



INTERIM HIGHLIGHTS

Office of Legislative Research and General Counsel
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LEGISLATIVE INTERIM MEETINGS

Meetings were held September 21, 2016, or as noted.

IN THIS ISSUE:

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Business and Labor

***Economic Development and
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Legislative Management Committee

***Natural Resources, Agriculture, and
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Political Subdivisions

Prison Development Commission

***Public Utilities, Energy, and
Technology***

Retirement and Independent Entities

Revenue and Taxation

Senate Judicial Confirmation

***State Water Development
Commission***

Transportation

Utah Tax Review Commission

***Veterans' and Military Affairs
Commission***

Business and Labor

Applications for a New or Relocated Automobile Dealership

Received a [report](#) from the [Utah Motor Vehicle Franchise Advisory Board](#) regarding the number of applications for a new or relocated dealership and information regarding how each application was processed. The board reported it has not received any applications during the past year.

Grand Boulevards Corridor Plan

Received an update from the Salt Lake Chamber of Commerce regarding discussions related to the Grand Boulevards Corridor Plan, which is a master planning effort to create a first-class entrance and exit to Salt Lake City. The chamber reported on the status of discussions regarding billboards.

Insurance Premium Tax

Discussed issues relating to changes in how insurance companies report certain premium taxes. The changes caused a decrease in monies being allocated to firefighter-related purposes.

State Construction Code

Received a [report](#) from the [Uniform Building Code Commission](#) regarding whether the Legislature should amend or repeal one or more provisions of the [State Construction Code](#). The commission recommended adding a provision regarding installation of passive radon controls.

State Fire Code

Received a report from the [Utah Fire Prevention Board](#) regarding whether the Legislature should amend or repeal one or more provisions of the [State Fire Code](#). The board did not recommend any changes to the State Fire Code.

Utah Fund of Funds

Received a [presentation](#) and [report](#) from the [Utah Capital Investment Corporation](#), prepared in consultation with the [Utah Capital Investment Board](#), regarding the activities conducted by the [Utah Fund of Funds](#).

Worker Classification Coordinated Enforcement

Received a [report](#) from the [Worker Classification Coordinated Enforcement Council](#) regarding:

- The nature and extent of misclassification in the state;
- The results of regulatory and law enforcement efforts related to the council; and
- The status of sharing information by member agencies.

The council reported that it is an effective body in addressing misclassification of workers and that misclassification of workers remains an important issue in Utah.

Chairs: Rep. Val L. Peterson / Sen. Curtis S. Bramble

*Staff: Joseph T. Wade (Policy Analyst) / Patricia Owen (Attorney) / Samuel C. Johnston (Attorney) /
Lucy W. Daynes (Legislative Assistant)*

Economic Development and Workforce Services

Community Services Block Grant

Received a [presentation](#) from the Housing and Community Development Division of the Department of Workforce Services regarding the state's Community Services Block Grant plan. Federal regulations require recipients of Community Services Block Grant funds to report to the Legislature every three years. The division administers \$3.6 million of federal funding through local community partners to combat poverty in those communities.

Earned Income Tax Credit

Received a presentation from the [American Enterprise Institute](#) and [Voices for Utah Children](#) regarding the Earned Income Tax Credit (EITC). The presenters explained how the federal EITC works and indicated that the EITC is an efficient program for increasing workforce participation and reducing poverty. The presenters noted that Utah has 191,000 recipients of the federal credit and suggested that a state EITC would help reduce rising poverty in Utah.

Paid Family Leave

Received a presentation from a legislator regarding paid family leave. Legislative staff provided an overview of the Family Medical Leave Act and the paid leave options available to state employees. The legislator described proposed legislation that would provide six weeks paid family leave as a benefit for state employees, and suggested this change would improve retention, productivity, and loyalty. The committee raised questions regarding eligibility, compatibility with other forms of leave, and costs.

STEM Action Center

Received a follow-up [presentation](#) from the Science, Technology, Engineering, and Math (STEM) Action Center on issues raised during the July interim committee meeting. The presenters noted that the STEM Action Center has faced challenges in being able to select the best products to support the center through its grant program. The presenters also indicated that internal conversations between the Governor's Office of Economic Development and the Division of Purchasing and General Services have identified ways to overcome these challenges, and the center no longer believes legislative changes are necessary.

