

# 2003 GENERAL SESSION PREVIEW

A report to the 55<sup>th</sup> Legislature on recommended  
legislation and studies from the 2002 Legislative Interim  
Committees



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**OFFICE OF LEGISLATIVE RESEARCH AND GENERAL COUNSEL**



**Utah Legislature**

# **2003 GENERAL SESSION PREVIEW**

A report to the 55<sup>th</sup> Legislature  
on recommended legislation and studies  
from the 2002 Legislative Interim Committees

Prepared by the Office of Legislative Research and General Counsel  
436 State Capitol  
PO Box 140121  
Salt Lake City, Utah 84114-0121  
(801) 538-1032  
Fax: (801) 538-1712  
Internet: <http://le.utah.gov>



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## INTRODUCTION AND ACKNOWLEDGMENTS

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### INTRODUCTION

The *General Session Preview* is prepared each year by the Office of Legislative Research and General Counsel. The yellow pages contain summaries of legislation recommended by the interim committees, commissions, and task forces for the upcoming legislative session. It also contains a summary of pertinent interim committee, commission, and task force studies. More information on these studies may be obtained from the Office of Legislative Research and General Counsel. Minutes and committee histories of these meetings are available on the Utah State Legislature's website—<http://le.utah.gov>.

### ACKNOWLEDGMENTS

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Each study item selected by an interim committee is approved for study by the Legislative Management Committee. Many of the items studied by interim committees are selected from the "Master Study Resolution" passed during the previous legislative session.

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Analyst: Bryant R. Howe  
Attorney: Rebecca L. Rockwell  
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Analyst: Chyleen A. Arbon  
Attorney: James L. Wilson  
Secretary: Sandra Wissa

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Analyst: Jami Mombberger  
Attorney: James L. Wilson  
Secretary: Jennifer Markham

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## SUMMARY OF RECOMMENDED LEGISLATION

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*The following is a summary of recommended legislation, listed alphabetically by committee. Further information on the legislation can be found on the page number provided after certain summaries.*

### ACCESS TO HEALTH CARE AND COVERAGE TASK FORCE

**Eliminate Spend Down Provision for Medicaid, H.B. 37**—This act modifies the Medicaid spend down requirements. The act amends the Medical Assistance Act. The act defines terms and directs the Health Department to use 100% of the federal poverty level as the income standard when determining if the aged, blind, or disabled have spent down enough excess income to be eligible for Medicaid benefits. (page 13)

### ADMINISTRATIVE RULES REVIEW COMMITTEE

**Reauthorization of Administrative Rules, H.B. 45**—This act is required by the Administrative Rulemaking Act. The act reauthorizes all state agency administrative rules except those enumerated. The act takes effect on May 1, 2003. (page 16)

**Division of Corporations Amendment, H.B. 38**—This act modifies the Uniform Commercial Code by deleting a provision requiring the Division of Corporations to annually report to the Administrative Rules Review Committee regarding the operation of the filing office.

### AGRICULTURAL SUSTAINABILITY TASK FORCE

**Agricultural Products Dealer's Act Amendments, H.B. 17**—This act modifies the Agricultural Products Dealer's Act by increasing the floor and ceiling on the amount of the surety bond or other security agreement required before a license is issued to a dealer. The act allows the commissioner of the Department of Agriculture and Food to increase original bond requirements for a dealer's license if the original bond is inadequate. The act gives the commissioner the authority to call a bond if renewal is not made. The act requires the filing of annual reports by dealers with the department and disallows a

packer buyer to be double licensed or double bonded. (page 17)

**Dealers in Agricultural Products, H.B. 18**—This act modifies the Agricultural Product Dealer's Act by requiring the issuance of a Product of Agriculture Receipt to a producer by a dealer who receives a product of agriculture for sale, storage, or consignment from the producer. (page 17)

### BUSINESS AND LABOR INTERIM COMMITTEE

**Preneed Funeral Arrangement Amendments, S.B. 10**—This act modifies the Preneed Funeral Arrangement Act by requiring preneed contracts to provide the buyer with the option to furnish a disclosure of the preneed contract to another person. (page 20)

**Retailer Requirements in Printing Financial Transaction Card Receipt, S.B. 6**—This act modifies the Commerce and Trade Code by enacting provisions prohibiting a person from printing more than the last five digits of a financial transaction card account number or the expiration date on a financial transaction card receipt. This act takes effect on January 1, 2004.

**Utah Optometry Practice Act Amendments, H.B. 12**—This act modifies the Utah Optometry Practice Act by changing the definitions of "contact lens prescription" and "contact lens prescription verification." The act allows one issuing a contact lens prescription to not provide the patient with a written copy if not in the best interests of the patient as noted in the patient's file and explained to the patient at the time of the examination. The act expands "unlawful conduct" to include issuing a contact lens prescription with a restriction that limits the parameters to a private label lens not available to the optical industry as a whole and provides a penalty for that unlawful conduct.

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**Vehicle History Information, S.B. 19**—This act modifies the Motor Vehicle Code by allowing the Department of Public Safety to disclose vehicle accident history information, excluding personal identifying information, in bulk electronic form.

**Viatical Settlements, H.B. 4**—This act modifies the Insurance Code by allowing viatical settlements regardless of whether the viator is terminally ill. The act provides for licensing and examinations of producers and providers of viatical settlements. The act provides guidelines in relation to viatical settlements for reporting, disclosure, advertising, fraud, and other general requirements. The act provides criminal penalties for violations. The act modifies the Securities Division - Real Estate Division Code by defining a viatical settlement interest as a security. (page 20)

### **CHILD WELFARE LEGISLATIVE OVERSIGHT PANEL**

**Amendments to Child Welfare Legislative Oversight Panel and Open and Public Meetings, H.B. 34**—This act amends the Human Services Code and Open and Public Meetings. The act modifies language in the Child Welfare Legislative Oversight Panel to conform terms with the Open and Public Meetings Act. The act makes other technical changes to the Child Welfare Legislative Oversight Panel. The act includes a reference to the Child Welfare Legislative Oversight Panel in Open and Public Meetings. (page 22)

**Consolidation of Child Welfare Reports, H.B. 35**—This act modifies the Human Services Code. The act modifies and consolidates reports pertaining to the state's child welfare system. (page 21)

**Prohibition of Coercive Restraint Therapy, H.B. 5**—This act modifies the Mental Health Professional Licensing Act. The act restricts the use, practice, or application of restraint to certain circumstances. (page 21)

### **COMPETITION IN TELECOMMUNICATIONS INDUSTRY TASK FORCE**

**State and Local Taxes, Fees, and Charges Related to Telecommunications, S.B. 23**—This act modifies the Utah Municipal Code to enact the Municipal Telecommunications License Tax Act and to make technical changes. As enacted, the Municipal Telecommunications License Tax Act authorizes a municipality to levy and collect a municipal telecommunications license tax by ordinance. The act provides for the collection, administration, and enforcement of the tax through the State Tax Commission. The act limits a municipality's authority to impose other telecommunications taxes or fees. The act provides for reporting of tax rate related information. The act addresses customer remedies. The act addresses how bundled transactions are taxed under the Municipal Telecommunications License Tax Act. The act addresses rights-of-way provisions. The act modifies provisions related to the charge that may be imposed for emergency telephone services. The act addresses how the location of a transaction for telephone service and mobile telecommunications service is determined under the Sales and Use Tax Act. The act provides an effective date. (page 24)

**Telecommunications Related Taxes, Fees, and Charges, S.B. 22**—This act modifies the Sales and Use Tax Act to expand what telephone services are subject to the sales and use tax and to provide an exemption from sales and use taxes under specified circumstances for certain telephone services used by call centers and for purchases of machinery or equipment primarily used to provide telephone services to the general public. The act provides for diversion of sales and use taxes as dedicated credits to be used for devices assisting hearing or speech impaired persons. The act provides for diversion of sales and use taxes as dedicated credits to be used to fund the Poison Control Center. The act addresses how bundled transactions are taxed under the Sales and Use Tax Act. The act addresses customer remedies for over-payment of sales and use taxes. The act modifies the Public Utilities Title to eliminate the surcharge for

## SUMMARY OF RECOMMENDED LEGISLATION

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telecommunication devices assisting hearing or speech impaired persons. The act repeals the emergency services telephone charge that funds the Poison Control Center. The act makes technical changes. The act takes effect on July 1, 2003. (page 24)

### ENHANCEMENT OF PUBLIC EDUCATION TASK FORCE

**Repeal of Education Reports and Duties, H.B. 39**—This act modifies provisions relating to the State System of Public Education by eliminating requirements to submit certain reports to the Legislature. The act modifies certain duties and responsibilities of the State Board of Education and the superintendent of public instruction. The act consolidates several reports into the state superintendent's annual report. The act eliminates the requirement for the State Board of Education to submit separate budget recommendations for U-PASS and professional development plans. The act eliminates the State Board of Education's responsibility to annually determine the estimated total cost of the minimum school program for each district. The act eliminates the state superintendent's responsibility to monitor the fiscal solvency of school districts for purposes of the state's bond guarantee. The act repeals the Modified School Week Pilot Program and the Arts in Elementary Schools Pilot Program. The act contains a repealer. The act makes technical amendments. (page 30)

### FUNDING OF STATE AND COUNTY HEALTH AND HUMAN SERVICES TASK FORCE

**Commitment and Custody of Adults and Minors Amendments, S.B. 25**—This act modifies provisions of the Utah Human Services Code relating to commitment proceedings. The act clarifies the circumstances under which proceedings for the commitment of a child may be commenced. The act modifies provisions relating to the involuntary commitment of adults and children and specifies that they may be committed to local mental health authorities only after a court commitment proceeding. The act eliminates provisions relating to the

commitment of a child to the legal custody of the Division of Substance Abuse and Mental Health and clarifies that certain commitment proceedings apply to the commitment of a child to the physical custody of local mental health authorities. The act clarifies that a court determination is necessary for a person to be committed to the state hospital. The act makes technical and conforming changes. (page 33)

**Local Human Services Authorities Amendments, S.B. 24**—This act modifies provisions relating to local substance abuse authorities and local mental health authorities. The act renumbers those provisions and makes technical changes. (page 33)

**Reauthorization of Funding of State and County Health and Human Services Task Force, H.B. 43**—This act reauthorizes the Funding of State and County Health and Human Services Legislative Task Force. The act appropriates \$24,500 from the General Fund for fiscal year 2003-04 to fund the task force and repeals the task force on November 30, 2003. (page 33)

**Substance Abuse and Mental Health Amendments, H.B. 44**—This act modifies the Substance Abuse and Mental Health Act and provisions relating to local substance abuse and mental health authorities. The act rearranges provisions relating to state and local substance abuse and mental health services and programs and makes other technical changes. (page 33)

### GOVERNMENT OPERATIONS INTERIM COMMITTEE

**Budget Reserve Account Amendments, H.B. 27**—This act modifies the State Affairs in General title by changing the structure and statutory cap of the Budget Reserve Account. The act provides for an Education Budget Reserve Account. The act makes technical corrections. (page 36)

**Equal Employment Opportunity - Technical Changes, H.B. 16**—This act modifies provisions relating to equal employment opportunity. The act requires the Department

## **SUMMARY OF RECOMMENDED LEGISLATION**

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of Human Resource Management to prepare an equal employment opportunity plan instead of an affirmative action plan and makes technical corrections. (page 37)

**Governor's Office of Planning and Budget Recodification and Revisions, S.B. 14**—This act modifies Utah Code provisions governing the State Budget Office and Officer and the State Planning Coordinator. The act recodifies those sections to create the Governor's Office of Planning and Budget. The act makes technical corrections. (page 36)

**Initiative Amendments, S.B. 28**—This act modifies the Election Code provisions relating to statewide initiatives. The act modifies signature requirements, modifies certain disclosure requirements, and modifies the time period during which sponsors may gather signatures. The act establishes a moratorium before an initiative that failed may be recirculated. The act modifies the initiative petition form to require certain disclosures and certifications on the petition and signature sheets. The act requires that the petition sponsors hold public hearings on the petition in geographically diverse areas of Utah and establishes notice and procedural requirements for those public hearings. The act modifies political issues committee and corporation financial disclosure requirements. The act makes it a crime for persons to pay someone to sign or remove their signature from an initiative petition and makes it a crime for persons to accept payment for signing or removing their name from an initiative petition. The act includes a severability clause. The act makes technical changes. (page 36)

**State General Obligation Bond Act, H.B. 26**—This act modifies provisions governing bonding by creating a master act for issuance of general obligation bonds and general obligation bond anticipation notes. The act establishes issuance requirements, repayment requirements, investment requirements, tax exempt status, and legal investment status for general obligation bonds and bond anticipation notes. The act establishes other requirements governing the issuance of general obligation bonds and general obligation bond anticipation notes. The act takes effect immediately. (page 36)

**State Building Ownership Authority Recodification and Revision, H.B. 21**—This act modifies provisions governing the State Building Ownership Authority. The act removes the State Building Board as the State Building Ownership Authority and designates the governor, state treasurer, and chair of the State Building Board as the State Building Ownership Authority. The act requires the Division of Facilities Construction and Management to perform certain duties formerly directed to be performed by the State Building Board. The act recodifies the State Building Ownership Authority sections into the Bond title and makes other technical corrections. (page 36)

**State Armory Board Amendments, H.B. 15**—This act modifies the Militia and Armories title by requiring the State Armory Board to notify the Legislature prior to certain transactions and by repealing obsolete sections. (page 37)

### **HEALTH AND HUMAN SERVICES INTERIM COMMITTEE**

**Accessible Housing, H.B. 36**—This act modifies the Community and Economic Development Code. The act permits the Division of Community Development to assist local governments in the development of accessible housing. The act modifies the elements to be considered by the Private Activity Bond Review Board when allocating the state's private activity bond volume cap and modifies the powers of housing authorities. The act modifies the allowable uses of the Olene Walker Housing Loan Fund. The act allows the Department of Community and Economic Development and the Utah Housing Corporation to give consideration to projects that increase the supply of accessible housing. The act provides definitions. (page 41)

**Amendments to Child Welfare Legislative Oversight Panel and Open and Public Meetings, H.B. 34**—This act amends the Human Services Code and Open and Public Meetings. The act modifies language in the Child Welfare Legislative Oversight Panel to conform terms with the Open and Public Meetings Act. The act makes other technical changes to the Child Welfare Legislative

## SUMMARY OF RECOMMENDED LEGISLATION

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Oversight Panel. The act includes a reference to the Child Welfare Legislative Oversight Panel in Open and Public Meetings. (page 42)

**Commitment and Custody of Adults and Minors Amendments, S.B. 25**—This act modifies provisions of the Utah Human Services Code relating to commitment proceedings. The act clarifies the circumstances under which proceedings for the commitment of a child may be commenced. The act modifies provisions relating to the involuntary commitment of adults and children and specifies that they may be committed to local mental health authorities only after a court commitment proceeding. The act eliminates provisions relating to the commitment of a child to the legal custody of the Division of Substance Abuse and Mental Health and clarifies that certain commitment proceedings apply to the commitment of a child to the physical custody of local mental health authorities. The act clarifies that a court determination is necessary for a person to be committed to the state hospital. The act makes technical and conforming changes. (page 42)

**Comprehensive Health Insurance Pool Amendments, S.B. 9**—This act modifies the Comprehensive Health Insurance Pool Act. The act amends definitions. The act amends the number of board members required for a quorum, the powers of the board, and the duties of the pool administrator. The act amends eligibility for the pool and the application of preexisting conditions in order to be in compliance with federal law and to incorporate provisions of the Primary Care Network waiver for the state Medicaid program. The act amends provisions related to copays, deductibles, and cancellations of coverage. The act amends the frequency with which premiums may be adjusted. The act amends benefit reduction and immunity provisions. The act makes technical changes. (page )

**Consolidation of Child Welfare Reports, H.B. 35**—This act modifies the Human Services Code. The act modifies and consolidates reports pertaining to the state's child welfare system. (page 42)

**Eliminate Spend Down Provision for Medicaid, H.B. 37**—This act modifies the Medicaid spend down requirements. The act amends the Medical Assistance Act. The act defines terms and directs the Health Department to use 100% of the federal poverty level as the income standard when determining if the aged, blind, or disabled have spent down enough excess income to be eligible for Medicaid benefits. (page 42)

**Involuntary Commitment Amendments, S.B. 27**—This act modifies the process by which adults are involuntarily committed to mental health programs. It eliminates the "immediate danger" standard and provides for a "substantial danger" standard for the purposes of involuntary commitment, defines substantial danger, shortens the time period before a hearing when a person is being detained pending a hearing, and requires a report to the Health and Human Services Interim Committee. It also modifies the definition of mental illness, limits the new definition solely to involuntary commitments, and requires examiners to inform patients of specific rights. (page 43)

**Legislative Budgeting for COLA for Local Health Authorities, H.B. 41**—This act modifies the Budgetary Procedures Act to require the Legislature to consider providing an increase for certain local human services agencies that is consistent with the increase for state employees. (page 42)

**Local Human Services Authorities Amendments, S.B. 24**—This act modifies provisions relating to local substance abuse authorities and local mental health authorities. The act renumbers those provisions and makes technical changes. (page 42)

**Prohibition of Coercive Restraint Therapy, H.B. 5**—This act modifies the Mental Health Professional Licensing Act. The act restricts the use, practice, or application of restraint to certain circumstances. (page 42)

**Reauthorization of Funding of State and County Health and Human Services Task Force, H.B. 43**—This act reauthorizes the Funding of State and County Health and Human Services Legislative Task Force. The act

## **SUMMARY OF RECOMMENDED LEGISLATION**

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appropriates \$24,500 from the General Fund for fiscal year 2003-04 to fund the task force and repeals the task force on November 30, 2003. (page 42)

**Substance Abuse and Mental Health Amendments, H.B. 44**—This act modifies the Substance Abuse and Mental Health Act and provisions relating to local substance abuse and mental health authorities. The act rearranges provisions relating to state and local substance abuse and mental health services and programs and makes other technical changes. (page 42)

### JUDICIARY INTERIM COMMITTEE

**Competency to Stand Trial, H.B. 9**—This act modifies the Code of Criminal Procedure to allow the examiners of a defendant whose competency to stand trial has been raised access to all relevant information, including mental health records.

**Parent-Time Amendments, H.B. 10**—This act modifies provisions relating to divorce and parent-time. It prohibits courts from considering gender when determining custody in a divorce and specifies considerations for the court in determining parent-time. In addition, the act revises the parent-time sanctions found in the Judicial Code. (page 47)

**Sentencing in Capital Cases Amendments, S.B. 8**—This act modifies the Criminal Code by providing that persons found by the court to be mentally retarded are not subject to the death penalty. The act defines mental retardation as applicable to death penalty cases. The act specifies procedures for the examination of defendants alleging mental retardation and procedures for the judicial hearing to determine mental retardation. The act is in response to the recent U.S. Supreme Court case *Atkins v. Virginia* which prohibits execution of the mentally retarded. The act also provides that defendants with specified subaverage functioning are not subject to the death penalty if the defendant's confession is not substantially corroborated. The act has an immediate effective date. (page 48)

**Shared Parenting by Divorcing Parents, H.B. 6**—This act modifies provisions pertaining to Husband and Wife by providing a rebuttable presumption of equal access to minor children during the pendency of an action for divorce. (page 47)

### LAW ENFORCEMENT AND CRIMINAL JUSTICE INTERIM COMMITTEE

**DUI Plea Restrictions, S.B. 13**—This act modifies the Motor Vehicle Code by providing restrictions on when a court can accept a plea of guilty or no contest in a driving under the influence of alcohol or drugs case. The act requires that a court receive verification that the prosecutor agrees to the plea, the prosecutor files a criminal information, or the court receives verification of no prior offenses from a law enforcement agency. (page 52)

**Property Forfeiture Amendments (Senator John Valentine)**—This act modifies the Utah Uniform Forfeiture Procedures Act. This act provides additional definitions, expands reporting and accountability requirements, repeals provisions regarding criminal forfeiture, and specifies that all forfeiture proceedings under the act are civil. This act creates the State Law Enforcement Forfeiture Account, and transfers funds remaining in the repealed Drug Forfeiture Account to the new account. This act allocates proceeds from forfeitures to the local political subdivisions to be used, under specified qualifications and terms, for law enforcement activity, and also allocates a portion to the Uniform School Fund in specified situations. This act also creates the Substance Abuse Forfeiture Account, and provides that in drug-related cases a portion of the forfeiture proceeds will be allocated to this account. The Division of Substance Abuse and Mental Health shall use these funds for specified purposes. This act repeals provisions allowing for forfeiture defense costs to be allocated from forfeited property. This act also makes technical amendments. This act has an immediate effective date. (page 52)

## SUMMARY OF RECOMMENDED LEGISLATION

### NATURAL RESOURCES, AGRICULTURE, AND ENVIRONMENT INTERIM COMMITTEE

**Agricultural Products Dealer's Act Amendments, H.B. 17**—This act modifies the Agricultural Products Dealer's Act by increasing the floor and ceiling on the amount of the surety bond or other security agreement required before a license is issued to a dealer. The act allows the commissioner of the Department of Agriculture and Food to increase original bond requirements for a dealer's license if the original bond is inadequate. The act gives the commissioner the authority to call a bond if renewal is not made. The act requires the filing of annual reports by dealers with the department and disallows a packer buyer to be double licensed or double bonded.

**Dealers in Agricultural Products, H.B. 18**—This act modifies the Agricultural Product Dealer's Act by requiring the issuance of a Product of Agriculture Receipt to a producer by a dealer who receives a product of agriculture for sale, storage, or consignment from the producer.

**Water User Notification Amendments, H.B. 42**—This act modifies the Water and Irrigation Code by changing certain water rights notification requirements. (page 56)

### POLITICAL SUBDIVISIONS INTERIM COMMITTEE

**Extension of Timing for Creating a Local District, H.B. 25**—This act modifies Limited Purpose Local Government Entities provisions to change the date before which no local district may be created. (page 65)

**Hazardous Waste Facilities Management Amendments, H.B. 24**—This act renumbers the sections constituting the Hazardous Waste Facilities Management Act and makes technical changes. (page 65)

**Lieutenant Governor Certification of Special District and Local District Annexations, Withdrawals, and Dissolutions, S.B. 18**—This act modifies special district and local district provisions to provide a procedure for lieutenant governor certification of annexations,

withdrawals, and dissolutions for certain special districts and for local districts. The act requires the appropriate local body to send notice of the annexation, withdrawal, or dissolution to the lieutenant governor and requires the lieutenant governor to issue a certificate of annexation, withdrawal, or dissolution and to send a copy of the applicable certificate to specified state and local agencies. The act also makes technical changes. (page 65)

**Public Airport and Aeronautics Amendments, H.B. 23**—This act modifies provisions relating to public airports and aeronautics. The act repeals the Utah Public Airport Authority Act and expands provisions of the Aeronautics Act and related provisions to apply to political subdivisions of the state authorized by statute to operate an airport. (page 65)

**Public Transit Districts Annexation Amendments, H.B. 30**—This act modifies provisions relating to Limited Purpose Local Government Entities and to Revenue and Taxation. The act requires voter approval of an annexation to a local district in which the counties, cities, and towns impose a sales and use tax for transit district purposes and clarifies that the election approving the annexation and imposition of the sales and use tax satisfies the voter approval requirement for imposition of the sales and use tax. The act makes technical changes. (page 65)

### PUBLIC UTILITIES AND TECHNOLOGY INTERIM COMMITTEE

**Amendments To The Interlocal Cooperation Act, S.B. 21** This act modifies the Interlocal Cooperation Act including making technical changes. The act adds definitions and modifies provisions related to project entity and generation output requirements. For purposes of the payment of fee in lieu of ad valorem property tax, the act provides that a fee base for a project can be determined by agreement. The act provides for valuation by the State Tax Commission if a fee base is not determined by an agreement. (page 67)

**Energy Data Collection and Reporting, H.B. 11**—This act modifies the Utah Natural Resources Act to clarify the

## **SUMMARY OF RECOMMENDED LEGISLATION**

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reporting duties of the Utah Energy Office and to provide for a clearinghouse of energy data collected by the state. The act makes technical changes. (page 67)

**Protection of Nonpublic Personal Information, H.B. 40**—This act modifies the Commerce and Trade title to enact the Protection of Nonpublic Personal Information Act. The act defines terms, requires a notice be given by a commercial entity under certain circumstances, and establishes the liability of a commercial entity for violating the act. (page 67)

### **QUASI-GOVERNMENTAL ENTITIES COMMITTEE**

**House Rules Resolution - Standing Committee Revision, H.R. 1**—A resolution of the House of Representatives revising House rules by changing the name of a House standing committee. This resolution has an immediate effective date. (page 70)

**Joint Resolution - Rules Revisions Renaming an Appropriation Subcommittee, S.J.R. 1**—A joint resolution of the Legislature revising joint rules by changing the name of a joint appropriations subcommittee. This resolution has an immediate effective date. (page 70)

**Retirement and Independent Entities Committee Amendments, S.B. 5**—This act modifies the Independent Entities Code by changing the name of the Legislative Quasi-Governmental Entities Committee and the Legislative Independent Entities Committee to the Retirement and Independent Entities Committee. The act repeals the Quasi-Governmental Entities Act which was replaced by the Independent Entities Act that became effective on July 1, 2002. (page 70)

**Senate Rules Resolution - Standing Committee Revisions, S.R. 1**—A resolution of the Senate revising Senate rules by changing the name of a Senate standing committee. This resolution has an immediate effective date. (page 70)

### **REVENUE AND TAXATION INTERIM COMMITTEE**

**Fees and Taxes on Oil and Gas, H.B. 29**—This act amends provisions relating to Mines and Mining and the Oil and Gas Severance Tax. The act modifies the due dates for making quarterly payments of fees deposited into the Oil and Gas Conservation Account and requires the fees to be reported on forms provided by the State Tax Commission. The act modifies the requirements for making quarterly payments of the oil and gas severance tax. The act modifies provisions relating to claiming a tax credit for a workover or recompletion. The act repeals obsolete language and makes technical changes. The act provides for retrospective operation. The act provides a coordination clause.

