

OFFICE OF
LEGISLATIVE
RESEARCH AND
GENERAL
COUNSEL

Utah State Legislature

**1999
GENERAL SESSION
PREVIEW**

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A Report to the 53rd Legislature
on 1998 Legislative Interim Studies
Report No.20

Utah State Legislature

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**Prepared by the
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Representative John L. Valentine

INTRODUCTION

Introduction

The *General Session Preview* is a summary of interim activity prepared each year by the Office of Legislative Research and General Counsel. The yellow pages contain legislation recommended by the committees for the upcoming legislative session. In this publication, the summaries are categorized by committee. More information on these 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 125 of this publication. Legislative committee histories are available in the office Information Center; minutes of committee meetings are available on the Internet (www.le.state.ut.us).

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. 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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LEGISLATION
INTERIM COMMITTEE RECOMMENDATIONS

SUMMARY OF RECOMMENDED LEGISLATION

Administrative Rules Review Committee

Reauthorization of Administrative Rules, H.B. 193 - Reauthorizes all administrative rules of state agencies except for those specifically enumerated in the legislation.

Business, Labor, and Economic Development Interim Committee

Electric Restructuring Study, S.B. 15 - reauthorizes the Electrical Deregulation and Customer Choice Task Force for two additional years of study.

Impact Fee Arbitration, S.B. 65 - allows parties to request arbitration when an impact fee is challenged.

Occupational and Professional Licensure Review Committee, S.B. 71 - creates a legislative committee to review applications from groups seeking licensure and consider the need for licensure of the occupation or profession.

Education Interim Committee

Center for the School of the Future, H.B. 7 - establishes a “best practices” research center at Utah State University known as the Center for the School of the Future. The bill requires the center to coordinate and collaborate with the State Board of Education and other education stakeholders to identify and implement innovative practices in the state's public education system.

Computers for Public Schools Amendments, S.B. 70 - authorizes the Utah Correctional Industries to build new computers. The bill requires the refurbishing program to become self-supporting, and phases out the appropriation provided in the 1998 bill for the second and third years of the program. The right of school districts to purchase refurbished computers for \$100 per unit is amended to require each computer to be sold at a cost reflective of expenses incurred in the refurbishing process.

Education Capital Outlay Foundation Amendments, H.B. 183 - requires the State Board of Education to adopt a rule allowing school districts levying less than a .0024 tax rate to receive proportional funding under the foundation program based upon the percentage of the .0024 tax rate levied by the district.

Educator Professional Development Requirements, H.B. 6 - provides that a teaching certificate continues to be valid if the educator verifies that he has participated in professional development activities in accordance with rules adopted by the State Board of Education.

School Activities Report, H.B. 174, - requires the State Superintendent of Public Instruction to prepare a report to the legislature and governor using statewide totals of class time missed by secondary school students and total miles traveled. The bill also requires school districts to prepare and disseminate activity disclosure statements.

Textbooks in Public Schools, H.B. 172 - provides that textbooks will be provided free of charge to students in Utah's public schools. Beginning July 1 of the 1999-2000 school year, each district will receive \$50 for each student in grades seven through 12 to eliminate textbook fees in secondary schools.

Government Operations Interim Committee

GRAMA – Voter Registration Form Amendments, H.B. 178 - clarifies which voter registration information is public, which is protected, and how fees for access to this information are to be set.

Judicial Debt Collection Amendments, H.B. 11 - clarifies interest on judgments; transfers responsibility for collection of most judicial debts to the Office of State Debt Collection; clarifies procedures for collection when a defendant fails to pay a judicial debt; and modifies the process for registering judicial debts.

Political Party Amendments, H.B. 179 - requires county political parties to certify that the state political party's constitution and bylaws govern its organization and procedures or file a copy of its own constitution and bylaws. The bill also requires that political party bylaws include a process for resolving grievances against the political party and that advance written notice of proposed changes to bylaws be given to candidates and delegates.

Health and Human Services Interim Committee

Child Care Commission Resolution, S.J.R. 1 - urges the governor to create a child care commission composed of business leaders. The commission would be responsible for leading an effort to improve child care within the state.

Child Care Provider Criminal Background Check Amendments, S.B. 74 - requires a national criminal background check (FBI) as part of the child care licensing application and renewal process.

Child Care Task Force Reauthorization, H.B. 180 - reauthorizes the Legislative Child Care Task Force for an additional year.

Credit for Contributions to Child Care, S.B. 73 - provides a corporate tax credit equal to 25% of the value of a donation of real or tangible personal property to a child care provider.

Genetic Testing Privacy Act, H.B. 177 - establishes procedures for the acquisition and use of genetic information.

Long-term Care Amendments, S.B. 9 - allows an individual income tax deduction for the payment of long-term care insurance premiums.