Targeted Business Tax Credit

Received a [presentation](#) from the Governor's Office of Economic Development regarding the Targeted Business Tax Credit. The presenters suggested changes to the credit that would:

- Change the entity that approves eligibility from the enterprise zone administrator to the Governor's Office of Economic Development;
- Adjust application timelines;
- Eliminate unemployment restrictions for counties with a population below 25,000; and
- Eliminate multi-year projects from the program.

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Action: Directed staff to open a committee bill file to address the suggested changes to the credit.

Chairs: Rep. Rebecca P. Edwards / Sen. Brian E. Shiozawa
Staff: Ryan M. Hunter (Policy Analyst) / Peter Asplund (Attorney) /
Debra Hale (Legislative Assistant)

Education

September 20, 2016

Assessment and Accountability

Discussed assessment and accountability in a joint meeting with the State Board of Education. Considered [changes](#) to the state's assessment and accountability systems that were recommended by the State Board of Education. Also discussed possible [timelines](#) for making the proposed changes and the appropriate balance of statute and State Board of Education rules in defining the state's assessment and accountability systems.

Action: Directed staff to open a committee bill file to amend the state's current assessment and accountability framework.

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September 21, 2016

Competency-Based Education

Discussed findings from the mastery-based education working group formed during the committee's June interim meeting, including barriers to expanding [mastery-based learning](#).

Action: Directed staff to open a committee bill file to address an element of the education funding formula that presents a barrier to mastery-based learning.

Equalization

Considered draft legislation "[School Funding Amendments](#)," which would:

- Direct the Legislature to annually appropriate certain funds to the voted and board local levy guarantee programs; and
- Amend the number of local levy increments (.0001 per dollar of taxable value) guaranteed.

Received public comment regarding the draft legislation.

Teacher Preparation

Considered draft legislation "[Teacher Pedagogical Assessment](#)," which would require the State Board of Education to:

- Establish a teacher pedagogical assessment to determine an individual's pedagogical knowledge and performance; and
- Require an individual to pass a teacher pedagogical assessment to receive or retain a certain license to teach.

Received feedback from the State Board of Education and a higher education institution.

Chairs: Rep. Bradley G. Last / Sen. Ann Millner

Staff: Allyson R. Goldstein (Policy Analyst) / Victoria Ashby (Attorney) / Rebekah M. Bradway (Attorney) / Michael E. Curtis (Attorney) / Debra Hale (Legislative Assistant)

[Federal Funds Commission](#)

September 12, 2016

Economic Risk Analysis

Received a report from the author of an economic risk analysis that the commission received earlier in the year. The report highlights the primary risks to federal funding, including:

- A financial crisis;
- A rapid reduction in spending; and
- A substantial increase in taxation.

Federal Funds Update

Received a staff [presentation](#) on the [Federal Funds Procedures Act](#).

Received an update from the State Board of Education on the implementation of 2016 General Session [H.B. 329](#), "Federal Funds Procedure Act Amendments," which provides

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that the State Board of Education is subject to certain review and approval requirements for receipt of federal funds.

Received a [presentation](#) from the Office of the Legislative Fiscal Analyst on maintaining structural balance with federal funds, including ways to:

- Strengthen the [Federal Funds Procedure Act](#);
- Improve the general budgeting process for federal funds; and
- Modify fiscal notes to better reflect the impact of federal funds.

Chairs: Rep. Ken Ivory / Sen. Lincoln Fillmore

Staff: Leif G. Elder (Policy Analyst) / Shannon C. Halverson (Attorney) / Joshua M. Weber (Legislative Assistant)

[Government Operations](#)

Plurality

Discussed whether the committee should address the issue of plurality regarding election votes before the 2017 General Session.

Postmark Deadlines

Received a legislative staff [presentation](#) regarding deadlines for by-mail ballots in the 50 states.

Received a [presentation](#) from the United States Postal Service on the postal service's postmarking processes.

Also heard from the Daggett County clerk regarding how the state's by-mail ballot postmark deadline affects rural counties.

