



# INTERIM HIGHLIGHTS

Office of Legislative Research  
and General Counsel

Office of the Legislative  
Fiscal Analyst

Office of the Legislative  
Auditor General

## INTERIM COMMITTEE ACTIONS

### Business and Labor

**REPORT:** Received a presentation outlining Utah’s career service employment system for state employees, including disciplinary processes.

**ACTION:** Recommended draft legislation “Conveyances of Property” and “Regulating Proprietary Postsecondary Schools.”

*Chairs: Sen. Parley Hellewell/Rep. Katherine M. Bryson  
Staff: Mark Steinagel (analyst)/Patricia Owen (attorney)/Tracey Fredman (secretary)*

### Education

**REPORTS:**

- Received annual reports on the Transfer of Technology Equipment to Schools, the State School Fund, and the Engineering and Computer Science Initiative.
- Received a progress report from the Utah Office of Education on merging the Jean Massieu School with the Utah Schools for the Deaf and the Blind.

**ACTION:** Approved a motion directing staff to draft legislation reauthorizing the Public Education Job Enhancement Program and expand the program to target the most critical teaching shortages.

*Chairs: Sen. Howard A. Stephenson/Rep. Margaret Dayton  
Staff: Constance Steffen (analyst)/Dee Larsen (attorney)/Glenda Whitney (secretary)*

### Government Operations

**STUDY:** Discussed the possible recodification of code sections governing inconsistencies between bond elections and other elections, and discussed voter registration requirements.

**ACTION:** Discussed a survey of state advisory boards and criteria for evaluating advisory boards for possible repeal or consolidation. The Committee adopted as committee bills “Repeal of Vehicle Equipment Safety Commission” and “Repeal of State Debt Collection Advisory Board.”

*Chairs: Sen. John W. Hickman/Rep. James A. Ferrin  
Staff: John Cannon (analyst)/Eric Weeks (attorney)/Cassandra Bauman (secretary)*

### Health and Human Services

**STUDY:** Considered draft legislation that would require licensing of direct-entry midwives and provide a mechanism for determining which prescription drugs they may administer.

**ACTIONS:**

- Approved as a committee bill draft legislation “Health Care Assistants,” which repeals the registration of health care assistants.
- Approved as a committee bill draft legislation “Occupational and Professional Licensing Sunset Amendment,” which removes 16 professional licensing acts from the Sunset Act.

*Chairs: Sen. Sheldon Killpack/Rep. Mike Thompson  
Staff: Mark Andrews (analyst)/Catherine Dupont, Thomas Vaughn (attorneys)/Joy Miller (secretary)*

### Judiciary

**REPORT:** Received reports from the Department of Corrections, Administrative Office of the Courts, and local drug treatment providers regarding draft legislation “Drug Offender Reform Act,” which addresses increased drug treatment.

**ACTIONS:**

- Recommended that draft legislation “Trust Business Amendments” pass out favorably for consideration during the Fourth Special Session of the Utah Legislature.
- Approved draft legislation “Naming Parties in Litigation.”

*Chairs: Sen. David L. Gladwell/Rep. Ben C. Ferry  
Staff: Jerry Howe (analyst)/Esther Chelsea-McCarty (attorney)/Cassandra Bauman (secretary)*

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## Law Enforcement and Criminal Justice

### STUDIES:

- Discussed issues related to allowing or prohibiting concealed weapons in university and college residence halls.
- Discussed federal HR218 "Law Enforcement Officers Safety Act," which allows retired and off-duty police officers to carry concealed weapons in any jurisdiction, and how this law relates to Utah's weapons law exemptions for off-duty and retired police officers.

**REPORT:** Received presentations regarding sex offender treatment programs and information regarding the current funding levels for these programs.

*Chairs: Sen. D. Chris Butters/Rep. DeMar "Bud" Bowman  
Staff: Jami Momberger (analyst)/Susan Creager Allred (attorney)/Wendy Bangerter (secretary)*

## Natural Resources, Agriculture, and Environment

This meeting was cancelled.

*Chairs: Sen. Beverly Evans/Rep. Craig W. Butters  
Staff: Brian Allred (analyst)/Jeanenne Larson (attorney)/Joy Miller (secretary)*

## Political Subdivisions

**STUDY:** Discussed issues related to a local governmental entity's ability to provide sewer service to a property located outside the entity. Discussed allowing the outside property to connect to the entity's sewer service without annexing, if it is impractical for the property to receive service from the local governmental entity in which it is located.