Medicaid Choice Certificate, H.B. 190 - establishes a process for informing a potential nursing care facility applicant of the services available to the applicant through the state's Medicaid choice waiver, the Division of Aging and Adult Services, the local area agency on aging or high risk adults, and other agencies.

Information Technology Commission

Electronic Transmission of Tax Notice Information, S.B. 77 - authorizes the Utah Tax Commission to electronically send certain tax notices to county assessors.

Financial Identity Fraud, S.B. 75 - prohibits the unlawful use of personal data for financial gain, authorizes felony level charges for violations, and empowers the Division of Consumer Protection to investigate.

Information Technology Restructuring, H.B. 170 - requires the Division of Information Technology to send a semi-annual report to the chief information officer, authorizes the chief information officer to review and approve or disapprove the division's strategic plans and budgets, and codifies the Rate Committee.

Year 2000 Government Immunity, H.B. 189 - provides governmental immunity for state and local governments in regard to Year 2000 problems.

Judiciary Interim Committee

Court Interviews of Children, H.B. 5 - explicitly authorizes the court to conduct *in camera* or private interviews with children provided the parties grant consent.

Identification Number Fraud, H.B. 187 - makes it a felony to use someone else's driver license number, social security number, insurance, bank, or financial institution account numbers, personal identification codes, or digital signatures with intent to defraud or deceive. If the identification number is used and the value of the fraud is or exceeds \$5,000, the penalty is a second degree felony; otherwise, the penalty is a third degree felony.

Law Enforcement and Criminal Justice Interim Committee

Department of Corrections Compensation Adjustment, H.B. 23 - appropriates \$10,000,000 for fiscal year 1999-2000 to the Department of Corrections to be used toward achieving parity of salaries for state correctional officers and requires the governor to include funding to be applied to state correctional officers' salary parity in his budgets for fiscal years 2000-2001 and 2001-2002.

Legislative Process Committee

Legislative Compensation Amendments - provides for the salary recommendations of the Legislative Compensation Commission to take effect automatically unless affirmative action is taken by the legislature to reduce or reject them.

Notification of Concurrences - provides that notice of a pending concurrence vote will be placed on the calendar after the communication from the other house is read. Motions to concur in amendments from the other house will be delayed until the next legislative day, except during the final two days of the session.

Native American Legislative Liaison Committee

Native American Remains and Historic Artifacts, H.B. 192 - amends the crime of abuse or desecration of a dead human body to clarify its application to ancient human remains and increases penalties for antiquities crimes.

Utah Division of Indian Affairs Amendments, H.B. 191 - amends the responsibilities of the Utah Division of Indian Affairs, including division meetings with tribal leaders and Indian groups, and the functions, powers, and duties of the division.

Natural Resources, Agriculture, and Environment Interim Committee

Registration Requirements for Falconry, H.B. 175 - requires a resident to possess a certificate of registration to engage in the sport of falconry and sets fees for the certificate of registration.

Reauthorization of State Water Development Commission, H.B. 188 - reauthorizes the State Water Development Commission and expands its duties.

Wildlife License Fee, H.B. 182 - specifies eligibility requirements for free fishing licenses.

Political Subdivisions Interim Committee

Annexation of Agriculture Protection Areas, H.B. 169 - requires the consent of the owners of all property within an agriculture protection area for an annexation petition of that area or for withdrawal of the area from the agriculture protection area after annexation.

City Forms of Government, H.B. 168 - provides that a change in a municipality's class does not affect its form of government.

County Officers Amendments, H.B. 184 - repeals language relating to the effect of an officer's absence from the county, district, precinct, or prosecution district; and establishes certain behavior as malfeasance in office.

Duties of County Assessor and Treasurer, H.B. 185 - reassigns the duty of collecting property taxes from the county assessor to the county treasurer.

Inspections of Public School Buildings, S.B. 67 - provides that a county or municipality may provide for the inspection of school construction if a school district is unable to provide its own qualified inspector.

Private Property Ombudsman Amendment, H.B. 186 - provides for the tolling of the time to file a petition for court review upon the filing of a request for arbitration with the private property ombudsman; and provides for a stay of an eminent domain action.

School Board Oversight of School Inspections, S.B. 68 - provides for the development and distribution of a school building construction and inspection resource manual by the state board of education; authorizes an annual school construction conference; and requires the board to develop a process for the verification of school building inspections by qualified inspectors.

Special District Board Training, S.B. 78 - encourages newly elected or appointed board or governing body members to complete training; authorizes the state auditor to develop training curriculum and to provide training; and authorizes per diem compensation of board or governing body members who complete training.

Public Utilities and Technology Interim Committee

Public Service Commission Reporting, H.B. 13 - requires the Public Service Commission to report to various governmental entities on the state of the telecommunications industry in Utah.

