1998 GENERAL SESSION PREVIEW

A Report to the 52nd Legislature
on 1997 Legislative Interim Studies
Report No.19
LEGISLATIVE MANAGEMENT COMMITTEE

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INTRODUCTION

Introduction

The General Session Preview is prepared each year by the Office of Legislative Research and General Counsel. It contains a summary of interim activity including committee studies and legislation recommended for the upcoming Legislative Session. In this publication, the summaries are categorized under the names of the major committees. More information on any of the studies may be obtained by contacting members of the staff of the Office of Legislative Research and General Counsel. The list of staff is provided on page 123 of this publication. Minutes of all committee meetings are available on the Internet.

Selection of Studies

Each study item selected by a committee is reviewed and approved for study by the Legislative Management Committee. Some of the items studied by interim committees are selected from a “study resolution” passed during the previous legislative session. Task forces function as temporary committees and are created by separate legislation and assigned an area of study. Most task force reports can be found under the committee to which they report.

The Office of Legislative Research and General Counsel

The Office of Legislative Research and General Counsel conducts research and drafts legislation for committees and individual legislators. In addition to staffing interim and standing committees, task forces, and commissions of the Legislature, the office assists in the bill process during legislative sessions and serves as legal counsel to the Legislature.
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SUMMARY OF RECOMMENDED LEGISLATION

Business, Labor, and Economic Development Interim Committee

H.B. 178, Task Force on Whistleblower Protections - Creates the Task Force on Whistleblower Protections to study statutory protections for whistleblowers in the public and private sectors and appropriates $20,000 from the General Fund to fund the task force.

H.C.R. 1, Resolution Supporting Resources for Affordable Housing - Encourages Congress to increase the amount of the private activity bond cap and low-income housing tax credits allocated to Utah.

S.B. 73, Beer Industry Distribution Act - Defines the relationship between wholesalers and brewers and addresses termination of wholesale agreements, appropriate conduct by brewers, and remedies for violations of a wholesale agreement.

S.B. 74, Demand Drafts - Uniform Commercial Code - Provides for the treatment of demand drafts as checks under Utah’s Uniform Commercial Code which allows bank account holders to stop payment on certain charges to their accounts.

S.B. 76, Insurance Law Changes - Contains amendments to insurance laws proposed by the Department of Insurance.

S.B. 82, Master Deeds of Trust or Mortgages - Allows for the filing with county recorders of master deeds of trust and mortgages that would contain “boilerplate” language. The master forms would be referenced when mortgages or trust deeds applicable to specific property are filed.

S.J.R. 4, Resolution Supporting Affordable Housing from Olympic Housing - Urges the Salt Lake Organizing Committee for the Olympic Winter Games of 2002 to assure that media housing constructed in conjunction with the 2002 Olympic Winter Games can become permanent, affordable housing.

Education Interim Committee

H.B. 7, Computers For Public Schools Pilot Program - Establishes a pilot program for the acquisition and refurbishing of donated computers to be used by schools in the state system of public education. The bill provides an appropriation of $500,000 to the State Board of Education to acquire repaired, refurbished, or upgraded computers which have been recycled in a state correctional facility. Schools receiving the refurbished computers will pay Utah Correctional Industries $100 for each computer to cover costs.
**H.B. 179, Transportation of Students By School Districts** - Increases the tax rate ceiling on the optional school district transportation levy from 0.0002 to 0.0003, with a provision for a state guarantee up to 85 percent of the state's average cost per mile.

**H.B. 182, Class Size Reduction In Grades 7-8** - Appropriates $13,600,000 to the State Board of Education for public school class size reduction programs in grades 7 and 8. The bill establishes requirements for allocating the appropriation to the state's 40 school districts and stipulates that each school receiving the appropriation will submit a plan of creative and innovative ways to reduce class size.

**H.B. 184, Educational Technology Initiative Amendments** - Identifies appropriation mechanisms used each year to fund the Education Technology Initiative. The bill states that public education funding for the ETI will be made through the Minimum School Program Act and the colleges of education will receive their ETI appropriation by line item appropriation in the general appropriation act.

**H.C.R. 3, Professional Development Programs For Educators Resolution** - Recognizes the importance of teacher preparation and professional development programs and encourages the Joint Liaison Committee and its advisory task force to continue to bring recommendations to the Legislature for policy support or implementation.

**S.B. 77, Middle Schools Task Force** - Creates a middle schools task force to review and make recommendations on a variety of issues related to Utah middle schools, including teacher and administrator preparation, the need for additional counselors and other support personnel, the delivery of educational services, and discipline and safety. The bill establishes task force membership and appointment authority to the task force.

**Government Operations Interim Committee**

**H.B. 8, State Treasurer Amendments** - Clarifies the responsibilities of the State Treasurer by updating responsibilities and duties of the position and eliminating obsolete requirements.

**H.B. 188, Salary Increases For Government Officials** - Amends procedures for compensation of municipal officers, county officials, and the Legislature. With the exception of cost-of-living increases, these groups would not receive pay increases until after the next election.

**H.B. 189, English As Official Language of State** - Declares English to be the official language for the conduct of government business in Utah. The bill provides exceptions when languages other than English may be used and grants rulemaking authority to the State Board of Education and the State Board of Regents concerning the use of foreign languages in the public and higher education systems. It also requires that any funds appropriated or designated for providing services in another language be returned to the General Fund.
**H.B. 190, Felon Voting Restrictions** - Amends statute to implement the Constitutional amendment eliminating the voting rights of convicted felons. The bill also outlines procedures for eliminating rights upon conviction and restoring the right to vote after completion of probation and parole.

**H.B. 193, Election Law - Substantive Revisions** - Modifies requirements for canvassing voting returns of local elections so the canvass may be done no sooner than three days after the election. The bill also requires write-in candidates in third-class cities to file declarations of candidacy.

**H.B. 204, State Elections Commission** - Creates a State Elections Commission to oversee elections in Utah. This bill transfers the current responsibilities of the Lieutenant Governor as the chief election officer of the state to the newly created commission. It provides for appointments, membership, staffing, transfer of current resources from the Lieutenant Governor's Office, and outlines the duties of the State Elections Commission and its executive director.

**H.J.R. 4, Resolution Eliminating Voting Rights of Convicted Felons** - Amends the Utah Constitution to eliminate the voting rights of convicted felons.

**S.B. 72, Budget Review Task Force** - Creates a task force to review selected state government entities' budgets and outlines membership and duties of the task force. The bill also repeals the Legislative Process Committee.

**S.B. 79, Election Law - Technical Amendments** - Allows persons 17 years old who will be 18 years old by the date of the next local election to serve as election judges. The bill clarifies that a person may not file a declaration of candidacy for, or be a candidate for, more than one office during any election year. The bill also eliminates obsolete reporting requirements for Political Action Committees, Corporations, and Political Issues Committees.

**Health and Human Services Interim Committee**

**H.B. 4, Statewide Implementation of Foster Care Citizen Review Boards** - Makes the foster care citizen review board process available to all children within the state.

**H.B. 173, Counseling and Support of Adoptive Families and Children** - Requires the Division of Child and Family Services to provide intensive training and support to potential adoptive parents, and ongoing support and individual or family counseling to adoptive parents and their children, as needed, until the adopted child reaches 21 years of age.

**H.B. 175, Tax Incentives for Adoption and Guardianship** - Provides a tax credit for individuals adopting children in the custody of the state. This legislation is similar to a bill debated during the 1997 General Session.
**Summary of Recommended Legislation**

**H.B. 176, Emergency Injection for Anaphylactic Shock** - Provides immunity from liability to schools and teachers who administer epinephrine through an auto-injector to a person suffering a potentially life-threatening anaphylactic reaction.

**H.B. 205, Insurance Coverage For Metabolic Disease** - Expands the basic health insurance plan set forth in statute to include coverage for medically formulated foods and medical formula used to treat the conditions of PKU and other inborn errors of amino acid or urea cycle metabolism.

**S.B. 4, Medical Examiner Authority** - Authorizes the state medical examiner to perform autopsies in cases of highway fatalities under specified circumstances.

**Information Technology Commission**

**H.B. 181, Electronic Posting of Notices** - Amends the existing open and public meetings law to allow public entities to provide electronic notices of meetings in addition to the existing requirement to publish in a paper of general circulation and post in a public place.

**H.B. 183, Quick Court Amendments** - Authorizes certain pro se court documents such as uncontested divorces and landlord/tenant actions to be filed electronically with the court.

**H.B. 186, Privacy Task Force** - Creates an interim legislative entity to study issues of data privacy related to the collection and use of personal information by private entities or individuals. The task force is required to report to the Information Technology Commission and the Public Utilities and Technology Interim Committee by November 30, 1998.

**S.J.R. 5, Resolution Encouraging Development of Electronic Voting** - Requests that the Lt. Governor's office and the county clerks study the possibility of implementing electronic voting and report back to the Legislature before the 1999 General Session.

**Judiciary Interim Committee**

**H.B. 191, Correctional Officer Amendment** - Removes the reference to youth corrections from the correctional officer statute.

**H.B. 192, Division of Youth Corrections Special Function Officers** - Provides for the utilization of special function officers to be employed through contract with the Department of Public Safety or other POST certified law enforcement agencies, or be directly employed by the Division of Youth Corrections.

**S.B. 5, Judicial Custody of Youth to Human Services** - Authorizes judges to vest legal custody of children and youth in need of intervention from multiple agencies with the Department of Human Services.
**Summary of Recommended Legislation**

**S.B. 75, Uniform Probate Code Amendments** - Enacts the uniform statutory rule against perpetuities, repeals and reenacts chapter 2 provisions, and provides transitional language.

**S.B. 81, Reauthorization of Juvenile Justice Task Force** - Reauthorizes the Juvenile Justice Task Force for one more year.

**Law Enforcement and Criminal Justice Interim Committee**

**H.B. 10, Driving Under the Influence -- Conditional Licensing** - Establishes a “not a drop” conditional license for persons with prior DUI convictions.

**H.B. 197, Traffic Offense Trial Process** - Eliminates trial by jury in Class B or Class C Misdemeanor or Infraction offenses, including traffic offenses.

**Legislative Process Committee**

**H.B. 211, Special Session Public Hearing Requirements** - Requires that a legislative body hold a public hearing on any special session legislation before it is formally debated or passed.

**H.J.R. 6, Resolution Amending Notice for Special Sessions** - Proposes to amend the Utah Constitution to require the governor to issue a proclamation at least seven days before the date set for the Legislature to convene in a Special Session. If the governor has officially declared a state of emergency, a proclamation may be issued without the seven days notice.

**S.B. 83, Division of Purchasing and General Services Amendments** - Modifies the responsibility of the director of the Division of Purchasing and General Services from stocking and maintaining a central store to operating a stockless, vendor direct, electronic system for procuring goods and services. School districts and political subdivisions of the state are also authorized to subscribe to these services.

**S.J.R. 6, Resolution Amending Special Sessions** - Proposes to amend the Utah Constitution to allow the Legislature to add items to the Special Session Agenda by a two-thirds or greater vote of each chamber.

**Native American Legislative Liaison Committee**

**H.B. 212, Navajo Revitalization Fund Board** - Allows members of the Navajo Revitalization Fund Board to receive per diem and expenses.

**H.B. 213, Native American Coordinating Board Membership** - Amends the State Native American Coordinating Board, adding representatives from the Department of Environmental Quality, Department of Natural Resources, Department of Transportation, Department of Agriculture, and the State Tax Commission.

**Natural Resources, Agriculture, and Environment Interim Committee**
**H.B. 199, Allocation of Sales Tax to Species Protection Account** - Transfers $1,500,000 of state sales and use tax receipts each year to the Species Protection Account.

**H.B. 206, Eco-terrorism Prohibition and Penalties** - Makes it a crime to obstruct or impede the lawful management of forest, mining, or agricultural activities or to solicit or conspire with anyone to do so.


**S.B. 11, Transplants of Wildlife** - Allows the Division of Wildlife Resources to transplant certain species only in accordance with plans or agreements designating transplant sites, and creates procedures for the preparation, review, and approval of plans for the transplant of certain species.

**S.B. 12, Management Plans of Wildlife Resources Land** - Provides for notice of proposed acquisitions of private property by the Division of Wildlife Resources, requires the division to prepare management plans for land it owns, and specifies procedures for the preparation, review, adoption, and revision of the plans.

**Political Subdivisions Interim Committee**

**H.B. 194, Amendments to County Improvement Districts for Water Services** - Establishes a procedure for withdrawing territory within a municipality from a county improvement district for water services.

**H.B. 195, Special Districts Amendments** - Repeals the community redevelopment agency provisions and restricts the creation of further regional service areas.

**S.B. 80, Recodification of Special Districts** - Establishes a uniform process for creating independent special districts. This bill is the first phase in recodifying the special district code.

**Public Utilities and Technology Interim Committee**

**H.B. 180, Extension Of Gas Service Territories** - Requires the Public Service Commission to approve a gas corporation's application to extend its system to previously unserved territories if the provision of service could not be economically provided under existing tariffs and the provision does not result in incremental annual increases of more than 1/5 of one percent as measured by rates in effect on July 1, 1998.

**H.B. 185, Telecommunications Legislative Committee** - Creates a ten member legislative entity to study issues related to the deregulation of the telecommunications industry such as imputation and depreciation and report back by November 30, 1999 to the Public Utilities and Technology Interim Committee and the Information Technology Commission.
**Summary of Recommended Legislation**

**H.B. 187, Public Service Commission Reporting Amendments** - Requires the Public Service Commission to report to the Public Utilities and Technology Interim Committee biannually beginning October 15, 1998 on the state of the telecommunications industry.

**Retirement Interim Committee**

**H.B. 196, Retirement Office Amendments** - Authorizes the retirement office to comingle and pool the funds in investments of the defined benefit plans and the 401(k) and 457 plans. Assets of the retirement fund are evaluated on a fair market value basis rather than on the original book value. The beneficiary designation in a member’s file, at the time of the member’s death, is binding to the retirement office for the payment of any benefits due. The bill authorizes the board to create excess benefit plans to protect the tax qualified status of the plans, systems, and programs under its control. A surviving spouse, in applying for a monthly benefit, is required to use the same application procedures required of a qualified member. The bill authorizes the board to select an independent medical examiner to review an application for disability retirement. The mandatory retirement age of 75 years for a justice or judge is made to apply to the newly created Judges Noncontributory Retirement System. Benefits are specified for disability based primarily on psychopathy.


**Revenue and Taxation Interim Committee**

**H.B. 200, Income Tax - Election Campaign Fund Designations** - Increases from $1 to $2 the designation to be paid into the Election Campaign Fund.

**H.B. 201, Property Tax-Circuit Breaker Amendments** - Allows a person owing delinquent taxes to qualify for a homeowner’s credit, clarifies that a credit may not exceed a homeowner’s property tax liability, and provides for retrospective operation.

**H.B. 203, Truth in Taxation Hearings** - Requires tax entities to hold truth in taxation hearings at or after 6:00 p.m.

**Transportation Interim Committee**

**H.B. 174, Window Tinting Amendments** - Allows a person to increase vehicle window tinting to the level of tinting that a manufacturer could provide under federal statutes and regulations.
**H.B. 177, Collection of Uniform Motor Vehicle Fees Amendment** - Requires a county to provide at least 18 months written notice before a change can be made as to whether the county or the state collects uniform fee and motor vehicle fees. The bill requires that the reimbursement fee recommended by the Tax Commission be paid to the entity that collects the fees be based on a one dollar standard unit and be adjusted annually by the commission based on the Consumer Price Index.

**H.B. 202, Transportation Code Recodification** - Updates and reorganizes Title 27, Highway Code; Title 2, Aeronautics; Title 63, Chapter 49, Department of Transportation Act; Title 54, Chapter 11, Ride-Sharing; and other sections related to the Department of Transportation and moves these sections into a new Title 72, Transportation.

**S.B. 6, Enforcement and Penalties of Uninsured Motor Vehicle Violations** - Allows the Motor Vehicle Division to revoke the registration of a motor vehicle upon receiving notification of a conviction for operating a vehicle without having insurance. The division must charge a registration reinstatement fee of $50. The purpose of the Uninsured Motorist Identification Database program is amended to include assisting in reducing the number of uninsured motorists and assisting in increasing compliance with motor vehicle registration and sales tax laws. The designated agent is required to indicate an owner's failure to provide proof of insurance when they are identified as being uninsured in the database, and provide the information to law enforcement agencies. Information in the database is permitted to be used for issuing citations related to insurance requirements. The bill imposes a fine of not less than $600 for operating a motor vehicle without insurance or without having evidence of having motor vehicle insurance.

**S.B. 78, Master Road - State Highway List** - Renumbers SR-300 through Snow Canyon and adds a 0.3 mile extension to form SR-8. The bill adds a 0.21 mile West extension on SR-131 (400 North in Bountiful) in order to include a highway structure. The net increase to the state highway system is 0.51 miles.

**Workforce Services Interim Committee**

**H.B. 15, Workforce Services Amendments** - Repeals Section 35A-1-209 to eliminate language exempting certain employees from the merit system as it duplicates provisions of Section 67-19-15. The bill moves Section 35A-4-504 from Division of Workforce Information and Payment Services to Division of Employment Development statutes and changes the make up of the Child Care Advisory Committee.

