Q. Cannon (Managing Policy Analyst) / Michael E. Christensen (Director) / Patricia Owen (Attorney) / Lori R. Rammell (Secretary)

Natural Resources, Agriculture, and Environment

Boating Safety

Discussed proposed legislation regulating boating speed when an individual is riding in certain parts of a motorboat.

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Department of Environmental Quality Issues

Received a report from the Department of Environmental Quality on emerging issues including: department process improvement; Uintah Basin air quality; PM 2.5 state implementation plan; Petroleum Storage Tank Trust Fund cost recovery; nutrient pollution; use of water resources in the development of oil shale and oil sands; state funding of water projects; and Great Salt Lake water quality.

Sale of Hunting and Fishing Licenses

Discussed using data obtained by the Division of Wildlife Resources through the sale of hunting and fishing licenses to help identify individuals with outstanding warrants.

Transfer of Public Lands

The Constitutional Defense Council reported on its study of the transfer of public lands and associated legislation to the Natural Resources, Agriculture, and Environment Interim Committee.

*Chairs: Rep. Roger E. Barrus / Sen. Ralph Okerlund
Staff: J Brian Allred (Policy Analyst) / Tracy J. Nuttall (Attorney) / Kimberly A. Heiner (Secretary)*

Political Subdivisions

Definition of Rural

Received briefings from staff and heard comments from the study sponsor, Governor's Office of Economic Development, Department of Workforce Services, Department of Health, Utah Association of Counties, and the Utah League of Cities and Towns. The comments related to:

- existing definitions of 'rural' in statute and administrative rules;
- impacts on rural programs; and
- whether a standard definition of 'rural' should be adopted.

Homeowner Associations

Received a briefing from a legislator on the concepts of forthcoming legislation, which would modify provisions relating to the Condominium Ownership Act and the Community Association Act.

Repeal of Tax Opinion Question

Reviewed 2012 Fourth Special Session S.J.R. 401, "Joint Resolution - Repealing Tax Opinion Question."

*Chairs: Rep. R. Curt Webb / Sen. Casey O. Anderson
Staff: Joseph T. Wade (Policy Analyst) / Victoria Ashby (Attorney) / Chelsea B. Lloyd (Secretary)*

Public Utilities and Technology

Coal to Natural Gas Base-load Energy Conversion

Received a brief report from the Utah School and Institutional Trust Lands Administration (SITLA) about the impact of electric power plants converting from using coal to natural gas for producing electricity. The report indicated that all SITLA natural gas is currently under contract and that if coal was not used in Utah power plants the cost would be about \$220 million annually.

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Water Development

Received a presentation on the history of water development in the Western United States and Utah. The presentation included information on projected population growth over the next 30 years and how much water would be needed to service that growth. Funding was also discussed, specifically the need to broaden the sources to include on going General Fund revenues.

*Chairs: Rep. Michael E. Noel / Sen. J. Stuart Adams
Staff: Richard C. North (Policy Analyst) / Robert H. Rees (Attorney) / Tracey Fredman (Secretary)*

Revenue and Taxation

Dynamic v. Static Fiscal Notes

Received a presentation from staff on options for producing dynamic fiscal notes examining future economic effects from a tax policy change, including options for the fiscal note itself and for a separate explanatory note that addresses potential impacts.

Property Tax

Reviewed various property tax issues, including truth in taxation and the Tax Commission's property tax rate website, bond election timing and procedures, and property tax appeal assistance.

Action: Voted to request that committee staff draft the following two committee bills related to property tax:

- a bill addressing bond election timing and procedures; and
- a bill amending statutes related to those who can assist property owners in property tax appeals.

Review of Tax Credits and Exemptions

Received background information from staff on tax exemptions and credits, including a list of property tax exemptions, sales and use tax exemptions, and income tax exemptions and credits.

Sales and Use Tax

Action: Voted to request that committee staff draft a committee bill related to an exemption from sales and use taxation when related parties enter into lease agreements.

Sales and Use Tax - Internet & Other Remote Sellers

Action: Voted to request that committee staff draft a committee bill urging Congress to enact legislation authorizing states to collect sales tax from both retailers with physical presence in a state and remote sellers who make sales within the state.

Telecommunications Taxes

Received background information from staff on existing federal, state, and local taxes and fees charged on telecommunications services.

*Chairs: Rep. Patrick Painter / Sen. Curtis S. Bramble
Staff: Bryant R. Howe (Assistant Director) / Phillip V. Dean (Policy Analyst) / Rebecca L. Rockwell (Attorney) / Chelsea B. Lloyd (Secretary)*

Transportation

Annual State Highway System Changes

Received a statutorily required report from the Utah Department of Transportation regarding proposed changes to the following roads: State Routes 48, 146, and 74; and North County Boulevard in Lindon, Pleasant Grove, American Fork, and Highland.

Prioritization of New Transportation Capacity Projects

Reviewed, as required by statute, proposed changes to the administrative rule that governs the prioritization of new transportation capacity projects.

Railroad Safety

Received a presentation from the Utah Transit Authority (UTA) on railroad safety issues such as distracted walking.

UTA Customer Information

Action: *Adopted a motion to open a committee bill file to classify certain UTA customer information as a private record under the Government Records Access Management Act.*

UTA Update

Received a presentation from UTA on the state of its budget and finances and projects that were recently finished or are currently under construction. UTA reported that the five light rail extension projects that it committed to build in 2006 are under budget and likely to be finished by 2013, two years ahead of schedule.