Action: Directed staff to open a committee bill file to require a county that conducts an election entirely by mail to create ballot drop boxes for a voter to deposit the voter's ballot for collection by the county clerk.

Purchase and Sale of State Land

Received reports from the Division of Facilities Construction and Management, the Department of Transportation, the Department of Natural Resources, and the School and Institutional Trust Lands Administration regarding each respective entity's compliance with 2008 General Session [H.B. 354](#), "Appraisals for State Land Purchases," which requires appraisals to be conducted whenever the respective entity purchases or sells real property.

State Facilities Energy Efficiency Fund

Received an update from the Division of Facilities Construction and Management regarding savings resulting from energy efficiency measures implemented using loan money from the State Facilities Energy Efficiency Fund.

Utah Communications Authority Audit

Received a [presentation](#) from the Office of the Legislative Auditor General on an [audit](#) of the Utah Communications Authority's implementation of controls after the internal theft of approximately \$800,000.

Chairs: Rep. Jack R. Draxler / Sen. Margaret Dayton

Staff: Brian J. Bean (Policy Analyst) / Thomas R. Vaughn (Attorney) / Katie LeFevre (Legislative Assistant)

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Health and Human Services

Intergenerational Poverty

Received policy recommendations on how to promote child development and reduce intergenerational poverty from:

- A child advocacy organization;
- A pediatrician;
- A sociology professor; and
- A think tank scholar.

The recommendations included:

- [Expanding access to public health insurance](#);
- [Enacting a state earned income tax credit](#); and
- [Investing early in children's cognitive and noncognitive development](#).

Medicaid—Home and Community-Based Services

Received feedback from an advocate for persons with disabilities regarding a Department of Health [evaluation](#) provided to the committee earlier this year on the costs and benefits of several Medicaid long-term services and support options. The advocate recommended further evaluation, including expanding the time horizon for cost and benefit analyses.

Opioid Misuse

Reviewed the state of Washington's [policy](#) of referring opioid patients to a pain specialist under certain circumstances. Received reports from commercial and public health insurers on whether they pay health care providers to perform substance use assessments and conduct ongoing monitoring of opioid patients.

Also considered draft legislation "[Insurance Coverage for Opioids](#)," that prohibits a health insurer from paying for an opioid prescription under certain circumstances, unless the insurer grants prior authorization for

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the prescription.

Utah Health Care Workforce Financial Assistance

Considered draft legislation that reauthorizes the [Utah Health Care Workforce Financial Assistance Program](#) within the Department of Health.

Action: *Approved as a committee bill, draft legislation "[Utah Health Care Workforce Financial Assistance Program Reauthorization](#)."*

Chairs: Rep. Kay L. McIlff / Sen. Evan J. Vickers

Staff: Mark D. Andrews (Policy Analyst) / Michael E. Curtis (Attorney) / Cathy J. Dupont (Attorney) / Lee A. Killian (Attorney) / Lori Rammell (Legislative Assistant)

Judiciary

Court Surcharge

Received a staff [presentation](#) on fines and surcharges levied on convicted individuals in Utah courts. The presentation focused on the "35/90 Surcharge," how the surcharge is calculated, and the results of a study of justice court data to determine the courts' effectiveness in assessing the correct surcharge amount. The analysis of the data suggested that the courts were not collecting as much of the surcharge as required in statute and included suggestions on how to improve the surcharge assessment process.

Expedited Jury Trials Report

Received a statutory report from the Administrative Office of the Courts on the Expedited Jury Trials program. The committee was informed that the program may be unnecessary, as individuals have access to speedy trials without the program.

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Family Law

Received a summary of draft legislation "[Alimony Amendments](#)," which provides that a court consider as part of alimony proceedings whether a parent has lost workplace experience opportunities while caring for a child.

Also received two statutory reports from the Administrative Office of the Courts:

- [Divorce Education Program Summary](#); and
- [Divorce Orientation Program Summary](#).

Action: Approved as a committee bill, draft legislation "[Alimony Amendments](#)."

Sunset Review—Crime Victim Reparations and Assistance Board

Conducted a sunset review of the [Crime Victims Reparations and Assistance Board](#).