**H.B. 208, Unemployment Insurance Amendments** - Makes the chair of the Workforce Appeals Board a part-time employee and clarifies when a person has a right of appeal before the board. The bill requires unemployment compensation to be used to repay an overpayment of food stamps, changes the name of the Employment Security Advisory Council, and amends the council's duties.
COMMITTEE STUDIES
ADMINISTRATIVE RULES REVIEW COMMITTEE

Membership

Sen. Howard A. Stephenson, Senate Chair
Rep. Byron L. Harward, House Chair


Staff

Arthur L. Hunsaker, Research Analyst
Esther D. Chelsea-McCarty, Associate General Counsel
Barbara A. Teuscher, Secretary

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Committee Overview

The Administrative Rules Review Committee was established by the Legislature in the 1983 General Session. Section 63-46a-11(3)(b), Utah Code Annotated 1953, states that the committee review agency rules to ensure they do not exceed the bounds of legislative authority and intent and to determine their impact on the economy, state and local government operations, and affected persons.

The committee reviewed proposed agency rules, which are 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 overly broad grants of statutory authority, were still going unreviewed.

In the 1988 General Session, funds were appropriated for full-time staff support 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 in several state agencies and instructed staff to work with each affected agency to ensure that their statutes, as rewritten, would still provide the specific rulemaking authority they needed to regulate. The committee felt that the effort to delete such 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.

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," 1997 General Session, committee membership increased from six to ten. Currently, the committee reviews the large number of proposed agency rules published twice monthly in the Utah State Bulletin and addresses specific concerns with proposed and existing rules raised by the public. Committee members serve until they are reappointed, their successors are appointed, or they leave the Legislature.
Annual Administrative Rules Sunset
Legislation

Background

During the 1989 General Session, the Legislature enacted a law repealing all state agency rules annually. However, all rules of the state are reauthorized except rules that are specifically enumerated in annual legislation.

Committee 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. With a rule they chose not to change, or agreed to change but never filed with the division, the committee members decided they would vote to reauthorize the rule or consider the rule for nonreauthorization when preparing its annual sunset legislation.

The committee directed staff to draft proposed legislation titled "Reauthorization of Administrative Rules." The committee considered the legislation at its November 24 meeting.

Other Studies

R501-15: Child Abuse Database

Since late 1995, the committee has held several hearings on the Department of Human Services' use of the Utah Social Services Delivery System Database. With no clear statutory authority for the database due to the previous repeal of statutes, the department has continued to maintain the database and extend its use as an instrument to determine fitness for licensure in the child care industry. R501-15, the rule used by the department to continue the use of the database, has been slated by the committee for sunset in the upcoming session.
BUSINESS, LABOR, AND ECONOMIC DEVELOPMENT
INTERIM COMMITTEE

Membership

Sen. L. Steven Poulton, Senate Chair
Rep. Peter C. Knudson, House Chair


Staff

Mary Catherine Perry, Research Analyst
Patricia Owen, Associate General Counsel
Beverlee LeCheminant, Secretary

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Committee Overview

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

The committee has legislative responsibility for seven departments and commissions: Department of Alcoholic Beverage Control, Alcoholic Beverage Control Commission, Department of Commerce, Department of Community and Economic Development, Department of Financial Institutions, Department of Insurance, and Labor Commission. Issues addressed by the committee in recent years include: liquor regulation, collection agencies, contractors, 2002 Olympic Winter Games preparation, regulation of business entities, insurance regulation, workers’ compensation, anti-discrimination, occupations safety and health, consumer protection, professional licensing, real estate, travel and tourism, arts, and employee rehabilitation.

A significant change in the committee’s responsibilities occurred with the passage of S.B. 166, “Workforce Services and Labor Commission Implementation and Amendments,” 1997 General Session. This bill created the Department of Workforce Services which oversees employment security, and changed the Industrial Commission to the Labor Commission. The committee’s current responsibilities therefore include issues raised by the Labor Commission.
Blue Ribbon Commission on the Workers' Compensation Fund of Utah

Background

The enactment of H.B. 375, “Department of Workforce Services,” in the 1996 General Session, established a legislative working group to study issues related to the Workers’ Compensation Fund of Utah (WCF) during the 1996 Interim. In its final report, the working group recommended a more detailed study of the WCF. H.B. 175, “Workers’ Compensation Fund of Utah” enacted in the 1997 General Session, established the Blue Ribbon Commission on the Workers’ Compensation Fund of Utah and designated the Commissioner of the Insurance Department as chair. The Commission was assigned to study privatization of the WCF; how to serve the residual market; and the granting of new insurance authority to the WCF for competitive reasons.

The Commission was comprised of five legislators, the commissioner of insurance, and nine other members representing groups with an interest in the study. Except for compensation paid to legislative members of the commission, reasonable costs of the commission’s study were reimbursed by the WCF to the Insurance Department.

The Commission recommended the following:
• the WCF should remain the carrier of last resort by statute;
• the WCF should remain a quasi-public corporation as currently reflected in its enabling legislation;
• the statutory requirement that each department, commission, board or other agency of the state purchase its workers’ compensation insurance from the WCF should be repealed;
• the WCF should be allowed to enter into joint business enterprises, such as joint ventures and partnerships, to sell any type of insurance so long as the WCF does not bear any insurance risk other than workers’ compensation insurance;
• for competitive pricing purposes, the WCF should be allowed to own non-profit subsidiaries to provide workers’ compensation insurance in Utah; and
• the WCF’s statutory authority should continue to allow the ownership of for-profit subsidiaries that provide workers’ compensation insurance for Utah and non-Utah employers outside the state.

Committee Action

The committee received a report from the Blue Ribbon Commission on the Workers’ Compensation Fund of Utah during the November interim meeting. Statute required the Commission to report to the Business, Labor, and Economic Development Interim Committee by its 1997 November meeting.

The committee endorsed the Commission’s recommendations and requested that legislation be
Laws Protecting Whistleblowers

Background

“Whistleblowing” occurs when an employee communicates in good faith the existence of any waste of public funds, property, or manpower, or a violation or suspected violation of a law or rule of the state, a political subdivision of the state, or any recognized entity of the United States. State laws protecting whistleblowers create a statutory remedy for employees fired or otherwise penalized for reporting certain activities. However, in the absence of a statutory remedy, existing at-will employment laws would govern the termination of a whistleblowing employee.

Utah is an at-will employment state, meaning that subject to specific statutory restrictions, an employer has the right to discharge an employee at any time without notice for any reason or for no reason at all. Utah law provides statutory protection for public sector employees involved in whistleblowing incidents, but there are limited statutory protections for private sector employees involved in whistleblowing.

In a recent Utah Supreme Court case, Fox vs. MCI Communications Corp., 310 Utah Adv. Rep 3, (1997), the Supreme Court held that a private sector employee is not protected in whistleblowing incidents unless the discharge resulted from employee activities that addressed a clear and substantial public interest. Although there may be instances where a private sector employee may be protected from being discharged in a whistleblowing incident, the protection may depend on the reported violation and to whom it is reported.

Committee Action

The committee discussed this issue and received input during its July, August, and October meetings. The committee reviewed and approved legislation titled “Task Force on Whistleblower Protections” which would create a task force to study whistleblower laws in the public and private sectors during the 1998 interim period.
Regulatory Barriers To
Affordable Housing Task Force

Membership

Sen. Robert F. Montgomery, Co-chair
Rep. Ron Bigelow, Co-chair
Sen. L. Alma "Al" Mansell
Sen. Pete Suazo
Rep. Eli H. Anderson
Gayle Aldred, Washington County Commissioner (Utah Association of Counties)
Gary R. Crane, Layton City Attorney (Utah League of Cities and Towns)
Richard Moffat, Broker, Boyer Investment Company (Utah Real Estate Commission)
Paul Neuenschwander, President, Zions Mortgage Company (Utah Bankers' Association)
Jack Nixon, President, Nixon & Nixon, Inc. (Utah Home Builders' Association)

Staff

Joseph Wade, Research Analyst
Robert H. Rees, Associate General Counsel
Barbara A. Teuscher, Secretary

Background

In recent years, housing affordability has become a problem for many Utah households. Home prices and rental rates have increased much faster than incomes as economic growth has created higher land and construction costs. In 1995, the Legislature passed S.B. 4, "Impact Fees," limiting the amount of impact fees local governments can impose to help build capital facilities. In 1996, the Legislature passed H.B. 295, "Providing Affordable Housing," directing local governments to amend general plans to assist in providing affordable housing.

In 1997, the Legislature passed S.B. 124, "Task Force on Regulatory Barriers to Affordable Housing," creating a task force to examine state laws and local ordinances which prohibit or discourage development of low-income housing, including exclusionary zoning, building codes, and permit fees.

During the 1997 interim, the task force met five times to discuss answers to the following questions: What is the problem we are trying to solve? What is the extent of the problem? What is the target population we are trying to help? What drives the cost of housing beyond affordable housing? What can be done to keep costs down? How are stake holders impacted? What is the status
of implementing H.B. 295, "Providing Affordable Housing?" What is the compliance with and results of S.B. 4, "Impact Fees?" How many affordable housing units are needed? What are the current state laws and local ordinances relating to affordable housing? What are the current assistance programs? What are the recommendations of the governor's 1993 housing task force? What is the cost breakdown of regulatory costs to build a home, including impact fees? What can the state do? What impact would Planned Unit Developments (PUDs) have on providing affordable housing? What role do redevelopment agencies have in providing affordable housing?

The task force discussed many topics including: impact fees; construction costs; the NIMBY (Not In My Back Yard) factor; H.B. 295, "Providing Affordable Housing;" zoning issues regarding siting of apartments and high density housing; minimum size lot requirements; building material requirements beyond code; the Olene Walker Housing Trust Fund; and Olympic related housing.

**Committee Action**

The Regulatory Barriers to Affordable Housing Task Force reported to the Business, Labor, and Economic Development Interim Committee at the November meeting recommending two bills and four resolutions. The committee adopted two draft resolutions, "Resolution Supporting Resources for Affordable Housing" and "Resolution Supporting Affordable Housing from Olympic Housing," as committee resolutions. Bills and resolutions recommended by the task force but not recommended by the Business, Labor, and Economic Development Interim Committee are summarized below.

- **"Affordable Housing Amendments"** - Imposes an annual review and report requirement on counties, cities, and towns regarding their plan for moderate income housing as required by H.B. 295, "Providing Affordable Housing," 1996 General Session. The proposed legislation also appropriates $280,000 from the General Fund for fiscal year 1998-99 to the Department of Community and Economic Development to assist counties and municipalities with their plans for moderate income housing.

- **"Appropriation for Olene Walker Housing Trust Fund"** - Appropriates $6,000,000 to the Olene Walker Housing Trust Fund for fiscal year 1998-99.

- **"Funding for Olene Walker Housing Trust Fund Resolution"** - Expresses support for continuing appropriations to the Olene Walker Housing Trust Fund to help meet the goal of a $100,000,000 portfolio.

- **"Resolution Supporting Uniform Building Code Commission"** - Expresses support for the adoption of the International Plumbing Code as a way to help make housing more affordable in Utah.

The task force also reported to the Political Subdivisions Interim Committee.
Other Studies

2002 Olympic Winter Games

The committee examined issues relating to the 2002 Olympic Winter Games ("Olympics") including the timing of the payment of the $99 million purchase price of the Winter Sports Park and other budgetary issues including compensation for state services provided by state agencies during the Olympics. The purpose of this study was to provide information to the committee. The committee addressed this issue at its October meeting.

Beer Distribution Laws

Utah has adopted a three-tier system for distributing beer, allowing most brewers to distribute beer only through wholesalers. The committee reviewed and approved legislation titled “Beer Industry Distribution Act” which defines the relationship between wholesalers and brewers and addresses termination of wholesale agreements, appropriate conduct by brewers, and remedies for violations of the agreement. The committee addressed this issue at its August meeting.

Selected Business Entities

Over many years, the structure of business entities has changed as business needs have developed. In addition to traditional entities such as corporations and general partnerships, there now exists limited partnerships, limited liability partnerships, and limited liability companies. The committee studied issues relating to the Uniform Partnership Act and the Uniform Limited Liability Company Act. Because many entities conduct business across state borders, uniform laws may be beneficial and reduce the complexity of cross-state business transactions. The committee was informed that individual legislators would draft legislation addressing these issues. The committee addressed this issue at its August meeting.
EDUCATION INTERIM COMMITTEE

Membership

Sen. David H. Steele, Senate Chair
Rep. Lloyd Frandsen, House Chair


Staff

J. Wayne Lewis, Research Analyst
James L. Wilson, Associate General Counsel
Nedra B. Duzett, Secretary

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Committee Overview

The Education Interim Committee is challenged each year with ongoing unresolved issues in public and higher education. Concerns relevant to both public and higher education on this year's agenda included problems in applied technology education (ATE) and the education technology initiative (ETI). Specific issues significant to public education that were heard during the interim period include truancy in public schools, middle school education, and an effort to streamline the high school extracurricular activities calendar. Important higher education topics discussed in the interim were strategic planning, master planning for higher education, and teacher education reform.

Included among the interim committee's diverse schedule of meetings each year is a standing appointment with the State Board of Education and the State Board of Regents. Discussion of educational problems usually provides positive results for all participants. The committee is required by Utah law to hear specific educational reports of actions taken during the interim. This year several reports were delivered to the committee including the Joint Liaison Committee for Public and Higher Education year end report, and the status of the Families and Agencies Coming Together (FACT), a consortium of agencies who service at-risk Utah families. The committee remains continually involved in educational innovations through its own initiative or participation and by supporting proposals developed within the Utah education community.

The Education Interim Committee serves as an educational watchdog and a sounding board for public education effectiveness and is concerned with program accountability. In its role as a sounding board, the committee heard reports from the Centennial Charter Schools Task Force which proposed another option for school choice by enacting a charter school law and recommendations for statutory changes in the strategic planning law from the Strategic Planning for Public and Higher Education Task Force.
Educational Technology Initiative (ETI)

Background

The education technology initiative (ETI) was implemented seven years ago with a legislative commitment to fund technology in public education and to place Utah on the cutting edge of state-of-the-art technology training for job preparation and readiness for advancement through the postsecondary education system.

When the initiative was enacted, the Legislature intended that 90 percent of the appropriation to public education be matched by local school districts to purchase computer equipment and provide inservice technology training. Ten percent of the appropriation was earmarked for teacher professional development in the state colleges of education. Individual colleges were expected to include technology training in their preparation program as part of the teacher development curriculum. In spite of legislative intent and because of development of a higher education technology initiative, the colleges of education have not received a technology appropriation for the past two years.

Committee Action

The committee considered several resolutions to the Advanced Technology Education issue. They included: (1) modification of ETI legislation by removing the colleges of education appropriation language; (2) a separate appropriation to the colleges of education for technology training, either reinforced in the current ETI legislation or through a separate bill; and (3) legislation to formalize a higher education technology initiative, with a clear provision for an appropriation to the colleges of education.

Legislation titled "Educational Technology Initiative Amendments" was recommended by the committee to clarify the appropriation issue by recognizing the current practice of public education funding to the ETI through the Minimum School Program Act, and the colleges of education would receive their ETI share through a line item appropriation in the general appropriation act. This issue was heard at the committee's April, July and October meetings.

Middle School Teacher Preparation

Background

The colleges of education curriculum in the Utah System of Higher Education offers preparation programs for elementary and high school teacher candidates but does not provide specific training for students who plan to teach in junior high or middle school. It has been recognized in nationwide educational circles that specific training for teachers who work with early adolescent
children is critical. The committee acknowledged it is important that middle school educators qualify for a special designation or certification as they learn better ways to deliver middle school education. Limited counselor support, a specific and relevant preservice program, plus large class size are also significant middle school issues that will require extensive discussion in the public education community.

**Committee Action**

The committee recommended legislation titled "Class Size Reduction in Grades 7-8." Utah middle schools have average class sizes that are larger than classes in elementary or high schools. The committee recommended that a class size reduction appropriation be made that requires each school to submit a proposal of innovative ways to use its appropriation to reduce class size.

The committee recommended legislation titled, "Middle Schools Task Force". Due to the complexity of some of the issues in Utah middle schools, the committee recommended a year long study to provide solutions to these problems. The committee recommends that a task force be created to study: 1) problems in middle school teacher preparation; 2) the need for and use of counselors and administrators in middle school education; and 3) the feasibility of restructuring the curriculum where it more fully meets the needs of an early adolescent Utah population. These issues were heard by the committee at its May, June, July, and November meetings.

**Student Transportation**

**Background**

School district student transportation costs are funded through a state-supported program established by statutory formula. The law provides for the distribution of these monies to each school district and qualifies students in kindergarten through grade 12 living beyond a specified distance from their school to receive free transportation. The law permits districts to fund extra student transportation, regardless of the distance from school, through an additional school district tax. Revenue from the tax is used to pay transportation costs of students participating in approved interscholastic activities, night activities and educational field trips, and the replacement of school buses.

Many districts have complained that the current ceiling on the transportation levy does not permit them to generate sufficient revenue to pay for existing transportation needs. The committee agreed to request an increase in the tax ceiling and recommended similar legislation that was introduced during the 1997 General Session.
Committee Action

The Education Interim committee recommends the tax ceiling on the school district transportation levy be increased from .0002 to .0003 with a provision for a state guarantee up to 85 percent of the state's average cost per mile contingent on an approved appropriation. The committee felt the legislation would better meet the needs of students and establish greater equity among local school districts.

The committee recommended legislation titled "Transportation of Students Amendments." This issue was considered in its May and August meetings.