**Oil and Gas Severance Tax Amendments, H.B. 28**—This act amends provisions relating to the Oil and Gas Severance Tax. The act amends the oil and gas severance tax rates and rate structure. The act extends the time period for a taxpayer to claim a tax credit for a workover or recompletion, and modifies provisions relating to claiming the tax credit. The act requires the Tax Review Commission to review the oil and gas severance tax on or before the October 2008 interim meeting and prescribes the scope of the review. The act repeals obsolete language and makes technical changes. The act provides for retrospective operation.

**Property Tax Relief, H.B. 22**—This act amends provisions relating to Property Tax Relief. The act amends the definition of household income. The act amends the income eligibility amounts and credit amounts for the homeowner's credit and renter's credit. The act amends provisions relating to eligibility to claim a homeowner's credit or renter's credit. The act has retrospective operation to January 1, 2003. (page 74)

**Sales and Use Tax - Exemption for Semiconductor Fabricating or Processing Materials, S.B. 17**—This act amends the Sales and Use Tax Act to extend through June 30, 2007 the exemption for a sale or lease of semiconductor fabricating or processing materials. (page 74)

## SUMMARY OF RECOMMENDED LEGISLATION

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### TASK FORCE ON INVOLUNTARY COMMITMENT OF THE MENTALLY ILL

**Involuntary Commitment Amendments, S.B. 27**—This act modifies the process by which adults are involuntarily committed to mental health programs. It eliminates the "immediate danger" standard and provides for a "substantial danger" standard for the purposes of involuntary commitment, defines substantial danger, shortens the time period before a hearing when a person is being detained pending a hearing, and requires a report to the Health and Human Services Interim Committee. It also modifies the definition of mental illness, limits the new definition solely to involuntary commitments, and requires examiners to inform patients of specific rights. (page 78)

### TRANSPORTATION INTERIM COMMITTEE

**Automobile Homicide Amendments, S.B. 7**—This act modifies the Criminal Code by stating that one of the elements of the offense of automobile homicide may be that the operator has a measurable amount of Schedule I or II controlled substances in the body. The act also provides an affirmative defense if the controlled substance was involuntarily ingested or was being taken pursuant to a prescription. (page 85)

**Clean Special Fuel Tax Certificate - Exemption, S.B. 4**—This act modifies the Revenue and Taxation Code by clarifying that government vehicles are exempt from purchasing the clean special fuel tax certificate. The act makes technical corrections. (page 80)

**Clean Special Fuel Tax Certificate Amendments, H.B. 20**—This act modifies the Revenue and Taxation Code by providing for the enforcement of clean special fuel tax certificates paid in lieu of other fuel taxes for clean fuel vehicles. The act provides that the purchase of a clean special fuel tax certificate is a prerequisite to registering a vehicle powered by a clean fuel and requires the certificate to be carried in the vehicle at all times. The act requires that clean fuel delivery agents post a notice on the pump that a vehicle registered in this state that

uses this fuel is required to have a valid annual clean special fuel tax certificate. The act also provides a repeal date for the notice requirement. The act makes technical changes. The act takes effect on October 1, 2003. (page 80)

**Honorary Consulate - Special Group License Plates (Representative David Hogue)**—This act modifies the Motor Vehicle Code by adding an Honorary Consulate special group license plate. This act takes effect October 1, 2003. (page 85)

**Master State Highways Amendments, S.B. 16**—This act modifies the Transportation Code by deleting SR-223 the Sports Park Road and the Bear Hollow Road from the state highway system. (page 83)

**Seat Belt Enforcement Provisions, H.B. 8**—This act modifies the Motor Vehicle Code to clarify that the driver or a passenger 19 years of age and older may be cited in a secondary action for a separate safety belt violation if the vehicle has been detained for a suspected violation. (page 85)

**Special Group License Plate Revisions, H.B. 7**—This act modifies the Motor Vehicle Code by revising and amending the special group license plates provisions. The act establishes categories for special group license plates. The act provides that the Motor Vehicle Division must receive a start-up fee for production and administrative costs as established by the division prior to issuing any new type of special group license plates or a legislative appropriation to cover this fee. The act limits organizations that can obtain any new type of special group license plates, without legislative action to tax-exempt organizations that collect 200 applicants and that pay the start-up fee. The act repeals a \$50 initial license plate fee and its exemptions and a \$10 renewal fee and its exemptions and in their place establishes a \$5 initial license plate fee applicable to all special group license plates. The act provides for an immediate effective date. (page 82)

## **SUMMARY OF RECOMMENDED LEGISLATION**

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**Transportation Corridor Preservation Amendments, H.B. 13**—This act modifies the Transportation Code to extend the period for which real property may be acquired for the preservation of a future transportation corridor from 20 years to 30 years in advance. The act requires the Department of Transportation to give the original grantor first right of refusal of the highest offer for unused parcels of real property and provides for notification and 90 days to accept the offer. The act repeals a requirement that the original grantor be given the opportunity to repurchase the real property at the department's original purchase price. The act makes technical changes. (page 82)

**Vehicle Impound Fee for Driving Under the Influence Cases, H.B. 32**—This act modifies the Motor Vehicle Code by allowing a waiver or refund for the \$200 DUI administrative impound fee if written evidence is presented to the State Tax Commission that the Driver License Division did not suspend or revoke the person's driver license or that the vehicle was stolen. The act increases the administrative impound fee to \$230 and increases current distributions to the Motor Vehicle Division, the Department of Public Safety, and the General Fund proportionately. (page 83)

### **UTAH INFORMATION TECHNOLOGY COMMISSION**

**Facilitation of E-Government, S.B. 20**—This act modifies the Uniform Electronic Transactions Act and construction statutes to facilitate government agencies providing services electronically and to make technical changes. (page 88)

### **UTAH TAX REVIEW COMMISSION**

**Fees and Taxes on Oil and Gas, H.B. 29**—This act amends provisions relating to Mines and Mining and the Oil and Gas Severance Tax. The act modifies the due dates for making quarterly payments of fees deposited into the Oil and Gas Conservation Account and requires the fees to be reported on forms provided by the State Tax Commission. The act modifies the requirements for

making quarterly payments of the oil and gas severance tax. The act modifies provisions relating to claiming a tax credit for a workover or recompletion. The act repeals obsolete language and makes technical changes. The act provides for retrospective operation. The act provides a coordination clause. (page 89)

### **WORKFORCE SERVICES AND COMMUNITY AND ECONOMIC DEVELOPMENT INTERIM COMMITTEE**

**Child Care Amendments, S.B. 11**—This act modifies provisions related to child care in Utah. The act modifies definitions related to providing child care services. It modifies the functions and duties of the Office of Child Care and requires an annual report by the Office on the status of child care in the state. The act increases the membership of the Child Care Advisory Committee and provides specific responsibilities for the Committee. The act modifies the roles and relationships of individuals and entities who have statutory responsibilities related to the Child Care Expendable Trust Fund and makes certain technical changes. (page 94)

**Employment Security Act Modifications, H.B. 19**—This act amends the definition section of the Employment Security Act. The act provides for an alternate base period through June 30, 2006. (page 93)

**Industrial Assistance Fund Amendments, S.B. 12**—This act modifies the qualifications for applicants to receive financial assistance from the Industrial Assistance Fund, including applicant companies that creates an economic impediment. The act provides for grants to be made from the fund, requires agreements with specific terms and conditions between the administrator of the fund and successful applicants, and makes certain technical changes. (page 94)

**Tourism Promotion Programs, H.B. 14**—This act requires the Division of Travel Development to collect and analyze data to determine the state's efficiency in attracting out-of-state tourists as compared to promoting

## SUMMARY OF RECOMMENDED LEGISLATION

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in-state tourism. The act requires the Division to make an annual report of its findings to the Legislature. (page 94)

**Workforce Services Amendments, S.B. 15**—This act modifies provisions related to the Employment Security Act by removing the part-time employee limitation on the chair of the Workforce Appeals Board. The act modifies the definition of employer to be consistent with state and federal withholding requirements and also makes certain technical changes. (page 95)

**Workforce Services Overpayment Amendments, H.B. 31**—This act modifies provisions related to public assistance overpayments by transferring the recovery of overpayments responsibility from the Office of Recovery Services to the Department of Workforce Services. The act provides for an appeal from an initial department determination of overpayment. The act provides for collection of an overpayment by a warrant issued to a county sheriff by the department which becomes a lien against the delinquent obligor's property. The act makes certain technical changes and provides a repealer. The act has a July 1, 2003 effective date. (page 94)

## **SUMMARY OF RECOMMENDED LEGISLATION**

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## ACCESS TO HEALTH CARE AND COVERAGE TASK FORCE

### ACCESS TO HEALTH CARE AND COVERAGE TASK FORCE

#### Membership

Sen. Peter C. Knudson, Senate Chair  
Rep. Rebecca Lockhart, House Chair  
Sen. D. Chris Buttas  
Sen. Paula F. Julander  
Rep. Trisha S. Beck  
Rep. James A. Ferrin  
Rep. David Litvack  
Rep. J. Morgan Philpot  
Mr. Rod L. Betit  
Mr. Merwin U. Stewart

#### Staff

Ms. Jami Moberger, Policy Analyst  
Ms. Catherine J. Dupont, Associate General Counsel  
Ms. Jennifer Markham, Legislative Secretary

#### OVERVIEW

During the 2001 General Session, the Legislature passed S.B. 121, "Access to Health Care and Coverage Task Force," which created a 10 member task force that included legislators and the executive directors of the Department of Health and the Insurance Commission. The Task Force was renewed for another year during the 2002 General Session in S.B. 33. The primary charge for the Task Force was to explore the options for improving health care access and coverage for Utah's uninsured population.

The Task Force received testimony from stakeholders in the health care system, including health care providers serving low income populations and the uninsured; government agencies and programs serving the low income populations and the uninsured; and health insurers and underwriters.

In addition, the Task Force focused on Medicaid expenditures, budget shortfalls, and the impact of Medicaid cuts due to budgetary constraints.

### MEDICAID SPEND DOWN PROVISION

#### Background

Currently, low-income seniors and individuals with disabilities must "spend down" their income before receiving Medicaid benefits. The spend down process requires these individuals with income above the FPL (federal poverty level) to either pay the State or their health care provider the necessary amount of income to lower their income level to at least one-half of the FPL before Medicaid benefits may be received. This new level of income is called a basic maintenance standard.

#### Action

The Task Force considered this issue during its November meeting and recommended legislation "Eliminate Spend Down Provision for Medicaid," which only requires spending down to 100 percent of the FPL to meet the basic maintenance standard.

### THE PRIMARY CARE NETWORK

#### Background

In February 2002, Secretary Tommy Thompson of the U.S. Department of Health and Human Services formally granted Utah's Department of Health a groundbreaking 1115 waiver. This waiver allows Utah's Medicaid program to provide a limited medical package to working adults whose income is less than 150 percent of the federal poverty level. This program is funded through the Medicaid program which has a federal match of \$2.80 for every \$1.00 Utah spends. The Task Force received updates on the program and a new waiver for an employer component which would allow employers to offer PCN (Primary Care Network) coverage to eligible employees.

#### Action

The Task Force received updates on the PCN in its May and September meetings and recommended continued monitoring of the program to the Health and Human Services Interim Committee.

## **ACCESS TO HEALTH CARE AND COVERAGE TASK FORCE**

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### **OTHER STUDIES**

#### **Dental Access for Medicaid Recipients**

Adult Medicaid dental services were scaled back during FY 2002 and FY 2003 to include only emergency services. A group of oral health professionals and advocates reported to the Task Force on a plan to phase in these services again along with oral health services for low-income children. The Task Force considered this issue at its May and November 2002 meetings but did not recommend legislation.

#### **Health Insurance Coverage Surveys**

The Department of Health and the Utah Health Insurance Association with the Utah Association of Health Underwriters both conducted surveys to gauge the status of Utah's uninsured population. Both surveys reported that Utah's uninsured population is small and has actually decreased since 1996. Furthermore, the surveys explained that the majority of uninsured individuals are either unemployed or only employed part-time. The Task Force considered this issue at its November 2002 meeting but did not recommend legislation.

#### **Medicaid Budget**

During FY 2002 and FY 2003 budgetary shortfalls led to cuts in the Medicaid budget. The Task Force studied the impact of these reductions and eliminations on low-income individuals. The Task Force discussed this issue at its June 2002 meeting and recommended continued monitoring of the program to the Health and Human Services Interim Committee.

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## ADMINISTRATIVE RULES REVIEW COMMITTEE

### ADMINISTRATIVE RULES REVIEW COMMITTEE

#### Membership

Sen. Howard A. Stephenson, Senate Chair  
Rep. David Ure, House Chair  
Sen. Mike Dnritrich  
President Al Mansell  
Sen. Ed Mayne  
Sen. Michael G. Waddoups  
Rep. Judy A. Buffmire  
Rep. James R. Gowans  
Rep. Merlynn T. Newbold (as of 5/02)  
Speaker Martin R. Stephens  
Rep. John Swallow (until 4/02)

#### Staff

Mr. Arthur L. Hunsaker, Policy Analyst  
Ms. Susan Creager Allred, Associate General Counsel  
Ms. Cassandra N. Bauman, Legislative Secretary

#### OVERVIEW

The Administrative Rules Review Committee was established by the Legislature in the 1983 General Session. Section 63-46a-11(3)(b), *Utah Code*, requires that the Committee review agency rules to ensure they do not exceed the bounds of legislative authority and intent and to determine the rules' impact on the economy, state and local government operations, and affected persons.

The Committee primarily reviewed proposed agency rules, published twice monthly in the *Utah State Bulletin* by the Division of Administrative Rules. However, Committee members expressed concern that existing rules, many of them based on broad grants of statutory authority, were still unreviewed.

In the 1988 General Session, funds were appropriated for full-time staff to provide an existing rules component to the Committee's review process. The Committee directed staff to prepare legislation deleting the broad grants of rulemaking authority given to several state agencies and instructed staff to work with each affected agency to ensure that the rewritten authorizing statutes would still provide the specific rulemaking authority needed. The

Committee felt that the effort to delete these grants from all agency statutes would require several years to complete.

As part of an agreement reached between members of the Administrative Rules Review Committee and the Governor during the 1989 General Session, legislation was passed which granted the Committee authority to prepare annual legislation reauthorizing all rules of the state except for rules enumerated in each year's bill. The Committee delayed any action on broad statutory grants until after the 1990 General Session. The 2002 General Session marked the first time the annual reauthorization legislation repealed written statements of state agencies that conformed to the definition of a rule but that had not gone through the required rulemaking process including notice, publication, and public comment.

From 1989 through 1994, the Committee examined the rules of every state agency. Agency representatives were presented with a detailed analysis of their rules and met with the Committee to establish agreements regarding what rule changes would be made. This process prompted agencies to file more concise, carefully prepared rules that were in harmony with Utah statutes.

With the passage of H.B. 182, "Administrative Rules Review Committee Amendments," in the 1997 General Session, committee membership increased from 6 to 10. Currently, the Committee reviews the large number of proposed agency rules published twice monthly in the *Utah State Bulletin* and addresses specific concerns regarding proposed and existing rules as raised by the legislators and public.

### ANNUAL ADMINISTRATIVE RULES REAUTHORIZATION LEGISLATION

#### Background

During the 1989 General Session, the Legislature enacted a law requiring that legislation be passed annually to reauthorize state agency rules except for the rules that are specified in the bill to be repealed.

## ADMINISTRATIVE RULES REVIEW COMMITTEE

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### Action

The Committee met with various state agencies throughout the year regarding specific rules of concern to Committee members and citizens. In most cases, agency representatives agreed to make changes requested by the Committee and filed those changes with the Division of Administrative Rules. When an agency chose not to change a rule, or agreed to make the change but never filed with the division, the Committee members considered whether to reauthorize or to repeal the rule when preparing its annual legislation.

The Committee considered this issue at its January 14, 2003 meeting and will recommend draft legislation "Reauthorization of Administrative Rules" at a future meeting.

### POLICIES AND RULES

#### Background

In the 2002 General Session the Legislature, at the recommendation of the Administrative Rules Review Committee, voted to not reauthorize policies at several of Utah's institutions of higher education that restricted the possession of firearms on campus in violation of state law. The policies, although conforming to the definition of a rule, did not go through the required rulemaking process. During the interim, the Committee discussed concerns with the definitions of "policy" and "rule" in the Administrative Rulemaking Act and directed staff to present options for clarifying the definitions that would also preserve the Legislature's authority to repeal policies that conformed to the definition of a rule but that did not go through the rulemaking process.

#### Action

The Committee voted to have legislation prepared that would eliminate the definition of "policy," clarify the definition of "rule" in light of the elimination of the "policy" definition, and declare that any written statement of an agency that conforms to the definition of a rule but does not follow the required rulemaking process, including notice, publication, and public comment, is unenforceable. The Committee considered the issue in its August 27,

October 21, November 18, December 3, and December 16, 2002 meetings.

### OTHER STUDIES

#### RULES OF THE CHIEF INFORMATION OFFICER

The Committee expressed concern with the existing language of R365-3 *Utah Administrative Code*, a rule of the CIO (Chief Information Officer). The rule provided for the expansion of employment functions in executive branch agencies and permitted the sale of proprietary software to the private sector despite the potential conflict of interest for those making the decisions on sales who may later leave state service and directly benefit from the sale. Committee members also determined that the CIO does not have rulemaking authority. The Committee concluded that the CIO and the Committee disagreed on the extent of the authority granted to the CIO in statute and that the issue would be better resolved with statutory changes in the 2003 General Session. The Committee considered the issue in its October 8 and November 5, 2002 meetings.

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## AGRICULTURAL SUSTAINABILITY TASK FORCE

### AGRICULTURAL SUSTAINABILITY TASK FORCE

#### Membership

Sen. Dan R. Eastman, Senate Chair  
Rep. Craig W. Butters, House Chair  
Sen. Mike Dnirich  
Sen. Parley Hellewell  
Sen. Millie M. Peterson  
Sen. Bill Wright  
Rep. Eli H. Anderson  
Rep. Cindy Beshear  
Rep. Glenn A. Donnelson  
Rep. James R. Gowans  
Rep. Darin G. Peterson  
Rep. Peggy Wallace  
Mr. Todd Ballard\*  
Mr. Arthur Douglas\*  
Mr. Chris Falco\*  
Dr. Bruce Godfrey\*  
Mr. Stan Hamblin\*  
Mr. Richard B. Nielson\*  
Mr. Randy Parker\*  
Mr. Flint Richards\*  
Mr. Clark Willis\*

\* non-voting members

#### Staff

Mr. O. William Asplund, Assistant Director  
Mr. James L. Wilson, Associate General Counsel  
Ms. Sandra Wissa, Legislative Secretary

#### OVERVIEW

The Agricultural Sustainability Task Force was organized to study a wide range of policy questions relating to the continued viability of Utah agriculture. The charge was to look at state funding for agricultural research and development, discuss innovative methods to market and promote Utah products, consider strategies for preserving agricultural land, and forecast the future of agriculture over the next 5 to 10 years.

### AGRICULTURE RESEARCH AND DEVELOPMENT

#### Background

Funding and other types of support for agricultural research and development is an important element in the success of the agricultural industry.

#### Action

The Task Force discussed the funds available in the new federal "2002 Farm Bill." In particular, the grant program SARE (Sustainable Agriculture Research and Education), which provides funds for trying new approaches, was explained in detail.

The Task Force also toured the new and developing Botanical Gardens in Kaysville that will not only experiment with new crops, but become an education center for the citizens of Utah. The Task Force did not recommend legislation.

### PRODUCER INCOME PROTECTION

#### Background

The bankruptcy of one buyer of agricultural product and some other near misses led the Department of Agriculture and Food to advocate some additional protections for producers. A working group was established to look at strengthening of bonding provisions, commodity indemnity fund programs, and producer protection acts employed elsewhere in the United States.

#### Action

The Task Force reviewed the present bonding and licensing statutory provisions at its October and November meetings. The Task Force recommended draft legislation "Agriculture Product Dealer's Act Amendments" and "Dealers in Agricultural Products."

### UTAH AGRICULTURE IN TRANSITION

#### Background

Increased urbanization, regional and global competition, and threats and restrictions on the agricultural use of

## **AGRICULTURAL SUSTAINABILITY TASK FORCE**

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public lands increases concerns about the future of agriculture in Utah.

### **Action**

At its May meeting the Task Force reviewed the "Utah Agriculture in Transition" report prepared by E. Bruce Godfrey, a member of the Task Force and an agricultural economist from Utah State University. The Task Force also considered its implications.

The Task Force also received testimony from public land users and Utah wildlife officials at its June and September meetings. Ongoing efforts to improve habitat and to protect multiple uses of public lands were upheld by the Task Force. No legislation was recommended.

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## BUSINESS AND LABOR INTERIM COMMITTEE

### BUSINESS AND LABOR INTERIM COMMITTEE

#### Membership

Sen. Dan R. Eastman, Senate Chair  
Rep. Katherine M. Bryson, House Chair  
Sen. Curtis S. Bramble  
Sen. Gene Davis  
Sen. Parley G. Hellewell  
Sen. Ed P. Mayne  
Sen. L. Steven Poulton  
Rep. Gerry A. Adair  
Rep. Roger E. Barrus  
Rep. Cindy Beshear  
Rep. Jackie Biskupski  
Rep. David Clark  
Rep. Greg J. Curtis  
Rep. Carl W. Duckworth  
Rep. Ben C. Ferry  
Rep. Thomas V. Hatch  
Rep. Brad King  
Rep. Karen W. Morgan  
Rep. Brent D. Parker

#### Staff

Ms. Mary Catherine Perry, Policy Analyst  
Ms. Thad C. LeVar, Associate General Counsel  
Ms. Sandra Wissa, Legislative Secretary

#### OVERVIEW

The Business and Labor Interim Committee considers issues relating to the interests of business owners, employees, and consumers. Safeguarding these interests involves balancing the need for appropriate regulation with the need to foster a healthy economy by avoiding unnecessary governmental interference in free enterprise.

The Committee has legislative responsibility for six departments and commissions: the Alcoholic Beverage Control Commission, the Department of Alcoholic Beverage Control, the Department of Commerce, the Department of Financial Institutions, the Department of Insurance, and the Labor Commission. In 2001, the Legislative Management Committee voted to move issues related to Community and Economic Development from

the Business and Labor Interim Committee to the Workforce Services and Community and Economic Development Interim Committee.

Issues addressed by the Committee in recent years include consumer lending, regulation of alcoholic beverages, motor fuel marketing, regulation of construction activities, business assistance and recruitment programs, consumer credit reporting, economic and fiscal impacts of the 2002 Olympic Winter Games, workers' compensation, anti-discrimination, consumer protection, professional licensing, and real estate activities.

#### REGULATION OF FUNERAL SERVICES AND PRENEED FUNERAL ARRANGEMENTS

##### Background

Funeral services in Utah are regulated by state law and to a limited degree by federal law. Funeral services may range from the actual performance of funeral services to the sale of funeral-related merchandise. Utah law also regulates preneed funeral arrangements by specifically addressing the solicitation and selling of preneed funeral arrangements, requirements of preneed contracts, and the handling of invested moneys. Preneed funeral arrangements are not specifically regulated by federal law.

Currently, Utah law separates regulation of funeral services and preneed funeral arrangements into two acts: the "Funeral Services Licensing Act" and the "Preneed Funeral Arrangement Act." These acts also contain separate advisory boards charged with advising the Division of Occupational and Professional Licensing on issues related to their respective industries.

##### Action

The Committee discussed several issues related to consumer protections involving preneed funeral arrangements including notification of a person other than the buyer of a preneed contract that a contract exists. The Committee also discussed the possibility of consolidating the "Funeral Services Licensing Act" and the "Preneed Funeral Arrangement Act" into the "Funeral Services Act"

## **BUSINESS AND LABOR INTERIM COMMITTEE**

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and eliminating the Preneed Funeral Arrangement Licensing Board and transferring its duties and responsibilities to the Board of Funeral Service.

The Committee considered this issue at its September and November 2002 meetings. The Committee reviewed and discussed draft legislation "Funeral Service Amendments" and recommended draft legislation "Preneed Funeral Arrangement Amendments."