Action: Voted to extend the [sunset date](#) of the Crime Victims Reparations and Assistance Board for 10 years.

*Chairs: Rep. LaVar Christensen / Sen. Daniel Hemmert
Staff: Gregg A. Girvan (Policy Analyst) / Esther Chelsea-McCarty (Attorney) /
Lucy W. Daynes (Legislative Assistant)*

[Law Enforcement and Criminal Justice](#)

Felony Assault Amendments

Received information from prosecutors regarding acts of assault that impede breathing or interrupt blood flow to or from the brain.

Action: Approved as a committee bill, draft legislation "[Offenses Against the Person Amendments](#)," which would add strangulation as a felony assault offense.

Law Enforcement Cyber Security Issues

Discussed draft legislation "[Protection of Law Enforcement Officers' Personal Information](#)," which would provide criminal penalties for posting the personal information of a law enforcement officer or the officer's spouse or child to the Internet.

Opioid Overdose Reversal Kits

Received presentations from a legislator, the Utah Department of Health, and a police chief regarding the naloxone rescue kit program that seeks to reduce opioid overdose deaths in Utah. This year 1,033 kits have been purchased for dissemination and \$90,647 in grant funds have been awarded.

Offenses Based on Victim Selection

Discussed draft legislation "[Victim Selection Penalty Enhancements](#)," which would add a penalty enhancement to offenses committed against a person due to certain personal attributes.

Also discussed draft legislation "[Joint Rules Resolution on Victim Selection Evidence](#)," which would amend the Utah Rules of Evidence regarding the admissibility of evidence regarding the defendant's selection of the victim.

*Chairs: Rep. Don L. Ipson / Sen. Todd Weiler
Staff: Nathan W. Brady (Policy Analyst) / Susan Creager Allred (Attorney) /
Lori Rammell (Legislative Assistant)*

[Legislative Management Committee](#)

September 20, 2016

Committee Study Items

Action: Approved the request of the Political Subdivisions Interim Committee to add the Utah 3-1-1 Help Line to its committee study items.

Meeting Requests

Action: Approved the requests of the following committees:

- Native American Legislative Liaison Committee: to hold a meeting in San Juan County September 29, 2016, to meet with the Utah Navajo Commission.
- Law Enforcement and Criminal Justice Interim Committee:
 - ◇ To study how the state can protect children from sexualized images and pornography; and
 - ◇ To hold an extra meeting to hear public comment and expert witnesses regarding the impact of sexualized images and pornography on children.
- Natural Resources, Agriculture, and Environment Interim Committee: to allow the previously approved site visit scheduled for September 22 and 23, 2016, to include the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee.

State Homeless Coordinating Committee

Received a report from the State Homeless Coordinating Committee regarding the entities that will be receiving grants from the Homeless to Housing Account. This is the second report the committee has presented to the Legislative Management Committee this interim.

*Chairs: Speaker Gregory H. Hughes / President Wayne L. Niederhauser
Staff: Michael E. Christensen (Director) / John L. Fellows (General Counsel) /
Denise L. Udy (Administrative Assistant)*

[Natural Resources, Agriculture, and Environment](#)

Air Quality

Received a [report](#) from the Division of Air Quality on:

- Air quality standards;
- Challenges;
- Long-term planning; and
- The Storage Tank Emissions Pilot Program (<http://le.utah.gov/interim/2016/pdf/00003804.pdf>).

Discussed implementation of [Tier 3](#) fuel and vehicle requirements and discussed potential electric vehicle tax incentives.

Potential State Park Expansion Opportunities

Received a [report](#) from the Division of State Parks and the School and Institutional Trust Lands Administration on potential opportunities to expand state parks in areas where the trust lands are near or adjacent to existing state parks.

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State Agency Stewardship Efforts to Improve Air Quality

Received a [report](#) from the State Coordinator of Resource Stewardship on the efforts of state agencies to implement best practices to promote improved air quality. The coordinator also reviewed the resource stewardship [annual report](#).

United States Forest Service—Forest Plan Revisions

Received a report from the forest supervisors from Ashley National Forest and Manti-Lasal National Forest on the status of forest plan revisions. Discussed public notice of, and involvement in, the forest plan revision process.