**REPORT:** Received draft recommendations from a GIS (Geographic Information System) workgroup.

*Chairs: Sen. Carlene M. Walker/Rep. Kory M. Holdaway  
Staff: Joseph Wade (analyst)/Robert Rees (attorney)/Wendy Bangerter (secretary)*

## Public Utilities and Technology

**REPORT:** Received presentations on issues involving the use of electronic product codes/radio frequency identification devices in manufacturing and retail sales, including economic benefits, data mining, counterfeiting, and privacy.

*Chairs: Sen. Leonard M. Blackham/Rep. Stephen H. Urquhart  
Staff: Richard North (analyst)/Christopher Parker (attorney)/Phalin Flowers (secretary)*

## Revenue and Taxation

**ACTIONS:** Approved draft legislation "Property Tax Treatment of Tangible Personal Property."

### STUDIES:

- Reviewed policy options to change the property tax treatment of motor homes and house boats, including the feasibility of imposing fees based on the age and/or length of the motor home or houseboat.
- Received a presentation from the Utah State Tax Commission (USTC) on ways to coordinate and simplify collection procedures for all taxes that the USTC administers.
- Received comments from firms affected by implementation of the Streamlined Sales and Use Tax Agreement.

*Chairs: Sen. Curtis S. Bramble/Rep. Wayne A. Harper  
Staff: Bryant Howe (analyst)/Rebecca Rockwell (attorney)/Phalin Flowers (secretary)*

## Transportation

### STUDIES:

- Received an update on the Traffic Code Recodification requested by the Committee in its April meeting.
- Discussed how changes in traffic laws are communicated to the public.

**REPORT:** Received an update on the 2030 Long Range Transportation Plans from the Utah Department of Transportation, Wasatch Front Regional Council, and Mountainlands Association of Governments.

*Chairs: Sen. Dan R. Eastman/Rep. Joseph G. Murray  
Staff: Benjamin Christensen (analyst)/Shannon Halverson (attorney)/Tracey Fredman (secretary)*

## Workforce Services & Community and Economic Development

### STUDIES:

- Discussed draft legislation "Funding for Tourism."
- Discussed draft legislation "Employment Security Act Amendments."
- Discussed efforts to increase awareness of the availability of earned income tax credits for people with low and moderate incomes.

**REPORT:** Received a report on state assistance to cities and counties to meet low and moderate income housing requirements.

**ACTION:** Adopted as a committee bill draft legislation "Aerospace and Aviation Development Zone Modifications" for the 2005 General Session.

*Chairs: Sen. Scott K. Jenkins/Rep. David N. Cox  
Staff: Art Hunsaker (analyst)/Jim Wilson (attorney)/Glenda Whitney (secretary)*

## Fourth Special Session

The Legislature convened in a Special Session on the afternoon of September 15th, after conducting interim committee meetings in the morning.

The Legislature heard and passed the following bills:

### First Substitute H.B. 4001

#### “Supplemental Appropriations Act III - Range Creek”

Sponsor: Ron Bigelow

- This bill appropriates a total of \$152,000 from the General Fund to the Department of Natural Resources for security at the Range Creek archeological site.
- \$50,000 of the appropriation is redirected to the Department of Natural Resources from monies previously appropriated to the University of Utah for Range Creek.
- \$102,000 of the appropriation is one-time monies from the General Fund surplus.

### First Substitute S.B. 4001

#### “Trust Business Amendments”

Sponsor: Senator Lyle W. Hillyard

- This bill amends the Uniform Trust Code to provide regulation of foreign trustees.
- The bill establishes requirements regarding when a foreign corporate trustee is required to qualify as a foreign corporation doing business in this state, and makes an exemption for foreign co-trustees.
- The bill provides that a foreign trustee may receive distributions, and may hold, invest in, manage, or acquire property without qualifying as a foreign corporation.
- The bill has a retrospective effective date of July 1, 2004.

### S.B. 4002

#### “Individual Income Tax - Treatment of Certain Military Income.”

Sponsor: Senator Curtis S. Bramble

- This bill amends the Individual Income Tax Act to provide a subtraction from federal taxable income for certain income a resident or nonresident receives for qualifying military service, as defined in the bill.
- The bill has retrospective operation for taxable years beginning on or after January 1, 2004.

### Second Substitute S.B. 4003

#### “Supplemental Appropriations Act II Amendments - Redirection of Certain Federal Funds to Inmate Housing”

Sponsor: Senator Leonard M. Blackham

- The bill amends HB 3, “2004 Supplemental Appropriations Act II,” (2004 General Session) to provide that up to \$1.5 million in federal Violent Offender Incarceration and Truth-In-Sentencing (VOI/TIS) grant funds be allocated to the Department of Corrections for capital improvements. The bill also provides that if the federal VOI/TIS funds cannot be used for this purpose, that up to \$1.5 million in Capitol Improvement Funds are to be allocated to the Department of Corrections for the capital improvements.
- The bill also directs that \$1.54 million in one-time General Fund monies be used to construct an inmate training center for the Wasatch and Oquirrh facilities of the Department of Corrections.
- This bill does not appropriate any monies, but modifies legislative intent regarding the use of specified moneys.