Revenue and Taxation Interim Committee

Certified Tax Rate Notice Amendments, H.B. 181 - requires additional information and deletes certain information to be contained in an advertisement regarding a proposed property tax increase.

Income Tax Credit for Sales and Use Tax Paid on Food, H.B. 176 - provides for a refundable Individual Income Tax Credit of \$20 for each personal exemption claimed by the taxpayer to assist in offsetting the cost of paying sales and use taxes levied on food.

Long-Term Care Amendments, S.B. 9 - creates an Individual Income Tax deduction for long-term care insurance premiums and allows the use of medical savings accounts for long-term care insurance.

Manufacturing Sales and Use Tax Exemption, S.B. 69 - modifies the manufacturing exemption to retain a 100% exemption for normal operating replacements and eliminates a reduction to 80% scheduled to take effect on July 1, 1999.

Research Tax Credits Modifications, S.B. 8 - modifies the Individual Income Tax and Corporate Income Tax credits for research activities conducted in the state to allow certain taxpayers an irrevocable election to be treated as a start up company for purposes of calculating the base amount, and provides that a taxpayer must use the machinery or equipment for at least 12 months in qualified research for the credit to be claimed.

Sales Tax Exemption for Pollution Control Facilities, S.B. 76 - extends the time period for which a taxpayer may claim a sales and use tax exemption for certain sales or uses relating to a pollution control facility.

State Income Tax-Elimination of Marriage Tax Penalties, H.B. 173 - modifies the adjusted gross income amounts at which the retirement income deduction and personal retirement exemption are reduced.

Transportation Interim Committee

Seat Belt Law Amendments, S.B. 6 - requires all vehicle occupants to wear a seat belt or appropriate child restraint device instead of only the front seat occupants and children ten years of age and under. The seat belt law is changed from secondary to primary enforcement. Drivers are required to ensure that all passengers under age 16 are wearing seat belts or appropriate child restraint devices. The fine for a violation is increased to up to \$75. The Driver License Division is required to assess points against the driver for a violation.

State Traffic and Pedestrian Safety Coordinating Council, H.B. 171 - creates a state council to gather and exchange information and make recommendations to highway authorities, law enforcement, and school districts on traffic and pedestrian safety issues. The Department of Transportation is required to provide staff support for the council and consider traffic and pedestrian safety accommodation for all transportation facilities under its jurisdiction.

Statewide Highway Criteria, S.B. 66 - establishes statutory criteria for state highways. The bill requires that highways transferred to local government between general sessions of the legislature be agreed upon by the highway authorities involved. The Transportation Commission rulemaking authority for establishing qualifying standards for state highways is repealed. The Department of Transportation is required to define a functional classification for roadways.

Workforce Services Interim Committee

Child Care Commission Resolution, S.J.R. 1 - urges the governor to create a child care commission composed of business leaders, which would be responsible for leading an effort to improve child care within the state.

Child Care Provider Criminal Background Check Amendments, S.B. 74 - requires a national criminal background check by the FBI as part of the child care licensing application and renewal process.

Child Care Task Force Reauthorization, H.B. 180 - reauthorizes the Legislative Child Care Task Force for an additional year.

Child Literacy Programs, H.B. 8 - creates a program to train teachers, families, and child care providers how to teach reading skills to children.

Credit for Contributions to Child Care, S.B. 73 - provides a corporate tax credit equal to 25% of the value of a donation of real or tangible personal property to a child care provider.

Public Assistance Eligibility, S.B. 10 - exempts one-passenger vehicles and personal property that may be used for income-producing activities from eligibility determination.

COMMITTEE STUDIES

ADMINISTRATIVE RULES REVIEW COMMITTEE

Membership

Sen. Howard A. Stephenson, Senate Chair
Rep. Martin R. Stephens, House Chair

Sen. David L. Buhler
Sen. Mike Dmitrich
Sen. Craig A. Peterson

Sen. Robert C. Steiner
Rep. John B. Arrington
Rep. James R. Gowans

Rep. John E. Swallow
Rep. David Ure

Staff

Arthur L. Hunsaker, Research Analyst
Esther D. Chelsea-McCarty, Associate General Counsel
Barbara A. Teuscher, Legislative 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, requires 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 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. 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 draft bill in its December meeting.