*Chairs: Rep. Lee B. Perry / Sen. Scott K. Jenkins
Staff: J Brian Allred (Policy Analyst) / RuthAnne Frost (Attorney) /
Katie LeFevre (Legislative Assistant)*

Political Subdivisions

Associations of Governments

Received an [annual report](#) from Utah's Associations of Governments (AOGs). The report provided a history of the AOGs, summarized the variety of services that AOGs provide, and provided the number of employees and funding sources for each AOG.

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Historic Preservation Amendments

Discussed draft legislation "[Historic Preservation Amendments](#)," which:

- Authorizes a local legislative body to create a historic preservation commission or board to advise and make recommendations on matters affecting historically significant property; and
- Prohibits the historic preservation commission or board from acting on a land use application.

Audit of Culinary Water Improvement Districts

Discussed "[A Performance Audit of Culinary Water Improvement Districts](#)" and the recommendations of the Office of the Legislative Auditor General.

Action: Directed staff to open a committee bill file to address an issue identified in the audit regarding a municipality's ability to annex an area and provide a service that a local district already provides.

Statewide Crisis Line

Discussed the need for a dedicated, statewide crisis line that would connect a caller with the appropriate crisis intervention resources in the caller's area. Stakeholders are evaluating potential phone numbers that could be used for the crisis line.

Action: Directed staff to open a committee bill file to create the crisis line.

*Chairs: Rep. R. Curt Webb / Sen. Daniel W. Thatcher
Staff: Megan L. Bolin (Policy Analyst) / Christine R. Gilbert (Attorney) /
Joshua M. Weber (Legislative Assistant)*



Prison Development Commission

September 19, 2016

Cash Flow

Discussed the rate at which the Division of Facilities Construction and Management is expending the initial \$80 million appropriation for the new correctional facility. The division anticipates that the state will need to issue bonds for the construction of the facility in the second quarter of 2017.

Design and Programming

Received an [update](#) from the master architect team for the new correctional facility team on the impact of the facility programming on the preliminary design.

Architect and Construction Teams

Received an [introduction](#) from the Division of Facilities Construction and Management of the new correctional facility's master architect team and the construction manager and general contractor team.

Land Acquisition

Received an [update](#) from the Division of Facilities Construction and Management on the acquisition of the property for the new correctional facility. The target closing date is October 28, 2016.

Project Timeline

Received an [update](#) from the Division of Facilities Construction and Management on the timeline for the completion of the new correctional facility.

Chairs: Rep. Brad R. Wilson / Sen. Jerry W. Stevenson

Staff: Brian J. Bean (Policy Analyst) / Bryant R. Howe (Deputy Director) / Robert H. Rees (Attorney) / Bree Frehner (Legislative Assistant)

Public Utilities, Energy, and Technology

Administration of 911 Surcharges

Received a [presentation](#) from the Office of the Legislative Auditor General about the administration of [911 surcharges](#). The Utah Communications Authority Board responded to the audit's findings. The Audit Subcommittee requested that the committee review and take action on the audit's recommendations

Action: Voted to table this item in anticipation of the release of another audit report, and also to allow more time to study the recommendations.

Emergency Telephone Service

Action: Approved as a committee bill, draft legislation "[Emergency Telephone Service Amendments](#)," which requires:

- Certain multiline telephone systems to automatically provide key information to a public safety answering point; and
- A multiline telephone system to be capable of accessing 911 services directly without first dialing "9" to exit the multiline telephone system.

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Utah Data Alliance

Received a [presentation](#) on the Statewide Longitudinal Data System from the Utah Data Alliance, Utah State Board of Education, and Utah System of Higher Education. Discussed existing operations and the benefits of producing longitudinal data.

Action: Voted to provide committee support to a work group studying governance and management of the Statewide Longitudinal Data System and the Utah Data Alliance.

Chairs: Rep. Ken Ivory / Sen. David P. Hinkins

Staff: Adam J. Sweet (Policy Analyst) / Samuel C. Johnston (Attorney) / Tracey Fredman (Legislative Assistant)

Retirement and Independent Entities

September 14, 2016

Increasing Pay for Certain Public Safety Officers and Firefighters

Considered draft legislation "[Concurrent Resolution on Increasing Pay for Certain Public Safety Officers and Firefighters](#)," which would encourage a pay increase for the public safety officers and firefighters who are Tier II retirement system members.