Teacher Preservice and Inservice Education

Background

Preparing teacher candidates to be successful instructors in a rapidly changing society is a major challenge for the state colleges of education. After discussing several proposals in the Education Interim Committee, it became clear that reviewing and incorporating reform components into the teacher preparation program needed to be done methodically. Committee members suggested changes in the teacher certification process and proposed greater collaboration between public education and the colleges of education. The committee recommended more emphasis should be given to instructional practice rather than to theory and that the colleges of education should consider the benefits of a fifth-year apprenticeship program.

The committee concluded that, in addition to identifying and resolving preservice reform considerations, inservice reform is badly needed as well. There is concern over the quality and relevance of teacher inservice programs, and there is the feeling that teachers should be directly involved in designing their own inservice programs. Committee members voiced their support for stronger collaboration with higher education through mentoring practices in both preservice and inservice programs.

Committee Action

The Education Interim Committee recommended a resolution titled "Professional Development Programs for Educators Resolution" which encourages the Joint Liaison Committee to continue to prepare recommendations for preservice and inservice program improvement. This issue was considered by the committee in its June and November meetings.
Centennial Charter Schools Task Force

Membership

Sen. David H. Steele, Senate Chair
Rep. Brian R. Allen, House Chair

Sen. Howard A. Stephenson  Rep. Bill Wright  Dr. Steven Laing
Rep. Brad King  Dr. Gary Carlston  Ms. Pat Rusk
  Ms. Margie Coombs

Staff

J. Wayne Lewis, Research Analyst
James L. Wilson, Associate General Counsel
Nedra B. Duzett, Secretary

Background

Over the past 15 years, the Legislature has conducted studies of the best ways to manage Utah public schools. School reform ideas surfaced after the national report, "A Nation At Risk," was published and innovations have consistently emerged to improve student performance and learning. School choice options promoted through the Education Interim Committee have provided options for students and parents to allow students to attend a school that may best meet their needs.

Demands on the delivery of educational services continue to change, and the public education system must maintain flexibility to meet those needs. Adopting a standard of flexibility invites controversy about the best way to manage innovations and the changes resulting from those innovations.

Perhaps one the fastest growing nationwide innovations in educational policy is the concept of a charter school. Utah's most recent educational choice program is reflected in its Modified Centennial Schools and exhibits many characteristics of the charter school concept. The very basis for the existence of charter schools is local autonomy and regulatory flexibility through school-based decision making in an exchange for greater school improvement and student accountability.
Charter schools operate independently of local school districts and are granted waivers from many or most school rules and regulations. A charter is a contract negotiated between those who start and operate the school and those who have been authorized to approve the conditions of the charter or contract. In most cases, a local school board or state board of education is the charter granting authority. The charter contents describe how the school will be run, what will be taught, and how student achievement will be measured. When the school meets the terms of the charter, it usually is granted freedom from most rules and regulations imposed upon other public schools. If a charter school fails to meet those conditions stipulated in it charter contract, its charter may be revoked.

Task Force Action

Since charter schools are created to serve a variety of needs, charter school legislation is unique in each state and a standard model is difficult to define. The task force sought to understand the role and mission of the Modified Centennial School Program and its relationship to the charter school concept. Administrators of modified centennial schools reported a variety of organizational components that had been built into their schools, but each incorporated the elements of a delegation document or agreement between the school and the school district, a clear statements for student performance goals, a strategic plan, and a way to collaborate with other public agencies.

The task force heard the most prominent points of view about the charter school concept, and, after a thorough review, recommended a draft of the following charter school elements that could be the basis for charter school law in Utah. The task force adopted the following elements as the basis for their recommendation to the 1998 General Legislative Session:

1. Charter school legislation may not permit discrimination except for limitations in available space.
2. The site-based governance model shall be totally defined by the charter-seeking group, except for basic standards of health and safety.
3. Each charter-seeking group shall be required to disclose its charter's emphasis, instructional goals, and calendar.
4. Each charter school plan may allow for flexibility in employing non-certificated personnel.
5. Charter schools shall be part of the state's public education system.
6. Proposed charter school legislation shall provide for the establishment of new charter schools and permit public schools to convert their status to charter schools.
7. Charter school legislation shall ensure an opportunity for parental involvement.
8. Charter schools may be established through local boards with their own boundaries with an appeal to the State Board of Education.

9. The State Board of Education may grant charters to applying entities upon appeal or referral from local boards and will limit that number to ten schools.

10. Charter Schools shall participate in an annual reporting of areas listed in Title 53A of the Utah Code and file annual financial reports similar to the S-3 report, which shall be delivered to each chartering organization.

11. Charter school applicants may apply for start-up costs in the form of a grant through state funding identified by the Legislature but these costs are not part of current public education funding.

12. The state superintendent of public instruction may allocate grants for start-up costs to eligible applicants based upon a legislative appropriation. Grants may vary based upon the size, scope, and special circumstances of charter school applicants.

13. Action Plan # 4 from the Utah State Public Education Strategic Plan was adopted by the task force to include the following language regarding certification: "Develop and implement a licensing/certification process for educators and administrators, based on demonstrated competency and alternative certification routes, which accommodate differentiated staffing and better meets students needs."

14. Liability issues shall be managed by the charter school and not the charter granting organization. However, the charter school may participate in the state's risk management insurance program.

15. Applications for waivers from "rules and regulations" are to be heard by the waiver granting authority.

16. Charter schools must be voluntary for student and organizational participation.

The task force recommends introduction of legislation in the 1998 General Session to establish a charter school law.
Public Education Computer Technology
Task Force

Membership

Sen. Robert F. Montgomery, Senate Chair
Rep. Carl R. Saunders, House Chair

Mr. Steven H. Hess

Staff

Benjamin N. Christensen, Research Analyst
Dee S Larsen, Associate General Counsel
Junie G. Anderson, Secretary

Background

S.B. 15, "Public Education Computer Technology Task Force," which passed during the 1997 General Session, created a task force to study and report on issues related to the access of inappropriate materials on the Internet by public education students K-12.

The task force held two meetings and was impressed with the vigilant attention being given to protecting the state’s public school children who use the Internet. The task force submitted the following findings to the state's 40 school districts, the State Office of Education, and the Utah Education Network:

1. The Internet is a valuable resource of educational information and its proper use is encouraged for students of all ages. Unfortunately, the worldwide Internet also contains some materials promoting or containing pornography, hate speech, illegal drug use, gambling, and crime skills.

2. The task force commend the State Office of Education, the Utah Education Network, UtahLINK, and the state's individual school districts for their considerable and continuous efforts to reduce the risk of exposure of public education students grades K-12 to inappropriate materials on the Internet.

3. All school districts should continue to offer Internet connections for the public schools only
through UtahLINK and use its technical support to implement each school district's Internet access policies.

4. The task force declines to recommend a mandate or the use of filtering technologies as a method to restrict access to inappropriate sites on the Internet, but strongly recommends all school districts use the most cost-effective filtering technologies available. Some districts have not realized that UtahLINK, upon request, provides a free filtering service or will provide the technical support for any alternative for each school district.

5. The task force concluded, after hearing expert testimony, that close supervision and monitoring of students by trained teachers is the most effective way to ensure the proper use of the Internet in schools. Also, fewer problems should arise when the students are spending Internet time working on specific learning assignments. School districts are encouraged to increase staff training and experience relating to the Internet.

6. "Acceptable Use Policies" should be signed by each student, the parent or guardian of the student, and each teacher before any person may access the Internet through the public schools. The terms and conditions of the contract should govern the proper use of school computers and warn of the consequences of violations.

7. Students, parents, and school personnel should be educated about their shared roles and responsibilities in eliminating the introduction of inappropriate materials from the Internet in the public schools.

Other Studies

Applied Technology Education

Applied Technology Education (ATE) programs have attempted to be responsive to recommendations from the Legislature and the public. A 1995 legislative audit recommended that ATE programs increase their accountability measures and adopt common definitions to strengthen their accountability in public and higher education. Both educational systems are working cooperatively to meet ATE program goals and demands through the Joint Liaison Committee for Public and Higher education.

Several reforms to strengthen ATE programs have been proposed including the following: (1) Joint Budgetary Hearing Process: the joint budget hearing process is beneficial but not effective. The chairs of Public and Higher Education Appropriations Subcommittees should meet prior to the joint appropriations meetings to coordinate compromises and gain approval of an agreed upon budget document; and (2) ATE formula: funding is so complicated that educators and administrators find it
difficult to clearly describe what is actually being funded. Consequently, the current formula needs to be simplified.

The committee was supportive of the joint budgetary proposal and the possibility of a simplified formula to fund Applied Technology Education. The committee heard ATE issues in its June, August, and November meetings.

**Brain Research and Preschool**

During the first three years of life, sustained sensory stimulation is essential for a child’s normal growth and development. Children who are unable to have healthy relationships during the early years of life will often suffer abnormal brain development. The committee learned through recent brain research findings, that there are critical periods of deprivation in brain development that cannot be recaptured.

Traditionally it is not the responsibility of Utah public education to provide educational services for children under five years of age. Limited early childhood development programs, however, have been introduced in several school districts as preventative measures for children neglected from birth. The committee was extremely interested in brain research but felt that many of the issues surrounding this research should be dealt with at another time. The committee heard this issue in its May and June meetings.

**Extracurricular Activities**

The High School Activities Association in Utah manages the majority of interdistrict extracurricular high school activities throughout the state. For many years, parents and educators have been concerned with the amount of time students are away from school participating in extracurricular activities and the excessive amount of travel often required to participate in those activities. During 1997, a Utah High School Activities Task Force was formed to review this issue and propose ways for high school students to spend more time in academic study at school and yet continue to participate in high school extracurricular activities.

The task force identified seven areas where the high school activities calendar could be streamlined by reducing time out of the classroom and travel time to activities. The task force generally endorsed the following recommendations: (1) organize sports activities into regional play; (2) reduce time missed at school because of activities; (3) reduce the amount of travel and costs; (4) reduce the number of events per activity; (5) determine qualifiers at the regional level; (6) increase local school board involvement on the Regional Boards of Managers; and (7) clarify the line of authority and channels of communication of the activities association.
The committee encouraged the task force to continue streamlining scheduling to balance academics and extracurricular activities. The committee heard this issue in its October meeting but did not recommend legislation.

**Families and Agencies Coming Together (FACT) Program and Lifelong Learning**

FACT is an organization consisting of state agencies and individual community organizations working together to coordinate state agency services to meet the needs of at-risk families and children. Each community is encouraged to prepare comprehensive human service plans for all at-risk children. In several school districts, FACT teams have worked with families through early childhood programs when the service is wanted. Educational programs are required to provide children with services that will affect the health, safety, and life skills of each at-risk child. The FACT report was presented to the Education Interim Committee in its November meeting.

**Strategic Planning for Public and Higher Education**

The Strategic Planning for Public and Higher Education Task Force is statutorily charged with conducting strategic planning for both public and higher education. It recommends funding for strategic planning initiatives, monitors progress in implementing the existing plan, and coordinates with other state educational planning efforts.

During the 1997 interim, the task force revised and updated the 1992-97 Public Education Strategic Plan. The revision included a progress report of the existing plan, preparation of a modified mission statement, a description of desired characteristics of the Utah education system, and a set of eleven new objectives.

The task force is proposing modifications to current legislation to ensure that state, district, and school plans focus on the new mission statement and change the planning process. The Education Interim Committee received the report in its November meeting but was not asked to endorse the proposed legislation since it was there for information only.

**Truancy in Public Schools**

Truancy is becoming a major problem in Utah's public schools. Several school districts implemented truancy enforcement models to deal with this increasing problem, and the Legislature in its 1997 General Session appropriated $100,000 for the establishment of truancy support centers.

A truancy summit was held in August 1997 to identify alternatives for coping with the problem. Current law holding parents legally responsible for truant children has been difficult to enforce and it is frustrating to refer truant student cases to an already overburdened juvenile court. School policies on expulsion and counseling need to be updated to more effectively deal with the problem. Legislation is prepared which: (1) empowers police officers to issue citations to truant students and their parents: and (2) provides for tracking student attendance and imposing penalties for truancy violations. The
committee did not recommend the bill because of unresolved issues on court jurisdiction procedures and the difficulty of identifying truant students, but recommended it be revised and heard during the 1998 General Session. This issue was heard by the committee in its July, October, and November meetings.
GOVERNMENT OPERATIONS
INTERIM COMMITTEE

Membership

Sen. L. Alma "Al" Mansell, Senate Chair
Rep. Jordan Tanner, House Chair

Sen. LeRay McAllister
Sen. Robert M. Muhlestein
Sen. Robert C. Steiner
Rep. Trisha Beck
Rep. Perry L. Buckner
Rep. Neal B. Hendrickson
Rep. Lowell A. Nelson
Rep. Martin R. Stephens
Rep. Michael R. Styler

Staff

John Q. Cannon, Research Analyst
John L. Fellows, Associate General Counsel
Junie G. Anderson, Secretary

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Committee Overview

The Government Operations Interim Committee considers a broad range of issues, including elections, campaign finance, ethics, personnel, boards and commissions, administrative services, and other issues relating to state affairs in general. The committee considers policy questions with statewide implications, receives testimony from concerned groups and state agencies, and makes recommendations to the Legislature. The committee primarily addresses the state portion of issues that in past years were considered by the State and Local Affairs Interim Committee before it was divided into two new committees: Political Subdivisions and Government Operations.

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. Areas of the code over which the committee has primary responsibility include: Title 20A, Election Code; Title 36, Legislature; Title 63, State Affairs in General; Title 63A, Administrative Services; and Title 67, State Officers and Employees.
English as Official Language of State

Background

Currently, 23 states have statutory or constitutional language designating English as the official language. These provisions vary from merely symbolic - similar to designating a state flower or state bird - to complex provisions providing rights of action. This issue received considerable attention in the Government Operations Committee during the 1997 interim. Draft legislation was brought to the committee for discussion.

Committee Action

The committee heard significant testimony in favor and in opposition to this measure. Proponents of the bill argued that it would unify the state, cut costs, and protect the state from liability. Opponents of the bill argued that it would divide the state, force assimilation, and isolate minority groups. After significant discussion, the committee suggested several amendments to the bill.

The committee approved "English as Official Language of State" as a committee bill. The legislation declares English as the official language for the conduct of government business in Utah. It provides exceptions concerning when languages other than English may be used. The bill grants rulemaking authority to the State Board of Education and the State Board of Regents concerning the use of foreign languages in the public and higher education systems. It also requires the return to the General Fund of any funds appropriated or designated for providing services in another language. This issue was studied at the July and August meetings.

State Elections Commission

Background

Early in the interim, the committee discussed campaign finance reform. The committee reviewed the broad spectrum of federal and state campaign finance laws. Based on discussion and recommendations received, committee members decided to focus their attention on the issue of an independent commission to regulate elections in the state. Currently, the Lieutenant Governor is designated the chief election officer of the state and is responsible for regulating elections in Utah.
Committee Action

At committee meetings in August, October, and November, the committee discussed draft legislation that creates a state elections commission to take over the responsibility for regulating elections. Discussions in these meetings focused on several issues: the need for a commission as opposed to leaving the responsibility with the Lieutenant Governor and the makeup, duties, responsibilities, enforcement powers, rulemaking authority, staffing, and costs of the commission. The committee approved "State Elections Commission" as a committee bill at its November meeting.

Voting Rights of Felons

Background

Unlike most prisoners in the United States, convicted felons in Utah may vote in state and local elections. Utah and three New England states are currently the only states that allow felons to vote. During the interim, the committee gave considerable attention to this situation. Some of the issues discussed by the committee included: should felons be allowed to vote; if they are not allowed to vote, when should a felon's voting rights be extinguished – upon conviction or incarceration; what administrative processes should be implemented to take away a felon's voting rights; and how and when should a felon's voting rights be restored.

Because of language in the Utah Constitution, taking away the voting rights of felons requires a constitutional amendment and accompanying statutory changes to implement the constitutional amendment. The committee considered both a resolution changing the constitution and draft legislation to implement the change statutorily.

Committee Action

The committee considered this item at its May, July, August, and October meetings. The committee approved as committee bills "Resolution Eliminating Voting Rights of Convicted Felons" and "Felon Voting Restrictions."
Other Studies

Budget Review Task Force

Draft legislation was presented to the committee concerning the establishment of a task force to review selected state government entities' budgets. The committee added a provision to the bill that repeals the Legislative Process Committee. The committee considered this item at its August meeting and approved it as a committee bill.

Election Law Issues

At its November meeting, the committee considered a number of election law issues. The committee approved two bills as committee bills: "Election Law - Technical Amendments" and "Election Law - Substantive Revisions." The technical amendments bill clarifies issues relating to election judges, filing for more than one elective office, and eliminates obsolete reporting requirements. The substantive revisions bill changes requirements for canvassing returns of local elections and modifies requirements for write-in candidates.

Fusion Candidates

A fusion candidate is an individual who appears on the ballot as the candidate of more than one party. The committee discussed the possibility of prohibiting candidates from appearing on the ballot as nominees of more than one party. The committee discussed this item at its June meeting and took no formal action.

Provisional Ballots

A provisional ballot is a ballot cast by a citizen whose right to vote is challenged. The committee considered draft legislation to create this new type of ballot. After discussing the issue at its November meeting, the committee took no formal action on the bill.

Salary Increases for Elected Officials

Draft legislation was presented to the committee concerning compensation of elected officials. The 27th amendment of the United States Constitution states that the U.S. Congress will not receive an increase in salary until after an ensuing election. This bill will impose the same type of requirements on government officials in Utah and will make all salary increases for the legislative bodies of cities, counties, and the state, other than cost-of-living increases, effective only after the next regular election. The committee considered this item at its October meeting and approved it as a committee bill.