BUSINESS, LABOR, AND ECONOMIC DEVELOPMENT INTERIM COMMITTEE

Membership

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

Sen. David L. Buhler	Rep. Patrice M. Arent	Rep. Bradley T. Johnson
Sen. Eddie “Ed” P. Mayne	Rep. Steve Barth	Rep. Brad King
Sen. Michael G. Waddoups	Rep. Afton B. Bradshaw	Rep. Loraine T. Pace
Sen. Blaze D. Wharton	Rep. Katherine M. Bryson	Rep. Glenn L. Way
Rep. Gerry A. Adair	Rep. Don E. Bush	Rep. David L. Zolman, Sr.
Rep. Eli H. Anderson	Rep. Wayne A. Harper	

Staff

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

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Committee Overview

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

The committee has legislative responsibility for 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 the Labor Commission. Issues addressed by the committee in recent years include quasi-governmental entities, statewide business recruiting, consumer credit, 2002 Olympic Winter Games preparation, regulation of business entities, financial institutions, alcoholic beverage regulation, insurance regulation, collection agencies, workers' compensation, anti-discrimination, consumer protection, professional licensing, real estate, travel and tourism, and employee rehabilitation.

Financial Institutions

Background

Utah's Third District Court recently granted summary judgment to Utah banks, ruling that current statutory language defining a "limited field of membership" be interpreted to mean that a credit union that defines its field of membership by geographic area must limit its membership to residents of one county rather than multiple counties. Similar litigation on the federal level dealing with qualifications for membership in federal credit unions has led to congressional action.

Committee Action

The committee examined several issues relating to financial institutions including the state's dual banking system, the Year 2000 computer problem, consumer protection involving depository institutions offering insurance, consumer credit issues including interest rates, the need for education and enforcement for financial services, and ongoing litigation between banks and credit unions. The committee studied these issues during its July and November meetings. Potential legislation may address education and enforcement for financial services.

Quasi-governmental Entities

Background

Among the quasi-governmental entities currently operating in Utah are the Dairy Commission, Utah Technology Finance Corporation, Heber Valley Railroad Authority, Utah Science Center Authority, Utah Housing Finance Agency, Utah State Fair Corporation, Workers' Compensation Fund of Utah, Utah State Retirement Office, School and Institutional Trust Lands Administration, and Utah Communications Agency Network. These quasi-governmental agencies vary in many aspects including purpose and exemptions from oversight statutes.

In its June meeting, the committee approved a motion to study issues of the state's liability, exemptions from state oversight acts, and privatization as they relate to quasi-governmental entities.

Committee Action

The committee studied quasi-governmental entities in its June, August, and October meetings, with a focus on the Utah Technology Finance Corporation (UTFC). The committee reviewed a legislative audit concerning UTFC and heard an update of a UTFC study prepared by a task force

created by the Department of Community and Economic Development. Potential legislation may address the nature of UTFC.

The committee also studied the Utah Science Center Authority, another quasi-governmental entity, and reviewed its plans to transfer its operations to Utah State University.

Occupational and Professional Licensure Sunrise Task Force

Membership

Sen. L. Alma “Al” Mansell, Co-chair
Rep. David L. Gladwell, Co-chair

Sen. Mike Dmitrich
Sen. Michael Waddoups
Rep. Trisha Beck

Rep. Gary Cox
Rep. Richard Walsh
Rep. David L. Zolman

Mr. Douglas Borba
Mr. Randy Boudrero
Mr. Wayne Samuelson

Staff

Mary Catherine Perry, Research Analyst
Mr. Keith M. Woodwell, Associate General Counsel
Beverlee LeCheminant, Legislative Secretary

Background

During the 1998 General Session, S.B. 42 created the Occupational and Professional Licensure Sunrise Task Force to examine the need for a review procedure prior to passage of legislation regulating a profession or occupation and make recommendations as needed.

Currently there is limited opportunity for legislative study prior to passing or reauthorizing regulatory legislation.

Committee Action

The task force recommended legislation titled, “Occupational and Professional Licensure Review Committee” that would:

- 1) create a legislative committee to review applications from groups seeking licensure and consider the need for licensure of the occupation or profession;
- 2) allow the committee to assess, at the request of other legislative committees, the need for reauthorization of occupations or professions already licensed or regulated by the state;
- 3) establish a list of statutory criteria that would be used to measure the need for licensure of the

occupation or profession; and

4) require the committee to report its findings and recommendations to appropriate interim or standing committees.

The task force studied this issue in its July, August, and September meetings.

The task force reported to the Legislative Management Committee and the Business, Labor, and Economic Development Interim Committee. The Business, Labor, and Economic Development Interim Committee adopted “Occupational and Professional Licensure Review Committee” as a committee bill.

Other Studies

Economic Development

A number of issues relating to economic development and growth have been raised by the committee. For example, the Department of Community and Economic Development (DCED) recently announced its plan to merge the Economic Development Corporation of Utah (a nonprofit independent organization) with DCED’s business recruiting division to create the Utah Business Development Partnership. The committee discussed issues relating to this merger at its October and November meetings.

Issues relating to residential development and housing have also been examined. Potential legislation may address landlords’ rights when unlawful activities occur on their premises. The committee also reviewed impact fees for both single family dwellings as well as apartment buildings. The committee approved legislation titled “Impact Fee Arbitration,” which allows parties to request arbitration when an impact fee is challenged.