Firefighters' Disability Retirement Benefit Amendments

Action: Approved as a committee bill, draft legislation "[Firefighters' Disability Retirement Benefit Amendments](#)," which would modify the standard for determining a disability and modify the disability payment period for certain firefighter retirement system disability payments.

Phased Retirement Amendments

Action: Approved as a committee bill, draft legislation "[Phased Retirement Amendments](#)," which would address issues related to the implementation of the phased retirement program by the Utah Retirement Systems.

Public Employees Long-Term Disability Act Amendments

Action: Approved as a committee bill, draft legislation "[Public Employees Long-Term Disability Act Amendments](#)," which would modify certain disclosure requirements for eligible employees as established in the [Public Employees Long-Term Disability Act](#).

Utah State Retirement Systems Amendments

Action: Approved as a committee bill, draft legislation "[Retirement Systems Amendments](#)," which would make technical and administrative changes to update the [Utah State Retirement and Insurance Benefit Act](#).

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Retirement Systems Payments to Survivors Amendments

Action: Approved as a committee bill, draft legislation "[Retirement Systems Payments to Survivors Amendments](#)," which would amend provisions relating to retirement beneficiary designations, including the divorce or annulment of a member's marriage.

Audits Performed on Utah's Independent State Entities

Received a [presentation](#) from the Utah State Auditor summarizing the findings of several audits regarding Utah's independent state entities. Representatives of several of the independent state entities addressed the committee in response to the audits' findings.

Preliminary Retirement Contribution Rates and Assumed Rate of Return

Received a presentation from the Utah State Retirement Board on the [preliminary contribution rates](#) and [assumed rate of return](#) recently adopted by the Utah State Retirement Board.

Chairs: Rep. Kraig Powell / Sen. Todd Weiler

Staff: Alex R. Janak (Policy Analyst) / Peter Asplund (Attorney) / Shannon C. Halverson (Attorney) / Katie LeFevre (Legislative Assistant)

Revenue and Taxation

Assessment of Land in Agricultural Use

Received a [presentation](#) from the Utah State Tax Commission on the qualification criteria for the [Farmland Assessment Act](#), which include requirements that:

- At least five acres of land, currently and for the two years prior to qualifying, be used for agricultural purposes;
- The land produce in excess of 50% of the average agricultural production per acre for the given crop and land quality; and
- The owner make application to the county assessor.

Received a [presentation](#) from Utah State University regarding the [annual study](#) used to determine the taxable value of agricultural land and the average agricultural production for a given crop and quality of land.

Also received a staff [presentation](#) on qualifications among the 50 states for farmland assessment. Utah's qualifications are similar to other states, but Utah is the only state to have qualification criteria based on crop production and one of ten states that do not have a primarily agricultural use requirement.

Assessment of Property

Received a presentation from a legislator and discussed current statutory provisions, case law, and county assessor practices regarding assessment of fair market value in Utah for purposes of property taxes.

Earned Income Tax Credit

Received a presentation from the [American Enterprise Institute](#) and [Voices for Utah Children](#) regarding the Earned Income Tax Credit (EITC). The presenters explained how the federal EITC works and indicated that the EITC is an efficient program for increasing workforce participation and reducing poverty. The presenters noted that Utah has 191,000 recipients of the federal credit and suggested that a state EITC would help reduce rising poverty in Utah.

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Recycling Market Development Zone Income Tax Credits

Received a [presentation](#) from the Governor's Office of Economic Development on recycling market development zone income tax credits. The credits are used as incentives for companies to recycle primary and secondary materials. In 2015, 19 companies received a total of \$1.8 million in tax credits.

Tax-Related Business Incentives

Received a staff [presentation](#) on tax-related business incentives in Utah and an [overview](#) from the Salt Lake County mayor on Salt Lake County economic development efforts. The presentations focused on a property tax incentive known as tax increment financing. Statewide in 2015, entities that levy property taxes (counties, school districts, cities, and local districts) paid approximately \$166 million in tax increment to redevelopment agencies.