**LEGISLATIVE MANAGEMENT COMMITTEE****ACTIONS:**

- Approved a request from the Higher Education Appropriations Subcommittee to hold its second interim committee meeting at the Richfield campus of Snow College on September 30 and October 1, 2004.
- Moved unanimously to authorize the Office of Legislative Research and General Counsel to accept the Utah Supreme Court's invitation to submit an amicus curiae brief on behalf of the Legislature in the matter of *University of Utah v. Mark L. Shurtleff*, Case No. 20030877-SC. The two issues being decided by the Court are: 1) whether the Utah Constitution gives the University of Utah institutional autonomy from the Legislature's regulation of guns; and 2) whether the constitutional authority given to the Legislature to define lawful use of firearms overrides any potential institutional autonomy. The brief is due on or before October 8, 2004.

**WAYNE WELSH RETIRES**

The Office of the Legislative Auditor General announces the retirement of Wayne Welsh, Auditor General, after 30 years of service to the Legislature, including 20 years as Auditor General. The office also announces the appointment of John Schaff as the acting Auditor General.

In celebration of Wayne's career the Office of the Legislative Auditor General invites all legislators, legislative staff, and other well-wishers to a retirement open house and light lunch.

**RETIREMENT OPEN HOUSE****Tuesday, October 19, 2004****11:30 - 1:30 p.m.****Room W110, House Building**

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*Editors: Jami Momberger & Susan Creager Allred*



# FISCAL HIGHLIGHTS

JOHN E. MASSEY  
LEGISLATIVE FISCAL ANALYST

## EXECUTIVE APPROPRIATIONS COMMITTEE

CO-CHAIRS:  
SENATOR LEONARD BLACKHAM - REPRESENTATIVE RON BIGELOW

### Discussion Item: Special Session Legislation

**Summary:** The committee reviewed two bills for the 4th Special Session held on Wednesday, September 15, 2004. S.B. 4003, Supplemental Appropriations Act II Amendments, sponsored by Senator Blackham provides for the redirection of Federal Funds for inmate housing in the Department of Corrections. H.B. 4001, Supplemental Appropriations Act III, sponsored by Representative Ron Bigelow, provides an appropriation to the Dept. of Natural Resources for the protection of artifacts at Range Creek.

**Committee Action:** The committee passed both bills with a favorable recommendation to the Legislature.

**Staff Contact:** John Massey

### Report: State Retirement System/Public Employee's Health Plan

**Summary:** Utah Retirement Systems (URS) and Public Employee's Health Plan (PEHP) representatives explained to the committee the process for establishing retirement and health insurance rates. In addition, the committee received rate estimates for FY 2006 and how these rates may impact the state budget.

**Staff Contact:** Spencer Pratt

### Report: In Depth Budget Review of the Division of Business and Economic Development

**Summary:** The Analyst provided a general overview of the division as well as detailed the recommendations made in the report. The Division of Business and Economic Development presented a discussion of Industrial Incentive Funds. The discussion focused on the procedure used in issuing incentive funds. Incentive Fund Director, Mark Renda explained that Industrial Assistance Fund Loans are post performance based and a company must meet their commitment before they receive funding. As credits are earned the fund is replenished through Legislative appropriation. Statute was broadened during the 2004 General Session to allow a portion of the incentive funds to be utilized for economic opportunities.

**Committee Action:** The committee recommended that the Economic Development and Human Resources Appropriations Subcommittee have the Division create better performance measures related to trade missions.

**Staff Contact:** Andrea Wilko

### Report: Revenue and Lease Bonding

**Summary:** The report addresses increasing concern over the process by which lease revenue bonds are approved and the use of lease payments to leverage support for lease revenue bonding. The concern arises from the State Building Board's request for three new regional centers (St. George, Logan, and Ogden) in the last two general legislative sessions. Two of these requests were rejected. Even though revenue bond projects are not scrutinized as closely as general obligation bond projects, they are receiving more attention. Evidence of this may be found in the rejection of two projects and by the separation of lease revenue bonds, general obligation bonds, and transportation bonds into three separate bills. State agencies do not appear to be increasing office space through lease revenue bonding. Since 1996 the Legislature has approved only four lease revenue projects for office space.