### **VIATICAL SETTLEMENTS**

#### **Background**

Viatical settlements involve the purchase of life insurance contracts in exchange for a cash settlement (at a percentage of the policy) for immediate use. Viatical settlements usually follow this pattern: (1) a policy holder of a life insurance policy sells the policy to a viatical settlement company; (2) the viatical settlement company pays the policyholder a percentage of the value of the life insurance policy calculated from factors including the policyholder's life expectancy; (3) the viatical settlement company takes over paying the premiums and becomes the sole beneficiary of the life insurance policy; and (4) the viatical settlement company may sell an interest in the policy to an investor.

In Utah, only those with a terminal illness may use viatical settlements. However, "life settlements" are becoming an increasingly popular option for individuals in states that allow them. Life settlements typically involve the purchase of life insurance contracts from healthy individuals with a life expectancy of a dozen or so years.

#### **Action**

The Committee discussed options for allowing individuals without a terminal illness and who meet certain conditions to use viatical or life settlements and how those settlements would be regulated.

The Committee considered this issue at its June, September, and November 2002 meetings and recommended draft legislation "Viatical Settlements."

### **OTHER STUDIES**

#### **Consumer Lending**

The Committee studied consumer lending issues including regulation of check cashers (payday lenders) and predatory mortgage lending.

The Committee received and discussed consumer concerns including payday loan interest rates, prepayment penalties, fees associated with check cashing, and payday loan "rollovers." Draft legislation "Payday Lending" and "Regulation of Check Cashers" address terms of loans extended by check cashers and examinations conducted by the Department of Financial Institutions. The Committee considered this issue at its May 2002 meeting but did not recommend legislation.

The Committee also discussed fraudulent mortgage lending and the need for enforcement of state and federal laws regulating predatory mortgage lending. The Committee considered this issue at its May 2002 meeting but did not recommend legislation.

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## CHILD WELFARE LEGISLATIVE OVERSIGHT PANEL

### CHILD WELFARE LEGISLATIVE OVERSIGHT PANEL

#### Membership

Sen. Dan R. Eastman, Senate Chair  
Rep. Matt Throckmorton, House Chair  
Sen. Gene Davis  
Rep. Trisha S. Beck  
Rep. Jack A. Seitz

#### Staff

Mr. Mark D. Andrews, Policy Analyst  
Ms. Stacey M. Snyder, Associate General Counsel  
Ms. Alicia M. Laughlin, Legislative Secretary

#### OVERVIEW

The Child Welfare Legislative Oversight Panel is a permanent oversight body created to study and recommend improvements to the State's system for responding to allegations of child abuse and neglect. The Panel reports annually to the Health and Human Services Interim Committee.

#### ACCESS TO CHILD WELFARE PROCEEDINGS

##### Background

States differ in the degree to which they allow a person without a direct interest in a child welfare case access to court proceedings. Utah's law on the subject has changed several times recently. Following a 3-year pilot program, Minnesota recently created a presumption that all of its child welfare proceedings are open to the public.

##### Action

The Panel studied how other states, and particularly Minnesota, treat public access to child welfare hearings. The Panel considered this issue at its May and November 1, 2002 meetings but did not recommend legislation.

#### COMPLIANCE WITH STATUTORY TIME FRAMES

##### Background

Following a 2000 legislative audit, the Legislature required

the Division of Child and Family Services, Attorney General, and Judiciary to report on child welfare cases that exceed statutory deadlines for hearings held in the juvenile court.

##### Action

The Panel reviewed the first annual report on time frame compliance. The Panel considered this issue at its October 2002 meeting but did not recommend legislation.

#### HOLDING THERAPY

##### Background

Several deaths in the United States have been directly attributable to the use of particular forms of "Holding Therapy." During the 2002 General Session the House of Representatives passed legislation to address the issue, "Prohibition of Restraint Practices."

##### Action

The Panel reviewed legislation similar to the 2002 bill passed by the House. The Panel considered this issue at its September and November 13, 2002 meetings and recommended draft legislation "Prohibition of Coercive Restraint Therapy."

#### IMPLEMENTATION OF THE PERFORMANCE MILESTONE PLAN

##### Background

The Performance Milestone Plan is the operational plan agreed to by the state and the federal district court as the successor to the detailed compliance plan included in the *David C. v. Leavitt* settlement agreement. The federal court monitors implementation of the plan.

##### Action

The Panel continued its oversight of implementation of the Performance Milestone Plan. The Panel considered this issue at its May, July, October, and November 13, 2002 meetings and recommended draft legislation, "Consolidation of Child Welfare Oversight Reports."

## **CHILD WELFARE LEGISLATIVE OVERSIGHT PANEL**

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### **OTHER STUDIES**

#### **Caseworker Workload**

At its September 2002 meeting the Panel reviewed the findings of a legislative audit which indicated that 44 percent of caseworkers in the Division of Child and Family Services have more cases than they are able to properly manage. The Panel did not recommend legislation.

#### **Closed Panel Meetings**

At its June 2002 meeting the Panel considered amending its enabling statute to conform to the Open and Public Meetings Act and recommended draft legislation "Amendments to Child Welfare Legislative Oversight Panel and Open and Public Meetings."

#### **Consumer Hearing Panel**

Funding for the Consumer Hearing Panel was eliminated during the 2002 Annual General Session. At its June meeting the Panel recommended that the Legislature repeal the Consumer Hearing Panel's enabling statute. The Legislature repealed the statute during the 2002 Fifth Special Session in June. The Panel considered this issue at its June 2002 meeting.

#### **Legislative Audit**

At its November 2002 meeting the Panel considered whether to modify the statute requiring an annual child welfare audit by the Legislative Auditor General. The Panel did not recommend legislation.

#### **Utah Foster Care Foundation**

At its July 2002 meeting the Panel reviewed the findings of a legislative audit of the Utah Foster Care Foundation. The Panel did not recommend legislation.

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## COMPETITION IN TELECOMMUNICATIONS INDUSTRY TASK FORCE

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### COMPETITION IN TELECOMMUNICATIONS INDUSTRY TASK FORCE

#### Membership

Sen. Beverly Ann Evans, Senate Chair  
Rep. Wayne A. Harper, House Chair  
Sen. Ron Allen  
Sen. Curtis S. Bramble  
Sen. Alicia L. Suazo  
Sen. John L. Valentine  
Rep. David Clark  
Rep. Stephen D. Clark  
Rep. Brent H. Goodfellow  
Rep. Neal B. Hendrickson  
Rep. Ty McCartney  
Rep. David Ure

#### Staff

Ms. Jarni Mombberger, Policy Analyst  
Ms. Patricia Owen, Associate General Counsel  
Mr. Thad LeVar, Associate General Counsel  
Ms. Jennifer Markham, Legislative Secretary

#### OVERVIEW

The Competition in Telecommunications Industry Task Force was created by H.B. 140 in the 2002 General Session. The Task Force was directed to review and make recommendations as to whether the incentives of the *Utah Code* Title 54, Chapter 8b, Public Telecommunications Law and the Federal Telecommunications Act of 1996 have produced measurable and qualitative results in terms of: (a) attracting capital; (b) increasing consumer choices for services or providers; (c) updating and installing advanced telecommunications infrastructure; (d) setting wholesale prices that support the development of competition; and (e) eliminating barriers to competition.

Significant recent developments in the telecommunications industry impacted the nature of the issues raised with the Task Force, which focused on the industry as a whole and not only on competitive concerns.

### ACCESS TO RIGHTS-OF-WAY

#### Background

Telecommunications providers expressed concerns regarding the fees and compensation related to access to and use of public rights-of-way; including access to municipal rights-of-way and longitudinal access to interstate highways as administered by the Utah Department of Transportation.

#### Action

The Task Force recommended that the Public Utilities and Technology Interim Committee review whether statutory changes are needed to address any undue barriers to access of rights-of-way. The Task Force recommended that the review should include: (a) eliminating in-kind compensation as a condition for access to rights-of-way; and (b) ensuring that the system is sensitive to the differences between rural and urban areas, which may include maintaining some type of zone structure.

### TELECOMMUNICATIONS TAX

#### Background

The telecommunications industry was interested in pursuing several tax issues which included: (a) taxes, fees, or charges imposed by municipalities; (b) charges imposed on telephone services for programs such as 911, TDD, and the poison control center; (c) expanding the sales and use tax to interstate and international telephone services; (d) exempting from sales and use tax purchases by providers of telecommunications machinery or equipment; (e) exempting from sales and use tax interstate calls of call centers; (f) addressing bundling and customer remedies under the sales and use taxes; (g) determining the location of a telephone service transaction for purposes of rates and distribution of revenues; and (h) property tax issues related to intangible property and determining what is a single taxable unit of a telephone service provider for purpose of assessment by the Utah State Tax Commission.

## **COMPETITION IN TELECOMMUNICATIONS INDUSTRY TASK FORCE**

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### **Action**

The Task Force considered these issues at its July, August, September, October, and November 2002 meetings and recommended draft legislation "State and Local Taxes, Fees, and Charges Related to Telecommunications" and "Telecommunications Related Taxes, Fees, and Charges" with task force notes.

**EDUCATION INTERIM COMMITTEE****Membership**

Sen. Howard A. Stephenson, Senate Chair  
Rep. Marda Dillree, House Chair  
Sen. D. Chris Buttars  
Sen. Karen Hale  
Sen. David H. Steele  
Sen. Alicia L. Suazo  
Sen. Michael G. Waddoups  
Sen. Bill Wright  
Rep. Jeff Alexander  
Rep. Duane E. Bourdeaux  
Rep. Afton B. Bradshaw  
Rep. Judy Ann Buffnire  
Rep. Margaret Dayton  
Rep. James A. Ferrin  
Rep. James R. Gowans  
Rep. Bradley T. Johnson  
Rep. Merlynn T. Newbold  
Rep. Loraine T. Pace  
Rep. J. Morgan Philpot  
Rep. LaWanna Shurtliff  
Rep. Matt Throckmorton  
Rep. A. Lamont Tyler

**Staff**

Ms. Constance C. Steffen, Policy Analyst  
Mr. Dee S Larsen, Associate General Counsel  
Ms. Wendy Bangerter, Legislative Secretary

**OVERVIEW**

The Committee provides oversight of and recommends policy relating to the state systems of public and higher education. Over the past decade, the Legislature has been very active in enacting education legislation. The thinking of many committee members now, however, is to allow for more local control of education. Reflecting that attitude, the Committee proposed no legislation this interim period.

**CHARTER SCHOOLS****Background**

Charter schools are public schools operated by private entities. They are publicly funded and, in Utah, are subject to most of the same education laws and rules as public schools. The State Board of Education and local school boards may sponsor charter schools for the purpose of encouraging different or innovative teaching methods and to provide greater opportunities for teachers and parents to be involved in learning programs and school management.

Following an evaluation of the 3-year old charter school program, the State Board of Education recommended a cautious expansion of the program. The State Board's evaluation indicated a need for charter schools to:

- establish measurable goals;
- track student performance longitudinally; and
- ensure that teachers' credentials meet state standards.

From the charter schools' perspective, the most critical issue affecting their success is inadequate funding. Charter schools receive no money for capital facilities or transportation. Charter high schools assert that the uniform WPU (weighted pupil unit) places them at a financial disadvantage, because high school programs are more expensive to operate than other school programs. Federal start-up funds have helped Utah's charter schools meet expenses, but their eligibility for federal funds terminates after 3 years. The original eight charter schools in Utah will no longer receive federal funds after the 2002-03 school year.

**Action**

The Committee considered this issue at its May, October, and November 2002 meetings but did not recommend legislation.

## **EDUCATION INTERIM COMMITTEE**

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### **REMEDIAL COURSES IN HIGHER EDUCATION**

#### **Background**

Not all students who enter college are ready to do college-level work. Those who are not prepared may be required to take remedial classes. Because remedial courses do not count towards a degree, it takes a student more time and money to graduate.

Although Utah high schools offer all the courses necessary to prepare students for college, many students do not take advantage of the course offerings. Rather than taking a rigorous course-load throughout high school, many students take the minimum number of courses to graduate. As a result, the State Board of Education is considering modifying high school graduation standards to require 4 years of language arts and 3 years of mathematics.

Another way to motivate students to take a more rigorous course-load is to strengthen college admissions standards. Utah's universities recommend that entering students take 4 years of English and 3 years of mathematics and science in high school, but they do not always enforce those standards. Although the community colleges admit all high school graduates, high school students and their parents need to be informed of the prerequisites for admission to associate degree programs.

#### **Action**

The Committee considered this issue at its September 2002 meeting but did not propose legislation.

discontinue the computer refurbishing program. The Committee considered this issue at its June meeting but did not propose legislation.

### **OTHER STUDIES**

#### **Refurbished Computers for Schools**

UCI (Utah Correctional Industries) has been refurbishing used computers for schools since 1998. Currently, there is little demand for the refurbished computers, because they have a high rate of failure and they cannot be quickly repaired. Another difficulty facing UCI is that school districts are receiving good pricing from large companies to purchase new computers. If the market for used computers cannot be expanded, UCI may have to

### ENERGY POLICY TASK FORCE

#### Membership

Sen. Leonard M. Blackham, Senate Chair  
Rep. Thomas V. Hatch, House Chair  
Sen. Mike Dnitrich  
Sen. Dan R. Eastman  
Sen. Ed P. Mayne  
Sen. David H. Steele  
Rep. Sheryl L. Allen  
Rep. Ralph Becker  
Rep. Judy Ann Buffmire  
Rep. Jack A. Seitz  
Rep. David Ure

#### Staff

Ms. Chyleen Arbon, Policy Analyst  
Mr. Thad LeVar, Associate General Counsel  
Ms. Patricia Owen, Associate General Counsel  
Ms. Jennifer Markham, Legislative Secretary

#### OVERVIEW

In the 2001 General Session, H.B. 244, "Modifying the Electric Deregulation and Customer Choice Task Force," changed the name and focus of the Electric Deregulation and Customer Choice Task Force, which was created in 1997. The newly named, 2-year Energy Policy Task Force was charged with studying: (1) the energy needs of the State; (2) federal and other states' efforts to address energy needs; (3) potential Utah, federal, and other states' conservation or demand-side management activities; and (4) potential ways the State could develop, facilitate, or promote the generation, exploration, or transportation of new energy to serve the needs of the State. The Task Force was also charged with recommending legislation to ensure that the energy needs of the State are met.

#### 2002 ISSUES

##### Background

During the 2002 Interim, the Task force considered the following study items: (1) generation resource acquisition and development, (2) electricity reliability and customer service, (3) multi-state utility regulation, (4) regional

transmission organizations (RTOs), (5) the regulatory activities of the Public Service Commission, (6) Utah's energy resources and needs, and (7) the future of the Energy Policy Task Force. The Task Force is authorized through November 30, 2002.

##### Action

The Task Force considered these issues at its August and November 2002 meetings and recommended that legislation be drafted to reauthorize the Energy Policy Task Force for an additional 2 years.

**ENERGY POLICY TASK FORCE**

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## ENHANCEMENT OF PUBLIC EDUCATION TASK FORCE

### ENHANCEMENT OF PUBLIC EDUCATION TASK FORCE

#### Membership

Sen. Howard A. Stephenson, Senate Chair  
Rep. Matt Throckmorton, House Chair  
Sen. David L. Gladwell  
Sen. Paula F. Julander  
Sen. Millie M. Peterson  
Sen. Carlene M. Walker  
Sen. Bill Wright  
Rep. Margaret Dayton  
Rep. Marda Dillree  
Rep. Bradley T. Johnson  
Rep. Patricia W. Jones  
Rep. Karen W. Morgan  
Rep. Gordon E. Snow  
Ms. Janet A. Cannon  
Ms. Joyce W. Richards

#### Staff

Ms. Constance C. Steffen, Policy Analyst  
Mr. Dee S Larsen, Associate General Counsel  
Ms. Wendy Bangerter, Legislative Secretary

#### OVERVIEW

Legislation was enacted in the 2001 General Session creating the The Enhancement of Public Education Task Force, which over a 2-year period had the duty to review and make recommendations on:

- the ability of schools and school districts to comply with legislative and State Board of Education mandates;
- the purpose, function, roles, responsibilities, and operational costs of the USOE (Utah State Office of Education);
- the ability of the USOE to enforce state laws and USOE rules and to verify how school districts use state and federal monies; and
- any other matter the Task Force determined to be important to enhance the state's public education system.

### MATHEMATICS EDUCATION

#### Background

Controversy over the proper method of teaching mathematics has been brewing nationwide and has spilled into Utah. Some teachers and parents want to emphasize basic skills and believe basic computational skills should be taught in an explicit and systematic manner. Others focus on the importance of building students' understanding of mathematical concepts and advocate allowing students to discover ways of solving mathematical problems.

Arguments over how to teach math are occurring primarily within school districts. Whereas the State Board of Education determines what should be taught by establishing the core curriculum; school districts determine how that curriculum is taught. The State Board of Education, nevertheless, influences how math is taught by emphasizing either the acquisition of basic computational skills or the demonstration of mathematics understanding in the core curriculum.

#### Action

The Task Force considered this issue at its July and November 2002 meetings and recommended that legislation be drafted similar to legislation enacted in California mandating the state curriculum to include phonics, spelling, and basic computational skills.

### ROLES AND RESPONSIBILITIES OF THE UTAH STATE OFFICE OF EDUCATION

#### Background

The USOE is the staff of the State Board of Education. The USOE administers rules and policies of the State Board and executes many of the duties and responsibilities assigned to the State Board in law. Although it is a large agency with nearly 300 employees, the USOE is not created in Utah law and no statute describes its organization or general duties.

A review of the USOE's activities showed that many staff positions exist to administer federal programs, including

## ENHANCEMENT OF PUBLIC EDUCATION TASK FORCE

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the school lunch, special education, and disadvantaged children and youth programs, or to assure school district compliance with federal civil rights laws.

Both the USOE and the Utah Regional Service Centers, which are consortiums of rural school districts, provide technical assistance and support services to school districts, but those services are not duplicative. Large urban school districts are able to provide for themselves some of the services offered by the USOE, but the small, rural school districts are very dependent upon the USOE. The Utah School Superintendents Association argues that it is more cost efficient to directly fund the USOE to provide services rather than appropriate the money to small school districts to contract with the USOE or other entity.

The major finding of a performance audit of the USOE conducted by a private contractor was that the regulatory role of the USOE is not clearly defined, resulting in a lack of consistency in the manner in which the agency conducts its regulatory and enforcement responsibilities.

### Action

To address the findings of the performance audit, the USOE reviewed the duties assigned to the State Board of Education and the USOE in law and recommended to the Task Force that certain duties be eliminated.

The Task Force considered this issue at its April, May, June, and October 2002 meetings and recommended draft legislation "Repeal of Education Reports and Duties."

## UTAH PERFORMANCE ASSESSMENT SYSTEM FOR STUDENTS

### Background

U-PASS (Utah Performance Assessment System for Students), the state's accountability system, requires school districts to administer certain standardized tests and report the test results to parents. One of the major challenges of U-PASS is delivering the test results to parents and teachers in a timely manner. To speed the delivery of scores, some school districts have participated in a pilot project to administer U-PASS tests online. The participating

districts have been pleased with the results of the pilot project and are anxious to expand the use of online test administration. In addition to delivering the end-of-year U-PASS tests online, some of the piloting school districts are administering formative tests online, which are tests administered throughout the year to monitor a student's progress in mastering the learning objectives of the core curriculum.

While multiple choice tests can be quickly electronically scored, tests with constructed response items, which require written answers, must be hand-scored. Current Utah law mandates that language arts and mathematics tests include constructed response items. To meet the deadline of reporting U-PASS test results to parents by the end of the school year, tests with constructed response items must be administered 9 to 14 weeks before school ends. Many teachers have expressed concern about having enough time in the school year to prepare their students for the language arts and mathematics tests.

Another major challenge of U-PASS is funding the cost of test development, production, and scoring. After examining the costs and benefits of various tests, the USOE made suggestions on how to streamline U-PASS while ensuring that student progress is adequately measured.

### Committee Action

The Task Force considered this issue at its July, August, October, and November 2002 meetings and recommended that legislation be drafted to eliminate:

- constructed response test items on language arts and mathematics tests; and
- diagnostic reading tests in grades 4 through 9.

### OTHER STUDIES

#### **Foreign Exchange Students**

School districts may apply for state funds for foreign exchange students enrolled in district schools. The cost in FY 2002-03 for those students will be approximately \$700,000. Utah is among the minority of states that pay for the education of foreign exchange students. The Task Force considered this issue at its November 2002 meeting and recommended that legislation be drafted to prohibit the allocation of state funds for foreign exchange students, except students involved in a one-to-one exchange with a Utah student.

**ENHANCEMENT OF PUBLIC EDUCATION TASK FORCE**

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## **FUNDING OF STATE AND COUNTY HEALTH AND HUMAN SERVICES TASK FORCE**

### **FUNDING OF STATE AND COUNTY HEALTH AND HUMAN SERVICES TASK FORCE**

#### **Membership**

Sen. Carlene Walker, Senate Chair  
Rep. Jack A. Seitz, House Chair  
Sen. Gene Davis  
Sen. Scott Jenkins  
Sen. David L. Hogue  
Sen. Patricia W. Jones  
Rep. Loraine T. Pace  
Rep. LaWanna Shurtliff  
Commissioner Bill Cox  
Mr. Kerry Steadman

#### **Staff**

Mr. Stewart E. Smith, Managing Policy Analyst  
Mr. Mark B. Steinagel, Information Consultant  
Mr. Robert H. Rees, Associate General Counsel  
Ms. Alicia Laughlin, Legislative Secretary

#### **OVERVIEW**

Legislation was enacted in the 2002 General Session that created the Funding of State and County Health and Human Services Task Force and mandated it to review and make recommendations on two issues:

- The role and responsibility of state and local governments for funding and operating health and human services programs within the state, and
- the allocation of funding for health and human services programs to local governments.

Certain health and human services, including Mental Health, Substance Abuse, Aging and Adult Services, and Public Health, are provided on a partnership basis with both the state and local governments contributing a portion of the service costs. The Task Force's main charge was to evaluate the effectiveness of this partnership and recommend changes where they are needed.

### **CHANGES TO AGING AND ADULT SERVICES FUNDING**

#### **Background**

The State Division of Aging and Adult Services oversees various federal and state programs for the aged in the state. Some of the programs are primarily funded through federal dollars, while others are funded primarily through state dollars. Federal law mandates that federally funded programs be run by the local Area Agencies on Aging. State law mirrors the federal law and requires the Division to contract with the Area Agencies on Aging for state funded programs. State aging authorities have suggested that they should have more flexibility to bid out state projects to private providers.

#### **Action**

The Task Force considered this issue at its August and September 2002 meetings but did not recommend legislation.

### **COMMITMENT AND CUSTODY OF ADULTS AND MINORS**

#### **Background**

State law does not authorize the Division of Substance Abuse and Mental Health to take custody of individuals committed to it by a judge. In practice, judges do commit individuals into the care of the Division. The Department of Human Services requested a change that would clarify the Division's role in the commitment and custody of adults and minors.

#### **Action**

The Task Force studied this issue at its June, October, and November 2002 meetings and recommended draft legislation "Commitment and Custody of Adults and Minors Amendments."

### **COST OF HEALTH AND HUMAN SERVICES**

#### **Background**

Costs of health and human services are increasing for many reasons. Medicaid costs are skyrocketing because of increased program enrollment and high inflation for medical services and products. Non-Medicaid health and

## **FUNDING OF STATE AND COUNTY HEALTH AND HUMAN SERVICES TASK FORCE**

human service costs are also skyrocketing. Many local governments are paying more than their statutory match rate for certain services.

### **Action**

The Task Force studied this issue at its August, September, and October 2002 meetings but did not recommend legislation.

## **PLANNING OF HEALTH AND HUMAN SERVICES**

### **Background**

Health and human services, just as all government services, must pass through the budgetary process to receive funding. However, because local governments are required to shoulder a portion of the expense for certain health and human services, local government officials think they should be more involved in the budgetary planning process. For example, the Legislature will often give COLAs (cost of living adjustments) to state employees when considering the budget. Local officials think that the Legislature should also consider COLAs for county-level employees when a service is mandated and primarily funded by the State.

### **Action**

The Task Force discussed this issue at its August, September, October, and November 2002 meetings and sent a letter to both the Legislative Management and Executive Appropriations Committees requesting that they involve the counties early in the planning process. The Committee also asked the Governor's Office of Planning and Budget to increase county involvement, which it agreed to do.

The Task Force asked staff to prepare draft legislation, "Legislative Budgeting for COLA for Local Health Authorities" at its November 2002 meeting.

## **PRIORITIZING SERVICES**

### **Background**

Some stakeholders involved in the process of providing health and human services explained that funding is not

sufficient for the statutorily mandated services that are provided. The Task Force evaluated the required services and discussed if the Legislature should help local authorities by prioritizing services in statute so they know which ones to provide first or which populations to serve first in case funds are insufficient. The Task Force also discussed the possibility that some of the services might not be mandatory, and the money used to fund them could be used to fund the priority services.

### **Action**

The Task Force considered this issue at its August, September, and October 2002 meetings but did not recommend legislation.

## **OTHER STUDIES**

### **Human Services Funding Mechanism**

The Task Force studied the possibility of identifying a dedicated funding mechanism to fund human services similar to the way income taxes fund education.

### **Miscellaneous Legislation**

The Task Force discussed various technical changes that increase statutory consistency in the Human Services Code. The Task Force also decided to ask for reauthorization of the Task Force and recommended draft legislation "Substance Abuse and Mental Health Amendments," "Local Human Services Authorities Amendments," and "Reauthorization of Funding of State and County Health and Human Services Task Force."