Chairs: Rep. Daniel McCoy / Sen. Deidre M. Henderson

Staff: Bryant R. Howe (Deputy Director) / Leif G. Elder (Policy Analyst) / Andrea Valenti Arthur (Attorney) / Bree Frehner (Legislative Assistant)

Senate Judicial Confirmation Committee

September 16, 2016

Confirmation of Mr. Douglas Nielsen

Recommended to the Senate the confirmation of Mr. Douglas Nielsen as a judge to the Fourth District Juvenile Court.

The Senate met in extraordinary session on September 21, 2016, and confirmed the appointment of Mr. Nielsen.

Chair: Sen. Scott K. Jenkins

Staff: Nathan W. Brady (Policy Analyst) / Susan Creager Allred (Attorney) / Lucy W. Daynes (Legislative Assistant)

State Water Development Commission

September 20, 2016

United States Forest Service

Received a report from the United States Forest Service regarding livestock water rights on National Forest System land.

Water Infrastructure Funding

Received a [report](#) from the Division of Water Resources regarding [rules](#), criteria, targets, processes, and plans related to water data reporting and water system infrastructure projects.

Action: Designated a working group to consult with the Division and Board of Water Resources on the creation of rules and the scope of potential requests for proposals related to water data reporting and water system infrastructure projects.

Chairs: Rep. Keith Grover / Sen. Margaret Dayton

Staff: J Brian Allred (Policy Analyst) / RuthAnne Frost (Attorney) / Katie LeFevre (Legislative Assistant)

Transportation

Audit of the Utah Department of Transportation

Received a [presentation](#) from the Office of the Legislative Auditor General outlining the findings and recommendations from the recently completed [Performance Audit of the Utah Department of Transportation](#).

The Department of Transportation responded to the audit findings and to questions from the committee.

Action: Directed staff to open a committee bill file to address any necessary statutory changes recommended by the Office of the Legislative Auditor General and the Department of Transportation.

Department of Transportation Budget Review

Received a [presentation](#) from the Office of the Legislative Auditor General highlighting the findings and recommendations from a recent audit performed by the office, titled "[An In-Depth Budget Review of the Utah Department of Transportation](#)."

The Department of Transportation responded to the audit findings and to questions from the committee.

Action: Directed staff to open a committee bill file to address any necessary statutory changes recommended by the Office of the Legislative Auditor General and the Department of Transportation.

Motor Carrier Size and Weight Restrictions

Received a [presentation](#) from the Department of Transportation regarding the recommendations of the working group that was formed in June to study motor carrier size and weight restrictions.

Mountain Accord Update

Received a [presentation](#) from the Mountain Accord regarding the group's efforts to implement and improve immediate and long-term transportation solutions in the Wasatch Mountains' Big and Little Cottonwood Canyons.

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Utah Transit Authority Governance Structure

Received introduction of the new CEO of the Utah Transit Authority. Due to time constraints, the Utah Transit Authority will address the committee again at the October interim meeting.

Chairs: Rep. Johnny Anderson / Sen. Wayne A. Harper

Staff: Alex R. Janak (Policy Analyst) / Kurt P. Gasser (Attorney) / Shannon C. Halverson (Attorney) / Joshua M. Weber (Legislative Assistant)

Utah Tax Review Commission

August 25, 2016

Apportionment of Income under the Utah Corporate Income Tax

Received comments regarding whether Utah should allow additional corporations to elect to use a single sales factor apportionment formula under the Utah corporate income tax from:

- Public education representatives;
- Public policy experts;
- Business organizations; and
- The public accountant industry.

Action: *Approved a motion to defer action, if any, on this issue until a future meeting.*

Payment of Income Taxes by Pass-Through Entities

Received a [presentation](#) from the Utah State Tax Commission and a tax practitioner regarding payment of Utah individual income taxes by a nonresident pass-through entity taxpayer. It was noted that certain nonresident taxpayers who do not meet certain requirements are not allowed to waive the withholding of income by a pass-through entity.