Yield to Buses

Received a presentation from UTA on the need for vehicles to yield to buses coming back into traffic after pulling over to pick up or drop off passengers.

Chairs: Rep. Bradley M. Daw / Sen. Kevin T. Van Tassell

Staff: Leif G. Elder (Policy Analyst) / Shannon C. Halverson (Attorney) / Tracey Fredman (Secretary)

Utah International Relations and Trade Commission

June 19, 2012

American Committee on Foreign Relations - Salt Lake Chapter

Received a report on the Salt Lake Chapter of the American Committee on Foreign Relations about its role in promoting international relations with Utah. The chapter receives numerous domestic and foreign speakers annually and is a forum for grass-roots discussion.

International Treaty Update

Received treaty updates on the Law of the Sea, Rare-Earth Minerals, and Small Arms Trade. Other treaties discussed include recently approved Colombia, Panama, and South Korea Free Trade Agreements.

Currently, the U.S. is not a signatory to the Law of the Sea and legislation has been introduced in both houses of congress opposing the Small Arms treaty.

Legislator International Protocol Training

Discussed internationally accepted protocols for both formal and informal meetings of diplomatic corps and trade mission visitors for legislators. Because Utah is the second fastest state in export growth and received over 400 international trade missions in 2011, the issue of developing an ongoing legislator training program in diplomatic protocol is critical.

Utah Consul General Program

Discussed Utah's Consul General program, including Honorary Consul General officials, their function, and how the program benefits international trade missions with trading partners, citizens, and the business community.

Chairs: Rep. Eric K. Hutchings / Sen. Mark B. Madsen

Staff: Richard C. North (Policy Analyst) / Peter Asplund (Attorney) / Debra Hale (Secretary)

2012 Fourth Special Session — June 20, 2012

The Legislature passed:

- *S.B. 4001 Alcoholic Beverage Control Act Amendments* (J. Valentine). This bill amends provisions related to the Alcoholic Beverage Control Act.
- *S.B. 4002 Retention of Outside Counsel, Expert Witnesses, and Litigation Support Services* (J.S. Adams). This bill requires the attorney general's office to make rules to establish disclosure, transparency, accountability, and reporting in relation to the procurement of outside counsel, expert witnesses, and other litigation support services.
- *S.B. 4003 New School Year Supplemental Public Education Budget Adjustments* (A. Osmond). This bill supplements or reduces appropriations previously provided for school districts, charter schools, and certain state education agencies for the fiscal year beginning July 1, 2012, and ending June 30, 2013.
- *S.B. 4004 Education Requirements for Nursing Licensure Amendments* (G. Davis). This bill amends the accreditation requirements for nursing education programs.
- *S.J.R. 401 Joint Resolution - Repealing Tax Opinion Question* (R. Okerlund). This joint resolution repeals 2012 General Session, H.J.R. 13, Joint Resolution - Tax Opinion Question, which directs the lieutenant governor to present an opinion question to registered voters on whether to impose a state sales and use tax for certain purposes.

Management Change at OLRGC

John Cannon, long time Managing Policy Analyst for the Office of Legislative Research and General Counsel, will soon close his 20 year career with the office. He has accepted a new position as a Senior Public Affairs Manager with The Church of Jesus Christ of Latter-Day Saints. In addition to supervising the office's Policy Analysts, John helps staff the House Rules Committee, Native American Legislative Liaison Committee, and Legislative Process Committee. Last year, John guided the dozen or so legislative staff who supported the Legislature's redistricting effort.

John was recently awarded the 2012 Legislative Staff Achievement Award from the Research and Committee Staff Section of the National Conference of State Legislatures. This award is in recognition of John's superior work as Managing Policy Analyst and for 20 years in providing staff support to various legislative committees, including Political Subdivisions, Government Operations, Rules, and Redistricting.

We will miss John greatly and wish him well in his new employment. All legislative members are invited to attend an open house for John on Wednesday, June 27, from 2:30 p.m. to 3:30 p.m. in the Governor's Board Room, located in the State Capitol.

Jerry Howe has been selected as the new Managing Policy Analyst for the Office of Legislative Research and General Counsel, effective July 7, 2012. Jerry began working as a policy analyst in April 1990 and has proven himself to be a valuable asset to the Legislature while serving as staff to the Legislature's Judiciary Committees, Constitutional Revision Commission, and Senate Judicial Confirmation Committee. He also directs the legislative intern program and devoted many hours to the redistricting committees in 2001 and 2011. Jerry also holds adjunct professor positions at the University of Utah and Weber State University.

Jerry brings a wealth of experience, a great mind, and a good heart to the new assignment and we have full confidence he will do a great job.

Congratulations, Jerry!

Next Interim Day—August 15, 2012

For more information about legislative activities, visit the Utah State Legislature's website at: le.utah.gov
 Editors: Nathan W. Brady & Leif G. Elder
 Office of Legislative Research and General Counsel

RETURN SERVICE REQUESTED

OFFICE OF LEGISLATIVE RESEARCH
 AND GENERAL COUNSEL
 HOUSE BUILDING, SUITE 210
 PO BOX 145210
 SALT LAKE CITY UT 84114-5210