## GOVERNMENT OPERATIONS INTERIM COMMITTEE

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### GOVERNMENT OPERATIONS INTERIM COMMITTEE

#### Membership

Sen. John W. Hickman, Senate Chair  
Rep. Craig W. Buttars, House Chair  
Sen. Ron Allen  
Sen. Lyle W. Hillyard  
President Al Mansell  
Sen. Millie M. Peterson  
Rep. Eli H. Anderson  
Rep. Ron Bigelow  
Rep. DeMar Bud Bowman  
Rep. Don E. Bush  
Rep. Neil A. Hansen  
Rep. Neal B. Hendrickson  
Rep. Peggy Wallace  
Rep. Bradley A. Winn

#### Staff

Mr. John Q. Cannon, Policy Analyst  
Mr. John L. Fellows, Associate General Counsel  
Ms. Cassandra N. Bauman, Legislative Secretary

#### OVERVIEW

The Government Operations Interim Committee considers a broad range of issues, including elections, campaign finance, ethics, appropriations and bonding, personnel, boards and commissions, and administrative services. The Committee considers policy questions with statewide implications, receives testimony from concerned groups and state agencies, and makes recommendations to the Legislature. While not all of the issues mentioned above were directly studied during the 2002 Interim, many of these issues are still expected to be debated, and legislation affecting these areas will probably be introduced during the 2003 General Session.

The Committee has legislative responsibility for several departments and agencies of state government, including Governor, Lieutenant Governor, Attorney General, Utah State Auditor, Utah State Treasurer, Governor's Office of Planning and Budget, Department of Administrative Services, and the Department of Human Resource

Management. The Committee also has primary responsibility for the following titles of the *Utah Code*: Title 20A, Election Code; Title 36, Legislature; Title 63, State Affairs in General; Title 63A, Administrative Services; Title 63B, Bonding; and Title 67, State Officers and Employees.

### BONDING, BUDGET, AND APPROPRIATIONS ISSUES

#### Background

The Committee discussed several issues that relate to Utah's finances. Among the issues discussed were the Budget Reserve Account, recodification of the Governor's Office of Planning and Budget, the issuance of state bonds, and a master bond template.

The Budget Reserve Account, better known as the "Rainy Day Fund," sets aside a portion of the General Fund in a reserve account during years in which there is a surplus. During recent budget cuts, the Rainy Day Fund has been used as a resource to balance the budget; consequently, the balance has been reduced significantly. Discussion on this issue focused on creating a Uniform School Fund Budget Reserve Account, adjusting the formula for contributions to the Accounts, and on increasing the Budget Reserve Account balance as quickly as possible.

The Governor's Office of Planning and Budget is not created by statute and its statutory authority is either not defined or is dispersed throughout the *Utah Code*. Discussion on this issue focused on establishing and defining the duties of the Governor's Office of Planning and Budget in a central location in the code and making conforming changes.

The State Bonding Commission currently has statutory authority to issue General Obligation bonds, while the State Building Board, acting as the State Building Ownership Authority has statutory authority to issue Lease Revenue Bonds. The State Financial Advisor recommended that statutory authority to issue both types of bonds be vested in one entity. Committee discussion focused on reconstituting the membership of the State Building Ownership Authority to include the Governor and

## GOVERNMENT OPERATIONS INTERIM COMMITTEE

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state treasurer (both members of the State Bonding Commission), and the chair of the State Building Board.

In each year that the Legislature authorizes general obligation bonds, legislation is passed that enacts multiple sections of law governing the technical requirements for issuing bonds. Committee discussion resulted in the recommended establishment of a master bond template that would eliminate the need to enact these technical sections each year.

### Action

The Committee considered the Budget Reserve Account issue at its October and November 2002 meetings and recommended legislation "Budget Reserve Account Amendments."

The Committee considered the Governor's Office of Planning and Budget issue at its June and September 2002 meetings and recommended legislation "Governor's Office of Planning and Budget Recodification and Revisions."

The Committee considered the issue of issuance of state bonds at its October and November 2002 meetings and recommended legislation "State Building Ownership Authority Recodification and Revision."

The Committee considered the master bond template issue at its October 2002 meeting and recommended legislation "State General Obligation Bond Act."

## STATEWIDE INITIATIVES

### Background

Article VI, Section 1 of the *Utah Constitution* grants the power to initiate legislation to the people "in the numbers, under the conditions, in the manner, and within the time provided by statute." By statute, the Legislature has set conditions for the initiative process, including signature requirements to qualify an initiative for the ballot. These requirements have included both a statewide signature requirement equal to 10 percent of all votes cast for governor at the last gubernatorial election, and a

geographic multi-county signature requirement equal to 10 percent of all votes cast for governor in at least 20 counties.

In August 2002, the Utah Supreme Court, in *Gallivan v. Walker*, declared the multi-county signature requirement unconstitutional. The Legislative Management Committee subsequently requested that the Government Operations Interim Committee review the initiative issue and consider possible statutory changes.

The Committee discussed the Utah Supreme Court opinion at its September meeting and requested six committee members to meet as a working group to consider the issue. The working group, consisting of Senators Hickman, Hillyard, and Peterson, and Representatives Bush, Hendrickson, and Wynn, met twice to discuss this issue and recommended legislation to address the initiative process.

The legislation requires initiative sponsors to gather signatures equal to 10 percent of votes cast at the last gubernatorial election in 29 state senatorial districts. The bill also requires public hearings on the initiative, modifies disclosure requirements, changes the time period for gathering signatures, establishes a moratorium before an initiative that failed may be recirculated, and makes other changes to the initiative process.

### Action

The Committee considered these issues at its September and November 2002 meetings and recommended legislation "Initiative Amendments."

## OTHER STUDIES

### Canvass for Provisional Ballot

Because of the new provisional ballot process, county representatives asked the Committee to consider legislation that would modify the dates of and allow more flexibility for the counties conducting the canvass. The Committee considered this issue at its June 2002 meeting and recommended S.B. 5001, "Canvass for Provisional

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## GOVERNMENT OPERATIONS INTERIM COMMITTEE

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Ballot." This legislation was introduced and passed during the 2002 5<sup>th</sup> Special Session in June.

### **Election Law**

In April 2002, there was a possibility that Utah might receive a fourth Congressional seat because of litigation awaiting decision by the United States Supreme Court. Award of a fourth Congressional seat could have created difficulties for the primary election in Utah. The Committee considered this issue at an additional meeting scheduled on April 26, 2002, and recommended S.B. 3001, "Election Law Revisions." This legislation was introduced during the 2002 3<sup>rd</sup> Special Session in April, but did not pass.

Congress recently passed the "Help America Vote Act of 2002." This federal legislation may result in federal funding for election reform in Utah and will have a significant impact on election processes in the state. The Committee considered this issue at its May and November 2002 meetings but did not recommend legislation.

### **Equal Employment Opportunity**

DHRM (Department of Human Resource Management) is required by statute to prepare an affirmative action report and submit the report to the Legislature for review before implementation. Because of changes in federal law and in the human resource area generally, DHRM prepared an equal opportunity, rather than affirmative action, plan and asked the Legislative Management Committee to review the plan. The Legislative Management Committee asked the Government Operations Interim Committee to review this issue to see if changes in terminology or other changes should be made to conform statute to practice. The Committee considered this issue at its September 2002 meeting and recommended legislation "Equal Employment Opportunity - Technical Changes."

### **State Armory Board**

The State Armory Board has statutory authority to approve the purchase and sale of armories and army premises. The Committee and the Utah National Guard discussed provisions to provide notice and cooperation between the State Armory Board and the Legislature concerning these transactions. The Committee considered this issue at its

June and September 2002 meetings and recommended legislation "State Armory Board Amendments."

### **Wendover Merger**

Representatives of Wendover, Utah, discussed with the Committee the possible annexation of Wendover, Utah to Nevada. Their interest was in statutory authorization to place a non-binding ballot proposition on the ballot during the general election of 2002 to gauge public opinion on this issue. The Committee considered this issue at its June 2002 meeting and recommended H.B. 5003, "Local Special Election Amendments." This legislation was introduced and passed during the 2002 5<sup>th</sup> Special Session in June.



# GUBERNATORIAL AND LEGISLATIVE TASK FORCE ON ALTERNATIVE REVENUE SOURCES FOR WATER FUNDING

## GUBERNATORIAL AND LEGISLATIVE TASK FORCE ON ALTERNATIVE REVENUE SOURCES FOR WATER FUNDING

### Membership

Sen. Leonard M. Blackham, Senate Chair  
 Rep. David Ure, House Chair  
 Sen. Mike Dmtrich  
 Rep. James R. Gowans  
 Mr. Tage Flint  
 Ms. Natalie Gochnour  
 Mr. Joe Melling  
 Mr. Bob Morgan  
 Ms. Dianne Nielson  
 Mr. Dave Ovard  
 Mr. Warren Peterson  
 Mr. Ron Thompson

### Staff

Mr. J Brian Allred, Policy Analyst  
 Ms. Jeanenne B. Larson, Associate General Counsel  
 Ms. Joy Miller, Legislative Secretary

### OVERVIEW

In the 2002 5<sup>th</sup> Special Session, the Legislature passed S.B. 5012 which created the Gubernatorial and Legislative Task Force on Alternative Revenue Sources for Water Funding to determine and identify alternative revenue sources for water funding. The Task Force legislation provided for appointment of 12 members, including 4 legislators, 3 executive branch officials, and 5 nonvoting persons with water experience appointed by the Governor with concurrence from the co-chairs of the Utah State Water Development Commission.

At the first meeting of the Task Force, the voting members created a subcommittee composed of the nonvoting Task Force members to determine and identify alternative water funding revenue options for the Task Force to consider. The subcommittee presented a report "Water Funding Alternatives Task Force Subcommittee Draft Report" which outlined the context of Utah's water funding programs, assessed Utah's water development needs,

and evaluated alternative funding sources to meet those needs.

## ALTERNATIVE REVENUE SOURCES FOR WATER FUNDING

### Background

Utah's history and geophysical setting dramatically affect water availability. Utah's culture determines how those water resources are used. Beginning with the settlement pattern established by the 1847 pioneers "and continuing into the present," a culture of irrigation and water utilization has developed.

The Task Force received information on estimated water needs from the Division of Water Resources, the Division of Water Quality, and the Division of Drinking Water. The Task Force compared funding methods used in other states and at other times in Utah and then analyzed the advantages of various funding methods. Historically, Utah has been able to effectively develop the needed water systems with a very small portion of the state budget. However, drinking water, sewer treatment, nonpoint source programs, and other needs identified by the Division of Drinking Water and Division of Water Quality are anticipated to cost \$5.3 billion over the next 20 years. Additional major projects to transport water from less populated areas of the state to Utah's urban settings have been identified. Four such projects were considered:

Bear River Development Act Projects	\$260,000,000
Lake Powell Pipeline	\$310,000,000
Upper Green River Pipeline	\$300,000,000
Central Utah Project Utah Lake System	\$200,000,000

In addition, there will be needs for irrigation system improvements in both agricultural and secondary

## **GUBERNATORIAL AND LEGISLATIVE TASK FORCE ON ALTERNATIVE REVENUE SOURCES FOR WATER FUNDING**

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municipal systems to take advantage of more water efficient technologies and to help reduce water pollution.

### **Action**

The Task Force considered numerous alternative revenue sources for water funding which are outlined in the subcommittee report. No alternative was specifically recommended but many were identified for further consideration if the current 1/16 percent sales and use tax diversion dedicated to water funding is repealed.

The Task Force co-chairs presented the subcommittee report "Water Funding Alternatives Task Force Subcommittee Draft Report" to the Natural Resources, Agriculture and Environment Interim Committee in its November 2002 meeting.

The Task Force considered this issue in its August, October, and November 2002 meetings but did not recommend legislation.

## HEALTH AND HUMAN SERVICES INTERIM COMMITTEE

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### HEALTH AND HUMAN SERVICES INTERIM COMMITTEE

#### Membership

Sen. Terry R. Spencer, Senate Chair  
Rep. Carl R. Saunders, House Chair  
Sen. D. Edgar Allen  
Sen. Peter C. Knudson  
Rep. Patrice M. Arent  
Rep. Trisha S. Beck  
Rep. Glenn A. Donnelson  
Rep. Wayne A. Harper  
Rep. Patricia W. Jones  
Rep. David Litvack  
Rep. Rebecca D. Lockhart  
Rep. Steven R. Mascaro  
Rep. Michael T. Morley (as of 9/02)  
Rep. Carol Spackman Moss  
Rep. Paul Ray  
Rep. Jack A. Seitz  
Rep. Mike Thompson  
Rep. Glenn L. Way (resigned 9/02)

#### Staff

Mr. Mark D. Andrews, Policy Analyst  
Ms. Catherine J. Dupont, Associate General Counsel  
Ms. Stacey M. Snyder, Associate General Counsel  
Ms. Alicia M. Laughlin, Legislative Secretary

#### OVERVIEW

The Health and Human Services Interim Committee considers a wide range of issues. In addition to dealing with public health issues like smoking, immunizations, bioterrorism, and AIDS testing, the Committee considers topics related to mental health, aging, child abuse, substance abuse, health insurance, health facility and occupational licensing, adoption, and abortion. The Committee provides oversight to many of the programs carried out by the Department of Health and the Department of Human Services.

### ACCESSIBLE HOUSING

#### Background

Several state and local governments around the country have adopted measures to promote the availability of housing designed for persons with a mobility impairment. Salt Lake City is developing a similar ordinance.

#### Action

The Committee considered proposals to promote the availability of accessible housing by expanding the allowable uses of state and local housing monies, providing building fee discounts, and establishing a certification system.

The Committee considered this issue at its May, September, and November 2002 meetings and recommended draft legislation "Accessible Housing."

### ADEQUACY OF NURSING WORKFORCE

#### Background

An inadequate supply of registered nurses in Utah and other states may result in several years unless steps are taken to reverse current trends. The medical care industry and government are looking at various solutions, including redesigning work requirements, imposing nurse to patient staffing ratios, providing increased financial assistance for nurse education, modifying occupational licensing provisions to encourage professional development, and increasing the supply of nurse educators.

#### Action

The Committee considered a recommendation by the Nursing Leadership Forum to appropriate \$6.5 million annually to double the number of registered nurses and increase the number of nurse educators trained by the state.

The Committee considered this issue at its April and October 2002 meetings but did not recommend legislation.

## HEALTH AND HUMAN SERVICES INTERIM COMMITTEE

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### OTHER STUDIES

#### **Access to Health Care and Coverage Task Force**

The Committee considered the recommendations of the Access to Health Care and Coverage Task Force at its November 2002 meeting and recommended draft legislation "Eliminate Spend Down Provision for Medicaid."

#### **Aging**

The Committee considered a recommendation by the Division of Aging and Adult Services to evaluate the delivery of government services in light of an aging population. The Committee considered this issue at its October 2002 meeting but did not recommend legislation.

#### **Bioterrorism Grant**

The Committee reviewed how the Department of Health will use two grants from the U.S. Department of Health and Human Services totaling over \$11 million to strengthen the ability of the state's public health system to respond to bioterrorism. The Committee considered this issue at its September 2002 meeting but did not recommend legislation.

#### **Calcium-Fortified Foods**

The Committee considered draft legislation that would require state entities and school districts to purchase calcium-fortified food under certain conditions. The Committee considered this issue at its May 2002 meeting but did not recommend legislation.

#### **Child Welfare Legislative Oversight Panel**

The Committee considered the recommendations of the Child Welfare Legislative Oversight Panel at its November 2002 meeting and recommended draft legislation "Amendments to Child Welfare Legislative Oversight Panel and Open and Public Meetings Act," "Consolidation of Child Welfare Oversight Reports," and "Prohibition of Coercive Restraint Therapy."

#### **Disability Services Criteria**

The Committee reviewed criteria developed by the Board of Services for People With Disabilities to determine eligibility and prioritize delivery of services to persons with

a disability. The Committee considered this issue at its July 2002 meeting but did not recommend legislation.

#### **Funding of State and County Health and Human Services Task Force**

The Committee considered the recommendations of the Funding of State and County Health and Human Services Task Force at its November 2002 meeting and recommended draft legislation "Commitment and Custody of Adults and Minors Amendments," "Legislative Budgeting for COLA for Local Health Authorities," "Local Human Services Authorities Amendments," "Reauthorization of Funding of State and County Health and Human Services Task Force," and "Substance Abuse and Mental Health Amendments."

#### **Medicaid Oral Health Initiative**

The Committee considered a proposal by the Utah Oral Health Coalition to improve the oral health status of Medicaid clients by establishing a program for early intervention and education, implementing a case management program, and increasing reimbursement to providers. The Committee considered this issue at its June 2002 meeting but did not recommend legislation.

#### **Medicaid Primary Care Network**

The Committee monitored the implementation of the new Primary Care Network Medicaid waiver. The waiver is expected to provide primary and preventive health care coverage to approximately 25,000 uninsured individuals, including 9,000 persons previously served by the Utah Medical Assistance Program. The Committee considered this issue at its June and November 2002 meetings but did not recommend legislation.

#### **Obesity**

The Committee reviewed information from the National Conference of State Legislatures and the U.S. Centers for Disease Control and Prevention on the causes, costs, and effects of obesity and options for dealing with the issue. The Committee considered this issue at its May 2002 meeting but did not recommend legislation.

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## HEALTH AND HUMAN SERVICES INTERIM COMMITTEE

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### **Pharmaceuticals**

The Committee received a preliminary report from an ad hoc advisory Committee created in 2002 to advise the Legislature on options for improving access to prescription drugs. The Committee considered this issue at its November 2002 meeting but did not recommend legislation.

### **Task Force on Involuntary Commitment of the Mentally Ill**

The Committee considered the recommendations of the Task Force on Involuntary Commitment of the Mentally Ill at its November 2002 meeting and recommended draft legislation "Involuntary Commitment Amendments."

### **Utah Comprehensive Health Insurance Pool**

The Committee considered a proposal to update and modify provisions related to the Utah Comprehensive Health Insurance Pool. The Committee considered this issue at its October 2002 meeting and recommended legislation "Comprehensive Health Insurance Pool Amendments."



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## JUDICIAL RULES REVIEW COMMITTEE

### JUDICIAL RULES REVIEW COMMITTEE

#### Membership

Sen. Terry R. Spencer, Senate Chair  
Rep. Greg J. Curtis, House Chair  
Sen. Gene Davis  
Sen. L. Steven Poulton  
Rep. Scott Daniels  
Rep. Stephen H. Urquhart

#### Staff

Mr. Jerry D. Howe, Policy Analyst  
Ms. Esther D. Chelsea-McCarty, Associate General Counsel  
Ms. Glenda S. Whitney, Legislative Secretary

#### OVERVIEW

Article VIII, Section 4 of the *Utah Constitution* provides rulemaking authority to the Utah Supreme Court to adopt rules and manage the appellate process and rules of procedure and evidence. Article VIII, Section 12 of the *Utah Constitution* provides rulemaking authority to the Judicial Council for the administration of the courts. By a two-thirds vote, the Legislature may amend the rules of procedure and evidence promulgated by the Supreme Court. However, the Legislature has no constitutional authority to amend Judicial Council rules in the Code of Judicial Administration.

In the 1993 General Session, the Legislature enacted S.B. 11, "Judicial Rules Review Committee," which created a legislative forum to resolve conflicts between statutes developed by the Legislature and rules developed by the courts. Because it is often difficult to clearly distinguish between substantive and procedural aspects of the law, this legislative committee fulfills an important duty by fostering better communication and preventing infringement on the respective powers of the Judiciary and the Legislature.

The Supreme Court has created six advisory committees representing civil procedure, criminal procedure, evidence, juvenile procedure, appellate procedure, and professional conduct. These advisory committees formulate proposed rules or amendments to rules in their respective areas. The Judicial Rules Review Committee reviews and comments on the proposed rules or amendments to rules in these six

areas as well as the Rules of Judicial Administration, which are promulgated by the Judicial Council. The Committee's primary focus is to identify whether these rules are substantive or procedural in nature and whether they conflict with statute.

#### 2002 ACTIVITIES

##### Background

The Committee focused on the ongoing work of the Supreme Court's advisory committees of civil, criminal, appellate, and juvenile procedure, as well as professional and judicial conduct. Draft rules served as the source for committee discussion and action.

##### Action

The Committee monitored potential changes to judicial rules and offered recommendations to the courts on certain rules but did not recommend legislation.



### JUDICIARY INTERIM COMMITTEE

#### Membership

Sen. David L. Gladwell, Senate Chair  
Rep. Ben C. Ferry, House Chair  
Sen. D. Edgar Allen  
Sen. Millie M. Peterson  
Sen. Terry R. Spencer  
Sen. Michael G. Waddoups  
Rep. Patrice M. Arent  
Rep. Chad E. Bennion  
Rep. Ron Bigelow  
Rep. Katherine M. Bryson  
Rep. Greg J. Curtis  
Rep. Scott Daniels  
Rep. James A. Ferrin  
Rep. Neal B. Hendrickson  
Rep. Eric K Hutchings  
Rep. Mike T. Morley (as of 9/02)  
Rep. Mike Thompson  
Rep. A. Lamont Tyler  
Rep. David Ure  
Rep. Glenn Way (resigned 9/02)

#### Staff

Mr. Jerry D. Howe, Policy Analyst  
Ms. Esther Chelsea-McCarty, Associate General Counsel  
Ms. Glenda S. Whitney, Legislative Secretary

#### OVERVIEW

The Judiciary Interim Committee serves as an important link for the three branches of state government in considering issues pertaining to the substantive rights of litigants and the administration of justice. The Committee oversees policy aspects of Utah's justice system, including the structure and administration of the courts.

The Committee's scope of policy oversight includes the jurisdictional powers associated with Utah's Justice Court, Juvenile Court, District Court, Court of Appeals, and Supreme Court. The Committee also has statutory oversight of certain programs delegated by the Legislature to the Judicial Council, including Mandatory Education Course for Divorcing Parents, Alternative

Dispute Resolution, and the Judicial Nominating Commissions.

#### DIVORCE: CHILD CUSTODY AND VISITATION

##### Background

Among the most difficult decisions a court makes involve custody and enforcement of court ordered visitation. During the course of the Committee's review of divorce laws, it heard testimony that the parent time statutes have facilitated adequate visitation schedules being included in divorce decrees but that the enforcement of the court ordered visitation is still problematic. Many people testified before the Committee that they had spent substantial amounts of time and money obtaining a divorce decree that requires a specific visitation schedule that is virtually unenforceable because no sanctions are imposed for the wrongful denial of visitation. The Committee acknowledged the frustration people must feel when they are wrongfully denied court ordered visitation, but it was more concerned about the testimony it received regarding the difficulty people are experiencing in getting a court to enforce court ordered visitation schedules.

##### Action

The Committee considered this issue at its May, October, and November 2002 meetings and recommended draft legislation "Parent-time Amendments" and "Shared Parenting by Divorcing Parents."

#### JUDICIAL CONDUCT COMMISSION

During the 2002 General Session the Legislature passed H.B. 136, "Judicial Conduct Commission Amendments," which was subsequently vetoed by the governor. The Judiciary Interim Committee discussed the relationship between judicial independence, the ability for judges to base legal decisions on the facts of a case and the law without fear of reprisal or intimidation, and judicial accountability, the process by which judges are held accountable for unethical, or illegal acts.

The governor's office expressed concern that Utah's current statutes are somewhat inquisitorial in nature which

## JUDICIARY INTERIM COMMITTEE

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may have the potential of undermining judicial independence. Part of that concern is created by a judicial disciplinary system that allows the fact-finder to both investigate and adjudicate complaints against judges.

The Legislature later over-rode the governor's veto and the Judiciary Interim Committee approved a motion to create a Subcommittee to study Article VIII, Section 13 of the *Utah Constitution* which establishes the Judicial Conduct Commission.

Members of the Judiciary Interim Committee later decided that it would be prudent to base any amendments to Article VIII, Section 13 on the reliable information from a previously scheduled legislative audit.

When the audit of the Judicial Conduct Commission was delayed due to a question of whether its files could be released to the Legislative Auditor, the Judiciary Interim Committee decided to postpone its Subcommittee until the audit was completed.

The Committee received a report on a partial audit of the Judicial Conduct Commission at its November meeting wherein the auditors recommended that the Legislature consider clarifying, in statute, the degree of confidentiality of Judicial Conduct Commission proceedings once an allegation of judicial misconduct has been substantiated, and to provide for the release of otherwise confidential records for audit purposes.

### Action

The Committee considered this issue at its May and November 2002 meetings but did not recommend legislation.

## SENTENCING IN CAPITAL CASES AMENDMENTS

### Background

The United States Supreme Court ruled in *Atkin v. Virginia* that it was unconstitutional for states to execute a person who has been convicted of a capital offense if the convicted person is mentally retarded. To bring Utah law into compliance with this ruling, the Utah Sentencing

Commission appointed a working group which included prosecutors, defense attorneys, and mental health professionals to undertake a substantive review of the issue. The working group presented draft legislation to the Sentencing Commission, which issued a final report and recommended legislation. The Sentencing Commission presented this information to the Judiciary Interim Committee at its September and October 2002 meetings.