Electrical Deregulation

The Electrical Deregulation and Customer Choice Task Force reported to the committee in its November meeting. The committee approved legislation titled “Electric Restructuring Study,” which reauthorizes the task force for two additional years of study.

Olympic Winter Games of 2002

The committee heard a report in its August meeting from the Governor's Office of Planning and Budget on the economic, demographic, and fiscal impact of the 2002 Olympic Winter Games. The State Olympic Officer also reported on the estimated state fiscal impact of the Olympics. Representatives from the Salt Lake Organizing Committee for the 2002 Olympic Winter Games (SLOC) reported to the committee on SLOC's current and future needs for employees and volunteers, budgeting process, public affairs efforts, media housing options, and aspects of potential ticketing policy.

EDUCATION INTERIM COMMITTEE

Membership

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

Sen. Lyle W. Hillyard	Rep. Sheryl L. Allen	Rep. Patricia B. Larson
Sen. Scott N. Howell	Rep. Ron Bigelow	Rep. Evan L. Olsen
Sen. Joseph L. Hull	Rep. Duane Bourdeaux	Rep. Tammy J. Rowan
Sen. Howard C. Nielson	Rep. Judy Ann Buffmire	Rep. Richard M. Siddoway
Sen. Howard A. Stephenson	Rep. David L. Hogue	Rep. A. Lamont Tyler
Sen. Blaze Wharton	Rep. M. K. Johnson	Rep. Bill Wright
	Rep. Susan J. Koehn	

Staff

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Committee Overview

The Education Interim Committee is a focal point for educational policy discussions during the legislative interim period. Committee meetings provide an opportunity for the Utah education community to participate in the development of legislative proposals that affect public and higher education. Members of the educational community – consisting of professional and citizen organizations, administrators, boards, teachers, and parents – closely follow the progress of educational issues heard in the committee's monthly meetings and assist in the comprehensive development of topics under review.

During the 1998 interim, the committee heard and resolved a variety of educational issues including concerns with school related tax questions, professional development, extracurricular activities, innovative practices in public education, refurbished computer acquisition, and free textbooks. In addition to study and review of these specific topics, the committee provides an oversight function for educational effectiveness and serves as a sounding board for program accountability.

Best Practices in Public Education

Background

"Best practices" in education is a process that continually improves upon itself by building on clearly effective educational practices and rejecting those which are not. The interim committee concurred that "best educational practices" in the classroom should be implemented within the Utah public education system. Committee members agreed that a public education/higher education partnership to identify, develop, and expedite best practices would be an effective way to combine the talents of both education systems to achieve the objectives of a "best practices" system.

Committee Action

The Education Interim Committee endorsed legislation titled "Center for the School of the Future." The committee discussed establishing a "best practices" center for research at Utah State University. A center could conduct in-depth research on educational best practices and, in conjunction with the Utah State Board of Education through its State Office of Education, implement innovative educational practices in Utah classrooms statewide. A center currently exists within the Department of Education at USU and has engaged other colleges and universities, local school districts, teachers, and parents in identifying problems and defining programs that are "best practice" concepts. This issue was considered at the committee's October and November meetings.

Computers for Utah Schools

Background

In 1998, the legislature enacted a pilot program to acquire and refurbish donated computers for public schools. This pilot program legislation was enacted in Utah during the 1998 General Session after an extensive review of a computer refurbishing program in California.

The 1998 legislation encouraged businesses, governmental agencies, and individuals to donate their outdated computers to a program administered by Utah Correctional Industries (UCI). Donated computers are repaired, refurbished, and upgraded by state correctional inmates to public education specifications. Every program participant benefits -- businesses, agencies and individuals make a meaningful contribution to public schools and receive a tax credit, public schools acquire needed computer hardware, and correctional inmates learn job skills they can use upon their release.

Committee Action

The committee endorsed legislation titled "Computers for Public Schools Amendments." It authorizes Utah Correctional Industries to assemble new computers, if that process proves to be economically feasible. The committee felt the refurbishing program could become self-supporting, and, if it does, the appropriation in the 1998 bill will be phased out. To reflect the expenses incurred in the refurbishing process, the computers will be distributed to public schools at the refurbishing cost. This issue was considered at the committee's September and November meetings.

Educator Professional Development

Background

A statutory provision dealing with ongoing professional development in Utah teacher recertification was repealed more than a decade ago because it did not meaningfully advance educator professionalism. Before its repeal, it was a generally accepted perception that teachers enrolled in college and in service courses to accumulate recertification credit hours. The committee emphasized that greater educational excellence can be achieved when teachers and administrators engage in course work that motivates them toward authentic professionalism and enthusiasm for lifelong learning.