**Committee Action:** The committee took no formal action.

**Staff Contact:** Steven Allred

### UPCOMING APPROPRIATIONS SUBCOMMITTEE MEETINGS

- **Natural Resources, November 9th - 10:00 a.m.**  
**Location to be Announced**
- **Public Education, October 5th - 9:00 a.m. in House Building Room W135**
- **Transportation, Meeting time and Location to be announced.**
- **Higher Education, September 30 & October 1 - Richfield Snow Campus**
- **Health and Human Services, Meeting time and Location to be announced.**

☐ *For more information please call the subcommittee analyst at 538-1034.*

## EXECUTIVE APPROPRIATIONS - CONTINUED

**Report:** Trends in State Employment, FY 2002 - 2004

**Summary:** Employment in state agencies decreased by 1.4% between FY 2002 - FY 2004. For that same time period, state supported employment in higher education increased by 1.8%. Public Education certificated professional employment decreased by 1.1%, while employment in the public education agencies increased by 1.8%.

Although FTE employment and appropriation of dollars correlate across time, appropriations alone cannot explain a significant portion of employment. Other factors must be considered when attempting to explain state employment trends.

Due to different definitions of "classified employee" among the school districts limited conclusions could be drawn from the public education employment data.

**Committee Action:** The committee recommended that the State Board of Education develop a common definition of full-time equivalent employee. The standard should provide definitions for both certificated and classified FTE employees. The

committee further recommended State Office collect data using the new definition beginning in FY 2005 both retrospectively for each of the past five years, as well as prospectively. Further, the USOE should prepare a report using the common definition for the Public Education Interim and Appropriations committees as well as the Executive Appropriations Committee prior to the FY 2005 General Session of the Legislature.

**Staff Contacts:** Jonathan Ball, Ben Leishman, Stan Eckersley

**Report:** Federal Funds

**Summary:** The Governor's Office of Planning and Budget provided the monthly federal funds report. The list contained 11 federal grant applications requiring legislative action, 17 grants approved by the Governor, and a complete listing of all federal grants being utilized by various state agencies.

**Committee Action:** The committee approved the 11 grant applications specified in the report.

**Staff Contact:** Spencer Pratt

## SUBCOMMITTEE HIGHLIGHTS

CAPITAL FACILITIES & ADMINISTRATIVE SERVICES

**Summary:** The Subcommittee met on September 9-10 in conjunction with the State Board of Regents and the State Building Board. Committee members received a listing of the Regents' capital development priorities and participated in discussions about their prioritization process. On September 10 the subcommittee met jointly with the State Building Board to review an initial list of all capital development requests, discuss the board's recently-adopted capital development request evaluation guide, and dialogue about the development needs of the state. The committee finished the day with a tour to view facility requests at Weber State University, Utah State University, and Bridgerland Applied Technology College.

**Staff Contact:** Steve Allred

COMMERCE & REVENUE

**Summary:** The committee met on August 24th. The Analyst presented the committee with excerpts from the publication, Comprehensive Health Insurance for High-risk Individuals. Tomi Ossana, Executive Director for HIPUtah, explained the history, principles and role of the agency. Rod Marrelli, Utah State Tax Commission Executive Director, explained the Commission's progress in implementing the Legislative Audit recommendations. Ed Leary, Commissioner of Financial Institutions, explained the unique position Utah enjoys with Industrial Banks. The Commissioner explained the factors leading up to the Bank of Ephraim failure and detailed the actions taken.

**Staff Contact:** Stan Eckersley

ECONOMIC DEVELOPMENT & HUMAN RESOURCES

**Summary:** The subcommittee met to hear the in-depth budget review of the Division of Business and Economic Development. The Committee adopted a new set of measurements for Trade Missions. There was also a significant discussion related to smart sites and their benefit to rural communities. The committee reviewed the Analyst recommendations and expressed support for them.

**Staff Contact:** Andrea Wilko

EXECUTIVE OFFICES & CRIMINAL JUSTICE

**Summary:** Committee members met on September 14, 2004 and discussed the following issues: First, a request from the Courts to transfer \$21,000 to the State Motor Pool for a vehicle to transport youth in the Sanpete Day Reporting Program. The Courts also reported on the progress of the e-filing system and computer assisted legal research. Second, The Department of Corrections reported on inmate housing options (Subject of the 4th Special Session). Corrections also reported on its Adult Transition/Reentry Programs. Third, The Division of Juvenile Justice Services reported on its Transition/Reentry Programs. Finally, The Attorney General reported on implementation of Market Comparability Adjustments (MCAs) within his office.

**Staff Contacts:** Bill Greer & Gary Ricks