### Action

The Committee considered this issue at its September and October 2002 meetings and recommended draft legislation "Sentencing in Capital Cases Amendments."

## OTHER STUDIES

### Reporting of DUI Related Elements

The Administrative Office of the Courts reported on the progress it had made in providing electronic case management available to judges at sentencing in DUI cases. The Committee expressed concern that DUI related offenses which occur in Justice Courts are not included in the accessible data at the District Court. Individual legislators argued that unless Justice Court DUI information is reported to a centralized data base, it will be difficult for the Courts to implement proper penalties in these cases.

### Right to a New Judge

At its May meeting, the Judiciary Interim Committee discussed whether or not a litigant should have the opportunity to request a new judge if the case before the judge had been successfully reversed and remanded on appeal. The Judiciary Interim Committee realized that allowing litigants to have a right to a new judge upon successful reversal and remand would presume that judges are prejudiced against a party who mounts a successful appeal. Because few lawyers were supportive of this change, and since rules currently exist by which litigants can file an affidavit of prejudice against a judge, the Judiciary Interim Committee approved a motion to take no further study or action on this item.

### **Sunset Review of the Administrative Office of the Courts**

At its April meeting, the Judiciary Interim Committee heard testimony from Chief Justice Christine Durham; Judge K.L. Maff, Chair, District Court Board of Judges; Judge Robert Yates, Chair, Juvenile Court Board of Judges; and Judge John Sandberg, Chair, Justice Court Board of Judges; and Mr. Dan Becker, Administrative Office of the Court, who each explained the importance of the Administrative Office of the Court.

Prior to its April meeting, the Chairs of the Judiciary Interim Committee met with each Justice of the Utah Supreme Court to determine to what extent the Office of the Court Administrator serves the needs of the Judiciary. Based on the comments of the Justices, and those present at the April meeting, the Judiciary Committee was satisfied that the Administrative Office of the Court serves the needs of the Judiciary and that the sunset date should be extended.

The Judiciary Interim Committee decided to request a Sunset Review Audit of the Administrative Office of the Courts to determine, among other things, the growth in both budget and staff, how budget and funding priorities are established, the costs of educational courses for all judges and employees, and how many judges have law clerks to assist with core judicial functions.

### **Sunset Review of the Alternative Resolution Act**

Former Chief Justice Michael Zimmerman explained that the Alternative Dispute Resolution Act avoids in certain circumstances the problems associated with traditional litigation, including the high expense. It was explained that the Alternative Resolution Act allows individuals to mediate solutions in a more timely manner, participate in the solution, and not be bound by legal procedure or court rules. Litigation, will always have a place in society, but some cases are simply better settled by alternative methods, which are provided for in the Alternative Dispute Resolution Act.

The Committee voted to extend the Sunset Date on the Alternative Dispute Resolution Act until July, 1, 2008.

### **Unauthorized Practice of Law**

During the 2000 General Session a bill was passed which inadvertently repealed the unauthorized practice of law statute. Justice Michael Wilkins presented the legal, practical, and historical context of the regulation of the legal profession during the Committee's May meeting. Mr. Wilkins explained that a task force had been charged with making a recommendation to the Supreme Court regarding the regulation of the practice of law.

### **Uniform Trust Act**

S.B. 43, "Uniform Trust Act" was introduced during the 2002 General Session by Senator Lyle Hillyard. Because the bill contained extensive revisions, it was sent to the Judiciary Interim Committee for review. The Judiciary Interim Committee requested the Estate Planning Section of the Utah State Bar to review the bill and make a reporting of its provisions. During the Committee's October meeting, Mr. Tom Christensen provided a status report on the Uniform Trust Act, indicating that the bill contains extensive and complicated revisions. Although members of the State Bar had spent considerable effort reviewing and analyzing the bill's contents, Mr. Christensen reported that he was not yet prepared to make a recommendation as to whether the Estate Planning Section would recommend passage of the bill.

## JUDICIARY INTERIM COMMITTEE

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## LAW ENFORCEMENT AND CRIMINAL JUSTICE INTERIM COMMITTEE

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### LAW ENFORCEMENT AND CRIMINAL JUSTICE INTERIM COMMITTEE

#### Membership

Sen. D. Chris Buttars, Senate Chair  
Rep. DeMar "Bud" Bowman, House Chair  
Sen. Gene Davis  
Sen. John W. Hickman  
Sen. Alicia L. Suazo  
Sen. John L. Valentine  
Rep. Douglas C. Aagard  
Rep. Trisha S. Beck  
Rep. Duane E. Bourdeaux  
Rep. Patricia W. Jones  
Rep. Rebecca D. Lockhart  
Rep. Loraine T. Pace  
Rep. Brent D. Parker  
Rep. Paul Ray  
Rep. Jack A. Seitz  
Rep. Matt Throckmorton

#### Staff

Ms. Chyleen A. Arbon, Policy Analyst  
Ms. Susan Creager Allred, Associate General Counsel  
Ms. Alicia Laughlin, Legislative Secretary

#### OVERVIEW

The Law Enforcement and Criminal Justice Interim Committee was established in 1997 to study issues related to law enforcement, criminal law, illegal drug activity, weapons, corrections, public safety, and the criminal justice system. In studying these issues, the Committee attempts to maintain a balance between public safety, victim rights, and offender accountability and rehabilitation.

The Committee's statutory oversight includes law enforcement agencies, the courts, the Department of Public Safety, the Department of Corrections, the Division of Youth Corrections, the Utah Board of Pardons and Parole, the Youth Parole Authority, the Utah Commission on Criminal and Juvenile Justice, the Utah Sentencing Commission, the Utah Substance Abuse and

Anti-Violence Coordinating Council, and Crime Victim Reparations.

The Committee's focus has been on increasing the efficiency and cost-effectiveness of the criminal justice system by increasing communication and collaboration between programs that support a three-pronged approach: prevention, enforcement, and treatment.

#### ALTERNATIVE SANCTIONS

##### Background

The Committee received information from the Commission on Criminal and Juvenile Justice, USAAV (Utah Substance Abuse and Anti-Violence Coordinating Council), and the Utah Sentencing Commission regarding the success of providing effective alternative sanctions in the criminal justice system, such as drug courts, drug boards, mental health courts, day reporting centers, and re-entry programs after prison. Alternative sanctions are any type of sentence other than simply probation or prison, which provide a cost-effective way to respond to the offender's specific needs and reduce recidivism, while maintaining public safety and offender accountability.

USAAV recommended that the Legislature continue its current approach to providing drug treatment options, such as drug courts, for offenders rather than duplicating a mandatory drug treatment policy that some other states have adopted.

##### Action

The Committee considered this issue at its October 2002 meeting but did not recommend legislation.

#### DRUG FORFEITURE LAWS

##### Background

The Committee received information from the Attorney General's Office and the Salt Lake District Attorney's Office indicating that while Initiative B, which passed in 2000, created innovative protections for innocent property owners, it essentially limited drug forfeiture to the point that the State is losing millions of dollars from the federal

## **LAW ENFORCEMENT AND CRIMINAL JUSTICE INTERIM COMMITTEE**

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government, and the intent of the initiative to direct money to the Uniform School Fund has not been realized.

The Committee considered legislation that would allow forfeiture to effectively resume in Utah, enable Utah to receive forfeiture proceeds from the federal government, and provide that a portion of forfeiture proceeds be used for substance abuse treatment.

### **Action**

The Committee considered this issue at its September and November 2002 meetings and recommended draft legislation "Property Forfeiture Amendments."

## **SENTENCING FOR DUI OFFENDERS**

### **Background**

The Committee received an overview of Utah's DUI laws and state and national statistical trends for the number of DUI offenses and alcohol-related traffic fatalities, as well as the rates of recidivism for DUI offenders. The Committee also received information about the best sentencing practices for DUI offenders and received recommendations from the Governor's DUI Council.

The Committee focused on improving the data collection and data access in the criminal justice system regarding DUI offenses. The Sentencing Commission will continue to update the research on the best sentencing practices for judges to use for DUI offenders. The Committee considered legislation that requires prosecutors and judges to be informed about a defendant's prior DUI offenses before accepting a guilty plea or sentencing an offender regarding a current DUI offense.

### **Action**

The Committee considered this issue at its May and November 2002 meetings and recommended draft legislation "DUI Plea Restrictions."

## **OTHER STUDIES**

### **Domestic Terrorism**

The Committee received information from the FBI, the Utah Homeland Security Task Force, and the Ogden City Police Department regarding the currently identified domestic and international terrorist groups, the improved coordination between state and federal law enforcement agencies, and suggested legislative funding to assist these agencies in preventing and responding to acts of terrorism. The Committee considered this issue at its June 2002 meeting but did not recommend legislation.

### **Due Process for Unemployment Insurance Fraud**

The Committee received information from a citizen regarding the lack of flexibility the Department of Workforce Services has in dealing with the honest mistakes she made while claiming unemployment insurance benefits. At the request of the Committee, the Department presented the pros and cons of possible options to deal with honest mistakes related to unemployment insurance fraud.

The Committee did not take any formal action on any of the proposals. Some committee members indicated their concern about overreacting and making changes to the law based on one experience. However, the Department was asked to draft legislation that would allow 10 days for a claimant to pay the balance owed to the Department as well as a \$100 administrative fee or face the current penalties. The Committee considered this issue at its April and September 2002 meetings but did not recommend legislation.

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## NATIVE AMERICAN LEGISLATIVE LIAISON COMMITTEE

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### NATIVE AMERICAN LEGISLATIVE LIAISON COMMITTEE

#### Membership

Sen. Beverly Ann Evans, Senate Chair  
Rep. Carl R. Saunders, House Chair  
Sen. Millie M. Peterson  
Sen. Alicia L. Suazo  
Sen. Bill Wright  
Rep. Eli H. Anderson  
Rep. DeMar "Bud" Bowman  
Rep. James R. Gowans  
Rep. Jack A. Seitz  
Rep. Gordon E. Snow  
Rep. Max W. Young

#### Staff

Mr. John Q. Cannon, Policy Analyst  
Ms. Patricia Owen, Associate General Counsel  
Ms. Jennifer Markham, Legislative Secretary

#### OVERVIEW

The Native American Legislative Liaison Committee is an 11 member committee that addresses Native American issues in Utah. The Committee serves as a liaison for the Legislature with Indian tribes in Utah, reviews the operations of the Division of Indian Affairs, sponsors meetings and other opportunities for discussion with and between Native Americans, and recommends legislation when changes are in the best interest of the State and tribes.

During the 2002 Interim, the Committee met to discuss several items, including economic development, issues affecting Utah Navajos, coordination of Indian issues in state government, and Indian education.

#### STUDIES

##### Economic Development

The Committee discussed a report from the Task Force on Tribal Economic Development, including an effort to assess economic development needs through long-term strategic planning. The Committee also discussed

economic development partnerships between the Ute Tribe and other entities in the Uintah Basin. The Committee considered this issue at its June 2002 meeting but did not recommend legislation.

##### Indian Education

The Committee met with tribal leaders and state education officials to discuss the challenges facing Utah's Indian students. Committee members were briefed on the efforts of the Utah State Office of Education and its statewide task force to study and develop recommendations for Indian education policy and a strategic plan for Indian children. The Committee considered this issue at its November 2002 meeting but did not recommend legislation.

##### Issues Affecting Utah Navajos

Representatives of the Navajo Nation and its chapters located in Utah were invited by the Committee to discuss issues affecting Utah Navajos. Some of the issues discussed included education, coordination and relations with the state, health care, roads, economic development, water, and housing. The Committee also heard reports of the Navajo Trust Fund and the Navajo Revitalization Fund. The Committee considered these issues at its September 2002 meeting but did not recommend legislation.

##### State Native American Coordinating Board

The State Native American Coordinating Board is, by statute, to develop a consistent, integrated, and coordinated approach to implementing laws, services, functions, and governmental programs that serve Indian citizens of the state. The Committee discussed concerns that the Board is not able to effectively accomplish the statutory charges of the Board and discussed potential changes to the composition or duties of the board. The Committee requested Chair Evans to work informally with tribal leaders and members of the Board to craft a solution to these concerns. Chair Evans is expected to sponsor legislation addressing this issue. The Committee considered this issue at its November 2002 meeting but did not recommend legislation.



## **NATURAL RESOURCES, AGRICULTURE, AND ENVIRONMENT INTERIM COMMITTEE**

### **NATURAL RESOURCES, AGRICULTURE, AND ENVIRONMENT INTERIM COMMITTEE**

#### **Membership**

Sen. Parley G. Hellewell, Senate Chair  
Rep. Bradley T. Johnson, House Chair  
Sen. Leonard M. Blackham  
Sen. Mike Dnitrich  
Sen. Bill Wright  
Rep. Eli H. Anderson  
Rep. Roger E. Barrus  
Rep. Jackie Biskupski  
Rep. Craig W. Butters  
Rep. David N. Cox  
Rep. Margaret Dayton  
Rep. Glenn A. Donnelson  
Rep. Fred J. Fife III  
Rep. James R. Gowans  
Rep. Thomas V. Hatch  
Rep. Darin G. Peterson  
Rep. Michael R. Styler  
Rep. Stephen H. Urquhart

#### **Staff**

Mr. J Brian Allred, Policy Analyst  
Ms. Jeanenne B. Larsen, Associate General Counsel  
Ms. Joy Miller, Legislative Secretary

#### **OVERVIEW**

Under the broad subject of natural resources, the Committee deals with water rights, water development, wildlife, mining, forestry, parks, and recreation. Within the field of agriculture, the Committee is concerned with promoting agricultural production, preventing disease among domesticated animals, and insuring a wholesome food supply. Environmental issues include air quality, water quality, solid and hazardous waste disposal, and radioactive waste.

Much of the Committee's efforts involve coping with rapid growth and urbanization of the state's population. A top priority has been to assure that the state has ample water supplies. Maintaining and improving the quality of the

state's water is as critical as developing adequate water supplies.

Wildlife is another natural resource affected by growth. Land development has diminished wildlife habitat and increased competition for the use of the remaining habitat. Wildlife interests and agricultural interests are frequently vying for use of the same land. Accommodating these competing interests and addressing the growing population's increased demand for recreational opportunities present significant challenges to the Committee.

The Committee oversees three state departments: the Department of Natural Resources, the Department of Agriculture and Food, and the Department of Environmental Quality.

### **CLOSURE OF STATE PARKS**

#### **Background**

In the 2002 General Session, the Legislature passed intent language requiring the DPR (Division of Parks and Recreation) to seek budget savings equivalent to a \$500,000 reduction in General Fund support through park closures. DPR recommended accepting a plan for alternative management or closure of the Jordan River, Ft. Buenaventura, and Minersville State Parks, resulting in a savings of \$403,300 for FY 2003. DPR also recommended a \$2 increase in entrance fees at the six Wasatch Front/Back boating parks, a \$2 per night camping fee adjustment statewide, and a \$.50 increase per nine holes of play at Wasatch Mountain golf course. DPR also proposed to eliminate the Senior Citizen Fee Waiver and allow annual senior citizen passes at half price or pay an administrative fee of \$10-\$25. The estimated revenue for 2003 is \$125,000 (partial year) and \$500,000 for 2004.

#### **Action**

The Committee considered this issue at its April and May 2002 meetings. The Committee moved to acknowledge, commend, and concur with the recommendations of the DPR.

# **NATURAL RESOURCES, AGRICULTURE, AND ENVIRONMENT INTERIM COMMITTEE**

## **DROUGHT CONDITIONS IN UTAH**

### **Background**

In 2002, water conditions worsened throughout the state. Stream flow projections for the various river basins in the state indicated that none would be at 100 percent. Utah's major storage reservoirs dropped from 3.7 million acre feet of water to 2.3 million acre feet. Some farmers and ranchers who rely on direct stream flow ran out of water.

The Governor issued an Executive Order regarding disaster relief for the state. The Department of Agriculture and Food assisted the Governor's office in obtaining the data that would qualify farmers, ranchers, and agricultural producers for disaster assistance and programs that are available under emergency funding through the U.S. Department of Agriculture. All but two counties in the state qualified for drought disaster designation. Farm organizations appealed to Congress and the Secretary of Agriculture for assistance.

Although the State received a substantial amount of moisture in the latter part of 2002, it came too late to significantly help agriculture. However, the precipitation substantially helped increase soil moisture levels, which will allow spring snowpack runoff to better fill reservoirs.

The State prepares for drought by building dams, drilling wells, recharging the groundwater, and, when necessary, restricting water use. Because the State has constructed water storage projects and drilled wells to take advantage of the groundwater storage, the effects of the drought were reduced significantly, particularly for drinking water systems.

### **Action**

The Committee considered this issue at its May, June, and September 2002 meetings. The Committee sent letters to Utah's congressional delegation and the Secretary of Agriculture requesting emergency drought and disaster relief. The Committee will dedicate part of the 2003 Interim to watershed protection issues.

## **PUBLIC NOTICE TO WATER USERS**

### **Background**

The Division of Water Rights has the statutory responsibility to provide public notice regarding various changes to water rights. As the cost and responsibility of the required public notice has increased, the Division has sought new ways to comply with statute and minimize costs. The Division proposed draft legislation which would simplify the notification process. The notice would state the name, common description, source of water, and the amount. The notice would reference where detailed information can be obtained: through the Internet, a 1-800 number, or by contacting the Division.

### **Action**

The Committee considered this issue at its June and October 2002 meetings and approved draft legislation "Water User Notification Amendments."

## **OTHER STUDIES**

### **Chronic Wasting Disease**

Chronic Wasting Disease is an infectious disease that has been present in deer and elk in northeastern Colorado and southeastern Wyoming since the late 1960s. The disease has become a pervasive issue in the hunting community. The disease has been discovered in free ranging deer in six states. Since 1997, the disease has been detected in privately owned elk on 24 ranches. To date, there has been no diagnosis of Chronic Wasting Disease in Utah. The Committee considered this issue in its September 2002 meeting.

### **Cricket and Grasshopper Infestation**

As of June 2002 Utah had 3.5 million acres of land infested with crickets or grasshoppers. For 2003 the affected area is predicted to increase to approximately 5 million acres. Populations of crickets are pushing east from the west central part of the state and could impact the central part more extensively in the coming year. Funding for grasshopper and cricket control in 2002 required an estimated \$350,000 on state lands and cost

## **NATURAL RESOURCES, AGRICULTURE, AND ENVIRONMENT INTERIM COMMITTEE**

share control on private lands. The Committee considered this issue at its April and June 2002 meetings.

### **Division of Wildlife Resources Certificates of Registration - Rights of Succession**

The Committee reviewed a statute related to the collection, importation, transportation, and possession of zoological animals. Currently, certificates of registration held by the owner of a controlled or prohibited animal may not be assigned or transferred upon the death of the certificate holder and the animal may be seized by the Division of Wildlife Resources. The Committee considered a change to allow succession of a certificate of registration in its June 2002 meeting but no legislation was recommended.

### **Rural Electronic Commerce Communications System Fund Grants**

The Rural Electronic Commerce and Communications System Fund Board, created in Title 9, Chapter 15, *Utah Code*, provides grants for programs or projects which preserve or promote communications systems in the rural areas of the state. The grants are funded by a portion of mineral lease royalties collected on land transferred to the control of the Utah School and Institutional Trust Lands Administration by the federal government in 1998. The Board may also issue revenue bonds to provide financing for eligible projects. In its September 2002 meeting, the Committee heard a report from the Division of Community Development on the number and types of grants awarded under this section.

### **Rural Development Fund Grants**

The Rural Development Fund Board, created in Title 9, Chapter 14, *Utah Code*, provides grants to local government entities in Garfield, Kane, Piute, and Wayne counties impacted by the transfer of lands to the control of the Utah School and Institutional Trust Lands Administration by the federal government in 1998. The grants are funded by a portion of mineral lease royalties collected in the exchanged lands. In its September 2002 meeting, the Committee heard a report from the Division of Community Development on the number and type of grants made.

### **School and Institutional Trust Lands Administration Report**

The 2002 General Session Appropriations Act requires the School and Institutional Trust Lands Administration to report on the development of management strategies and on the use of funds appropriated for block management. The Committee heard this report at its September 2002 meeting.

### **Sunset Review - Environmental Health Scientist Act**

Title 58, Chapter 20a, *Utah Code*, Environmental Health Scientist Act, is repealed on July 1, 2003. The Committee heard testimony regarding the responsibilities of Environmental Health Scientists. The Committee considered this issue at its April 2002 meeting and recommended reauthorization of the Act for 10 years.

### **Sunset Review - State Water Development Commission**

Title 73, Chapter 27, *Utah Code*, State Water Development Commission, is repealed December 31, 2003. The Committee discussed the importance of water development and the role of the Commission in promoting water development. The Committee considered this issue at its November 2002 meeting and recommended that the Commission be reauthorized for five years.

### **Sunset Review - Wildlife Heritage Act**

Title 23, Chapter 26, *Utah Code*, Wildlife Heritage Act, is repealed on December 31, 2003. The Division of Wildlife Resources recommended that the Act be allowed to sunset. The Committee considered this issue in its April 2002 meeting and recommended that the Act be allowed to sunset on December 31, 2003.

### **Utah Agricultural Experiment Station**

The Committee heard a report from the Utah Agricultural Experiment Station on the services it provides in the state and the current challenges it faces, including funding of the Utah Climate Center and accreditation of the Utah Veterinary Diagnostic Laboratory. The Committee considered this issue at its October 2002 meeting.

## **NATURAL RESOURCES, AGRICULTURE, AND ENVIRONMENT INTERIM COMMITTEE**

### **Utah Milk Commission**

The 2002 General Session Appropriations Act required the Department of Agriculture and Food to organize, staff, and conduct a task force to study the implementation of a Utah Milk Commission. The Department of Agriculture and Food gave a status report to the Committee in its October 2002 meeting but no specific recommendation or legislation was proposed.

### **Utah State University Extension Service**

The Committee heard a report from Utah State University Extension Service outlining the services it provides in the State and the current challenges it faces. The Committee considered this issue at its October 2002 meeting.

### **Wild and Scenic Rivers Designation**

The Wild and Scenic Rivers Act was passed by Congress in 1968. The Act stated that "certain selected rivers of the Nation, which, with their immediate environments, possess outstandingly remarkable scenic, recreational, geologic, fish and wildlife, historic, cultural, or other similar values, shall be preserved in the free flowing condition, and that they and their immediate environments shall be protected for the benefit and enjoyment of present and future generations." Depending on the "type and degree of human development associated with the river and adjacent lands," eligible rivers are categorized as wild, scenic, or recreational. Congress must approve any rivers recommended by federal agencies for designation in the Wild and Scenic River System. Areas so designated or under study are withdrawn for water or power projects. The Committee discussed the State's role in the study and designation of wild and scenic rivers under the federal Wild and Scenic Rivers Act. The Committee considered this issue at its November 2002 meeting.

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## OCCUPATIONAL AND PROFESSIONAL LICENSURE REVIEW COMMITTEE

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### OCCUPATIONAL AND PROFESSIONAL LICENSURE REVIEW COMMITTEE

#### Membership

Sen. David L. Gladwell, Senate Chair  
Rep. Glenn Way, House Chair (resigned 9/02)  
Sen. Gene Davis  
Sen. John L. Valentine  
Rep. Carl W. Duckworth  
Rep. Thomas V. Hatch  
Mr. Brian Allen  
Mr. James S. Bailey  
Mr. Phil Hancock  
Mr. Reed Mackley  
Mr. Stan Nielson  
Mr. Bert Smith  
Mr. Noel Williams

#### Staff

Ms. Mary Catherine Perry, Policy Analyst  
Mr. James L. Wilson, Associate General Counsel  
Ms. Sandra Wissa, Legislative Secretary

#### OVERVIEW

During the 1999 General Session, the legislature created the Occupational and Professional Licensure Review Committee to review applications from occupational groups seeking statutory regulation through formal licensure. The Committee meets on an as-needed basis to review applications as they are submitted to the Legislature. After holding a public hearing and receiving public testimony, the Committee votes to recommend or not recommend licensure for the occupation or profession under consideration.

#### LICENSURE OF ATTACHMENT HOLDING THERAPISTS

##### Background

The Committee met once this year to review an application for the licensure of attachment holding therapists. However, the attachment holding therapists withdrew their application during the committee meeting.

#### Action

The application for licensure of attachment holding therapists was withdrawn before the Committee took action.

The Committee discussed this issue at its December 2002 meeting.

**OCCUPATIONAL AND PROFESSIONAL LICENSING COMMITTEE**

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## OLYMPIC COORDINATION COMMITTEE

### OLYMPIC COORDINATION COMMITTEE

#### Membership

Sen. Beverly Ann Evans, Senate Chair  
Rep. David Ure, House Chair  
Sen. Ron Allen  
Sen. Karen Hale  
President Al Mansell  
Sen. John L. Valentine  
Rep. Duane E. Bourdeaux  
Rep. David N. Cox  
Rep. Neil A. Hansen  
Rep. Neal B. Hendrickson  
Rep. Joseph G. Murray  
Rep. A. Lamont Tyler

#### Staff

Mr. J Brian Allred, Policy Analyst  
Mr. Robert H. Rees, Associate General Counsel  
Ms. Joy L. Miller, Legislative Secretary

#### OVERVIEW

The Olympic Coordination Committee has broad authority to review and make recommendations to the Legislative Management Committee on any issue that relates to the Olympics, including the State's involvement in hosting the Olympics, the coordination of state and local governments in hosting the Olympics, the interests of athletes served by Olympic-related state programs or facilities, the state's role as a creditor and a secured party in relationship to the Olympics and the Organizing Committee, and the impact the Olympic Winter Games of 2002 have had on the State.