A task force from the State Office of Education and the Utah Education Association prepared an eleven-point guideline as the basis for a new recertification plan. This guideline requires all educators to enhance their teaching skills by participating in meaningful professional development training.

Committee Action

The Education Interim Committee endorsed legislation titled "Educator Professional Development Requirements." To keep a teaching certificate valid, an educator must verify he has participated in professional development activities in accordance with rules adopted by the State Board of Education. This issue was considered at the committee's July, August, October, and November meetings.

School Activities in Utah Secondary Schools

Background

For many years, school administrators, parents, and teachers have been concerned with the instructional time lost by secondary school students participating in extracurricular activities. In 1995, the State Office of Education requested Utah public secondary schools to report the time their students spent in extracurricular activities.

Collecting this data was complicated by uncertainty among school districts over which extracurricular activities should be reported. To facilitate this task, the state office implemented procedures to control collection ambiguity and remove data inconsistencies. In the 1998 General Session, legislation was enacted that required the State Superintendent of Public Instruction to prepare a report, at least every three years, on class time missed by secondary students participating in extracurricular activities.

A task force from the State Office of Education and the High School Activities Association reviewed the 1998 law and concluded that its data collection requirements were too cumbersome and collection costs excessive. It recommended that information collected be limited to extracurricular events, which take students from school during class time. The task force felt activities scheduled in the evenings or on Saturdays should not be included in the report. Finally, it proposed that schools provide students and parents with a disclosure statement informing them that certain extracurricular activities require student involvement outside the normal school day.

Committee Action

The Education Interim Committee recommended legislation titled, "School Activities Report." In this legislation, the State Superintendent of Public Instruction is required to prepare a report to the legislature and governor on statewide totals of class time missed by students and total miles traveled, rather than reporting detailed statistics required under current law. Districts are required to prepare activity disclosure statements revealing the time needed to participate in a specific extracurricular activity. This issue was heard by the committee in its August, October, and November meetings.

School Textbook Fees

Background

Fees for textbooks and other educational services in state-supported secondary schools are a financial burden to some Utah families. Low and middle-income families are often unable to pay the required costs for many public secondary school programs, and, when qualified families waive the fee

assessed for school activities or services, schools absorb those costs.

Since access to textbooks is a critical part of providing educational services, some committee members felt that requiring students to pay for the use of textbooks infringes upon the state's responsibility to provide free public education. Since textbook fees range from \$0 to \$50 within Utah's 40 local school districts, the legislature would need to appropriate approximately \$11 million to eliminate these existing fees.

Committee Action

After receiving suggestions from a task force for schools fees composed of administrators from several local districts and State Office of Education personnel, the interim committee recommended legislation titled, "School Textbook Fees Amendment" to eliminate textbook fees in secondary schools. This issue was considered at the committee's May, June, August, and October meetings.

Other Studies

Capital Outlay Foundation

Capital outlay foundation funds provide revenue to school districts for capital outlay bonding, construction, and renovation. This program was established to promote greater equity in capital outlay and debt service. Currently, local school boards must levy a tax rate of .0024 per dollar of taxable value for capital outlay and debt service to qualify for capital outlay foundation funding. However, if a district levies less, it does not qualify for state support under the foundation program.

The Education Interim Committee adopted legislation titled, "Education Capital Outlay Foundation Amendments" which empowers the State Board of Education to adopt a rule allowing school districts to levy less than the full .0024 tax rate to receive proportional funding under the foundation program based upon the percentage of the .0024 tax rate levied by the district. This issue was considered by the committee at its October and November meetings.

Early Childhood Literacy

Utah Reads is a comprehensive literacy program promoting early childhood reading and literacy intervention through adulthood for non-readers. Researchers in literacy programs contend that literacy problems among children are not due to poor teaching skills but changes in American culture. Statistically, most students in the United States are better readers than students anywhere in the world. Consequently, literacy problems in American public schools are reflective of higher academic standards and expectations, plus a large number of disadvantaged children attending school.

The committee supported a positive literacy environment in early childhood and early correction of any problems that may occur. This issue was heard at the committee's August and

November meetings.

Middle Level Education

The governor's Task Force on Middle Level Education reviewed complex issues in middle school education. Its study included school safety, developmentally appropriate instruction, curriculum, parental involvement, class size, transition from elementary school to middle school and to high school, instructional technology, communications, teacher preparation, and ongoing professional teacher development. The task force recommended further class size reduction in grades seven and eight. This issue was heard by the committee at its April and November meetings.

GOVERNMENT OPERATIONS INTERIM COMMITTEE

Membership

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

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

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Angela D. Kelley, Legislative 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, and administrative services. The committee considers policy questions with statewide implications, receives testimony from concerned groups and state agencies, and makes recommendations to the legislature. 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. While not all of the issues mentioned above were directly studied during the 1998 interim, many of these issues are still expected to be debated, and legislation impacting these areas will probably be introduced during the 1999 General Session.