State Treasurer Amendments
The committee considered draft legislation that would clarify the responsibilities of the state treasurer by updating responsibilities and duties of the position and eliminating obsolete requirements. The committee considered this item at its November meeting and approved it as a committee bill.

**Tax Increase Voting Requirements**

The committee reviewed draft legislation entitled "Resolution Requiring Supermajority Vote to Increase Taxes, Fees, or Other Sources of Revenue." This constitutional amendment requires a favorable vote by three-fifths of all members of both houses of the Legislature to increase taxes or fees. The committee discussed this item at its May meeting and took no action on the bill.
HEALTH AND HUMAN SERVICES
INTERIM COMMITTEE

Membership

Sen. Nathan C. Tanner, Senate Chair
Rep. Nora B. Stephens, House Chair

Sen. Robert F. Montgomery
Sen. Millie M. Peterson
Sen. Pete Suazo
Sen. Craig L. Taylor
Rep. Loretta Baca
Rep. Mary Carlson
Rep. Gene Davis
Rep. Margaret Dayton
Rep. J. W. “Bill” Hickman
Rep. Bryan D. Holladay
Rep. Robert H. M. Killpack
Rep. Carl R. Saunders
Rep. Raymond W. Short

Staff

Mr. Mark D. Andrews, Research Analyst
Ms. Janetha W. Hancock, Associate General Counsel
Mr. R. Chet Loftis, Associate General Counsel
Ms. L. Kaye Clark, Secretary
Ms. Karen E. Mecham, Secretary

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Committee Overview

The 1997 interim marked the first time in over ten years that health and human services issues have been assigned to a single interim committee. The committee’s policy responsibility is broad and affects a large portion of government services. Budgets of the two departments charged with the protection and promotion of health and the prevention and resolution of social and emotional problems accounted for 20 percent of total budgeted funds in Fiscal Year 97.

Delivery of public health services has been delegated to local health departments as well as the Department of Health. The Department of Health monitors local health department efforts. It relies heavily on numerous policymaking and advisory committees to carry out its various duties. Administration of the Medicaid program has also been assigned to the department.

Delivery of human services in three areas – aging and adult services, mental health, and substance abuse – is carried out largely through a system of county-controlled entities that have the option to provide the services themselves or contract with private providers. These local delivery systems in turn are monitored by divisions within the Department of Human Services. Delivery of services in three other areas – child and family services, services for people with disabilities, and youth corrections – are under the direct control of the department. Policy for each division within the department is set by an independent board within the statutory framework established by the Legislature.

In addition to its review of issues dealt with by the Department of Health and the Department of Human Services, the committee considers policy administered by other agencies of government, including: health insurance; occupational licensing; adoption; abortion; criminal sexual offenses; and family law.
Children in the Custody of the Division of Child and Family Services

Background

State policymakers continue to look for ways to improve the welfare of children, particularly those who end up in the custody of the state. This year the committee considered several proposals in the areas of adoption, foster care, and private service providers.

Committee Action

The committee recommended the following draft legislation:

• “Counseling and Support of Adoptive Families and Children,” requiring the Division of Child and Family Services to provide intensive training and support to potential adoptive parents, and ongoing support and individual or family counseling to adoptive parents and their children, as needed, until the adopted child reaches 21 years of age. This issue was considered during the July meeting.

• “Tax Incentive for Adoption and Guardianship,” designed to provide a tax credit for individuals adopting children in the custody of the state. This legislation is similar to a bill debated during the 1997 General Session and was considered during the August meeting.

• “Statewide Implementation of Foster Care Citizen Review Boards,” designed to make the foster care citizen review board process available to all children within the state. This issue was considered during the July meeting.

The committee did not recommend proposed draft legislation that would require the governor’s budget to include annual cost of living increases for private providers of services to the Division of Child and Family Services and the Division of Youth Corrections. This issue was considered during the August meeting.

Davis Mental Health Center Audit

Background

At the request of the Department of Human Services, the Legislative Audit Subcommittee directed the Legislative Auditor General to conduct an audit of the Davis Mental Health and Alcohol & Drug Center. The audit focused on concerns reported to the department. In his report, the auditor concluded the following:
There are a number of deficiencies with the administrative operations of Davis Mental Health that are a direct result of poor financial controls and insufficient oversight. These deficiencies are the theme running through the audit. Poor controls and insufficient oversight have allowed the executive director to abuse his business travel privileges, gain significantly from compensation and perquisites that are far above reasonable levels, operate a recreational program that is not necessarily in the best interest of Davis clients, and utilize funding from a second board in a manner unacceptable to the funding donors. We believe that, between 1993 and 1996, the Davis Mental Health director personally gained by at least $80,000 by taking advantage of the organization’s deficiencies outlined in this report and, has unnecessarily received an additional $29,500 in the form of excessive salary.

The committee received testimony from the Legislative Auditor General and his staff, the Department of Human Services, the Division of Mental Health and the Division of Substance Abuse within the department, the Davis Board of Mental Health, and the Davis County Commission.

Committee Action

By motion, the committee directed the Department of Human Services and the Department of Health to review existing statutes governing the delivery of mental health services and make recommendations to the Legislature for improvement. The Department of Human Services indicated that this could be done by February.

By motion, the committee requested the attorney general to take appropriate action in response to the audit.

By motion, the committee directed that a copy of the audit be sent to every county commission with an accompanying letter reminding the commission that they are the local mental health authority and are responsible for the oversight of the delivery of mental health services within the county. This issue was considered during the November meeting.
Health Insurance

Background

Over the past decade the structures of health care delivery systems have undergone profound change as policymakers have sought to reduce cost, expand access, and improve quality. During the interim the committee considered three ways in which access to health care might be expanded:

(1) Passage of the State Children’s Health Insurance Program by Congress in August has made available approximately $25 million annually to Utah for implementation of an optional state-crafted program to expand health insurance coverage for the state’s 63,000 uninsured children. At the direction of the governor, the Utah Health Policy Commission is developing recommendations for implementing the program. Those recommendations were to be reported to the committee during the interim. As it responds to Congress’ action, the Legislature will need to determine the following:

(a) whether to implement the program;
(b) how the program will be delivered;
(c) the nature of the benefit package and the extent to which it should be spelled out in statute;
(d) the level of cost sharing required of beneficiaries;
(e) which state entity will administer the program; and
(f) the method of generating the $6 million annual state match.

To qualify for first-year revenues from the program, the state must have a plan approved by the federal Department of Health and Human Services by September 30, 1998.

(2) The committee considered existing and potential mechanisms for insuring children in the care of non-custodial grandparents.

(3) The committee considered expanding the basic health insurance plan set forth in statute to include coverage for medically formulated foods and medical formula used to treat the conditions of PKU and other inborn errors of amino acid or urea cycle metabolism.

Committee Action

During the interim, the Utah Health Policy Commission was unable to finalize its recommendation for implementation of the new State Children’s Health Insurance Program. The committee, however, received a briefing on the commission’s work. This issue was considered during the August and October meetings.
The committee took no action on extending insurance benefits to grandchildren but discussed the use of kinship status for grandparents as one means of addressing this issue. This issue was considered during the June meeting.

The committee recommended draft legislation titled “Insurance Coverage For Metabolic Disease.” This issue was considered during the October meeting.

Other Studies

Adoption

The committee recommended draft legislation, “Adoption Amendments,” proposed by the Utah Adoption Council and based on recommendations from the Committee on Ethical Standards in Adoption. The legislation strengthens the pre- and post-placement evaluation processes. The draft bill:

(1) changes the term “study” to “evaluation;”
(2) clarifies the provisions for voluntary relinquishment of parental rights under the Termination of Parental Rights Act;
(3) limits the time period for temporary placement of a child while awaiting a pre-placement adoptive evaluation;
(4) applies adoptive evaluations to other adults living in the prospective adoptive home;
(5) provides that the court should determine who is otherwise qualified to conduct an evaluation;
(6) requires the pre-placement evaluation to be filed within a specific period of time; and
(7) amends the post-placement evaluation procedures.

This issue was considered during the October meeting.

Emergency Injections

The committee recommended draft legislation, “Emergency Injections at Schools for Anaphylactic Shock,” which would provide immunity from liability to schools and teachers who administer epinephrine through an auto-injector to a person suffering a potentially life-threatening anaphylactic reaction. This issue was considered during the August meeting.

HIV Testing Procedures

The committee discussed a conflict between provisions in the Health Code and the Judicial Code governing the testing of emergency medical service providers potentially exposed to HIV. The committee reviewed numerous policy decisions that need to be addressed to resolve the conflict. This
issue was considered during the April meeting.

**State Medical Examiner Authority**

The committee recommended draft legislation, “Medical Examiner Authority,” authorizing the state medical examiner to perform autopsies in cases of highway fatalities under specified circumstances. This issue was considered during the November meeting.

**Tobacco**

The committee reviewed the delivery and coordination of the various tobacco education and prevention programs in Utah. The committee was also briefed on the Utah attorney general’s role in the national tobacco settlement and her pursuit of litigation for reimbursement from tobacco companies for state Medicaid payments in tobacco-related illnesses. The committee did not recommend proposed legislation, “Penalties for Sale of Tobacco to Youth,” designed to shift the burden for compliance with youth access laws from store clerks to retailers and to give local health departments the authority to impose civil penalties for noncompliance. These issues were considered during the May and November meetings.

**Treatment of Mentally Ill Prisoners**

On March 20, 1997, a Department of Corrections inmate died from complications resulting from being strapped in a restraining chair for nearly 16 hours. Another inmate was later alleged to have been strapped to a restraining table for 85 days. Questions were subsequently raised about the treatment of mentally ill inmates and whether department procedures had gone beyond treatment to punishment. The Director of the Division of Mental Health in the Department of Human Services reported the recommendations of a governor-appointed task force created to address the issue. The Director of the Department of Corrections reported his recommendations, including that the department continue its recently imposed moratorium on the use of the restraining chair. This issue was considered during the October meeting.
INFORMATION TECHNOLOGY COMMISSION

Membership

Sen. David H. Steele, Senate Chair
Rep. Blake D. Chard, House Chair

Sen. Scott N. Howell  Mr. Peter R. Genereaux  Mr. Stephen F. Mecham
Sen. Craig L. Taylor  Ms. Nancy C W Gibbs  Mr. O. Leon Miller
Rep. Brent Goodfellow  Mr. Randall G. Harmsen  Mr. David A. Packer
Rep. Martin R. Stephens  Mr. Robert W. Hood  Dr. Mike Petersen
Mr. Clifford L. Ames  Judge Norman H. Jackson  Mr. Gordon A. Peterson
Mr. Gerald R. Capps  Ms. Eileen B. Longsworth  Mr. Jerry P. Peterson

Staff

Richard C. North, Executive Director
Tani Pack Downing, Associate General Counsel
Junie G. Anderson, Secretary

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Committee Overview

The Information Technology Commission was established in 1994 by the Utah Legislature to develop and coordinate information technology public 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, and the education community.

The Commission reviews and studies information technology issues such as data privacy, which affect both 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 and, in the case of digital signature, creating model legislation for other states and countries to follow.

Commission membership is structured to provide representation from both state and local government as well as private citizens and the business community. The public, private sector, and local government members may serve two four-year terms and are selected to represent the interests of information technology providers, suppliers, and users.
Data Privacy

Background

Until the advent of personal computers, databases, and networking in the form of the Internet, data privacy had not been considered an issue. However, since the early 1990s when there was a convergence of these critical information technologies, data privacy has become an extremely important issue.

Virtually anyone employing today's technology has the ability to explore and capture data about others, with or without their knowledge. While the collection of most data is benign and benefits the individual and society, the collection, use, and possible misuse has become a public policy issue.

The issues of collecting and using an individual's personal data without their knowledge or consent is the central focus of the Commission's study and other contemporary studies in the United States and abroad.

Committee Action

The Information Technology Commission began its study of data privacy by dividing the issue into four main categories: communications, government, health, and the marketplace. In the category of communications, it was determined that laws exist which comprehensively restrict the government's collection and use of data while the private sector remains relatively unregulated. Government, whether state or federal, collects massive amounts of data but is strictly regulated in sharing or revealing that information to anyone other than the person concerned, or within the specific agency which gathered the material. Health data is somewhat restricted to the health and insurance community in general, but individuals often cannot gain complete access to their own medical records. The last category, the marketplace, is the least restricted in terms of collecting and sharing data for any reason.

After studying these privacy issues at every monthly meeting, the Commission decided the complexity of the issues deserved additional study by a privacy task force. As a result, draft legislation was prepared with specific privacy areas denoted for study during the 1998 interim.

The Commission adopted legislation titled, "Privacy Task Force." This issue was discussed at the May, June, July, August, September, October, and November meetings.
Electronic Posting of Notices

Background

The information technology revolution of the 1990s has made it possible to conduct business electronically. In the area of business meetings, information technology now allows for participants to attend electronically and conduct business more efficiently.

As a result, the Utah Legislature in the 1997 General Session authorized electronic meetings and provided for an implementation process. However, notice of those meetings was restricted to the statutory requirements of physically posting notice of the meetings at the principal office of the public body and providing notice to at least one newspaper of general circulation in the geographic jurisdiction of the public body.

Committee Action

The Information Technology Commission reviewed the current open and public meetings law and concluded that it should be amended to allow electronic posting of notices in addition to existing requirements to publish in a paper of general circulation and post in a public place.

The Commission adopted legislation titled, "Electronic Posting Of Notices." This issue was considered in the October and November meetings.

Electronic Voting

Background

The "Information Technology Revolution" of the 1990s has provided, among other technologies, a network known as the Internet which has the capability of connecting all public and private entities and individuals together. This connectivity has already been demonstrated in schools, government, and the private sector via Internet service providers.

As a corporate level user of information technologies, government, at all levels, is looking for ways to provide more efficient and economical delivery of services to their citizens. One aspect being considered nationwide is the possibility of providing electronic voting as a way to increase voting turnout and to reduce government costs.
Committee Action

The Information Technology Commission, in conjunction with the Lt. Governor's Office, discussed issues affecting electronic voting including anonymity, efficiency, security, and costs. After discussion of these issues and other related topics, including the advantages of electronic voting to disabled and absentee citizens, the Commission recommended that the Lt. Governor and county clerks study the development of electronic voting and report their findings back to the Legislature by September 1998.

The Commission adopted legislation titled, "Resolution Encouraging Development Of Electronic Voting." This issue was considered in the October and November meetings.

Quick Court Amendments

Background

The Utah Electronic Law Project, a non-profit venture, has been studying methods for developing the electronic practice of law in Utah. Currently, attorneys and their staff must devote considerable time to manually processing the many different and complex forms necessary for the varied applications of state and federal laws. The effects of this mechanical processing has been to increase costs and time delays for anyone using the legal system.

Committee Action

The Information Technology Commission heard testimony from those involved with the Electronic Law Project regarding possible statutory changes this year to improve the efficiency of the state's legal system. As a consequence, the Commission recommended that electronic filings be approved for the Quick Court which would provide certain pro se court documents such as uncontested divorces and landlord/tenant actions.

The Commission adopted legislation titled, "Quick Court Amendments." This issue was considered in the November meeting.
Taxation of Telecommunications

Background

Traditionally, telecommunications have been taxed on local and long distance phone calls with few other applications having enough traffic to justify any type of tariff. With the advent of networks, particularly the Internet, other goods and services are now being offered for sale and are being sold over telecommunication networks. This relatively recent, mid 1990's, change has raised the issues of whether to tax these new applications, how to tax them, and what are the implications for this type of interstate commerce.

In 1996, the Information Technology Commission discussed these issues and concluded that no new taxes were merited at that time, but that the issues would be reviewed again the following year in 1997.

Committee Action

The Information Technology Commission invited tax experts and the Utah Information Technology Association to assist the Commission in developing an understanding for the issues. After several discussions which revealed that a national task force is studying this issue, the Commission will recommend that no new taxes should be adopted until the task force report is reviewed. This issue was considered in the July and November meetings.
JUDICIAL RULES REVIEW COMMITTEE

Membership

Sen. Robert F. Montgomery, Senate Chair
Rep. John L. Valentine, House Chair

Rep. Perry L. Buckner

Staff

Jerry D. Howe, Research Analyst
Susan Creager Allred, Associate General Counsel
Glenda S. Whitney, Secretary

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Committee 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 makes comments upon the proposed rules or amendments to rules in these six areas as well as Rules of Judicial Administration, which are promulgated by the Judicial Council. The committee’s primary focus is to identify whether such rules are substantive or procedural in nature and whether they conflict with statute.
1997 Activities

Background

The committee placed its primary focus 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, and judicial nominating procedures. Draft rules served as sources for committee discussion and action. The committee monitored all potential changes and offered recommendations to the courts on these rules.

Committee Action

The committee did not recommend legislation. Issues identified above were considered at the committee’s May and November meetings.
JUDICIARY INTERIM COMMITTEE

Membership

Sen. Craig L. Taylor, Senate Chair
Rep. Byron L. Harward, House Chair


Staff

Jerry D. Howe, Research Analyst
Esther Chelsea-McCarty, Associate General Counsel
Glenda S. Whitney, Secretary

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Committee Overview

The Judiciary Interim Committee serves as an important link for the three branches of government in considering issues pertaining to the substantive rights of litigants and the administration of justice. The committee oversees all 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 over programs delegated by the Legislature to the Judicial Council for the administration of programs including the Mandatory Education Course for Divorcing Parents and Alternative Dispute Resolution.
Administrative Enforcement of Civil Fines and Penalties

Background

Because access to the courts continues to be expensive and time consuming, the Legislature has granted increasing authority to state agencies to enforce penalties and levy fines. This concept is not new to governments as courts have historically been reserved for the most serious offenses, while offenses which are considered to be less than criminal but nonetheless deserving of enforcement have long been handled by government agencies. Consequently, a considerable body of law has developed to address illegal behavior which has not been considered severe enough to warrant criminal prosecution. One of the concerns of administrative enforcement of civil fines and penalties is that the agency imposing a fine is also the agency that drafted the rule, interpreted the rule, and determined whether the rule has been violated. The committee agreed that it is important for administrative rules to be adjudicated by an impartial third party.