#### POST OLYMPIC REPORT

##### Background

The Olympic Winter Games of 2002 were held in Salt Lake City. Agencies and organizations involved in hosting the games completed their efforts and assessed financial, logistical, and overall performance. Entities responsible for Olympic facilities after the games evaluated financial needs and established plans for ongoing maintenance and operation. State and local governments explored ways to take advantage of post Olympic opportunities.

#### Action

The Committee heard reports from the State Olympic Officer, the Salt Lake Olympic Organizing Committee, The Olympic Public Safety Command, and the Utah Athletic Foundation at its April 2002 meeting.



## POLITICAL SUBDIVISIONS INTERIM COMMITTEE

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### POLITICAL SUBDIVISIONS INTERIM COMMITTEE

#### Membership

Sen. Carlene M. Walker, Senate Chair  
Rep. David L. Hogue, House Chair  
Sen. Beverly Ann Evans  
Sen. David L. Gladwell  
Sen. Paula F. Julander  
Rep. Stephen D. Clark  
Rep. David N. Cox  
Rep. Scott Daniels  
Rep. Fred J. Fife III  
Rep. Kory M. Holdaway  
Rep. Joseph G. Murray  
Rep. Darin G. Peterson  
Rep. Richard M. Siddoway  
Rep. Max W. Young

#### Staff

Mr. Joseph T. Wade, Policy Analyst  
Mr. Robert H. Rees, Associate General Counsel  
Ms. Joy L. Miller, Legislative Secretary

#### OVERVIEW

Prior to 1997, the State and Local Affairs Interim Committee considered issues relating to both state and local government affairs. In 1997, the Legislature split the committee into two committees: the Government Operations Interim Committee and the Political Subdivisions Interim Committee. The Government Operations Interim Committee deals with state-related issues, while the Political Subdivisions Interim Committee deals with local government-related issues.

The Political Subdivisions Interim Committee has primary jurisdiction over political subdivisions of the state which include: cities, counties, dependent and independent special districts, and entities created by interlocal agreements. Although school districts are technically political subdivisions of the state, the Education Interim Committee has primary jurisdiction over school districts. The Political Subdivisions Interim Committee has statutory responsibility for: Title 10, Cities and Towns; Title 11, Cities, Counties, and Local Taxing Units; Title 17,

Counties; Title 17A, Special Districts; and Title 17B, Limited Purpose Local Government Entities in the *Utah Code*.

### LOCAL PLANNING FOR SOURCE PROTECTION OF WATERSHEDS

#### Background

Federal law requires the protection of watersheds. The Division of Drinking Water within the Department of Environmental Quality has enacted rules requiring water suppliers to take measures to protect their water sources. Water suppliers, such as water special districts, do not have control over land use and thus they are unable to protect water sources. Municipalities and counties are given authority to regulate land use within their respective jurisdictions. State and federal lands are exempt from the regulation.

During the 2002 Interim, the Committee studied this issue and requested that the Department of Environmental Quality meet with affected parties and report back with recommendations. Both those who provide water and those who have the ability to regulate land uses (municipalities and counties) were involved in the discussions. The group developed a plan that would blend the land use authority vested in cities and counties with those providing drinking water. The concept would require each county to prepare a drinking water protection plan to be submitted to the state Drinking Water Board for review. Counties would be allowed to assess the cost of preparing the plan back to the public water systems that would benefit from it.

Some of the requirements of the plans are to comply with state drinking water law and rules issued by the board, provide a protection for each public water system in the county, make provisions to protect clean streams against degradation, and identify known or potential sources of pollution. In October, the Committee heard a report that the proposed planning process was well received, but concerns were raised with the enforcement mechanism.

## **POLITICAL SUBDIVISIONS INTERIM COMMITTEE**

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In November, it was recommended to the Committee that this complex issue be resolved in a multi-step approach. First, as a initial step, pass legislation in the 2003 General Session specifically authorizing the Board of Drinking Water to develop the protective criteria needed to protect drinking water sources from pollution. Second, the Committee, in conjunction with the DEQ Administrative Pollution Protection Task Force, plans to continue to study this issue during the 2003 Interim.

### **Action**

The Committee considered this issue at its June, October, and November 2002 meetings but did not recommend legislation.

### **OTHER STUDIES**

#### **Emergency Medical Services to Annexed Areas**

The committee received testimony on a proposal that would require a municipality that intends to annex a geographic service area and provide emergency medical services to that area, to certify to the Department of Health that the municipality can meet current emergency medical service levels. The proposal would also require the Department to amend a municipality's license for emergency medical services to include the annexed area after final approval of the annexation.

The Committee considered this issue in its October and November 2002 meetings but did not recommend legislation.

#### **Special Districts - Criminal Background Checks for Water Employees and Crimes Against Water Infrastructure**

Since the events of September 11, 2001, water districts have become increasingly concerned about potential threats to water infrastructure and security. The Committee heard testimony from water districts regarding their concerns. A representative of the water districts recommended authorizing in statute more detailed criminal background checks for water district employees. The representative also recommended increasing penalties for crimes against water infrastructure.

The Committee directed staff to prepare draft legislation. Legislation was prepared, and the Committee considered this issue in its September, October, and November 2002 meetings but did not recommend legislation.

### **SPECIAL DISTRICTS SUBCOMMITTEE**

#### **Membership**

Sen. David L. Gladwell, Chair  
Rep. David N. Cox  
Rep. Scott Daniels  
Rep. David L. Hogue  
Rep. Joseph G. Murray

#### **Staff**

Mr. Joseph T. Wade, Policy Analyst  
Mr. Robert H. Rees, Associate General Counsel  
Ms. Joy Miller, Legislative Secretary

#### **Background**

Currently, there are 25 different types of special districts found (14 independent and 11 dependent) in 750 sections of the *Utah Code*. Special service districts are just one type of the many types of special districts. According to the State Auditor's records there are 349 independent special districts. Independent special districts receive about 11 percent of total property tax revenues in the State. As a comparison, cities receive about 15 percent and counties receive about 21 percent.

The *Utah Code* as it relates to special districts is complex. The Legislature has been taking steps to simplify and make easier to understand statutes relating to special districts. In 1990, at the recommendation of a 2-year legislative study committee on special districts, relevant statutory provisions which were scattered throughout the *Utah Code* were moved into a new Title 17A, Special Districts. However, no substantive changes were made.

In 1997, a Special Districts Subcommittee of the Political Subdivisions Interim Committee was created to rewrite Title 17A in an effort to make the statute more understandable and uniform where it makes sense. That year the Subcommittee developed uniform special district

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## POLITICAL SUBDIVISIONS INTERIM COMMITTEE

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creation procedures as the first step in recodifying the code. In 1999, the Subcommittee continued its rewrite by updating and standardizing statutes relating to the special districts' governing bodies. In 2000, the Subcommittee developed uniform provisions relating to annexation and dissolution for certain independent special districts. In 2001, the Subcommittee standardized provisions relating to withdrawal. In its November 2002 meeting, the Committee expressed its desire that the Subcommittee be reconstituted next year in order to continue the ongoing effort of rewriting Title 17A to make the special district provisions more understandable and uniform.

During the 2002 Interim, the Special Districts Subcommittee focused its efforts on several miscellaneous topics and cleanup of some statutory provisions. The Subcommittee discussed these issues at its October 1, October 15, October 29, and November 12, 2002 meetings.

### **Action**

The Political Subdivisions Interim Committee recreated the Special Districts Subcommittee and considered special district issues at its April, May, June, September, and November 2002 meetings and recommended legislation "Extension of Timing for Creating a Local District," "Hazardous Waste Facilities Management Amendments," "Lieutenant Governor Certification of Special District and Local District Annexations, Withdrawals, and Dissolutions," "Public Airport and Aeronautics Amendments," and "Public Transit Districts Annexation Amendments."

**POLITICAL SUBDIVISIONS INTERIM COMMITTEE**

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## PUBLIC UTILITIES AND TECHNOLOGY INTERIM COMMITTEE

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### PUBLIC UTILITIES AND TECHNOLOGY INTERIM COMMITTEE

#### Membership

Sen. Leonard M. Blackham, Senate Chair  
Rep. John E. Swallow, House Chair  
Sen. Mike Dmitrich  
Sen. Scott K. Jenkins  
Sen. John L. Valentine  
Rep. Douglas C. Aagard  
Rep. J. Stuart Adams (as of 6/02)  
Rep. Sheryl L. Allen  
Rep. Ralph Becker  
Rep. Chad E. Bennion  
Rep. Kevin S. Gam (resigned 6/02)  
Rep. Brent H. Goodfellow  
Rep. Eric K. Hutchings  
Rep. Ty McCartney  
Rep. Gordon E. Snow  
Speaker Martin R. Stephens  
Rep. Michael R. Styler  
Rep. David Ure  
Rep. Stephen H. Urquhart

#### Staff

Mr. Richard C. North, Policy Analyst  
Ms. Patricia Owen, Associate General Counsel  
Ms. Jennifer Markham, Legislative Secretary  
Ms. Glenda S. Whitney, Legislative Secretary

#### OVERVIEW

Since the early 1990s, the deregulation of public utilities has been studied across the United States to determine whether lower costs, more choices, and greater efficiencies would result. After extensive reviews of the regulatory environment, policymakers on federal and state levels have established standing committees to provide ongoing review and monitoring.

In January 1997, the Utah House of Representatives created the Public Utilities and Technology Standing Committee to review legislation related to utilities such as telecommunications and energy. The Legislature then

created the Public Utilities and Technology Interim Committee to provide additional research and review of utility issues. With the creation of the interim committee, utilities issues now receive year-round review.

#### ENERGY

##### Background

Utah, as a rich energy fuel-source state with a growing population, has actively pursued energy development and the related economic benefits. In that regard, this year's studies included energy data collection and reporting, the Interlocal Cooperative Act, renewable energy sources, and energy tax credits.

##### Action

Testimony was received on this year's energy topics from both public and private sector entities such as the Utah Office of Energy, the Department of Environment Quality, and Intermountain Power Association.

The Committee considered these issues at its April, May, September, October, and November 2002 meetings and recommended legislation "Amendments To The Interlocal Cooperation Act" and "Energy Data Collection and Reporting."

#### PRIVACY

##### Background

With the development of information technology and the advent of the Internet, personal privacy has become a high profile issue. Critical concerns for personal privacy include what information is collected during the normal transaction of business, what type of information is personal, and what information may be disclosed.

##### Action

The Committee received research on federal and state laws that addressed the disclosure of nonpublic personal information and discussed how individuals and both public and private sector entities could be effected by additional privacy protections. The Committee considered this issue at its September, October, and November 2002 meetings and recommended draft legislation "Protection of Nonpublic Personal Information."



## QUASI-GOVERNMENTAL ENTITIES COMMITTEE

### QUASI-GOVERNMENTAL ENTITIES COMMITTEE

#### Membership

Sen. Beverly Ann Evans, Senate Chair  
Rep. Ron Bigelow, House Chair  
Sen. Ron Allen  
Sen. Paula F. Julander  
President Al Mansell  
Sen. John L. Valentine  
Rep. Eli H. Anderson  
Rep. Trisha Beck  
Rep. Judy Ann Buffnire  
Rep. Don E. Bush  
Rep. Mike Morley (as of 9/02)  
Rep. A. Lamont Tyler  
Rep. David Ure  
Rep. Glenn Way (resigned 9/02)

#### Staff

Mr. Benjamin N. Christensen, Policy Analyst  
Mr. Dee S Larsen, Associate General Counsel  
Ms. Joy Miller, Legislative Secretary

#### COMMITTEE OVERVIEW

The Quasi-governmental Entities Committee is a statutorily created interim committee of the Legislature. It was created by H.B. 118, "Quasi-governmental Entities Amendments," which passed during the 2000 General Session. The bill expanded the scope of the former Retirement Committee to include oversight of other quasi-governmental entities. The Committee is composed of five senators and nine representatives (see Section 63-95-201). By legislative rule, Senate members constitute the Quasi-governmental Entities Senate Standing Committee and House members constitute the Quasi-governmental Entities House Standing Committee (see *Rules of the Fifty-Fifth Legislature*, SR-24.05 and HR-24.05). Members of the Committee are also the members of the Quasi-governmental Entities Subcommittee of the Joint Appropriations Committee (see *Rules of the Fifty-Fifth Legislature*, JR.3.02). The Committee is required to comply with the rules of legislative interim committees.

The Committee has responsibility to: (1) determine which entities should be treated as quasi-governmental entities;

(2) determine the extent to which consistency in the statutes for each quasi-governmental entity should be provided; (3) determine from which provisions of the code, if any, each quasi-governmental entity should be exempt; (4) determine whether or not the State should receive services from or provide services to each quasi-governmental entity; (5) request and hear reports from each quasi-governmental entity; (6) review the annual audits of each quasi-governmental entity; (7) follow statutory guidelines in reviewing a proposal to create a new quasi-governmental entity; (8) recommend the appropriate method of changing the organizational status of any entity; (9) study entities created by interlocal agreement to determine if they should be subject to the Quasi-governmental Entities Act; (10) meet at least twice during the interim; and (11) report annually to the Legislative Management Committee.

The Quasi-governmental Entities that are statutorily created include:

#### Independent Public Corporation:

- Utah Technology Finance Corporation

#### Independent Public Nonprofit Corporation:

- Utah State Fair Corporation

#### Independent State Agency:

- School and Institutional Trust Lands Administration
- Utah Communications Agency Network
- Utah Dairy Commission
- Utah State Retirement Office

#### Independent State Agency (and a body politic and corporate):

- Heber Valley Historic Railroad Authority
- Utah Housing Finance Agency
- Utah Science Center Authority

#### Nonprofit Quasi-public Corporation:

- Workers' Compensation Fund

## QUASI-GOVERNMENTAL ENTITIES COMMITTEE

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During the 2001 General Session, the Legislature passed H.B. 28, "Independent Entities Act," which provides additional regulations for independent entities and corporations. The bill outlines a process for the Committee to review independent entities and determine whether they should be repealed, made a state agency, privatized, made an independent state agency, or made an independent corporation. H.B. 28 took effect July 1, 2002 and created the Legislative Independent Entities Committee, which replaces the Quasi-governmental Entities Committee and will perform its duties and additional responsibilities as indicated in the bill.

### RETIREMENT SYSTEMS DIFFERENCES

#### Background

The Utah State Retirement Systems consists of six different systems that include a total membership of 146,142 as of December 31, 2001. The systems and percent of total membership of each system are as follows:

- Non-contributory 82%
- Contributory 9%
- Public Safety 7%
- Firefighters 1.7%
- Governors and Legislators 0.3%
- Judges 0.1%

Each system is currently different because:

- each system is separate and self-contained
- each system has different benefits (although many benefits are similar)
- benefit costs may be different from one system to another because of actuarial differences
- some systems have unique funding sources (i.e. fire fighters have a fire insurance premium tax and judges have court fines used to fund their systems)
- each system was developed independently over time

Funding for the retirement systems has been (six-year average 1995 -2001) as follows:

- investment income 65.8%
- employer contributions 26.5%
- transfers from systems 4.9%

- member contributions 2.3%
- court fees and fire insurance premium tax 0.5%

Based on actuarial projections a contribution rate is calculated each year and approved by the Retirement Board. The contribution rate is the percent of eligible employee salary that the employer is required to pay into the retirement fund each year. This contribution is required to keep retirement systems funded on an actuarially sound basis.

#### Action

The Committee heard presentations from staff and representatives of the Utah State Retirement Office.

The Committee considered this issue at its May 2002 meeting but did not recommend legislation.

### OTHER STUDIES

#### Name Change - Quasi-governmental Entities Committee

The official name of the Committee is the Legislative Quasi-governmental Entities Committee. On July 1, 2002, the official name is also the Legislative Independent Entities Committee under H.B. 28, "Independent Entities Act," which passed during the 2001 General Session. Legislative Independent Entities Committee is to perform all of the duties of Legislative Quasi-governmental Entities Committee but the latter committee was not repealed in the statute. In addition, some members of the Committee urged a reemphasis of attention to retirement issues. A proposal was made to change the name of the Committee to the "Retirement and Independent Entities Committee," which requires changes in statute and legislative rules.

The Committee considered this issue at its October 2002 meeting and recommended legislation "Retirement and Independent Entities Committee Amendments," "Joint Resolution - Rules Revisions Renaming an Appropriations Subcommittee," "Senate Rules Resolution - Standing Committee Revisions," "House Rules Resolution - Standing Committee Revisions."

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## QUASI-GOVERNMENTAL ENTITIES COMMITTEE

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### Recurring Retirement Issues

Because of fiscal constraints, many retirement issues are not addressed and proponents attempt to gather support for their issue each year. This year's list of recurring issues includes:

- Conversion Window into the Public Employees' Noncontributory Retirement System—H.B. 186 "State Retirement Conversion Window" (2002 General Session) would provide a 6-month window to allow members of the Public Employees' Contributory Retirement System to change to the Noncontributory system.
- Deferred Retirement Option—S.B. 223 "Deferred Retirement Option Program" (2001 General Session) would allow employees in any system to retire, stay in place for up to 60 months, and a portion of the normal employer's retirement contribution would be deposited into an account for the employee with a payout elected by the employee after termination.
- Health Care Options for Retirees—Allowing the option to change coverage annually and to allow a retiree and spouse to independently choose their level of coverage has been proposed.
- Public Safety Retirement System COLA—H.B. 97 "Retirement Cost-of-Living Adjustment for Public Safety" (2002 General Session) would increase the maximum cost-of-living adjustment from 2.5 percent to 4 percent for members of the Public Safety Retirement System.
- Retirement Benefits Cost of Living Adjustments (Compound COLA)—All retirement systems provide for an annual cost-of-living adjustment based on the original retirement allowance except the Judges' systems which is based on the retiree's previous year's retirement allowance.
- Retirement Board Membership—S.B. 155 "Retirement Board Membership" (2001 General Session) was introduced but did not pass. The bill would add two members to the seven member Utah State Retirement Board, including an employee or officer of a county or municipality and a retired member.
- Retirement Multiplier Increase—The formula for calculating retirement benefits for the two largest retirement systems is 2 percent times the years of service. Increasing the rate to 2.5 percent times the years of service has been proposed.
- Two Percent Retirement Allowance—H.B. 268 "Additional State Retirement Benefits" (2002 General Session) would increase the retirement benefit allowance for years of service rendered prior to July 1, 1967 from 1.25 percent to 2 percent.
- Unused Sick Leave Allocation Upon Retirement—Upon retirement, each employee has 480 hours of accumulated sick leave deducted regardless of whether a health insurance benefit is received and other employees get a health insurance benefit regardless of whether they had any accumulated sick leave upon retirement. Any remaining sick leave may be used to pay for health insurance coverage at the rate of 8 hours of sick leave for 1 month of coverage for each person. Having 8 hours of sick leave pay for 1 month of coverage for both a retiree and spouse has been proposed.
- Workers' Compensation for Occupational Diseases of Firefighters—H.B. 174 "Worker's Compensation - Fire Department Employees" (2002 General Session) would provide a presumption that certain specified occupational diseases are employment-related if contracted by a firefighter.

The Committee sent two letters to retirement interest groups asking that they present prioritized proposals of any retirement-related legislation that they plan to pursue during the 2003 General Session.

The Committee heard the presentations at its October 2002 meeting but did not recommend legislation.

## **QUASI-GOVERNMENTAL ENTITIES COMMITTEE**

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### **Retirement Contribution Rates**

In addition to the salary paid to public employees, a percent of the salary is required to be placed in the retirement fund for each eligible employee. This contribution is required to keep retirement systems funded on an actuarially sound basis. The contribution rate has been 10.4 percent of salary in the Public Employees Noncontributory System for the past few years. For FY 2004, the Retirement Board has recommended a contribution rate increase to 11.7 percent. This increase may be difficult to fund in light of the current economic conditions.

The Committee considered this issue at its October 2002 meeting.

## REVENUE AND TAXATION INTERIM COMMITTEE

### REVENUE AND TAXATION INTERIM COMMITTEE

#### Membership

Sen. Curtis S. Bramble, Senate Chair  
Rep. Wayne A. Harper, House Chair  
Sen. Ron Allen  
Sen. Lyle W. Hillyard  
Sen. Howard A. Stephenson  
Rep. J. Stuart Adams (as of 6/02)  
Rep. Ralph Becker  
Rep. Judy Ann Buffire  
Rep. David Clark  
Rep. Kevin S. Gam (resigned 6/02)  
Rep. Steven R. Mascaro  
Rep. Carol Spackman Moss  
Rep. LaWanna Shurtliff  
Rep. Gordon E. Snow  
Rep. John E. Swallow  
Rep. Ty McCartney

#### Staff

Mr. Bryant R. Howe, Policy Analyst  
Ms. Rebecca L. Rockwell, Associate General Counsel  
Ms. Sandra Wissa, Legislative Secretary

#### OVERVIEW

The Revenue and Taxation Interim Committee studies a wide range of policy issues and reviews potential legislation affecting the structure and administration of Utah's state and local tax systems. These studies range from establishing new policy to implementing existing policy.

In addition to its regular policymaking emphasis, the Committee makes a special effort to focus on its revenue responsibility. The Committee regularly receives detailed updates from the Utah State Tax Commission on the collection of taxes and other revenues.

Since 1984, the Committee has received significant input from the Utah Tax Review Commission which is an independent study group. This body consists of legislators, tax practitioners, academics, and citizen

representatives and has made periodic reports to the Committee, usually at the direction of the Legislature or the Governor.

### EXTENDING THE RESIDENTIAL EXEMPTION TO SECONDARY RESIDENCES

#### Background

The *Utah Constitution* requires that all property in the state must be taxed at a uniform and equal rate in proportion to its value. However, the constitution allows the Legislature to exempt from taxation up to 45 percent of the value of a residence. The constitution also allows the Legislature to define "residence." Under current law, only a taxpayer's "primary" residence is granted this exemption. A secondary residence, such as a vacation home or cabin, is taxed at full market value. The Legislature has considered, but never enacted, legislation that would grant a partial reduction in the taxable value of a secondary residence on which the property tax is imposed.

#### Action

The Committee reviewed previous legislation to extend the residential exemption to secondary residences. It also received extensive testimony from owners of secondary residences and county officials.

The Committee considered this issue at its June and September 2002 meetings but did not recommend legislation.

### RELIEVING THE BURDEN OF THE PROPERTY TAX ON THE ELDERLY

#### Background

The *Utah Constitution* grants the Legislature authority to provide property tax relief for the poor and for disabled veterans. Ways in which a taxpayer may receive property tax relief include: (1) the "circuit breaker" program that consists of a homeowner's credit and a renter's credit, (2) an indigent abatement/deferral program that is available to persons meeting certain income and age requirements, (3) an exemption for disabled veterans, (4) an exemption for blind persons, and (5) other property tax relief allowed

## REVENUE AND TAXATION INTERIM COMMITTEE

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at the discretion of a county or the Utah State Tax Commission. In 2001, about 20,000 families participated in the circuit breaker program, claiming about \$5.2 million in credits.

The Legislature has considered, but never adopted, constitutional amendments that would give it specific authority to grant property tax relief to the elderly.

### Action

The Committee reviewed the current property tax relief programs and how they are being administered by counties.

The Committee considered this issue at its September and November 2002 meetings and recommended draft legislation "Property Tax Relief."

## RESORT COMMUNITY SALES AND USE TAX

### Background

Utah sales tax law allows a "resort community" to impose a 1 percent additional local option sales and use tax. A resort community is a municipality whose transient room capacity is equal to or greater than 66 percent of its permanent population. There are currently 13 municipalities that impose this tax raising about \$7.4 million in revenue.

### Action

The Committee considered two issues related to this tax: (1) how should "transient room capacity" be defined, and (2) should there be a regular review to monitor a municipality's eligibility to impose this tax. Several options were discussed on how to resolve these issues. The Utah League of Cities and Towns and the Utah State Tax Commission reported to the Committee that they had met and were developing options to solve the administrative problems associated with this tax. Until these problems can be solved legislatively, the league is advocating that no new municipalities impose this tax.

The Committee considered this issue at its October and November 2002 meetings but did not recommend legislation.

## SALES AND USE TAX EXEMPTIONS OF SALES OF SEMICONDUCTOR FABRICATING OR PROCESSING MATERIALS

### Background

Utah law provides that sales or leases of semiconductor fabricating or processing materials are exempt from the sales and use tax. This exemption is scheduled to sunset on June 30, 2004.

The Committee reviewed the use of this exemption by Utah firms. Due to a worldwide economic turnaround and production overcapacity, domestic semiconductor manufacturing has been sharply curtailed in recent years.

### Action

The Committee considered this issue at its November 2002 meeting and recommended draft legislation "Sales and Use Tax - Exemption for Semiconductor Fabricating or Processing Materials."

## TAX INCENTIVES FOR INVESTING IN UTAH BUSINESSES

### Background

Most states provide incentives to encourage firms to relocate or expand economic activity. These incentives include direct grants, preferential tax treatment, and employment assistance and training.