The committee has legislative responsibility for several departments and agencies of state government, including: Governor, Lieutenant Governor, Attorney General, Utah State Auditor, Utah State Treasurer, Governor's Office of Planning and Budget, Department of Administrative Services, and the Department of Human Resource Management. The committee also has primary responsibility over the following titles of the Utah Code: Title 20A, Election Code; Title 36, Legislature; Title 63, State Affairs in General; Title 63A, Administrative Services; and Title 67, State Officers and Employees.

Access to Voter Registration Information

Background

Current law requires the Lt. Governor's Office to create a statewide database of registered voters. The database is complete for all 29 counties. In addition, each county has a database containing information about that county's registered voters. There has been a lack of consistency about access to the information contained in these databases. Questions include: what information should be made public? who should be allowed to purchase this information? and how much should be charged for the information? Draft legislation was brought to the committee for discussion. The legislation included potential changes to GRAMA (the Government Records and Access Management Act).

Committee Action

The committee approved "GRAMA -- Voter Registration Form Amendments" as a committee bill. The legislation clarifies which information is public, which is protected, and how fees for access to this information are to be set. The committee discussed this issue at its May, June, and July meetings.

Judicial Debt Collection

Background

The collection of accounts receivable owed to the state of Utah is somewhat fragmented. Although the Office of State Debt Collection is charged with this general responsibility, there are specific types of accounts receivable which have raised concerns. One type of accounts receivable that has been of concern to the legislature is court-ordered debt such as fines, fees, forfeitures, surcharges, and restitution. Committee discussions focused on clarifying the responsibility for collecting this type of accounts receivable.

Committee Action

The committee considered this item at its June, July, and October meetings. The committee approved "Judicial Debt Collection Amendments" as a committee bill. This legislation clarifies interest on judgments, transfers responsibility for collection of most judicial debts to the Office of State

Debt Collection, clarifies procedures for collection when a defendant fails to pay a judicial debt, and modifies the process for registering judicial debts.

Political Party Issues

Background

Because of United States Supreme Court decisions, states are limited in their regulation of political parties. Current Utah law provides only broad guidelines concerning the operations and bylaws of political parties. The issues of county parties conforming to state party bylaws, grievance procedures within political parties, and advance notice of proposed amendments to party bylaws were brought to the attention of the committee.

Committee Action

The committee considered this issue at its May, June, and July meetings and recommended legislation titled "Political Party Amendments." The legislation requires county political parties to certify that the state political party's constitution and bylaws govern its organization and procedures or file a copy of its own constitution and bylaws. It also requires that political party bylaws include a process for resolving grievances against the political party, and that advance written notice of proposed changes to bylaws be given to candidates and delegates.

Other Studies

Office of State Debt Collection

During the 1998 General Session, legislation was proposed to change the statutory powers and responsibilities of the Office of State Debt Collection. This legislation was held, pending further study. During the 1998 interim, committee staff examined the proposed legislation and analyzed policy issues for the committee. The committee had expected to devote considerable time to this issue, particularly during the latter part of the interim, but, because of disagreement among executive branch agencies, the chairs withdrew this item from consideration.

Sunset Review of Judicial Nominating Commissions

The committee reviewed the history, composition, and procedures of Judicial Nominating Commissions. Sections of the Utah code relating to these commissions are scheduled for sunset on July 1, 1999. The committee discussed this item at its May meeting and took no formal action. The Judiciary Interim Committee also reviewed this issue and recommended the extension of the sunset date.

Voting Equipment and Mechanisms

Utah currently does not require that voting equipment used in Utah elections meet any affirmative standards. Many states require that voting equipment be certified by groups such as the National Association of State Elections Directors, who have formed an Independent Testing Authority which sets certain standards for accuracy and reliability that election equipment must meet. The committee discussed the possibility of requiring certified voting equipment and saw demonstrations of different types of voting equipment. The committee considered this issue at its May and July meetings but did not recommend legislation.

Western Regional Primary

The committee discussed the concept of a western regional primary. Historically, the West, particularly the mountain states, have had limited influence in selecting presidential candidates. A western regional primary is intended to attract more candidate and media attention to western issues and give the western region a significantly increased voice in presidential nominations. The committee considered this item at its May meeting but did not recommend legislation.

HEALTH AND HUMAN SERVICES INTERIM COMMITTEE

Membership

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

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

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Mr. R. Chet Loftis, Associate General Counsel
Ms. L. Kaye Clark, Legislative Secretary

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Committee Overview

The Health and Human Services Interim Committee studies issues that affect a significant portion of the services provided by state and local government. Many of the policies it reviews or recommends are implemented as described below.

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 also has 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. Policies for each division within the department are set by independent boards within the statutory framework established by the legislature.