Committee Action

In an effort to identify whether administrative law judges function as an impartial third party, the committee heard testimony from individuals who practice administrative law. The committee was told that a 1988 Task Force of the Utah State Bar found administrative adjudication could be more impartial and that more fines and penalties are imposed by administrative law judges than by all the state's district courts.

The committee then evaluated three alternatives. The first alternative is for the state to follow the federal model in which each agency employs administrative law judges, but the judges have independent staff and are physically and legally separated from the agency. This model allows an independent review process, allows less influence by agency heads, but is expensive. The second alternative is to simply prevent agency heads from using administrative law judges as in-house counsel and prohibiting ex parte communications. This approach is less expensive but difficult to enforce. The third alternative is to create a central panel of administrative law judges by transferring administrative law budgets and judges to a centrally located facility. This prevents agency head influence, ex parte communication, provides for an exceptional panel of judges, and takes advantage of economies of scale, although it would still be expensive. This issue was discussed at the committee's May and August meetings, but no action was taken.
Immunity for Volunteers

Background

The Utah Legislature has passed several statutes limiting liability for volunteers. Each of these statutes requires the Legislature to balance the benefit of volunteerism against the loss of decreasing the rights of injured persons to sue for injuries caused by a volunteer. Two Utah Supreme Court cases, Candemarin v. University Hospital, 775 P.2d 348 (Utah 1989), and Berry v. Beech Aircraft Corp. 717 P.2d 670 (Utah 1985) seem to indicate that the legislature needs to rely upon careful consideration of relevant and persuasive empirical data to overcome the right provided by Article I, Section 11 of the Utah Constitution, that every person is to have access to the courts for an injury done to him in his person, property, or reputation. The committee focused on whether the Legislature in drafting its immunity statutes met the standards required by these cases.

Committee Action

The committee heard testimony that the Legislature did not consult empirical Utah data indicating that it was a greater public good to provide for volunteer immunity rather than preserve an injured party's right to sue. It was argued that when volunteers understand that they may be found personally liable for accidents caused in the course of volunteering, then volunteers throughout the state will simply quit volunteering. Furthermore, non-profit organizations testified that they are reluctant to participate in a survey of volunteers because they fear any survey which questions a volunteer's liability will have a chilling effect on volunteerism. The Utah Trial Lawyers testified that if this bill passes, too many innocent people injured by well-intentioned volunteers will be left to bear the burdens of their injuries, without recourse, for injuries caused to them by the negligent actions of others.

The committee prepared legislation and discussed amendments to the current immunity statutes although it did not adopt any policy position. The issues were discussed at the committee's August, October, and November meetings.

Uniform Probate Code

Background

Utah adopted a Uniform Probate Code that became effective in 1977 to provide uniformity among the states in a time when society was becoming increasingly mobile, with millions of people owning assets in more than one state. Since 1977, people are more mobile than ever, family circumstances have become more complex with multiple marriages, and trusts and other will substitutes have become the major method of wealth transmission.
Committee Action

The Judiciary Interim Committee reviewed the proposed Uniform Probate Code with attorneys from the Estate Planning Section of the Utah State Bar during its May, July, and October meetings. The committee discussed intestate succession, spouse's elective share, exemptions, will execution, and the uniform statutory rule against perpetuities and recommended a bill titled, "Uniform Probate Code Amendments."
Juvenile Justice Task Force

Membership
Sen. Lyle W. Hillyard, Senate Chair
Rep. Christine R. Fox, House Chair
Sen. Joseph L. Hull
Sen. Nathan C. Tanner
Sen. John B. Arrington
Rep. Steve Barth
Rep. Blake D. Chard
Rep. J. Brent Haymond
Rep. Gary K. Dalton
Mr. David J. Jordan
Hon. Andrew A. Valdez
Mr. Russ Van Vleet
Ms. Robin Arnold Williams

Staff
Chyleen A. Arbon, Research Analyst
Esther Chelsea-McCarty, Associate General Counsel
Glenda S. Whitney, Secretary

Background
In 1996, the Legislature created a two-year task force to study and present recommendations on the juvenile justice system’s purpose, presumptive sentencing guidelines, resource constraints and needs, minimum sentencing authority, jurisdictional age of juveniles, streamlining intake and probation functions, juvenile sex offender treatment, and other issues the task force considered relevant.

The task force spent its first year examining the history, management structure, and resources of the juvenile justice system; youth served in the system; contempt powers of judges; Police Officer Standards and Training (POST) certification of Youth Corrections workers; and juvenile sentencing guidelines. The Legislature appropriated $19,574,603 for the implementation of the sentencing guidelines in the 1997 General Session; $9,084,000 of the total was allocated to build the new 72-bed secure confinement facility in Ogden. All recommendations made in 1996 to the Judiciary Interim Committee were adopted and funded.

Committee Action
The principal issues studied by the task force during the 1997 interim include the implementation of the sentencing guidelines; Division of Youth Corrections’ resource needs; cost and effectiveness of juvenile justice programs; Families, Agencies, and Communities Together (FACT); the role of private providers; a new treatment program for serious offenders; outcomes of secure care
youth; POST Certification for Youth Corrections workers; employment opportunities for at-risk youth; safe schools vs unsafe neighborhoods; aftercare; streamlining the executive branch; and the serious youth offender law.

The task force recommended funding for additional out-of-state youth placements for the Division of Youth Corrections, supported “Child Welfare Amendments” and adopted the following legislation: “Correctional Officer Amendment,” “Division of Youth Corrections Special Function Officers,” “Judicial Custody of Youth to Human Services,” and “Reauthorization of Juvenile Justice Task Force.”

The task force discussed these issues at its June, July, August, September, October, and November meetings. The Health and Human Services Interim Committee received a written report from the task force, and the Judiciary Interim Committee, upon receiving a presentation, recommended the four bills the task force had adopted.

Other Studies

Alternative Dispute Resolution

The Judiciary Interim Committee heard testimony concerning domestic mediation. The Administrative Office of the Courts expressed concern with the creation of specific programs designed for a limited purpose, such as divorce. It was noted that with the recent success of alternative dispute programs, it would be prudent to evaluate domestic relations and develop a program with a broad application.

Evaluation Criteria for the Selection of Judicial Nominees

At its July meeting the Judiciary Interim Committee discussed the selection of judicial nominees. At that meeting it was discussed that Article VIII, Section 8 of the Utah Constitution requires the Legislature to adopt judicial nominating procedures. The Judicial Council has produced guidelines for the selection of judicial nominees, but it was noted that the Legislature has not adopted any procedures by statute.
LAW ENFORCEMENT AND CRIMINAL JUSTICE
INTERIM COMMITTEE

Membership

Sen. Michael G. Waddoups, Senate Chair
Rep. Robert H. M. Killpack, House Chair


Staff

Chyleen A. Arbon, Research Analyst
Susan Creager Allred, Associate General Counsel
Nedra B. Duzett, Secretary

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Committee 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, driving under the influence, 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 executive branch administers many programs that are an integral part of Utah’s criminal justice system. The committee’s statutory oversight in this area includes the Utah Board of Pardons and Parole, Utah Sentencing Commission, Commission on Criminal and Juvenile Justice, Department of Corrections, Department of Public Safety, and Substance Abuse Anti-Violence Coordinating Council.

With the recent attention to crime in Utah, the committee’s focus is on increasing the efficiency and effectiveness of law enforcement agencies, the use of correctional and judicial resources, and crime prevention.
Driving under the Influence

Background

Over the past six legislative general sessions, 15 bills have been passed relating to the operation of a motor vehicle while under the influence of alcohol or drugs. Some of the issues these bills addressed include repeat offenders, off-highway vehicles, aircraft pilots, the ignition interlock system, chemical tests, juveniles, and stiffer penalties.

Even though Utah, among other states, prohibits driving with the low blood alcohol content of .08, there has been a 17 percent increase in DUI arrests from 1992 to 1996. There was, however, a slight decrease in arrests from 1995 to 1996.

Committee Action

This year, the committee considered eliminating trial by jury in Class B and Class C misdemeanor and infraction offenses, including traffic offenses, and establishing a “not a drop” conditional license for persons with prior DUI convictions.

The committee recommended DUI legislation titled “Traffic Offense Trial Process” and “Driving Under the Influence -- Conditional Licensing.” The committee considered these issues in its July and November meetings.

Highway Patrol Resources

Background

During the 1997 General Session, the Legislature passed H.B. 242, “Highway Patrol–Computer Purchase,” which appropriated $200,000 for computer hardware, software, maintenance, and training for field troopers. The computer system has streamlined the officers’ reporting process, resulting in greater efficiency and fewer errors, while allowing more time for patrolling.

The Legislature also passed H.B. 243, “Appropriation for Additional Highway Patrol Troopers,” which originally requested $3.8 million for a number of troopers, but ultimately provided $350,000 to fund five new full-time employees, effective July 1, 1997. It has been reported that prior to this increase, the number of troopers patrolling the freeways has not significantly changed since 1976, and that in Salt Lake County there are fewer troopers per capita than there were 20 years ago.
Committee Action

The committee considered and supported legislation appropriating funds to expand the use of laptop computers for the Utah Highway Patrol and for additional troopers. The committee considered these issues in its May meeting.

Reduction of Crime and Recidivism

Background

With the recent change in leadership at the Department of Corrections and the current attention brought to crime in Utah by Senator Orrin Hatch’s Crime Summit in June 1997, the Law Enforcement and Criminal Justice Interim Committee requested approval from the Legislative Management Committee to study the current responses to criminal behavior and their effects on the efficient use of correctional facilities and the reduction of recidivism.

Committee Action

The committee heard from a variety of agencies, judges, and programs about recommendations for reducing crime and recidivism and existing programs that successfully target that goal. Presentations included: the Department of Corrections’ New Five-Year Plan; the Utah Sentencing Commission’s Intermediate Sanction Recommendations; Adult and Juvenile Judicial Recommendations; Utah Correctional Industries; Glen Mills Schools; Project Horizon; State Court Administrator’s Community Dispute Resolution; and Utah’s Policing Innovations.

The committee supported the Department of Corrections’ new plan, along with the Sentencing Commission’s recommendations for the expansion of intermediate sanctions. A number of the recommendations the committee received about reducing crime and recidivism can be implemented without legislation. Although no committee action was taken, a solid foundation of information has been set for future study. The committee considered these issues in its October and November meetings.
Other Studies

Consolidating Peace Officer Standards Training (POST) and Department of Corrections Officer Training

Currently, the Department of Corrections and POST offer training programs for their respective agencies. During the 1997 General Session, the Legislature authorized the Law Enforcement Training Committee, established by the POST Council, to continue for an additional year to study, among other issues, the physical and economic feasibility of combining the training programs under one agency. The study indicated that combining POST and the Corrections academy under a single administration would offer minimal if any financial benefit to the state. Instead, it was proposed to move the POST academy adjacent to the Corrections academy to allow the state to build facilities which could be shared by both police and corrections training.

Metropolitan Public Safety Task Force

The idea of combining municipal public safety services with those of Salt Lake County raises significant political and operational issues which include: community acceptance, costs, control, selection of chief law enforcement and fire officials, and responsiveness to the communities. Currently, combined services include the Salt Lake Area Gang Task Force, Metropolitan Narcotics, 911 dispatch centers, the Arson Task Force, and Urban Search and Rescue. Municipalities presently contracting for public safety service include Bluffdale, Draper, Riverton, and Taylorsville. Proposed legislation creates a task force to study the implications of consolidating certain city and county public safety services.

Use of Restraining Chair for Inmates

In response to the death in 1997 of a Utah inmate after he had been placed in a restraining chair for 16 hours, the committee studied the issues surrounding the event and received the following recommendations from the Disability Law Center: 1) conduct a legislative audit of the quality of mental health care provided by the Department of Corrections and continue the recently imposed moratorium on the use of the restraint chair pending long term resolution of medical and legal concerns; 2) initiate legislation to grant persons with serious mental illnesses who have been convicted of a crime credit for time served in treatment facilities such as the Utah State Hospital; 3) appropriate funding for an additional 100 forensic beds at the Utah State Hospital; and 4) initiate legislation to create a multi-disciplinary Corrections Review Commission to provide independent oversight of the Department of Corrections. A legislative audit of the medical division of the Department of Corrections has been requested.
NATIVE AMERICAN LEGISLATIVE LIAISON COMMITTEE

Membership

Sen. Alarik Myrin, Senate Chair
Rep. M. Keele Johnson, House Chair


Staff

John Q. Cannon, Research Analyst
Patricia Owen, Associate General Counsel
Junie G. Anderson, Secretary
Committee Overview

In the 1995 General Session, the Legislature enacted H.B. 316, "Native American Legislative Liaison Committee," creating an 11-member committee to study and work on 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 1997 interim, the committee met in Salt Lake City and participated in meetings in Ft. Duchesne with the Ute Indian Tribe. Discussions in these meetings focused on several key issues, including: economic development; taxation; the Utah Navajo Trust Fund; and the Uintah Basin and Navajo Revitalization Funds.
NATURAL RESOURCES, AGRICULTURE, AND ENVIRONMENT INTERIM COMMITTEE

Membership

Sen. Alarik Myrin, Senate Chair
Rep. Bradley T. Johnson, House Chair


Staff

Ms. Constance C. Steffen, Research Analyst
Ms. Jeanenne B. Larson, Associate General Counsel
Ms. Joy L. Miller, Secretary

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Committee Overview

This year, responsibility for oversight of all aspects of the environment and the state's natural resources has been consolidated into a single committee, the Natural Resources, Agriculture and Environment Interim Committee. The scope of the committee includes the promotion and development of the state's natural resources as well as the protection and regulation of their use. Soil, water, minerals, forests, rangeland, and wildlife are resources which are most often the subject of committee investigation.

With 65 percent of the state's land under the jurisdiction of the federal government, the committee often takes the role of advising federal agencies regarding the development or protection of the state's natural resources. This year, the committee has been involved with the following federal lands issues: 1) planning for the Grand Staircase - Escalante National Monument; 2) chaining and reseeding of lands damaged by wildfire; and 3) proposed development of gypsum mines in the San Rafael Swell.

The federal government also affects the state through environmental regulations. As federal environmental laws are enacted or amended, state law must be amended if the state is to retain authority over environmental protection programs. The committee considered increasing criminal penalties for violations of environmental laws to bring the penalties more in line with those found in federal law.

The committee oversees three departments of state government: 1) the Department of Natural Resources; 2) the Department of Agriculture and Food; and 3) the Department of Environmental Quality.
Environmental Crimes Amendments

Background

Utah's environmental laws for the most part mirror federal laws. An exception is the penalty imposed for environmental crimes. Under federal law, a person who knowingly violates air or water pollution laws is guilty of a felony. In Utah, the same crimes are prosecuted as an infraction or a class B misdemeanor. Because the state penalties are much less severe than the federal penalties, violators are prosecuted under the federal law, which takes a very long time.

Committee Action

Representatives of the Department of Environmental Quality asked the committee to consider increasing penalties for environmental crimes. They argued that the discrepancy between the federal and state penalties prevents the state from swiftly punishing those who knowingly pollute air or water. After meeting with members of the regulated community, department representatives prepared legislation that increased penalties for violations of air pollution, radiation, water pollution, and used oil statutes. The penalties apply to violations that are made knowingly or with criminal negligence and range from a class A misdemeanor to a second degree felony. The bill was approved by the committee. Penalties for environmental crimes were discussed at the committee's July and November meetings.

Funding for Endangered Species Mitigation

Background

Under the federal Endangered Species Act of 1973, species that are identified by the U.S. Fish and Wildlife Service as endangered or threatened and the habitat critical to their survival are protected. Any person convicted of an illegal taking of an endangered or threatened species, or critical habitat, is subject to criminal penalties. Even a local government with land use planning authority that allows critical habitat to be disturbed may be in violation of the Endangered Species Act. To allow development of land and water to proceed without jeopardizing species or subjecting land and water users, or the persons authorizing their use, to the risk of prosecution, habitat conservation agreements are made. The parties to a habitat conservation agreement usually include the U.S. Fish and Wildlife Service and local government entities or private corporations. Under a habitat conservation agreement, the parties agree to take measures to protect species. The agreement typically requires that certain lands be acquired and preserved as critical habitat. In return, development may proceed outside of the area designated as critical habitat.

Most states, including Utah, are not waiting until species are designated as endangered before efforts are made to protect them. Once a species is listed as endangered or threatened, prospective
users of the lands or waters occupied by the protected species must invest in expensive mitigation measures or are prohibited from developing the lands or waters. The less costly and more flexible alternative is to identify species whose numbers are diminishing and proactively seek to prevent them from becoming endangered.

In the 1997 General Session, the Legislature enacted H.B. 359, "Endangered Species Mitigation Fund," which created a fund to be used for costs involved in protecting endangered, threatened, or sensitive plant or animal species. The money may be used to help pay the costs of habitat conservation agreements or to identify and protect species whose numbers are diminishing. The bill also imposed a royalty on brine shrimp eggs, and the revenue generated is deposited into the fund. The Department of Natural Resources anticipates that additional resources will be needed for species protection in the state.