A study conducted by the Council of State Governments found that Utah provides comparatively few business expansion incentives. Utah business incentives include the sales tax exemption for manufacturing parts, grants for businesses expansion, and custom training for employees.

A common tax incentive granted by other states is the investment tax credit. These credits are designed to encourage capital investment, thereby increasing production and employment.

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## REVENUE AND TAXATION INTERIM COMMITTEE

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### Action

The Committee reviewed the need for a Utah investment tax credit. Businesses, especially new businesses, need capital to purchase plants and equipment, hire and train new employees, and establish their products in worldwide markets. Venture capital is a high risk business. Because of this high risk, investors generally demand a high return on investments. For example, one venture capital fund that operates in Utah generally requires an investment to achieve a return of at least 10 times its original investment within 5 years.

The Committee considered a proposal to exempt from the state income tax certain net taxable gains that are invested in a qualified Utah business.

The Committee considered this issue at its October and November 2002 meetings. It considered draft legislation "Individual Income Tax - Subtractions from Federal Taxable Income" but did not recommend it.

### OTHER STUDIES

#### **Allocation of Interest Accrued on Local Option Sales and Use Taxes Collected on Behalf of Local Governments**

The Utah State Tax Commission collects all broad based sales and use taxes imposed by local governments. These taxes include the local option, county option, mass transit, and other local sales and use taxes. Because there is a lag between the time taxes are collected and then disbursed back to the appropriate local government. Some local governments believe that the interest on these collections should accrue to the local government and not the State.

The Committee received testimony that Salt Lake County believes that it is losing nearly \$500,000 in revenue because it does not receive these interest earnings. It also testified that it must pay interest to other local governments for whom it collects property taxes.

#### **Establishment of Market Valuation by County Assessors: Appeal Processes and Standards**

The Utah Constitution provides that "all tangible property . . . shall be taxed at a uniform and equal rate in proportion to its value." County assessors are charged with determining the market value of locally assessed property for property tax purposes. The Committee considered two issues with regards to appraisals by county assessors: (1) whether the value established by a county assessor should be presumed to be the correct value in an appeal proceeding; and (2) whether persons who are not licensed appraisers should be allowed, for a fee, to assist taxpayers in property tax appeal proceedings, including giving opinions regarding fair market value.

The Committee received testimony from county assessors, taxpayers, licensed professional appraisals, and others regarding these issues. County assessors argued that appraisals by county assessors have improved significantly over the last few years. They also argued that changing the burden of proof in appeal proceedings would result in the filing of many frivolous appeals.

Property tax representatives argued that they provide an important service to the public. While certain real estate transactions require a licensed appraiser, a property tax representative can provide meaningful assistance to a taxpayer in valuation appeal proceedings. They also noted that appeal proceedings are often very intimidating to the average taxpayer.

#### **Review of the Utah Supreme Court Ruling in the Case of *Heritage Convalescent Center v. Utah State Tax Commission***

In 1997, the Utah Supreme Court considered a case brought by certain hospitals and nursing homes that had been denied a refund of sales taxes paid on bulk food purchases used to prepare inpatient meals. The hospitals and nursing homes did not make a separate charge, as the meals were included as part of a patient's room and board agreement. In denying the refund, the Utah State Tax Commission reasoned that no sale of a meal ever took place and that hospitals and nursing homes were the

## REVENUE AND TAXATION INTERIM COMMITTEE

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final consumers of the food and thereby liable to pay the tax. However, the Supreme Court reversed this ruling arguing that a transfer of tangible personal property for consideration had taken place, therefore a sale had occurred. The court also ruled that a separate itemization or separate price affixed to an item is not necessary for the transaction to qualify as a "sale."

The Utah State Tax Commission reported to the Committee regarding the effects of this ruling on administering the sales and use tax. One issue involves the bundling of services that are either subject or not subject to the tax and the application of different taxes on different sales. For example, a bed and breakfast establishment may offer a bundled rate of lodging and food. However, separate taxes are imposed on lodging and sales of food in restaurants, in addition to the regular state and local sales taxes. It becomes difficult for the Utah State Tax Commission to know what portion of a bundled price is attributable to lodging versus food.

The Utah State Tax Commission reported that it is carefully studying this issue and hopes to return soon to the Legislature with recommendations.

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## TASK FORCE ON INVOLUNTARY COMMITMENT OF THE MENTALLY ILL

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### TASK FORCE ON INVOLUNTARY COMMITMENT OF THE MENTALLY ILL

#### Membership

Sen. Leonard M. Blackham, Senate Chair  
Rep. Katherine M. Bryson, House Chair  
Sen. D. Edgar Allen  
Sen. David L. Gladwell  
Sen. Karen Hale  
Sen. Lyle W. Hillyard  
Rep. Douglas C. Aagard  
Rep. Chad E. Bennion  
Rep. Judy Ann Buffnire  
Rep. Neil A. Hansen  
Rep. Carol Spackman Moss  
Rep. Mike Thompson

#### Staff

Mr. Arthur L. Hunsaker, Policy Analyst  
Ms. Esther Chelsea-McCarty, Associate General Counsel  
Ms. Glenda S. Whitney, Legislative Secretary

#### OVERVIEW

S.B. 77, "Task Force on Involuntary Commitment of the Mentally Ill," 2002 General Session, directed the Task Force to "review and make recommendations on: (a) admissibility of evidence at hearings of historical information concerning patterns of treatment compliance and decompensation; (b) criteria for determining the need for involuntary commitment; (c) inclusion of involuntary medication decisions in conjunction with involuntary commitment processes; and (d) the need for community based mental health services."

#### AMENDMENTS TO INVOLUNTARY COMMITMENT PROCESS

##### Background

Staff research indicated that Utah was the only state requiring that a patient pose an "immediate danger" to himself or others before a judge can order involuntary commitment—the most common standard is "substantial danger." The consideration of historical information was also a common element.

The Task Force considered the need for community based mental health services and involuntary medication for patients who are admitted pending a hearing, but did not approve draft language on these issues. The Task Force also considered reducing the number of days before a patient has a commitment hearing, informing and assisting interested patients in the preparation of advanced directives, involving patients' families in the treatment of a family member, and informing patients of their right to remain silent during the examination process.

The Task Force directed staff to prepare draft legislation addressing these issues, including clarifying the definition of "mental illness" for purposes of involuntary commitment only, to address concerns with relaxing the standard for involuntary commitment.

#### Action

The Task Force unanimously approved draft legislation to:

- change the standard for determining whether a person will be involuntarily committed from "immediate danger" to "substantial danger"
- tighten the definition of mental illness as it relates to involuntary commitment and specify exclusions from the definition
- direct the court to "consider all relevant historical and material information" when making commitment determinations (current language requires the court only to "receive all relevant and material evidence")
- reduce the number of court days before a patient receives a hearing from ten days to five days
- require the Division of Substance Abuse and Mental Health to make rules to ensure that all individuals receiving services through local mental health authorities are informed about advanced directives and provided with assistance in preparing one if they choose
- require the Division of Substance Abuse and Mental Health to make rules to provide education regarding mental illness for the families of those who are involuntarily committed and promote family involvement in the treatment of the family

## **TASK FORCE ON INVOLUNTARY COMMITMENT OF THE MENTALLY ILL**

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member when appropriate and with patient consent

- require those who examine proposed patients not represented by an attorney to state that they have the right to remain silent and to explain the potential uses of the information the patient may provide.

The Task Force considered these issues in its May, June, July, August, September, October, and November meetings, and its final report was presented to the Health and Human Services Interim Committee November 20, 2002 by the Task Force's Senate Chair. Draft legislation, "Involuntary Commitment Amendments" was approved by the Health and Human Services Interim Committee.

### TRANSPORTATION INTERIM COMMITTEE

#### Membership

Sen. David H. Steele, Senate Chair  
Rep. Joseph G. Murray, House Chair  
Sen. Dan R. Eastman  
Sen. Karen Hale  
Sen. Peter C. Knudson  
Sen. Ed P. Mayne  
Sen. Carlene M. Walker  
Rep. Gerry A. Adair  
Rep. Don E. Bush  
Rep. Stephen D. Clark  
Rep. Marda Dillree  
Rep. Neil A. Hansen  
Rep. David L. Hogue  
Rep. Kory M. Holdaway  
Rep. Brad King  
Rep. Karen W. Morgan  
Rep. Max W. Young

#### Staff

Mr. Benjamin N. Christensen, Policy Analyst  
Ms. M. Gay Taylor, General Counsel  
Ms. Shannon Halverson, Committee Staff  
Ms. Wendy L. Bangerter, Legislative Secretary

#### OVERVIEW

The Transportation Interim Committee has responsibility for issues relating to the safe and efficient movement of people and property within the State. The Committee has oversight responsibility for UDOT (Utah Department of Transportation), the Driver License Division of the Department of Public Safety, and the Motor Vehicle and Motor Vehicle Enforcement Divisions of the Utah State Tax Commission. In addition, the Committee hears periodic reports by UTA (Utah Transit Authority) relating to public transit issues.

UDOT provides transportation-related services in the forms of construction and maintenance of state highways. UDOT also regulates motor carriers for safety, size, and weight compliance. The *Utah Constitution* requires that the proceeds of any tax or fee related to the operation of a

motor vehicle on a highway, excluding costs of collection and administration, driver education, and enforcement of motor vehicle and traffic laws, be used for highway purposes (see Article XIII, Section 5, *Utah Constitution*). Highway user-related taxes and fees are deposited in the Transportation Fund. Motor fuel and special fuel taxes make up approximately 85 percent of the revenue of the Transportation Fund. There is a statutory cap of \$11.6 million that may be appropriated from the fund to other agencies for tax collection costs and law enforcement (see Section 72-2-103, *Utah Code*). Of the amount remaining in the Transportation Fund, 25 percent is appropriated to counties and municipalities for local roads, using a formula based on weighted road mileage and population (see Sections 72-2-107 and 72-2-108, *Utah Code*). The remaining 75 percent is appropriated to UDOT for state highway construction and maintenance.

The Centennial Highway Fund, created in 1996, consists of appropriations made by the Legislature, a portion of the motor vehicle registration fees, voluntary contributions, and revenues generated by a 1/64 percent sales and use tax rate. This fund may only be used for construction, major reconstruction, or major renovation to state and federal highways (see Section 72-2-118, *Utah Code*). The fund was used for the I-15 reconstruction in Salt Lake County and is being used for other previously unfunded state highway projects throughout the state.

Driver licensing is provided by the Driver License Division of the Department of Public Safety (see Title 53, Chapter 3, Uniform Driver License Act, *Utah Code*). Registration and licensing of motor vehicles are provided by the Motor Vehicle Division of the Utah State Tax Commission (see Title 41, Chapter 1a, Motor Vehicle Act, *Utah Code*). The Motor Vehicle Enforcement Division of the Utah State Tax Commission regulates motor vehicle dealers and enforces vehicle theft statutes (see Title 41, Chapter 3, Motor Vehicle Business Regulation Act, *Utah Code*).

## TRANSPORTATION INTERIM COMMITTEE

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UTA provides public transit services within local political subdivisions that include 70 to 80 percent of the state's population. UTA is a special district formed by municipalities and counties by a vote of the people authorizing a 1/4 percent sales tax dedicated to the district (see Section 59-12-501, *Utah Code*). On November 7, 2000, voters in Salt Lake, Davis, and Weber Counties approved an additional 1/4 percent sales tax increase to fund light rail extensions, expand bus service, and establish commuter rail. Beginning April 1, 2001, the total sales tax rate for mass transit is 1/2 percent in those counties. In Salt Lake County, 25 percent of the additional 1/4 percent sales tax must be used for improvements to I-15 (see Section 59-12-502, *Utah Code*).

### CLEAN SPECIAL FUEL TAX CERTIFICATE

#### Background

The owner of a vehicle powered by propane, natural gas, electricity, or other clean fuel is required to purchase an annual clean special fuel tax certificate for that vehicle in lieu of paying the 24½ cents per gallon state special fuel tax. The Utah State Tax Commission has reported that it has not found a good method to enforce the purchase of the certificates and relies largely on taxpayer honesty and knowledge of the requirement. In FY 2001, only 918 permits were sold, yet the U.S. Department of Energy estimates Utah has 6,325 alternatively fueled vehicles. If these figures are accurate, certificates are being sold for only 14.5 percent of the vehicles that should have them. The lack of enforcement is partially the result of small statutory changes made over time reducing the Utah State Tax Commission's ability to enforce the requirement.

In addition, current state law exempts government vehicles from motor fuel and special fuel taxes, but government vehicles are not specifically exempted from the purchase of the clean special fuel tax certificate.

The cost of the certificate is \$82 per year for a passenger vehicle compared to an average of \$162 paid in fuel taxes for all other registered vehicles. The certificate requirement was enacted in 1973, and the fee was set at \$36 per year for a passenger vehicle. In 1973, the fuel tax rate was 7 cents per gallon and today is 24.5 cents per gallon, which

represents a 350 percent increase. Despite four separate increases in the fuel tax rate since 1973, the certificate fee remained at \$36 until 1997 when it was linked to the fuel tax rate, which was 19 cents per gallon. This linkage resulted in an automatic increase of the fee to \$47 when the fuel tax rate was raised to 24.5 cents per gallon in the same year (1997). Beginning January 1, 2001 through December 31, 2005, a \$35 surcharge is imposed on each certificate making the total fee \$82. The fee today would be \$126, if the fee were originally linked with the fuel tax rate when the certificate requirement was enacted.

#### Action

The Committee heard reports from staff and the Utah State Tax Commission on the history and enforcement of the Clean Special Fuel Tax Certificate. Two options were presented to address enforcement issues: (1) collect the tax at the retail level for any clean fuel practical to tax at that level, including propane and natural gas; or (2) require vehicles that use clean fuels to register as a clean fuel vehicle and bill them for the certificate at the time of registration. The State Tax Commission reported that 484 certificates are currently being billed with motor vehicle registrations. The Committee voted to have a working group look at these options. The working group decided to support making the purchase of a clean special fuel tax certificate a prerequisite to registration. Draft legislation was prepared and presented to the Committee. A history of the fee amount and alternatives for linking the fee with the fuel tax rate were also presented.

The Committee considered this issue at its May, September, and November 2002 meetings and recommended draft legislation "Clean Special Fuel Tax Certificate - Exemption" and "Clean Special Fuel Tax Certificate Amendments."

### HIGHWAY FUNDING

#### Background

During the 1997 General Session, the Legislature began a 10-year finance plan for the I-15 reconstruction project

and other Centennial Highway Fund projects. Through FY 2003, the primary revenue sources for the Centennial Highway Fund include: bonding at 42 percent, General Fund appropriations at 27 percent, fuel tax at 12 percent, federal funds at 10 percent, other transportation funds at 5 percent, and other sources at 4 percent. The primary expenditures for the same period include: I-15 reconstruction at 54 percent, other statewide construction projects at 33 percent, and bonding interest and costs at 9 percent. Through FY 2003, only \$69 million in principal of the \$1.192 billion borrowed for the Centennial Highway Fund has been paid back.

The revised FY2003 budget reduced General Fund appropriations to the Centennial Highway Fund by \$66.4 million. If that reduction continues it will cut \$330 million over 5 years. Adjustments to the Centennial Highway Funding Plan in both funding and projects are needed, especially if these funds are not restored in future years. Even more adjustments will be needed as revenues come in less than expected, as new projects are added, and as project costs escalate. Additional funds will also be needed to maintain new facilities that add capacity to the state's transportation system.

Fuel taxes are the primary source of highway funding and make up 85 percent of the revenues of the Transportation Fund. Unlike sales taxes or income taxes, fuel tax revenues do not increase with inflation or with general economic growth. Inflation only erodes the purchasing power of fuel tax revenue and the revenue only increases with more vehicle miles traveled, fuel gallons taxed, or fuel tax rate increases. In recent years, Transportation Fund revenues have been flat and less than expected. This affects the State Pavement Preservation Program and requires funding shifts, delays to the projects on the STIP (Statewide Transportation Improvement Program), and creates an inability for UDOT to add new projects to the STIP. UDOT has been using a greater share of federal funds to make up for lost state funds. However, federal funds for needed state projects are also being reduced by the federal government.

### **Action**

The Committee heard reports on (1) Transportation Revenue – Motor Fuel and Special Fuel Taxes, (2) State Highway System Needs, (3) Centennial Highway Fund Program, and (4) the STIP (Statewide Transportation Improvement Program). UDOT reported that unless contributions are restored to the Centennial Highway Fund, they will not be able to keep up with the scheduled projects. UDOT also reported that due to the flattening of Transportation Fund Revenues, \$100 million in projects have been cut out of the STIP. Maintaining current state highways, making the highway system work better, and increasing capacity are UDOT's primary goals to address highway needs.

The Committee considered these issues at its May, September, and October 2002 meetings but did not recommend legislation.

### **SPECIAL GROUP LICENSE PLATES**

#### **Background**

Currently, the State has 23 different license plates devoted to specific groups within the State. In 1991, the Legislature consolidated special group license plate provisions and established a \$50 initial fee for each plate set and a \$10 additional annual renewal fee for each plate set. The Legislature also established a process for groups that make a significant contribution to the State, to get Utah State Tax Commission authorization for new special group license plates without going through the Legislature. The process requires at least 500 applications and requires fees to be collected for each application. Since 1991, 13 new special group plates have been added by the Legislature. All but two types of plates have been exempted from the extra initial and renewal fees, and no group has yet used the 500 applicant process. Instead, each group has sought legislation to authorize their particular group license plate. Funding for those new plates has largely come from General Fund appropriations. In recent years, the fiscal note has been \$6,000 per new type of plate to cover start-up and programming costs of the Motor Vehicle Division.

## TRANSPORTATION INTERIM COMMITTEE

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### Action

The Committee heard reports from staff and the Utah State Tax Commission on the history and funding of special group license plates. The Committee voted to have legislation drafted to consolidate, simplify, and revise the process for the approval and issuance of new special group license plates. Funding options were also presented to the Committee. The Committee voted to add provisions to require that start-up costs be paid to the Motor Vehicle Divisions prior to issuing any new special group license plates and to allow tax-exempt organizations that collect 200 applicants and pay the start-up costs to get new special group license plates without having to go through the Legislature. The Committee also voted to repeal the \$50 initial license plate fee and the \$10 renewal fee and impose a \$5 initial license plate fee applicable to all special group license plates.

The Committee considered this issue at its June and October meetings and recommended legislation "Special Group License Plate Revisions."

### TRANSPORTATION CORRIDOR PRESERVATION

#### Background

During the 1996 General Session, the Legislature created the Transportation Corridor Preservation Revolving Loan Fund to help fund the acquisition of property for state, county, and municipal transportation corridors as prioritized by the Transportation Commission. In the 1997 General Session, the Legislature imposed a 2.5 percent tax on all short-term vehicle rentals for use in the fund. In 2000, the Legislature passed a bill declaring that corridor preservation is a public purpose. The bill also allowed the Department of Transportation, counties, and municipalities to undertake planning and preservation processes and acquire property rights to limit development up to 20 years in advance of transportation facility construction. As of May 2002, the fund had a balance of \$17.7 million and it receives annual revenues of approximately \$500,000 in sales taxes and \$3.5 million in rental car taxes. The fund has purchased some 90 properties totaling approximately \$21 million with virtually all acquisitions made at the request of the property owners.

### Action

The Committee heard a report from the Department of Transportation and testimony from local government representatives. The Committee voted to have legislation drafted to increase the time frame for advanced acquisitions from 20 to 30 years. The Committee also decided to change the provision from the Department offering an unused parcel back to the original owner at the original purchase price to offering the original owner first right of refusal on the highest offer made to the department. This made the provision parallel to the language of the current eminent domain statute. The Committee also decided to add a provision allowing the original owner to waive the right of first refusal in both sections.

The Committee considered this issue at its May, September, and November 2002 meetings and recommended draft legislation "Transportation Corridor Preservation Amendments."

### VEHICLE IMPOUND FEE FOR DUI CASES

#### Background

Under Section 41-6-102.5 *Utah Code*, a vehicle or motorboat that is impounded for a DUI offense (Driving Under the Influence of Alcohol or Drugs), may not be released unless a \$200 administrative impound fee is paid. The statute does not provide exceptions. The Utah State Tax Commission reported that they have been giving refunds in certain cases and requested that the Committee study potential exceptions that might be included in state law if: (a) the charges are dropped, (b) the offense is charged under another non-DUI or drug offense, or (c) the defendant is not convicted. Twenty-five dollars of the fee goes to the Motor Vehicle Division, under state statutes the \$84 is used for enforcement of drug and alcohol-related offenses, and \$91 goes to the General Fund. Prior to May 1, 2000, the fee was \$100: \$25 to the Motor Vehicle Division and \$75 to the General Fund. Current \$84 Public Safety allocation is for state and local enforcement of alcohol and drug offenses including equipment, training, overtime, and abandoned

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## TRANSPORTATION INTERIM COMMITTEE

vehicles (see Sections 41-6-102.5, 53-3-106, and 53-1-117 *Utah Code*).

Public Safety received \$987,294 in FY2001 and \$887,812 in FY2002, which was primarily used to replace federal funding of the RID Squad (Reducing Intoxicated Drivers), which is assigned DUI enforcement. Any refund would reduce the funding to current programs unless provisions are made to replace those dollars.

### Action

The Committee heard reports from staff and the Utah State Tax Commission on the history and funding of the \$200 DUI administrative impound fee. The Committee voted to have legislation drafted to provide exceptions to the fee. Later, the Committee asked a working group to study the issue and have legislation drafted to increase criminal fines for repeat DUI offenders to fund the refunds for the DUI administrative impound fee. The Committee also considered other funding options that were presented by staff as amendments to the legislation.

The Committee considered this issue at its May, September, October, and November 2002 meetings and recommended draft legislation "Vehicle Impound Fee for Driving Under the Influence Cases."

### OTHER STUDIES

#### Annual State Highway System Changes

Under Section 72-4-102 *Utah Code*, UDOT annually submits to the Transportation Interim Committee a list of highways that the Transportation Commission recommends for addition or deletion from the state highway system. All recommendations must be based on minimum qualifying standards established by the Commission. This list, along with any fiscal recommendations, is reviewed by the Committee before being submitted to the Legislature.

The 2002 recommendations include deleting SR-223, the old Utah Winter Sports Park Road and Bear Hollow Drive in Summit County, which deletes 4.685 miles. These roads are being returned to the county following the Olympics.

The Committee considered this issue at its November 2002 meeting and recommended legislation "Master State Highway Amendments."

#### Commuter Rail and Light Rail Update

During the 2000 General Session, the Legislature directed UTA (Utah Transit Authority) to develop a proposal for a commuter rail project, pursue federal funding, and begin negotiations for right-of-way acquisition. On September 20, 2002, after federal Surface Transportation Board approval, the UTA and Union Pacific Railroad closed the right-of-way preservation transaction in which Union Pacific sold 175 miles of rail right-of-way to the UTA at a cost of approximately \$185 million. The right-of-way corridor runs 20 feet wide on the main line between Brigham City and Payson and includes the purchase of spur lines between (1) Sugar House and South Salt Lake; (2) Midvale, West Jordan, and South Jordan; (3) Woods Cross and South Ogden; and (4) The Utah County border and Lindon. Various ancillary parcels are also included. Current plans are to preserve these newly acquired lines for future transit projects.

The cost of constructing and equipping a commuter rail system from Salt Lake City north to Weber County is estimated to be between \$350 and \$450 million, which includes a portion of the \$185 million paid for the right-of-way. The annual operating cost is estimated to be between \$15 and \$20 million. In August of 2002, UTA initiated an Environmental Study of the Weber County to Salt Lake commuter rail line. The study is expected to take 18 to 22 months to complete. Construction could begin in 2005 with a projected completion date in 2007.

On December 15, 2001, service began on the 2.3 mile light rail extension from downtown Main Street along 400 South to the Rice-Eccles football stadium at the University of Utah. Since May 20, 2002, UTA has been constructing a 1.5 mile light rail extension from Rice Eccles Stadium to the University Medical Center. The cost for the extension is \$89.4 million and is scheduled to be open in 2004. The extension project cost includes

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adding seven TRAX cars, which will make a total of 40 TRAX cars in UTA's fleet.

The Wasatch Front Regional Council and UTA are conducting an EIS (Environmental Impact Statement) on the West Valley and Mid-Jordan light rail extensions. The draft EIS is scheduled to be completed by the first quarter of 2003.

The Committee heard an update on this issue at its June 2002 meeting but did not recommend legislation.

### **Driver Education**

The Legislative Management Committee referred the study of driver education to the Transportation Interim Committee at its September 17, 2002 meeting after the Executive Appropriations Committee studied the issue earlier in the year. The Office of the Legislative Fiscal Analyst presented two reports on the subject, "Driver Education Study Funding and Structure Options, August 20, 2002" and "Driver Education Study Follow-up Questions, September 17, 2002." No recommendation was made by the Executive Appropriations Committee. The primary question that appeared to be raised in the study was "Can the public financial burden of driver education be reduced without compromising public safety?" At least three alternative goals can be identified:

- Privatize Driver Education;
- Eliminate all direct tax subsidies for driver education, except required fee-waiver dollars funded by a reduced state driver education tax (currently \$2.50 per registered vehicle); or
- Eliminate direct public education dollars to subsidize driver education (fund only through the state driver education tax and student fees).

