

**MINUTES OF THE
HOUSE RETIREMENT AND INDEPENDENT ENTITIES STANDING COMMITTEE
Room 20, House Building
March 5, 2014**

Members Present: Rep. Kraig Powell, Chair
Rep. Merrill Nelson, Vice Chair
Rep. Jack Draxler
Rep. Susan Duckworth
Rep. Steve Eliason
Rep. Gage Froerer
Rep. Lynn Hemingway
Rep. Brad Last
Rep. Carol Spackman Moss

Staff Present: Mr. Benjamin N. Christensen, Policy Analyst
Ms. Becky Paulson, Committee Secretary

Note: A list of visitors is filed with the committee minutes.

Rep. Powell called the meeting to order at 1:11 p.m.

MOTION: Rep. Nelson moved to approve the minutes of the February 19, 2014 meeting. The motion passed unanimously with Rep. Last absent for the vote.

H.B. 168 **School and Institutional Trust Lands and Funds Management Provisions**
(Rep. M. Brown)

Rep. Brown explained the bill.

MOTION: Rep. Eliason moved to replace HB168 with 1st Substitute HB168. The motion passed unanimously.

MOTION: Rep. Draxler moved to amend the bill as follows:

1. Page 2, Line 30:

30 Trust Fund Board of Trustees; ~~{and}~~ =
► provides for funding office operations; and

2. Page 15, Lines 455 through 457:

455 ~~{(3) The director of school and institutional trust lands, appointed under~~
Section

456 53C-1-301, shall annually deposit an amount of money into the account equal to the
annual

457 ~~appropriation made to the office by the Legislature.~~ }

(3) The director shall deposit into the account an amount of money from the trust fund investment revenues equal to the annual appropriation that the Legislature makes to the office. The office may deduct from income all costs related to risk management, consulting, equipment, and legal expenses, custodial costs, management fees, and other costs of operating the office.

3. Page 16, Lines 463 through 465:

463 ~~{(5) Before distributing earnings from trust fund assets, the office may deduct~~
~~any audit,~~
464 ~~risk management, consulting, equipment, legal, and custodial costs and management~~
~~fees~~
465 ~~incurred in managing the trust fund assets.~~ }

The motion passed unanimously.

Spoke for the bill: Tim Donaldson, Utah State Office of Education
 Jennifer Johnson, citizen
 Sterling Jensen, Wells Capital Management
 Kevin Carter, Utah Schools and Institutional Trust Land Administration
 Rep. Cunningham, Utah House of Representatives
 Margaret Bird, University of Utah, Utah State University

MOTION: Rep. Duckworth moved to pass the bill out favorably. The motion passed unanimously with Rep. Froerer absent for the vote.

H.B. 426 Retirement Participation Modifications (Rep. D. Ipson)

Rep. Ipson explained the bill.

MOTION: Rep. Last moved to amend the bill as follows:

1. Page 2, Lines 41 through 47:

41 (1) As used in this section, "withdrawing entity" means an entity that:
42 (a) participates in a system or plan under this title prior to July 1, 2014;
43 (b) provides mental health and substance abuse services for a county under Section
44 17-50-318; {and}

45 (c) after beginning participation with a system or plan under this title, has modified
46 its
47 federal tax status to a nonprofit organization that qualifies under Section 501(c)(3) of the
 Internal Revenue Code ~~{-}~~ **; and**
 (d) is not a state institution of higher education as described in Section
 53B-2-101.

The motion passed unanimously with Rep. Froerer absent for the vote.

MOTION: Rep. Last moved to amend the bill as follows:

1. *Page 1, Lines 14 through 16:*

14 ▶ allows a withdrawing entity to make an election of continued participation or
15 withdrawal in a Utah retirement system or plan for future employees beginning on a
16 date, no later than January 1, ~~{-2015}~~ **2017**, determined by the withdrawing
 entity;

2. *Page 2, Lines 50 through 53:*

50 (a) the withdrawing entity shall determine a date that is no later than January 1,
 ~~{-2015}~~ **2017** .
51 on which the withdrawing entity shall make an election under Subsection (3); and
52 (b) the withdrawing entity shall pay to the office any **reasonable** actuarial and
 administrative costs
53 determined by the office to have arisen out of an election made under this section.

3. *Page 4, Lines 93 through 95:*

93 (g) an employee who is employed with a withdrawing entity that has elected, prior to
94 January 1, ~~{-2015}~~ **2017** , to exclude new employees from participation in this
 system under Subsection
95 [49-11-623\(3\)](#).

4. *Page 6, Lines 166 through 168:*

166 (g) an employee who is employed with a withdrawing entity that has elected, prior to
167 January 1, ~~{-2015}~~ **2017** , to exclude new employees from participation in this
 system under Subsection
168 [49-11-623\(3\)](#).

5. *Page 8, Lines 233 through 235:*

233 (e) an employee who is employed with a withdrawing entity that has elected, prior to
234 January 1, {~~2015~~} ~~2017~~ , to exclude new employees from participation in this
 system under Subsection
235 49-11-623(3).

The motion passed unanimously with Rep. Froerer absent for the vote.

MOTION: Rep. Nelson moved to pass the bill out favorably. The motion passed unanimously with Rep. Froerer absent for the vote.

MOTION: Rep. Last moved to place the bill on the Consent Calendar. The motion passed unanimously with Rep. Froerer absent for the vote.

MOTION: Rep. Nelson moved to adjourn the meeting. The motion passed unanimously with Rep. Froerer absent for the vote.

Chair Powell adjourned the meeting at 1:53 p.m.

Rep. Kraig Powell, Chair