Committee Action

The staff briefed the committee on the provisions of the Endangered Species Act and proposals in the U.S. Congress to amend the act. Many of the proposed amendments create incentives to preserve endangered species. Staff also reviewed how other states fund the costs of protecting species. The sources of state funds for species protection measures are taxes, gambling revenues, special license plate sales, or donations. Proposed legislation to transfer $1,500,000 of state sales and use tax receipts each year to the Species Protection Account was presented to the committee. The money transferred is part of the sales and use tax allocation to water projects. The committee approved the bill with an amendment to terminate the transfer of funds in 2004. This issue was discussed at committee meetings in April, August, October, and November.

Management Plans for Wildlife Lands and Transplants of Species

Background

The Division of Wildlife Resources owns a significant amount of land in Utah. The land is managed primarily for wildlife purposes, but other uses, such as grazing, mining, and recreation, may be allowed if those uses are compatible with wildlife management objectives. Currently, there exists no formal mechanism to involve the public in developing land use plans for land owned by the division. The division's acquisition of private ranches in the Book Cliffs has highlighted the need for public involvement in land use planning for division-owned lands. Adjacent landowners, local governments, mining companies, and the School and Institutional Trust Lands Administration raised concerns with the change in land use.

One of the strategies employed by the Division of Wildlife Resources to increase the numbers of wildlife in the state is to transplant species to areas where suitable habitat exists. The transplant of a
species can have an impact on the lands or waters where the wildlife are transferred or on the users of those lands or waters. For example, transplanted elk may compete with cattle for forage. Transplants of sensitive species, which are those that are diminishing in number, are especially controversial. The fear is that regulations will be enacted that restrict use of the lands or waters.

Committee Action

A working group was formed to identify procedures to involve the public in land use planning for lands owned by the Division of Wildlife Resources and in decisions regarding transplants of wildlife. The Senate Chair organized a working group, which included representatives of the Division of Wildlife Resources, local and tribal governments, industry, hunting and fishing organizations, and environmental organizations. Two bills that incorporated the recommendations of the working group were presented to the committee. "Management Plans of Wildlife Resources Land" requires the division to notify the public about proposed acquisitions of private land and establishes a land use planning process for division-owned lands. "Transplants of Wildlife" allows the division to transplant big game, turkeys, or sensitive species only in accordance with plans that designate transplant sites. The bills were adopted as committee bills. These issues were discussed at the April, May, October, and November meetings.

Other Studies

Chaining and Reseeding after Wildfires

Extensive fires in southern Utah in 1996 left many areas void of vegetation. To rehabilitate the lands, the Bureau of Reclamation proposed chaining and reseeding them but was blocked from taking action by a lawsuit. The committee received testimony from range scientists on why chaining and reseeding is an appropriate technique to use to rehabilitate lands damaged by wildfire. When sites are not reseeded within the first year after a fire, cheat grass invades the area. Once cheat grass is established, it is extremely competitive and crowds out most other plants. The advantage of chaining is that a great deal of ground can be covered quickly. Chaining can also be used to prepare steep, rocky terrain for reseeding.

Grand Staircase - Escalante National Monument

The committee toured through portions of the Grand Staircase - Escalante National Monument and met with the associate manager of the monument about land use plans. The Bureau of Land Management is soliciting public comment on how the monument should be managed. Initial scoping meetings suggest there is consensus on minimizing the development of facilities and roads within the monument. The public prefers that visitor facilities be located within the local communities. Local government officials and state park officials noted impacts of the monument designation. Additional public health infrastructure will be needed in the communities. Visitation at the state parks near the
monument has increased and park officials anticipate an increase in rescue and emergency services provided by state park employees.

**Penalty for Eco-terrorism**

A committee member who is a rancher testified that he had experienced incidents intended to discourage him from ranching. Those incidents included a water tank being blown up, cattle shot, and irrigation ditches blocked. He requested that the committee review proposed legislation to make it a crime to obstruct or impede the lawful management of forest, mining, or agricultural activities. The bill, "Penalty for Eco-terrorism," was adopted as a committee bill.

**Water Projects**

While on a tour of the Grand Staircase - Escalante National Monument, the committee met with water district and irrigation company officials regarding proposed water projects. The Wayne County Water Conservancy District is studying the feasibility of diverting water from the Fremont River and storing it in an off-stream reservoir. Water in the 20,000 acre-foot reservoir would be used to irrigate 8,500 acres in Wayne County. The preliminary cost of the dam and pipelines is $26 million. The New Escalante Irrigation Company requested financial assistance in developing a new reservoir to deliver water to irrigated lands in Escalante. The existing Wide Hollow reservoir has lost more than half its capacity due to the accumulation of silt. The dam is a high hazard dam, and it will cost $1.5 million to bring it up to safety standards. Rather than repairing the existing dam, it is proposed to build a new dam for $4 million.

**Workers' Compensation for Agricultural Workers**

In the 1997 General Session, legislation was considered to narrow the exemption for agricultural workers from workers' compensation insurance coverage. The bill was held pending further study during the interim period. Representatives of the Utah Farm Bureau presented the committee with data for Utah regarding the number of farms, farm payrolls, and number of farms currently covered by workers' compensation insurance or employers' liability insurance. Two possible legislative approaches for extending insurance coverage were discussed.
POLITICAL SUBDIVISIONS INTERIM COMMITTEE

Membership

Sen. R. Mont Evans, Senate Chair
Rep. David Ure, House Chair


Staff

Joseph Wade, Research Analyst
Robert H. Rees, Associate General Counsel
Joy Miller, Secretary

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Committee Overview

Prior to 1997, the Legislature's interim process included the State and Local Affairs Interim Committee which discussed issues relating to both state affairs 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 inter-local agreements. Although school districts are technically a political subdivision of the state, the Education Interim Committee has primary jurisdiction over school districts. The committee has primary Utah Code responsibility for: Title 10, Cities and Towns; Title 11, Cities, Counties, and Local Taxing Units; Title 17, Counties; and Title 17A, Special Districts.
Special District Recodification

Background

In 1990, at the recommendation of a two-year legislative study committee on special districts, relevant statutory provisions which were scattered throughout the code were moved into a new Title 17A, Special Districts; however, the provisions were not recodified. In 1996, the State and Local Affairs Interim Committee started the recodification of the Special District Code, but due to time constraints and the complexity of the code, the project was not completed. There are 27 different types (16 independent and 11 dependent) of special districts contained in more than 960 sections of the code. Special districts receive 10.6 percent of property tax revenues while cities receive 13 percent.

Committee Action

With Legislative Management Committee approval, the Political Subdivisions Interim Committee created a subcommittee to study the recodification of the Special Districts Code. The subcommittee membership is listed below.

Subcommittee Membership

Sen. R. Mont Evans, Senate Chair
Rep. David Ure, House Chair
Sen. Leonard M. Blackham
Rep. David L. Gladwell
Rep. John E. Swallow
Rep. Marda Dillree
Rep. James R. Gowans

Staff

Joseph Wade, Research Analyst
Robert H. Rees, Associate General Counsel

In recodifying the Special District Code many policy questions arose. Some of the policy questions the subcommittee identified and sought answers to are listed below. Within the framework of local government in Utah, what generally should be the role of a special district? Should special districts be authorized to provide services that counties and cities and towns can otherwise provide? Are there constitutional or statutory provisions that tend to inhibit the ability of a county or city or town to provide services they would otherwise be willing to provide, resulting in the creation of a special district to provide that service? Should special districts be provided for in the state constitution? If so, to what extent? Do constitutional debt limit or equal-rate-of-taxation provisions need to be changed? Should statutory provisions among the various types be more uniform with regards to creation,
dissolution, withdrawal, and annexation? Should the statutory structure be consolidated to reduce statutorily the number of different types of special districts? Should voter approval be required before creating an independent entity with taxing and bonding powers? Should board members be elected or appointed? Should citizens be provided notice of and allowed to comment on a proposed fee increase? Should general purpose government (municipalities and counties) have priority over a limited purpose government (special districts) in providing services to its citizens?

The Political Subdivisions Interim Committee recommended as committee bills, "Recodification of Special Districts" and "Special Districts Amendments." The House Political Subdivisions Interim Committee (no Senate quorum at time of voting) supported legislation titled "Amendments to Special Districts."

- "Amendments to Special Districts" - Requires special district boards to hold a public hearing before imposing or modifying a fee; requires newly created special districts to notify the state auditor; requires the state auditor to keep a list of special districts; and requires special districts to deliver proof of liability insurance.

The Political Subdivisions Interim Committee endorsed, in concept, draft legislation titled "Special District Elections."

- "Special District Elections" - Changes the date for special district elections from the municipal election date to the regular general election date; and requires polling places for special district elections to be the same as the regular general election.

The House Political Subdivisions Interim Committee approved a motion to request permission from the Legislative Management Committee to continue the subcommittee during the 1998 interim.

The committee also discussed issues relating to a municipality's withdrawal from a county improvement district that provides water services. This issue has been highlighted by a conflict between the White City Water Improvement District and some residents of Sandy City who desire to withdraw from the water district. The Political Subdivisions Interim Committee recommended legislation titled "Amendments to County Improvement Districts for Water Services."

Special districts related issues were discussed in the April, May, June, July, October, and November meetings of the Political Subdivisions Interim Committee and in the August 4, August 27, September 12, October 8, and November 10 meetings of the subcommittee.
Other Studies

Jurisdictional Transfer of Roads

S.C.R. 6, "Highway Transfer Process Resolution," which passed during the 1996 General Session, urges the Utah Department of Transportation (UDOT) to consult with local governments and work out a process for the transfer of appropriate highways between state and local jurisdictions. The most significant issue remaining to be resolved is the amount and source of funding that should accompany the transferred roads. The committee considered draft legislation titled "Jurisdictional Transfer of State Highways," but took no action. UDOT reported that the process is ongoing and needs additional time to reach a consensus on the transfers, timing, and finances. UDOT indicated it has no intention to give a road to a local entity without the local entity's agreement. The committee discussed this issue at its April, May, October, and November meetings.

Optional Forms of County Government

In 1971 and 1972, the Legislature and voters amended the Utah Constitution to allow for optional forms of county government. In the 1997 General Session, H.B. 364, "Organization, Administration, and Allocation of Governmental Powers," was introduced which would have required counties of the first class to hold an election to decide whether to change the county's form of government. In 1997, the Salt Lake County Commission considered placing a proposal before the voters to change the form of county government. The committee received testimony that current state statute contains many inconsistencies, ambiguities, and other problems. The committee discussed this issue in its April, October, and November meetings.

Preservation of Land Near State Prison

S.B. 247, "Supplemental Appropriations Act II," 1997 General Session, included the following intent language:

"It is the intent of the Legislature that the Department of Corrections and the Division of Facilities Construction and Management meet with the Tri-cities Trails Committee representing the cities of Riverton, Bluffdale, and Draper to discuss the preservation of state-owned land near the prison as open space in conjunction with the Jordan River Parkway. It is the intent of the Legislature that these discussions center on the maintaining of the secure perimeter for Utah State Prison, as well as the preservation and development of natural habitat and trails along the Jordan River. It is the intent of the Legislature that the Department of Corrections report to the interim committee assigned by the Legislative Management Committee by November 1997 on the progress of the discussions."
For the August meeting, the committee received a briefing and toured the property proposed to be preserved as open space by placing a conservation easement on the land. In the 1998 General Session, those working on this project plan to request funding for a property survey and title research to help resolve property boundary disputes.

**Task Force on Regulatory Barriers to Affordable Housing**

In the 1997 General Session, the Legislature passed S.B. 124, "Task Force on Regulatory Barriers to Affordable Housing," creating a task force to examine state laws and local ordinances which prohibit or discourage development of low-income housing, including exclusionary zoning, building codes, and permit fees. The Regulatory Barriers to Affordable Housing Task Force reported to the Business, Labor, and Economic Development Interim Committee and the Political Subdivisions Interim Committee at the November meetings. The task force recommended two bills and four resolutions. The Political Subdivisions Interim Committee took no action on the bills and resolutions. For more information, please see the Business, Labor, and Economic Development section of this report.
PUBLIC UTILITIES AND TECHNOLOGY
INTERIM COMMITTEE

Membership

Sen. Lorin V. Jones, Senate Chair
Rep. Beverly Ann Evans, House Chair

Sen. Mike Dmitrich
Sen. John P. Holmgren
Sen. Alarik Myrin
Sen. Craig A. Peterson
Rep. Jeff Alexander
Rep. Ralph Becker
Rep. Orville D. Carnahan
Rep. Gary F. Cox
Rep. Christine R. Fox
Rep. Brent H. Goodfellow
Rep. Byron L. Harward
Rep. Tom Hatch
Rep. J. Brent Haymond
Rep. Dennis H. Iverson
Rep. David M. Jones
Rep. Jack Seitz
Rep. Daniel H. Tuttle

Staff

Richard C. North, Research Analyst
Tani Pack Downing, Associate General Counsel
Junie Anderson, Secretary

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Committee Overview

Since the early 1990s, the deregulation of certain public utilities has been studied across the United States with the intent of providing consumers with lower costs, more choices, and greater efficiencies. As a result, at both federal and state levels, policy makers have had to conduct extensive reviews of their regulatory environment. Those reviews have led to the establishment of committees such as the Public Utilities and Technology Interim Committee at the state and federal level.

In January 1997, the Utah House of Representatives created the Public Utilities and Technology Standing Committee to hear and discuss legislation on regulated public utilities such as telecommunications and energy. During the following 1997 legislative interim period, the Legislature also created the Public Utilities and Technology Interim Committee to study issues related to utility deregulation and, where appropriate, make recommendations to the Legislature. That committee, in conjunction with the Information Technology Commission, is charged with reviewing key utility and technology issues.
Extension of Natural Gas to Rural Utah

Background

Many rural Utah communities do not have access to natural gas even though several interstate natural gas pipelines pass through the state. Because of long distances, small rural populations, and the high costs associated with connecting to a natural gas trunk pipeline, most rural communities have been unable to access natural gas.

In addition, Utah, a densely populated state in certain urban locations, is encouraging the resettlement of rural areas in order to maintain a high quality of life for all residents and promote economic development in those less densely populated areas.

Committee Action

The Public Utilities and Technology Interim Committee heard testimony from a number of experts in both the private and public sectors on issues related to the extension of natural gas to rural Utah. The primary focus of the committee's review was on the need for subsidizing this type of project, the amount of subsidy, how long, and who should pay it. After extensive debate over a number of meetings and modification of the original proposal, the committee recommended approval of legislation titled "Extension of Gas Service Territories. This issue was discussed in the July, October, and November committee meetings.

Fiber Optic Highway Proposal

Background

In the early 1990s, a statewide fiber optic highway to provide telecommunications in all regions of the state was considered. At that time, policymakers concluded state ownership in such a project was not justified. However, because of the information technology revolution sweeping through Utah and the world, the federal Telecommunication Deregulation Act of 1996, and the rebuilding of Utah's interstate highway system which required opening up related rights of way, a statewide fiber optic highway was again studied.

That study resulted in the issuing of a fiber optic highway request for proposal. The proposal was in two phases and ultimately was awarded with the condition that the company must provide Utah with a business proposal acceptable to state policymakers.

Committee Action
The Public Utilities and Technology Committee reviewed the request for proposal (RFP) with the assistance of the state's chief information officer and the RFP negotiating team to ensure that the proposal adequately considered all perspectives. Currently, the state's negotiating team is studying the company's proposal and will, prior to making any recommendations, advise the Legislature of their decision. The Legislature, at that time, can either endorse or reject the proposal. This issue was discussed at the May, June, August, October, and November committee meetings.

**Public Service Commission**

**Background**

The Public Service Commission (PSC) is a legislatively created independent state agency charged with the responsibility of assuring that utility customers have safe, reliable, and adequate utility services at a reasonable price, and providing public utility companies the opportunity to earn a fair return on their investment.

The three-person PSC has a 13-member staff including economists and technicians who assist in evaluating information and conducting proceedings. The PSC has both rulemaking and adjudicative powers to fulfill its duties. Because of the history of utility regulation, the PSC has primarily employed the judicial model in reviewing utility operations throughout the state.

However, due to the changing nature of technology and the deregulation of certain public utilities, public service type commissions all across the United States are being studied to determine whether their statutory responsibilities need to be changed. In Utah, that resulted in a 1996 audit of the PSC functions which was presented to the newly created Public Utilities and Technology Interim Committee. Since 1997, the Public Utilities and Technology Interim Committee has been the legislative committee charged with overseeing the PSC.

**Committee Action**

The Public Utilities and Technology Committee reviewed the auditor general's report, *Public Utility Regulation In Utah*, 96-11, and received testimony from the PSC. The report made three major recommendations: 1) the Legislature should provide broad guidelines; 2) organizational structure should be reviewed; and 3) quasi-legislative techniques could be used to resolve some policy issues. The chair of the PSC responded by requesting that the PSC be allowed to conduct internal strategic planning and report back to the committee.
It was also noted that existing statutory language did not require the PSC to report to the Public Utilities and Technology Committee. As a result, the committee recommended changing the appropriate statute to require the PSC to report to the committee.

The committee recommended legislation titled "Public Service Commission Reporting Amendments." This issue was discussed at the April, May, and November committee meetings.

### Telecommunication: Competitive Issues

#### Background

The deregulation of telecommunications in Utah began in the early 1990s by a legislative task force. As a result, the Legislature passed several pieces of legislation designed to deregulate the common carriers and provide competitive entry for new telecommunication providers.