Two sponsors of separate bill requests on driver education, one of whom is a member of the Committee, decided to work together and held a working group meeting on driver education. Draft legislation "Driver Education Courses," which is directed toward implementing goal three above was prepared and presented to the Committee.

The Committee considered this issue at its November 2002 meeting but did not recommend legislation.

### **Driver License Applicant Identity Requirements**

During the 2002 General Session, two opposite bills were introduced addressing what to do with a driver license applicant who does not qualify for a Social Security number. Neither bill passed. Utah driver licenses are issued to ensure that motorists share the highway with only qualified drivers. A Utah driver license also provides a valid personal identification by requiring the applicant to show proof of name, birth date, birthplace and Social Security Number or ITIN (temporary identification number issued by the IRS).

In recent years, Utah's driver licensing policies have been criticized as being too lenient toward licensing "illegal aliens." Critics argue that Utah should require proof of legal presence in the United States before issuing a driver license. Supporters of the current law argue that an applicant should be issued a license if the applicant qualifies (age, training, knowledge, skills, and medical fitness) for a driver license and can show proof that they are who they say they are. They also argue that a licensed driver will be more likely to comply with other laws, including obtaining required motor vehicle insurance, and that driver licensing was not meant as a means to enforce immigration laws.

The Committee heard a staff report on this issue at its April 2002 meeting but did not recommend legislation.

### **Legacy Parkway Update**

In March 1991, a study of the North I-15 Corridor recommended construction of the West Davis Highway (now Legacy Parkway) from I-215 to Farmington. The Final EIS for this 14-mile project was completed in July 2000, and approval was received from the Federal Highway Administration October 31, 2000 and from the U.S. Army Corps of Engineers January 9, 2001. On the same day UDOT gave the design/build contractor, FAK (Fluor-Daniel), a notice to proceed. The project is a 14-mile stretch of two-lane highway in each direction designed to provide an alternate roadway for northern

## TRANSPORTATION INTERIM COMMITTEE

Utah commuters between North Salt Lake and Farmington. It includes a pedestrian/equestrian/bike path the entire length of the parkway, and a 2,098-acre nature preserve designed to preserve wetlands, buffer development, and ensure a habitat for wildlife. The cost of the project is \$451 million and was originally expected to be completed in the fall of 2004.

On January 17, 2001, a suit was filed challenging the approval by the Federal Highway Administration and the U.S. Army Corps of Engineers. A second notice to proceed was issued by UDOT in July 2001 after a federal judge ruled in favor of UDOT. The case was appealed and a temporary injunction on construction was placed on the project on November 16, 2001, by the federal 10<sup>th</sup> Circuit Court of Appeals in Denver. The court allowed design work and right-of-way acquisition to continue during the injunction period and in February, it allowed non-Legacy Parkway-work at Burke Lane and Shepard Lane in Farmington to continue. The court heard arguments on March 20, 2002, and the court issued its decision on September 16, 2002 finding in favor of the project on 41 of 47 issues. However, the injunction is continued until UDOT and the federal agencies involved respond to concerns. While UDOT addresses the court's concerns, it has entered into a contractual agreement with FAK that:

- ends the payment of daily suspension costs, which totaled \$17 Million;
- removes Legacy work from the construction contract;
- continues the work at Shepard Lane and Burke Lane;
- makes FAK whole for work already completed and materials purchased for the Legacy project;
- gives UDOT the option to reinstate the Legacy work in the contract when work is again allowed to proceed; and
- gives FAK the right of first refusal to continue the Legacy work at that time.

Currently the Legacy Parkway Project is approximately 26 percent complete which includes:

- 86 percent of the right-of-way has been purchased;
- 76 percent of the design has been completed;

- 42 percent of the right-of-way has been cleared and stripped; and
- 34 percent of the right-of-way has received fill dirt.

The Committee heard an update on this issue at its April and September 2002 meetings but did not recommend legislation.

### Miscellaneous Legislation

The Committee held hearings on other transportation legislation at its October and November 2002 meetings and recommended the following draft legislation:

- "Seat Belt Enforcement Provisions"
- "Automobile Homicide Amendments"
- "Honorary Consulate Special Group License Plates"

### Performance Audit of Collecting Transportation Related Revenue

As a result of budget short-falls and budget hearings during the 2002 General Session, a proposal was made to charge the Transportation Fund more for collection costs of transportation-related revenue. An audit was requested to address this issue. Article XIII, Section 13 of the *Utah Constitution* requires highway user taxes, fees, and charges to be used for highway purposes and allows "costs of collection and administration" to be paid from the revenue. The audit was completed and presented to the Committee. The Committee voted to request that the Legislative Audit Subcommittee prioritize additional auditing of the collection costs of transportation-related revenue to gather more detailed information regarding the actual collection costs. The Committee also voted to send a letter to the Executive Appropriations Committee that the audit finding should be addressed related to the restoration of a \$4 million short-fall in the next fiscal year to fund the Utah State Tax Commission.

**TRANSPORTATION INTERIM COMMITTEE**

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## UTAH INFORMATION TECHNOLOGY COMMISSION

### UTAH INFORMATION TECHNOLOGY COMMISSION

#### Membership

Sen. David H. Steele, Chair  
Rep. Richard M. Siddoway, Chair  
Sen. Karen Hale  
Sen. Scott K. Jenkins  
Rep. Brent H. Goodfellow  
Rep. Paul Ray  
Mr. Daniel J. Becker  
Mr. Joel J. Campbell  
Mr. Ronald L. Fox (term expired 6/02)  
Mr. Cameron V. Francis  
Mr. Steven W. Fulling  
Mr. Peter R. Genereaux (term expired 6/02)  
Ms. Nancy CW Gibbs (term expired 6/02)  
Mr. Robert W. Hood  
Mr. Garth Howard (resigned 10/02)  
Mr. Stephen F. Mecham  
Dr. Bonnie Morgan  
Mr. Jerold G. Oldroyd  
Mr. David A. Packer  
Dr. Phillip Windley  
Dr. Gary S. Wixom

#### Staff

Mr. Richard C. North, Policy Analyst  
Ms. Patricia Owen, Associate General Counsel  
Ms. Cassandra N. Bauman, Legislative Secretary

#### OVERVIEW

The Information Technology Commission was established in 1994 by the Utah Legislature to develop and coordinate information technology policy and budgets. The Commission has authority to study information technology issues and practices in all areas of state government including the legislative, executive, and judicial branches, as well as the education community.

The Commission reviews and studies information technology issues that affect the public and private sectors in Utah. Because information technology is an area of dynamic change without precedence or existing practices

to follow, the Commission has often been a pioneer in exploring the issues such as digital signatures, eGovernment, and privacy.

Commission membership provides representation from the public and private sector. The private sector members may serve two 4-year terms. The members represent the interests of information technology providers, suppliers, and users.

#### ACCESS TO GOVERNMENTAL RECORDS

##### Background

The issue of access to governmental records has changed with the development of information technology and the Internet. Historically, government record access has been limited by location, viewing capabilities, and the ability to make copies. With Internet access to government record locations and the ability to view and download information, issues have been raised concerning who and for what purposes may the public use governmental records.

##### Action

The Commission received an overview of the issues and testimony from governmental record-keeping agencies and concerned citizen privacy representatives. Due to the complexity of this issue, the Commission decided to include it on the 2003 interim study request.

The Commission considered this issue at its June, September, and October 2002 meetings but did not recommend legislation.

#### E-GOVERNMENT

##### Background

In 1999, the Legislature adopted language directing the state to make the transition from a paper-based delivery of governmental goods and services to a digital state where they are provided electronically. For the first 3 years of the transition, individual statutory changes were made to accomplish legislative goals. However, as technology has permeated virtually all government

## UTAH INFORMATION TECHNOLOGY COMMISSION

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services, clarifying general statutes to complete the transition reflects the Legislature's new statutory directive.

### **Action**

An overview of legislative issues and options was received and discussed by the Commission. The Commission considered this issue at its August, September, and October 2002 meetings and recommended draft legislation "Facilitating E-Government."

## **ENTERPRISE MANAGEMENT OF INFORMATION TECHNOLOGY**

### **Background**

Information technology management in both the public and private sectors has alternated between the centralized control prevalent in the mainframe era (1960s-70s) to the decentralized management employed with the advent of personal computers in the 1980s. As information technology has become an integral part of nearly all aspects of an enterprise, another transformation in management process is taking place. The enterprise approach focuses on identifying universal information technology processes and then determining the most cost effective and efficient method to provide those common processes.

### **Action**

The Commission received testimony and research regarding the methods and goals of enterprise management. Because information technology is now a primary tool for delivering governmental goods and services, and because of the management complexity of shifting from a decentralized style to a centralized approach, the Commission has decided to continue its study of the proposed management shift during the 2003 interim.

The Commission considered this issue at its April, May, June, August, September, October, and November 2002 meetings but did not recommend legislation.

## **OTHER STUDIES**

### **Broadband / Internet II**

The Commission received testimony regarding the development of broadband access and the Internet II. Because of the tremendous growth in users and applications, network technology is focusing on how to meet the need for high speed, broadband connectivity. The Commission considered this issue at its April, May, July, and November 2002 meetings.

### **Digital State Network**

The Commission received presentations and heard testimony regarding a proposal to consolidate the state's seven different technology networks. The proposed unified network would reduce costs and excess network capacity, and provide state-of-the-art broadband access. The Commission considered this issue in its September, October, and November 2002 meetings.

### UTAH TAX REVIEW COMMISSION

#### Membership

Mr. Gary Cornia, Chair  
Mr. M. Keith Prescott, Co-chair  
Sen. Lyle W. Hillyard  
Sen. Millie M. Peterson  
Rep. Judy Ann Buffire  
Rep. Greg J. Curtis  
Mr. Lawrence R. Barusch  
Mr. Mark K. Buchi  
Ms. Anne Clark  
Mr. David J. Crapo  
Ms. Kathleen Howell  
Commissioner Bruce Johnson  
Mr. Bruce Jones  
Ms. Dorothy P. Owen

#### Staff

Mr. Bryant R. Howe, Policy Analyst  
Ms. Rebecca L. Rockwell, Associate General Counsel  
Ms. Sandra Wissa, Legislative Secretary

#### OVERVIEW

The TRC (Utah Tax Review Commission), established by law, provides an ongoing review of Utah's tax system and recommends changes on specific tax issues and policy. Members include legislators and private citizens.

#### OIL AND GAS SEVERANCE TAX

##### Background

Utah's oil and gas severance taxes provide for one credit, several exemptions, and a tiered rate structure. One of the major exploration and production incentives for oil that is part of the severance tax is the workover and recompletion credit. Under Section 59-5-102 *Utah Code*, the TRC was directed to study this tax this year and to make recommendations to the Legislature.

The TRC received testimony from tax experts, industry officials, local government officials, and the Utah State Tax Commission regarding the various exemptions and credits that are part of this tax. It reviewed tax revenue trends, oil

and gas production trends, and the contributions that oil and gas extraction and producing industries provide to the Utah economy.

##### Action

The TRC considered this issue at its July, September, October, and November 2002 meetings and recommended draft legislation "Fees and Taxes on Oil and Gas" and "Oil and Gas Severance Tax Amendments."

#### TAX EXEMPT STATUS OF IHC HOSPITALS

##### Background

During its 2002 General Session, the Legislature enacted S.J.R. 6 "Resolution Urging a Study of Certain Exemptions." This resolution directed the Commission to study, among other things, the tax exempt status of nonprofit hospitals. IHC (Intermountain Health Care), a nonprofit organization, operates several hospitals in Utah and controls 56 percent of the inpatient hospital market. It also operates several other health care related enterprises, but these were outside the scope of the TRC's review.

##### Action

The Commission received testimony from IHC, investor owned hospitals, and others regarding IHC's tax exempt status. The Commission also compared the prices charged by IHC hospitals to prices charged by investor owned hospitals. It then reviewed the cost of the exemptions, and the taxes paid by investor owned hospitals.

One reason that tax exemptions are granted to charitable organizations is to assist them in providing essential community services. The Commission also reviewed the value of hospital charity care provided by IHC Hospitals.

The TRC studied this issue at its June, July, September, and October 2002 meetings.

The TRC tentatively adopted the position that the tax exemptions granted to IHC Hospitals are appropriate and should be continued. However, the study process under

## UTAH TAX REVIEW COMMISSION

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S.J.R. 6 is a 2-year effort. The Commission will adopt a final recommendation regarding IHC Hospitals in November 2003.

### USE OF THE PROPERTY TAX TO FINANCE WATER STORAGE AND DELIVERY

#### Background

Much of the water used by Utah's families, farms, businesses, and industries is provided either at the wholesale or retail level by water conservancy districts and water improvement districts. These districts may impose property taxes to pay for the development, storage, and delivery of water. During FY 2001, the five largest water districts collected about \$46 million in property taxes with the Central Utah Water Conservancy District collecting almost \$25 million.

During his 2002 State of the State Address, Governor Leavitt stated, "It is hard to justify the extent we subsidize municipal and industrial water rates with tax dollars." He requested that the TRC review the use of property taxes by water districts.

The TRC received testimony from water district officials, public policy researchers, economists, and others regarding property taxes and water. The TRC was told that several water conservancy districts have pledged to levy property taxes as part of both general obligation and revenue bond agreements. Two Utah water conservancy districts also have repayment contracts with the United States that require them to impose a property tax.

#### Action

The TRC adopted a policy statement recommending that water districts not levy property taxes to pay for operation and maintenance costs. The policy statement recognizes that there may be instances when new and rural water districts may be required to impose a property tax. It also recognizes that current bond agreements and contracts requiring a property tax must be honored.

The TRC considered this issue at its June, July, October, and September 2002 meetings.

### OTHER STUDIES

#### Bonus Depreciation

In March, 2002, Congress enacted the "Job Creation and Worker Assistance Act of 2002." This legislation granted an additional first year "bonus" depreciation equal to 30 percent of the adjusted basis of the qualified property. While not a tax cut per se, this legislation did speed up the time frame in which firms may depreciate, as a business expense, the cost of certain new equipment, thereby lowering that firm's tax liability.

Utah's individual income and corporate franchise and income taxes are linked to the federal income tax system. Utah uses federal taxable income as a starting point for determining state taxable income. Any action by Congress that decreases federal taxable income will, absent any other changes, result in lower state tax revenues.

At the request of the Governor, the TRC reviewed what should be the state's response to the bonus depreciation provision. Some states, to avoid lost revenue, voted to not adopt this new federal provision as part of their state's tax laws. The TRC reviewed this issue and recommended that Utah should remain linked to the federal system, thereby incorporating the bonus depreciation provision. The TRC found no compelling reason to sever the link from the federal tax system at this time.

## UTAH TOMORROW STRATEGIC PLANNING COMMITTEE

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### UTAH TOMORROW STRATEGIC PLANNING COMMITTEE

#### Membership

Sen. Beverly Ann Evans, Senate Chair  
Rep. Afton B. Bradshaw, House Chair  
Sen. Paula F. Julander  
Sen. Bill Wright  
Rep. Patricia W. Jones  
Rep. A. Lamont Tyler  
Mr. Daniel J. Becker  
Commissioner Kenneth A. Bischoff  
Mr. Kim R. Burningham\*  
Mr. Wes Curtis  
Mr. Richard Kendall  
Mr. Bob Morgan  
Mr. Gene Moser\*  
Ms. Dianne Nielson

\* non-voting members

#### Staff

Ms. Chyleen Arbon, Policy Analyst  
Mr. James L. Wilson, Associate General Counsel  
Ms. Sandra Wissa, Legislative Secretary

#### OVERVIEW

The Utah Tomorrow Strategic Planning Committee, established by the Legislature in 1990, directs an ongoing and comprehensive strategic planning process to enable Utahns to focus on and achieve a single set of goals for the future. During the 1990 Interim, the Committee developed a vision statement describing where Utahns would like the State to be in 20 years and focused the broad goals of the vision statement into specific, measurable objectives. The first draft of these goals was created by 10 task forces whose total participation included more than 350 citizens.

In subsequent years, the Committee continued to refine the vision statement, goals, and performance measures in a cooperative effort with state agencies and departments. The Committee has also strengthened ties with different branches and levels of government in implementing the

goals of Utah Tomorrow. The Legislature, Governor's Office, executive branch agencies, judicial branch, and local governments combined their efforts to refine the goals and measures.

The Committee continues to emphasize performance measurement and data collection in cooperation with the Governor's Office of Planning and Budget. Executive departments and local governments play a key role in the implementation of statewide strategic goals—their involvement is critical to its success.

### A FOCUS ON THE CRITICAL ISSUES IN UTAH

#### Background

The Committee discussed the value of providing the Legislature with a synthesis of and a focus on the most critical issues that Utah will have to address over the next 20 years in order to maintain its current quality of life.

The Committee decided to change its focus slightly and asked each agency to present the critical issues it will be facing over the next 20 years.

After each agency presented, the Committee asked the agencies to again present how they would incorporate the newly identified critical issues into the current plan. Some agencies made only minor changes, as their critical issues were mostly addressed in the current plan. However, other agencies made significant changes to their current plans to more closely reflect the type of strategic plans that guide their decision making. The Committee is still in the process of reviewing the proposed revisions to the report, but plans to publish next year.

#### Action

The Committee discussed this issue at its April, May, June, August, September, October, and November 2002 meetings and plans to publish the Utah Tomorrow Report in 2003.



## **WORKFORCE SERVICES AND COMMUNITY AND ECONOMIC DEVELOPMENT INTERIM COMMITTEE**

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### **WORKFORCE SERVICES AND COMMUNITY AND ECONOMIC DEVELOPMENT INTERIM COMMITTEE**

#### **Membership**

Sen. Beverly Ann Evans, Senate Chair  
Rep. Richard M. Siddoway, House Chair  
Sen. Scott K. Jenkins  
Sen. Paula F. Julander  
President Al Mansell  
Sen. L. Steve Poulton  
Rep. Jeff Alexander  
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Rep. Afton B. Bradshaw  
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Rep. David Litvack  
Rep. Merlynn T. Newbold  
Rep. J. Morgan Philpot  
Rep. Carl R. Saunders  
Speaker Martin R. Stephens  
Rep. Peggy Wallace  
Rep. Bradley A. Winn

#### **Staff**

Ms. Jami Moberger, Policy Analyst  
Mr. James L. Wilson, Associate General Counsel  
Ms. Jennifer Markham, Legislative Secretary

#### **OVERVIEW**

The Utah State Legislature created the Department of Workforce Services in 1997 in order to make the welfare and job training programs of the state more efficient. The following programs were consolidated into the new department: Quality Control and the Office of Family Support from the Department of Human Services, the Department of Employment Security, Job Training and the Office of Child Care from the Department of Community and Economic Development, and the Turning Point Program from the Utah State Office of Education.

During the 2001 Interim, the Committee purview expanded to include the Department of Community and Economic Development. The change allows the Committee to comprehensively address business development programs and opportunities, as well as other issues facing Utah's workforce.

#### **ALTERNATE BASE PERIOD FOR UNEMPLOYMENT INSURANCE**

##### **Background**

The typical "base period" definition for unemployment insurance does not allow a worker filing for unemployment insurance to use wages earned in the last completed calendar quarter. Utah law states that a claimant can qualify for benefits based on wages earned in the "first four of the last five completed calendar quarters" (*Utah Code 35A-4-201*). The alternate base period would allow workers not qualifying under the traditional definition to seek qualification using the last four completed calendar quarters. This program would be funded by federal money disbursed to the states through the Reed Act Distribution. Due to the nature of this funding, the program is only proposed to operate for 3 years, once passed by the Legislature.

##### **Action**

The Committee considered the issue at its October 2002 meeting and recommended legislation "Employment Security Act Modifications."

#### **COLLECTION OF PUBLIC ASSISTANCE OVERPAYMENT**

##### **Background**

Before the creation of the DWS (Department of Workforce Services), the responsibility for distributing public assistance payments and collecting overpayments fell under DHS' (Department of Human Services) Office of Recovery Services. Since that time DWS has distributed public assistance payments and would like to take responsibility for collecting overpayments to streamline operations. DHS supports this change.

## **WORKFORCE SERVICES AND COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE**

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### **Action**

The Committee considered this issue at its November 2002 meeting and recommended legislation "Workforce Services Overpayment Amendments."

### **CONTINGENT TAX CREDIT**

#### **Background**

Utah has experienced difficulty in attracting investment money to Utah and Utah businesses. The CTC (Contingent Tax Credit for Venture Capital Funds) would provide an incentive for investors to invest their venture capital funds in Utah. Investors would provide money for the Fund (Fund of Funds), then the Fund would target specific businesses to distribute the monies. The CTC requires investors to have a local presence and operation in Utah. The Fund would also be managed by a professional venture capitalist investor or "gatekeeper."

An investor may only use the CTC after divesting. If the investors' actual return is not greater than the minimum guaranteed return, the State would allow the investor to take advantage of the tax credit for that year. If the investor's return met or exceeded the minimum return then the CTC would not be available.

#### **Action**

The Committee discussed this issue during a July subcommittee meeting and the September, October, and November 2002 Interim meetings. The Committee recommended further discussion and decided to hold working group meetings in December to discuss draft legislation.

### **INDUSTRIAL ASSISTANCE FUND**

#### **Background**

The Industrial Assistance Fund was created with the primary purpose of attracting a specific company to Utah. Since that time, the Fund continues to attract businesses to Utah but feels restricted by the current statute. The

proposed legislation would bring the statute into line with the Fund's current practices with an emphasis on grants as well as loans.

#### **Action**

The Committee considered the issue at its November 2002 meeting and recommended legislation "Industrial Assistance Fund Amendments."

### **OFFICE OF CHILD CARE**

#### **Background**

The OCC (Office of Child Care) was created in 1990 to carry out long-term planning and coordinate statewide child care issues. In response to a legislative audit conducted by the Office of the Legislative Auditor General, the Committee studied issues raised by the audit and community stakeholders related to the OCC. These issues included clarifying: (1) the role and membership of the Child Care Advisory Committee; (2) the child care target age; (3) the trust fund responsibility; and (4) an accountability mechanism for the OCC.

#### **Action**

The Committee considered the issue at its October 2002 meeting and recommended legislation "Child Care Amendments."

### **TOURISM PROMOTION**

#### **Background**

On the heels of the success of the 2002 Salt Lake Winter Olympics, the Committee considered the benefits of collecting and analyzing information on the State's efficiency in attracting out-of-state tourists as compared to promoting in-state tourism.

#### **Action**

The Committee considered the issue at its May, September, and November 2002 meetings and recommended legislation "Tourism Promotion Programs."

# WORKFORCE SERVICES AND COMMUNITY AND ECONOMIC DEVELOPMENT INTERIM COMMITTEE

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## WORKFORCE SERVICES TECHNICAL CHANGES

### Background

The current economic situation has caused unemployment insurance claims to essentially double, significantly increasing the workload of the Workforce Appeals Board. The current law specifically states that the Chair of the Workforce Appeals Board may receive compensation for a maximum of 20 hours per week. When the statute was passed, the Board heard an average of 6.17 cases per week. The Board currently hears an average of 29.72 cases per week, a 185 percent increase in case load.

Additionally, the Department of Workforce Services would like to change the definition of employer in the Workforce Services section of the code to be consistent with state and federal withholding requirements.

### Action

The Committee discussed these changes at its October 2002 meeting and recommended legislation "Workforce Services Amendments."

## OTHER STUDIES

### TANF Reauthorization

The Committee received regular reports on the progress of federal legislation related to TANF (Temporary Assistance for Needy Families) reauthorization. The Committee considered the issue in its June and September 2002 meetings but did not recommend legislation.

## HIGH TECH BUSINESS DEVELOPMENT SUBCOMMITTEE

### Membership

Sen. Beverly Ann Evans, Senate Chair  
Rep. Richard M. Siddoway, House Chair  
Sen. Scott K. Jenkins  
Sen. Paula F. Julander  
President Al Mansell

Sen. L. Steve Poulton  
Rep. Jeff Alexander  
Rep. Sheryl L. Allen  
Rep. Cindy Beshear  
Rep. Afton B. Bradshaw  
Rep. Carl W. Duckworth  
Rep. Brent H. Goodfellow  
Rep. David Litvack  
Rep. Merlynn T. Newbold  
Rep. J. Morgan Philpot  
Rep. Carl R. Saunders  
Speaker Martin R. Stephens  
Rep. Peggy Wallace  
Rep. Bradley A. Winn

### Staff

Ms. Jami Momberger, Policy Analyst  
Mr. James L. Wilson, Associate General Counsel  
Ms. Jennifer Markham, Legislative Secretary

### OVERVIEW

The Committee created a subcommittee to specifically address the economic development needs of high tech companies in Utah. The membership of the subcommittee actually consisted of the entire Interim Committee because of the increased interest in the subject area.

### Action

The Subcommittee invited the Utah Information Technology Commission to attend the meeting. The Subcommittee met once in July for an all day seminar. The Subcommittee received reports on Utah's economic forecast and business climate, Utah's labor market, current efforts to attract high tech businesses to Utah from both Department of Community and Economic Development and the private sector.

**WORKFORCE SERVICES AND COMMUNITY AND ECONOMIC DEVELOPMENT  
COMMITTEE**

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