Action: *Directed staff to open a committee bill file regarding this issue.*

September 22, 2016

Payment of Income Taxes by Pass-Through Entities

Received a [presentation](#) from the Utah State Tax Commission and a tax practitioner regarding pass-through entity taxpayers who cannot claim a waiver from the withholding requirement because the taxpayer and owner have different tax years. As a result, some nonresident taxpayers are burdened by the excessive withholding of tax. Discussed the feasibility of allowing certain pass-through entity taxpayers to claim a refund of the withholding.

Action: *Directed staff to confer with the Utah State Tax Commission in drafting legislation to allow certain pass-through entity taxpayers to claim a refund of the withholding.*

Sales and Use Tax Exemption for Certain Equipment Used in the Manufacturing Process

Received staff reports providing an overview of the sales and use tax exemption for certain equipment used in the manufacturing process:

- [Manufacturing Inputs Sales and Use Tax Exemptions](#)
- [Selected Excerpts from Utah Code Ann. Section 59-12-104](#)
- [Manufacturing Charts](#)
- [Review of the Manufacturing Machinery and Equipment Sales Tax Exemption](#)

Also received a [50-state survey](#) of the sales tax exemption in other states, and a [presentation](#) comparing the economic effects of expanding this exemption compared with allowing a company to use a single sales factor apportionment formula under the Utah corporate income tax provisions. Discussed recommendations regarding this issue.

Chair: Mr. Curtis Trader

Staff: Bryant R. Howe (Deputy Director) / Leif G. Elder (Policy Analyst) / Andrea Valenti Arthur (Attorney) / Bree Frehner (Legislative Assistant)



Veterans' and Military Affairs Commission

August 03, 2016

Commission Membership

Discussed issues relating to the appointment of a representative of the Department of Veterans Affairs to serve on the commission and the commission's sunset date.

Action: *Approved as a commission bill, draft legislation "[Veterans' and Military Affairs Commission Amendments](#)," which:*

- *Provides for a representative of the United States Department of Veterans Affairs to be appointed as a permanent member of the commission; and*
- *Removes the commission's sunset date.*

Interstate Compact on Educational Opportunity

Discussed the need to modify the state's statute that establishes Utah's participation in the [Interstate Compact on Educational Opportunity for Military Children](#).

Action: *Approved as a commission bill, draft legislation "[Interstate Compact on Military Children Amendments](#)," which clarifies a citation to the United States Code in the compact.*

The CHOICE Program

Received a staff [presentation](#) on the Veterans CHOICE Program, which is designed to provide a means for military veterans to receive needed medical services in their local communities. Also heard from the George E. Wahlen Department of Veterans Affairs Medical Center that acknowledged that the CHOICE Program has not worked out well for veterans and addressed how the department is working to meet [veterans' healthcare needs](#).

(Continued next column)

Veterans Affairs Reform

Utah Congressman Chris Stewart discussed the need for the United States Department of Veterans Affairs to improve military veterans' accessibility to services. He indicated that legislation in 2017 would provide more specific direction to the department on how to implement the federal [Veterans Access, Choice, and Accountability Act of 2014](#). Congressman Stewart also addressed the need for increased accountability on the part of medical service providers serving military veterans.

August 23, 2016

Concussion Injuries and Treatment

Received a [presentation](#) from a business regarding its work to treat concussions, also known as mild traumatic brain injuries, and the overlap of concussions and mental health conditions in returning servicemembers and veterans.

Effects of Multiple Deployments on Servicemembers and Families

Received a staff [presentation](#) focusing on:

- The challenges faced by families of servicemembers who experience multiple deployments; and
- The possible community support resources the commission may wish to discuss in future meetings.

Post-Traumatic Stress Disorder and its Effects

Discussed [Post-Traumatic Stress Disorder](#) (PTSD) and its effects, including suicide, on veterans, servicemembers, and their families, and the treatments and other resources available to assist individuals and families struggling with the effects of PTSD. Received [information](#) concerning an upcoming report on veteran suicide as well as a report from the [Office of Suicide Prevention](#).

Chairs: Rep. Paul Ray / Sen. Peter C. Knudson

Staff: Art L. Hunsaker (Policy Analyst) / Gregg A. Girvan (Policy Analyst) / Esther Chelsea-McCarty (Attorney) / Tracey Fredman (Legislative Assistant)

Next Interim Day — October 19, 2016



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