While that process was started by the early legislation, a number of issues including access, universal service, imputation, portability, and depreciation remain unresolved. Both the regulated carriers and the new telecommunication providers would like these issues and others to be visited again with the intent of a speedy resolution.

#### Committee Action

The Public Utilities and Technology Interim Committee heard testimony from the common carriers and the new telecommunication providers regarding unresolved issues and the timeliness of change. The primary issue for the common carriers is to be allowed deregulated entry into the market, and the major issue for the new telecommunication providers is to be allowed access to the common carriers network so they may offer competitive services.

The committee concluded its hearing on these issues and recommended the formation of a legislative entity to study the issue during the 1998 interim.

The committee recommended legislation titled "Telecommunication Legislative Committee." This issue was discussed at the June, July, August, and November committee meetings.
Electrical Deregulation and Customer Choice Task Force

Membership

Sen. Leonard M. Blackham, Senate Chair  
Rep. Christine R. Fox, House Chair  
Rep. Beverly Ann Evans, House Chair

Sen. Lorin V. Jones  
Sen. Eddie "Ed" P. Mayne  
Sen. Millie M. Peterson

Sen. Michael G. Waddoups  
Rep. Ralph Becker  
Rep. Judy Ann Buffmire

Rep. Kevin S. Garn  
Rep. J. Brent Haymond  
Rep. David Ure

Staff

Brian Allred, Research Analyst  
Mark D. Andrews, Research Analyst  
Patricia Owen, Associate General Counsel  
Robert H. Rees, Associate General Counsel  
Beverlee LeCheminant, Secretary  
Wendy L. Bangerter, Secretary

Background

During the 1997 General Session, H.B. 313 created the Electrical Deregulation and Customer Choice Task Force which authorized a two-year study of electric industry restructuring and implemented an interim rate freeze on investor-owned utilities. The task force was charged with studying and reporting on whether to restructure the electric utility industry in Utah.

The electric power system is generally divided into three main parts: generation, transmission, and distribution. Proposals to deregulate are primarily limited to the generation system. Transmission and distribution of electricity will continue to be regulated by the state and federal government.

Most residents of the state are served by one of three main types of electric utilities: investor-owned utilities, municipal utilities, and rural electric cooperatives. Customers of electric service can generally be divided into three groups: residential, commercial, and industrial.

The federal government and many other states are considering restructuring the electric industry. Congress has considered but not passed federal legislation restructuring the industry. Several states, including California, Montana, and Nevada, have passed restructuring legislation. Other states, including Arizona, have adopted restructuring plans through state regulatory commissions.
Committee Action

The task force, comprised of five representatives and seven senators, met 14 times in 1997 and heard from many different interest groups including: consumer advocates; government entities; industrial customers; municipal power providers; an investor-owned utility; power marketers; and rural cooperatives. Primary issues studied included the following:

1) Do stranded costs exist and if so, should they be recovered? Stranded costs are costs, including a return on equity, that would be unrecovered under deregulation. These costs would have been incurred by utilities to serve their customers under regulation with the understanding that the costs would be recovered through regulated electric rates. Testimony regarding the amount and existence of these costs varied greatly.

2) Does market power exist and if so, should it be mitigated? Market power is the ability to: control barriers to entry into a market; raise price above normal competitive levels resulting in a higher than average rate of return; or restrict output below competitive levels for a sustained period of time.

3) What will be the impact of restructuring on those municipalities that currently provide electric service to their residents?

4) What will be the impact of restructuring on those organizations that have formed to provide electric service to customers in rural Utah?

Other critical issues discussed include: aggregation of buyers and sellers; universal service; obligations to serve and connect; taxation; customers protection and education; and safety and reliability.

The task force passed a motion to prepare a joint resolution that would recommend that the rate freeze created by 1997 General Session H.B. 313 be allowed to expire and that a full Public Service Commission rate hearing on PacifiCorp be allowed to proceed. The resolution would support electric industry restructuring in Utah and indicate that electric industry restructuring would be to the long-term benefit of the citizens of the state. The Electrical Deregulation and Customer Choice Task Force would be directed to establish a process for the adoption of a specific study plan for the 1998 interim and prepare legislation for a restructuring plan to be introduced in the 1999 General Session.

In November, both the Legislative Management Committee and the Public Utilities and Technology Interim Committee received and adopted the task force recommendations to be outlined in the joint resolution. The task force also reported to the Business, Labor, and Economic Development Interim Committee, but the committee took no formal action.
Other Studies

Taxation of Telecommunications

The Public Utilities and Technology Interim Committee in conjunction with the Information Technology Commission studied the taxation of telecommunications to determine if existing tariffs were appropriate given the number of new applications resulting from the development of computers and networks. After hearing testimony from the chair of a recently created national task force on this issue, the committee decided to await the task force's report before taking any action.
# RETIREMENT INTERIM COMMITTEE

## Membership

Sen. Robert F. Montgomery, Senate Chair  
Rep. Susan J. Koehn, House Chair

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Dee S Larsen, Associate General Counsel  
Nedra Duzett, Secretary

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Committee Overview

The Retirement Interim Committee was established to provide oversight of the Utah State Retirement Office and study and recommend action to the Legislature on retirement related issues. The committee uses a set of Pension System Principles, adopted in 1995, to evaluate proposals. The committee’s scope of review includes the Public Employees Contributory and Noncontributory Retirement Systems for both public and educational employees; the Public Safety Contributory and Noncontributory Retirement Systems; the Firefighters Retirement System; the Judges Noncontributory Retirement System; the Governors’ and Legislators’ Retirement System; and the Retirement Investment Trust Fund, which contains the pooled assets of the participating funds for investment purposes.

A seven member Utah Retirement Board provides general administrative direction to the Utah Retirement Office. The Board is required by law to report the rules governing the operation of the retirement office to the Retirement Interim Committee on an annual basis.
New 401(k) Investment Options

Background

Rules of the Utah Retirement Systems (URS) add three new investment options to the four original plans. These changes in the 401(k) and 457 plans take effect on January 5, 1998.

The three new investment options include the Large Cap Stock Growth Fund, managed by Value Line Inc. This fund invests aggressively in promising industries whose stocks often exhibit more volatility than the average stock. Over a long period, this fund has the potential to outperform the Standard and Poor’s 500 Index. The second new fund is the Small Cap Stock Fund, managed by Dimensional Fund Advisors, which invests in small company stocks that have greater return and risk potential than a large cap U.S. fund. The third new option is the Bond Fund, managed by the Utah Retirement Systems which invests in a broadly diversified portfolio of high quality bonds. Major investments are in U.S. Treasury, U.S. Federal agency, and corporate bonds. The Bond Fund reflects changes in interest rates.

Some of the original investment options also have changes. The Fidelity Puritan Fund will become the Balanced Fund. The Balanced Fund, managed by both Fidelity and Dodge and Cox, will continue to invest in a diversified portfolio of well established stocks and high quality corporate and mortgage related bonds. The S&P Stock Index Fund will become the Large Cap Stock Index Fund. It will be managed by the Utah Retirement Systems and invest primarily in the 500 stocks of the Standard & Poor’s Index. The Templeton Fund will be replaced by the International Fund and will be managed by Capital Guardian Trust. This fund seeks long term capital appreciation by investing in stocks and bonds of companies outside the United States, including developing nations. The Long, Medium, and Short Horizon strategies will become funds, and, like a mutual fund, the new Horizon Funds will automatically rebalance assets each quarter to keep them in line with the original asset allocation. These funds will be managed by the URS Defined Contribution Department. The Income Fund will remain the Income Fund. It is managed by American Express and is comprised of various income producing assets. Major investments are held in U.S. Treasury, U.S. Federal Agency, and corporate bonds, and in short-term funds.

Committee Action

At its November meeting, the committee praised the Retirement Office for the updated investment options.
Utah Retirement Office Budget Review

Background

The Retirement Interim Committee provides an annual legislative review and comment on the budget of the Utah Retirement Office. The Utah Retirement Office’s annual budget does not go through the appropriations committee process because the Utah Legislature granted independent status to the Utah Retirement Office and Utah Retirement Board to reduce the fiduciary liability of the Legislature for operational and investment decisions of the Board.

The total annual budget of the Utah Retirement Office is approximately $43 million including the Group Insurance programs. The performance of the Utah Retirement Systems, in a national ranking of 98 funds with assets over $1,000,000,000, has slipped from the high position of 23rd in FY 1992 to 40th in FY 1997. Notwithstanding this change, the Utah Retirement Systems ranking is still above average for these 98 public funds.

When investment advisor fees are factored out, the FY 1999 budget of the Retirement Office is 5.4 percent higher than FY 1997 and .4 percent higher than FY 1998. The administrative cost per member in the Group Insurance programs has remained relatively flat despite increases in printing, vehicle rental, and building lease costs. The FY 1999 budget is actually .27 percent lower than it was in FY 1998.

Committee Action

The committee reviewed the budget at the November meeting.
REVENUE AND TAXATION
INTERIM COMMITTEE

Membership

Sen. Howard C. Nielson, Senate Chair
Rep. Raymond W. Short, House Chair
Sen. Leonard M. Blackham
Sen. Mike Dmitrich
Sen. E. George Mantes
Sen. L. Steven Poulton
Sen. Howard A. Stephenson
Rep. Judy A. Buffmire
Rep. Greg J. Curtis
Rep. Kevin S. Garn
Rep. David M. Jones
Rep. Patricia B. Larson
Rep. Loraine Pace
Rep. Jack A. Seitz
Rep. A. Lamont Tyler
Rep. John L. Valentine
Rep. Richard L. Walsh

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Bryant R. Howe, Research Analyst
O. William Asplund, Assistant Director
Rebecca L. Rockwell, Associate General Counsel
L. Kaye Clark, Secretary

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Committee Overview

Over the years, the Revenue and Taxation Interim Committee has been charged with studying a wide range of policy questions and potential legislation affecting the structure and administration of Utah's tax system at state and local levels. These studies have ranged from establishing new policy to reviewing the implementation of and court challenges to existing policy.

In addition to its regular policymaking emphasis, the committee has made a special effort this year to focus on its revenue responsibility. Each month the committee has received detailed updates from the State Tax Commission on the collection of taxes and other revenues.

Since 1984, the committee has received significant input from an independent study group, the Tax Review Commission. 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.
Income Tax Credits

Background

Utah provides 22 different tax credits under its individual income and corporate franchise and income tax systems. While tax credits help the Legislature accomplish certain public policy goals, some argue that they also complicate the tax system and that the tax system should not be used to promote non-tax goals. Others argue that tax expenditures are more efficient than direct expenditures and allow the Legislature to provide economic incentives or promote certain behavior.

Committee Action

The committee reviewed each individual income and corporate franchise and income tax credit. The committee reviewed information on when the credit was enacted, its purpose and function, the dollar amount of credits claimed, and the number of filers claiming each credit. The committee also received testimony from organizations interested in income tax credits. The committee considered these items at its May, July, and August meetings.

Individual Income Tax Reform

Background

Congress recently passed the Taxpayer Relief Act of 1997. This law makes several changes to the federal income tax system including: (1) adding a child credit; (2) adding education credits, deductions, and other programs to help taxpayers defray the cost of education; (3) expanding individual retirement account tax benefits; (4) increasing amounts excluded from the estate tax; (5) lowering tax rates on capital gains; (6) exempting profits of up to $500,000 for joint filers who sell a home; and (7) increasing the deduction for health insurance of self-employed persons.

The committee considered whether and how to change Utah’s individual income tax system to respond to these changes. The Utah Legislature has considered, but not adopted, several changes to the individual income tax system including adjusting tax brackets to compensate for the effects of inflation, changing the amount of federal income taxes deductible from state income taxes, and adjusting tax rates.

Committee Action

The committee considered draft legislation making several changes to the individual income tax system. These changes included adjusting brackets to compensate for effects of inflation since 1973 and adding a new seventh bracket, allowing for a Utah individual income taxpayer to claim 100 percent
rather than 75 percent of the federal personal exemption, eliminating the requirement that state income
tax deducted from federal taxable income be included back on the Utah individual income tax form,
allowing a Utah taxpayer to deduct 100 percent rather than 50 percent of federal income taxes paid, and
eliminating the phase-out requirements for retirement income for taxpayers over 65 years of age. The
committee addressed this issue at its June, October, and November meetings.

Locally Assessed Property Tax Reform

Background

The Utah Constitution provides that “All tangible property in the state, not exempt under the
laws of the United States, or under this Constitution, shall be taxed at a uniform and equal rate in
proportion to its value, to be ascertained as provided by law.” It is the duty of each county assessor to
ascertain the value of each assessed property within the assessor’s jurisdiction. In determining value,
the assessor is guided by a variety of state laws and Utah State Tax Commission regulations. In
response to public dissatisfaction with recent property tax increases resulting from several years of
rapid real estate inflation, the Legislature has enacted a variety of laws governing the appraisal,
assessment quality, property tax exemptions, and certified rate calculations. In 1994, the Legislature
formed a Property Tax Task Force.

Committee Action

The committee considered a variety of legislation aimed at changing the process by which
county assessors value property and the methods by which local taxing entities assess the property tax.
The committee also considered legislation providing property tax abatements to low income persons.
The committee addressed this issue at its May, June, July, October, and November meetings.

Research and Experimentation Tax Credit

Background

Utah is home to several telecommunication, information technology, biotechnology, and
software development firms. To encourage more research to be conducted in Utah by these industries,
the Legislature is being asked to consider creating a special research tax credit. The Legislature was
told that it is appropriate to invest in this tax credit while the economy is strong to fuel growth and
reduce the impact on state revenues.
Many in Utah perceive that there is little or no high-tech research being conducted here. Some companies spend up to 17 percent of their revenues on research. In 1996, 35 states offer some type of incentive for research activity. Proponents of a research and experimentation tax credit believe there is great competition for research dollars, and Utah should be getting a larger share. Because research is costly and a higher risk with a long term investment, tax credits would encourage businesses to conduct more research in Utah if such a tax credit were available.

Committee Action

The committee received a recommendation that Utah base its research and experimentation tax credit on similar legislation in California. Under the proposed legislation, a credit would not be claimed by a company until 1999, and there would be no revenue impact until the year 2000. The lost revenue due to this credit would be about $2.5 million, but there are other factors that need consideration, including the multiplier effect. The committee listened to arguments in favor of the incentives and the expected positive results from this tax credit. The credit would be available only if research is done in Utah.

The committee also reviewed reports conducted by the General Accounting Office which found that studies provided mixed evidence on the amount of spending stimulated by the federal research credit per dollar of revenue cost. That study concluded that there is “much uncertainty concerning the true responsiveness of research spending to tax incentives.” The committee addressed this issue at its May and November meetings.

Valuing of Intangible Assets for Property Tax Purposes

Background

Under the Utah Constitution, “intangible property may be exempted from taxation as property or it may be taxed as property in such manner and to such extent as the Legislature may provide, but if taxed as property the income therefrom shall not also be taxed.” Under this constitutional framework, the Utah Legislature has provided a statutory exemption for intangible property. At various times in the state’s history, the Legislature has had a specific percentage exemption for intangibles, but this discount for intangible values lapsed to zero percent in 1994.
In April, 1997, the Utah State Tax Commission issued a ruling with regard to the valuing of intangible assets for property tax purposes. This ruling involved a company named WilTel, a centrally assessed telecommunications company. In the Commission’s decision, the Commission concluded that Utah law prohibits the taxation of intangible property and that the value of intangibles must be separated and removed from the calculation of taxable value. The Tax Commission listed 13 categories of intangible property.

Committee Action

The committee received testimony on the effects of the “WilTel” decision. While there are some intangible assets such as cash, credits, inventory, bonds, stocks, representative property, franchises, copyright, and patents against which the property tax may not be levied, the Tax Commission still struggles to make determinations of taxability for certain other intangible assets. Options to address the problem considered by the committee were: (1) do nothing; (2) amend the definition of intangibles; (3) give the Tax Commission a specific list of intangibles; (4) exempt centrally assessed property from the income tax; (5) impose a new tax on centrally assessed taxpayers; (6) increase the residential exemption; or (7) create a new class of property. The committee considered this issue at its May, June, July, and November meetings.
TRANSPORTATION INTERIM COMMITTEE

Membership

Sen. John P. Holmgren, Senate Chair
Rep. Marda Dillree, House Chair


Staff

Benjamin N. Christensen, Research Analyst
Dee S. Larsen, Associate General Counsel
Junie G. Anderson, Secretary

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Committee 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 the Utah Department of Transportation (UDOT), the Driver License Division of the Department of Public Safety, and the Motor Vehicle and Motor Vehicle Enforcement Divisions of the Tax Commission. In addition, the committee hears periodic reports by the Utah Transit Authority relating to mass transit issues.

UDOT provides transportation-related services in the form of construction and maintenance of state highways. The department also regulates motor carriers for safety, size, and weight compliance. Article XIII, Section 13, of the Utah Constitution requires that the proceeds of any tax or fee related to the operation of a motor vehicle on a highway, excluding collection costs, be used for highway purposes. Highway user-related taxes and fees are deposited in the Transportation Fund, which funds most of the state’s highways. Motor fuel and special fuel tax make up approximately 78 percent of the revenue of the Transportation Fund. A maximum of $10.6 million may be appropriated from the fund to other agencies for tax collection costs and law enforcement (see Section 63-49-19). Of the amount remaining, 25 percent is appropriated to counties and municipalities for their roads, using a formula based on weighted road mileage and population (see Sections 27-12-127 and 27-12-129, Utah Code Annotated 1953). The other 75 percent is appropriated to UDOT for state highway construction and maintenance.

The Centennial Highway Trust Fund, created in 1996, consists of appropriations made by the Legislature, a portion of the motor vehicle registration fees, and, beginning in 2000, a 1/64 percent tax rate of the sales and use tax. This fund must be used for costs of construction, major reconstruction, or major renovation to state and federal highways (see Section 63-49-22, Utah Code Annotated 1953). The fund is used for the I-15 reconstruction in Salt Lake County and other previously unfunded highway projects throughout the state.

According to Title 41, Chapter 1a, Motor Vehicle Act, registration and licensing of motor vehicles is provided by the Motor Vehicle Division of the Tax Commission. This function is split within the Tax Commission between Customer Service and Processing Divisions. The Motor Vehicle Enforcement Division of the Tax Commission regulates motor vehicle dealers and enforces stolen vehicle statutes.

The Utah Transit Authority (UTA) provides public mass transit services within local political subdivisions that comprise 70 to 80 percent of the population of the state. The UTA is a special district formed by municipalities and counties through a vote of the people authorizing a 1/4 cent sales tax dedicated to the district.
Collection of Motor Vehicle Fees

Background

H.B. 386, “County Collection of Uniform and Motor Vehicle Fees,” did not pass during the 1997 General Session. The bill would have limited how often a county may elect to change whether the state or the county collects motor vehicle fees. The amount of reimbursement fees to the entity that does the collection has not been adjusted in recent years. Some counties have returned, or threatened to return, the function back to the state if reimbursement fees are not increased.

Committee Action

The committee appointed a working group to look at the issue of cost responsibility for the collection of motor vehicle fees between the state and the counties. The working group reported its findings and recommended adoption of draft legislation. The committee recommended as a committee bill, draft legislation titled, “Collection of Uniform Motor Vehicle Fees Amendment.” The committee considered this issue at its May and October meetings.

I-15 Reconstruction and Highway Funding

Background

During the 1997 General Session, the Legislature passed legislation to increase the motor fuel and special fuel tax rate by 5 ½ cents, bringing the total tax to 24 ½ cents per gallon. This was done to address the unfunded highway projects throughout the state. The half cent increase was actually redirected from an environmental surcharge that was repealed because it was ruled unconstitutional last year by the Utah Supreme Court. The Legislature also increased vehicle registration fees by $10 and other registration fee rates by 10 percent. A net total of $78 million was appropriated from the General Fund to the Centennial Highway Trust Fund for fiscal year 1997-98. The Legislature also authorized the issuance of up to $600 million in general obligation bonds, up to $350 million of which may be issued during fiscal years 1997-98 and 1998-99. In addition, up to $260 million in bond anticipation notes were authorized.

On October 1, 1996, the final requests for proposals were issued to demolish, design, and rebuild I-15 in Salt Lake County from 600 North to 10800 South. The best and final offers were due on March 7, 1997. On March 26, 1997, Wasatch Constructors was awarded the bid for the project. The notice to proceed with the design/build project was issued on April 15, 1997. Bid enhancements for the job are $230 million more than last year’s projected $1.36 billion, bringing the total project cost to $1.59 billion. Wasatch Constructors' proposal calls for the project to be completed in July 2001, three
months ahead of the deadline -- with the mainline traffic and all interchanges open May 2001, five months ahead of schedule. The freeway south of 5300 South will be completed by October 1, 2000.

The project is fully underway with almost all of the freeway ramp closures, traffic lane restrictions, and traffic lane switches completed that are planned through the winter of 1997-98. Several freeway structures have been demolished. Alternating sides of the freeway have been torn up corresponding to traffic lane switches and freeway ramps that remain open, and large mounds of excavation are visible throughout the project.

More dollars than anticipated will be needed to pay the contractor in the early portion of the project. Current cash flow projections show the need for an additional $200 million for the project in fiscal year 1998-99 and another $100 million in fiscal year 1999-2000. These additional amounts will be needed to meet ongoing design and construction payments that current revenue sources cannot meet. Under current statutes, no more bonds can be issued until July 1, 1999. As of August 1997, $340 million in general obligation bonds and $260 million in bond anticipation notes had been issued by the state. Current financial projections indicate that by December 1998, funding will not be available to pay the contractor under current revenue sources.

Federal participation in the I-15 project and other projects throughout the state remains uncertain. The Legislature's highway funding package anticipates federal assistance of approximately $450 million over the next ten years to fund current state highway projects.

Committee Action

The committee heard several reports on the reconstruction of I-15 and highway funding, including: the $230 million bid enhancements; traffic management; construction schedules; federal funding; cash flow needs; project design changes; public information programs; the Statewide Transportation Improvement Program; and the Highway Maintenance Program. The committee took no action on these issues. The committee considered these issues at its April, June, August, and November meetings.

Uninsured Motorist Vehicle Identification Database Program

Background

H.B. 33, “Uninsured Motorist Identification Database,” which passed during the 1994 General Session, provided for the establishment of a program to track compliance with motor vehicle insurance requirements. The program included a repeal date of July 1, 1996. The committee conducted a sunset review of the program during the 1995 interim and endorsed legislation to extend it to July 1, 1998, to allow more time for a sufficient test of the program. During that review, insurance company representatives requested an independent audit of Insure-Rite, the designated agent of the program, to
Transportation Interim Committee

verify the validity of their data and reports. Their concern appeared to be whether Insure-Rite's data were reliable. The Legislature passed the bill that extended the program for two more years, during the 1996 General Session.

An audit was started in late 1996, but due to concerns about whether Insure-Rite information could legally be released to the auditors, the audit was delayed. During the 1997 General Session, S.B. 161, “Motor Vehicle Compliance with Insurance, Registration, and Sales Tax Requirements,” was passed by the Legislature. The bill specifically allowed the database information to be used for audits by the state auditor or the legislative auditor general, and to enforce laws related to motor vehicle registration and sales taxes.

The legislative auditor general conducted an audit of the program and released it in September 1997. In tests conducted by the auditors, Insure-Rite achieved a 96 percent level of accuracy at correctly matching vehicle registrations with insurance company records and a 98 percent level of accuracy at identifying vehicles without insurance. The audit could not confirm or deny a decrease in the uninsured motorist rate, in part, because baseline data was not kept by Insure-Rite. The audit also recommended that the Legislature consider incorporating stricter enforcement measures or review whether the cost of the program is justified.

Committee Action

The committee heard the findings of the audit by the legislative auditor general and voted to extend the program for an additional four years, to require annual reporting of the uninsured motorist rate, and to work on potential legislation to enhance enforcement measures associated with the program. The bill was presented to the committee at the next meeting to extend the program and require an annual report on the uninsured motorist rate. A motion to recommend the legislation failed. The committee recommended two measures related to stricter enforcement of uninsured motorist offenses titled, “Enforcement and Penalties of Uninsured Motor Vehicle Violations” and “Penalties for not Having Motor Vehicle Insurance.” The committee also voted to combine the two bills into one, titled, “Enforcement and Penalties of Uninsured Motor Vehicle Violations.” The committee considered this issue at its October and November meetings.
Other Studies

Highway Access and Safety Management

Safe, efficient, and effective use of highways is increasingly important. “Access management” is the attempt to balance the need for access to land uses with the need to preserve the flow of traffic on the highway system in terms of safety, capacity, and speed. The committee heard testimony from UDOT and the Wasatch Front Regional Council on how the state is attempting to implement the principles of access management and on its importance for efficient and effective function of the highway system. Members of the committee suggested that UDOT and local governments pursue ways to improve coordination and access management on a regional basis. The committee considered this issue at its May meeting.

Highway Jurisdictional Transfers and Financing

S.C.R. 6, “Highway Transfer Process Resolution,” which passed during the 1996 General Session, urges the Utah Department of Transportation to consult with local governments and work out a process for the transfer of appropriate highways between state and local jurisdictions. The department held meetings with local officials on this issue and reported to the Political Subdivisions Interim Committee this year. What funding should accompany the transfers remains the most significant issue. The committee requested Legislative Management Committee approval to hear the issue and received a progress report from UDOT explaining the need for additional study and negotiations. The Legislative Management Committee gave approval for the committee only to hear the issue. A representative of UDOT reported that the process is ongoing and they need additional time to reach consensus on the transfers, timing, and finances. They also said the department has no intention to transfer a road to a local entity without their agreement. The committee heard this issue at its November meeting.

Major Investment Studies

Major transportation studies are currently underway on a variety of projects within the state. The major investment study process was implemented by federal requirements as a way to examine a broad range of alternatives and to assist in preparing draft environmental impact statements. The committee received a briefing on the major investment studies underway at its July meeting. The studies included:

- Legacy Highway
  - Western Transportation Corridor/West Davis Highway - Major Investment Study/Environmental Impact Statement
  - 5600 West - Draft Environmental Impact Statement and Jordan Narrows Area - Major Investment Study
Motor Vehicle Window Tinting

S.B. 14, “Window Tinting for Motor Vehicles,” which passed during the 1994 General Session, established minimum light transmittance standards for motor vehicle windows. A window that meets federal standards at the time of manufacture is considered to meet the state’s standard if it is not altered after manufacture. The Administrative Rules Committee referred a Department of Public Safety rule to the committee because it determined that the rule allows window tinting beyond the amount allowed by statute. The rule permitted darker tinting to be added to multi-purpose vehicles after manufacture to the same level that a manufacturer could allow. The committee recommended legislation titled, “Window Tinting Amendments.” The committee considered this issue at its August meeting.

State Highway Designations

Under Section 27-12-27, Utah Code Annotated 1953, UDOT annually submits to the Legislature a list of highways that the Transportation Commission recommends be added to, or deleted from, the state highway system. All recommendations must be based on minimum qualifying standards established by the commission. According to established procedure, the proposed changes are reviewed by the committee before being submitted to the Legislature. The changes include a renumbering of SR-300 through Snow Canyon with a .3 mile extension to form SR-8, and a .21 mile extension to the West on SR-131 (400 North in Bountiful) in order to include a highway structure. The net increase to the state highway system is .51 miles. The committee recommended legislation titled, “Master Road - State Highway List,” at its November meeting.

Statewide Airport Improvement Program

An increasing demand for airport planning, development, and maintenance projects and a decline in federal dollars have resulted in a greater financial burden on state and local government to address airport infrastructure needs. There are 51 public airports in the state. Federal funding for 34 of these airports is available under the National Plan of Integrated Airport Systems (NPIAS) for development projects only, selected by priority. Operation and maintenance of airports must come from state or local sources. The remaining 17 airports are not eligible for federal funding under the NPIAS. All funding for these airports must come from state or local sources. The state currently imposes a four-cent per gallon aviation fuel tax. Revenue is deposited in the Aeronautics Restricted Account to be used for construction, operation, and maintenance of publicly-used airports.
Seventy-five percent of the revenue is distributed to the airport that collected the tax and 25 percent to the Aeronautics Division for the state airport program and for aid to local airports. Typically, the state aid to local airports is used for maintenance of runways, taxiways, and aprons in the form of crack sealing, slurry sealing, and overlays. The four-cent per gallon tax rate for aviation fuel has not changed since it was enacted in 1931, when the motor fuel tax was the same rate. The committee heard a report from the Aeronautics Division explaining the need for additional resources to maintain the airports throughout the state. The committee heard this issue at its July meeting.

**Toll Road Issues – Legacy West Davis Highway**

H.B. 266, “Utah Department of Transportation Authority to Construct Toll Roads and Lanes,” which passed during the 1997 General Session, allowed UDOT to establish and operate tollways on state highways with the approval of the Transportation Commission and the Legislature. UDOT presented an update on a toll study for the Legacy West Davis Highway. The study showed: 1) traffic projections (40,000 vehicles/day in 2001) show a need for the highway; 2) a good physical layout for tolling in terms of length of road and limited access points; 3) a high level of support for an I-15 alternative; 4) improvements to I-15 hurt toll road viability in the short term but in the long term are needed; and 5) motorists will generally use I-15 except in peak periods. The final study should be completed shortly. The projected schedule for the Legacy West Davis Highway is:

- January 1998 – draft environmental impact statement completed
- Fall 1998 – federal record of decision
- Late Fall 1998 – construction notice to proceed
- Summer/Fall 2001 – projected completion

Members of the committee expressed opposition to making the Legacy West Davis Highway a toll road. The committee heard the report at its October meeting.

**Transportation Code Recodification**

The committee expressed support for a recodification of the highway code (Title 27) and other sections related to the Department of Transportation and asked the committee staff to begin the process, work with UDOT, and report progress on a periodic basis. A draft bill recodifying the code sections into a new Title 72, Transportation, was distributed at a meeting to committee members and others who requested a copy. A four-week public review and comment period was held with no negative comments received. The committee recommended legislation titled, “Transportation Code Recodification.” The committee considered this issue at its June, October, and November meetings.
UTAH TOMORROW STRATEGIC PLANNING COMMITTEE

Membership

Sen. LeRay L. McAllister, Senate Chair
Rep. Afton B. Bradshaw, House Chair

Sen. Joseph L. Hull  Mr. Brad Barber  Mayor Tom Dolan
Sen. Craig L. Taylor  Mr. Daniel Becker  Mr. Gene Moser*
Rep. Beverly A. Evans  Mr. Kim Burningham*  Dr. Dianne Nielson
Rep. Daniel H. Tuttle  Mr. Gary Carlston  Mr. Kent Peterson

*Non-Voting Member

Staff

John Q. Cannon, Research Analyst
James L. Wilson, Associate General Counsel
Wendy L. Bangerter, Secretary
Committee Overview

The Utah Tomorrow Strategic Planning Committee, established by the Legislature in 1990, develops 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 then focused the broad goals of the vision statement into specific, measurable objectives. The first draft of these goals was created by ten task forces whose total participation included more than 350 Utahns.

From 1992-1996, the Utah Tomorrow Strategic Planning Committee continued to refine the vision statement, goals, and performance measures in a cooperative effort with state agencies and departments. Beginning in 1993, these goals have annually been presented to the Legislature for their adoption. 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. A particular emphasis was made, working together with the Governor’s Office of Planning and Budget, to coordinate the planning activities of the executive branch with the committee.

During the 1997 interim, the Utah Tomorrow Strategic Planning Committee continued to emphasize performance measurement and data collection in cooperation with the Governor’s Office of Planning and Budget. State agencies and other organizations had the opportunity to propose changes to the goals, objectives, and performance measures. Executive departments and local governments play a key role in the implementation of statewide strategic goals -- their involvement is critical to its success. The refined goals, objectives, and performance measures will be found in the committee’s annual report to be published early in 1998.

The committee plans to have the various sections of the Utah Tomorrow report reviewed by the relevant standing committees during the 1998 General Session of the Legislature. With feedback from the various standing committees, the Utah Tomorrow Strategic Planning Committee will meet to assimilate input and publish the next version of the annual report.
WORKFORCE SERVICES INTERIM COMMITTEE

Membership

Sen. Robert F. Montgomery, Senate Chair
Rep. Orville D. Carnahan, House Chair


Staff

Arthur L. Hunsaker, Research Analyst
R. Chet Loftis, Associate General Counsel
Barbara A. Teuscher, Secretary

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Committee Overview

To simplify and make the welfare and workforce-related programs of the state more efficient, the Legislature created the Department of Workforce Services by enacting H.B. 375, "Department of Workforce Services," in the 1996 General Session, and S.B. 166, "Workforce Services and Labor Commission Implementation and Amendments," in the 1997 General Session.

The two bills consolidated the following 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 State Office of Education. The new department, officially in operation as of July 1, 1997, also includes the following divisions: Labor, Safety, and Program Regulation; Adjudication; and Employment Development. The department also includes Regional Workforce Service Areas designed to provide services in geographic areas throughout the state.
Quality Child Care

Background

The need of working parents, regardless of whether they receive public assistance, to access quality child care was addressed by members of the committee. Discussion points included:

- recent studies which draw a strong correlation between the basic brain development of children from infancy to three years and the nature of and need for audio and visual stimuli
- the need for adequate stimuli to be provided for children in child care centers weighed against concerns with requiring specific child care center education programs
- the need for parents to access adequate information about a child care center to determine whether it is appropriate for their child
- the challenge of providing safe, affordable child care in the face of low wages within the industry
- in the case of public assistance clients, reconciling the conflict inherent in requiring clients to work for public assistance with the need for a parent to be in the home to take primary responsibility for the care of the child

Committee Action

Child care issues were discussed in the committee's June, October, and November meetings. Draft legislation, "Child Care Program Disclosure," requiring child care centers to disclose to interested parents whether they offer education programs, was amended in the November 24 meeting, but no final action was taken.

Workforce Services Implementation

Background

The committee focused much attention on the implementation process followed by the newly formed Department of Workforce Services. Presentations were made throughout the interim by various agencies within the department in an effort to acquaint committee members with their functions and to provide a glimpse into how they operate within the department's larger, strategic approach. Some of the presentations included:
• overview of the origin and structure of the department, as well as a briefing on internal restructuring leading to the assignment of the deputy director as director of the Division of Employment Development
• the functions and programs of the Division of Employment Development and the Office of Child Care
• the role of applied technology education in providing public assistance clients and others with the opportunity to be trained or retrained in skills the current labor market demands
• the role of employment centers in providing more efficient public assistance and employment services closer to the public, followed by a committee site visit to the Metro Employment Center
• efforts to place public assistance clients in jobs paying enough to remove the need for assistance

Committee Action

Throughout the interim, the committee received reports from the department on the progress of implementation and expressed continued interest in each phase of the department's development.
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