In addition to issues relating to the Department of Health and the Department of Human Services, the committee considers policies administered by other agencies of government, including health insurance, occupational licensing, adoption, abortion, criminal sexual offenses, and family law.

Genetic Testing Privacy Act

Background

During the 1998 General Session, the legislature considered but did not pass H.B. 271, "Genetic Testing Privacy Act." The bill attempted to address growing concerns over the potential misuse of personal genetic information by employers, insurers, and researchers.

Committee Action

The committee received extensive testimony on the need for and appropriate use of genetic information by employers, insurers, and others. H.B. 271 was significantly amended to address issues raised by health insurers, life insurers, genetic counselors, medical researchers, and others. The committee considered this issue at its April, May, June, July, August, and October meetings and recommended legislation titled "Genetic Testing Privacy Act."

Local Mental Health Authority Reform

Background

During the 1998 General Session, the legislature considered but did not pass H.B. 352, "Mental Health Authority and Administration Reform." The bill was a response to the Legislative Audit of the Davis Mental Health and Alcohol & Drug Center. The audit reported "a number of deficiencies with the administrative operations of [the center]...that [were] a direct result of poor financial controls and insufficient oversight."

Committee Action

The committee conducted an extensive review of H.B. 352 that included review and input from local mental health authorities (county legislative bodies) and private mental health providers. The bill was modified in numerous ways in an attempt to address concerns raised by these groups while preserving the core intent to strengthen state and local accountability for and oversight of public funds used for the delivery of mental health services. The bill was also amended to apply to local substance abuse authorities. The committee considered this issue at its July, August, and October meetings but did not recommend legislation.

Other Studies

Admission to Nursing Facilities

The committee considered a proposal that would establish a process for informing a potential nursing care facility applicant of the services available to the applicant through the state's Medicaid choice waiver, the Division of Aging and Adult Services, the local area agency on aging or high risk adults, and other agencies. The committee considered this issue at the November meeting and recommended legislation titled "Medicaid Choice Certificate."

"Date Rape" Drugs

In recent years, Congress and a number of state legislatures have responded to the emergence of so-called "date rape" drugs. After considering the prevalence of use of these drugs in Utah and various potential responses, the committee drafted a bill that would enhance the penalty for the commission of a sexual offense in the case where a substance that impairs the victim is administered without the victim's knowledge. The Utah Sentencing Commission and the Statewide Association of Public Attorneys opposed the bill which applies a minimum mandatory provision to the existing penalties associated with offenses of this type. The committee considered this issue at its July, August, and October meetings but did not recommend legislation.

Health Insurance Reform

Since 1994, the legislature has enacted numerous pieces of legislation designed to reform health care by improving access, containing cost, and enhancing quality. The committee reviewed the impact of this legislation on the individual and small group insurance markets and requested the Utah Health Policy Commission and the Insurance Department to report back on the issue. Neither the commission or department recommended any changes. The committee considered this issue at its April and May meetings but did not recommend legislation.

Legislative Child Care Task Force

As required by statute, the Legislative Child Care Task Force presented a report of its work during the 1998 interim. Recommendations of the task force are included under the Department of Workforce Services Interim Committee. The committee considered this issue at its November meeting and recommended legislation titled "Child Care Provider Criminal Background Check Amendments," "Credit for Contributions to Child Care," "Child Care Commission Resolution," and "Child Care Task Force Reauthorization."

Portability of Human Services Funding

As required by H.B. 372 (1998), the Department of Health and the Department of Human Services presented reports on 1) the portability of funding for people with disabilities wishing to move from an intermediate care facility for the mentally retarded to a home and community based setting, and vice-versa, and 2) the portability of funding for other persons wishing to move from services funded through one department to services funded by the other. During the next few months, the departments will be preparing additional information quantifying the number of persons with disabilities interested in moving from one service setting to another. The committee considered this issue at its June, October, and November meetings but did not recommend legislation.

Tobacco Litigation

The committee reviewed the historic settlement agreement entered into in 1997 by Utah and 40 other states with the tobacco industry. The committee sent letters to Congress 1) urging adoption of federal legislation to implement the agreement, 2) opposing efforts to use a portion of the settlement monies to reimburse the federal government for Medicaid expenditures, and 3) opposing efforts to restrict use of the monies by states. Following the failure by Congress to implement the agreement, the states and tobacco industry entered into a second agreement in November that would be implemented without federal legislation. As a result, Utah will receive approximately \$836 million from tobacco companies over the next 25 years. The 1998 Children's Health Insurance Program (CHIP) legislation requires that these monies be deposited in the Hospital Provider Assessment Account used to fund CHIP. The committee considered this issue at its April and November meetings but did not recommend legislation.

Utah Health Policy Commission Report

The Utah Health Policy Commission recommended adoption of legislation to allow an individual income tax deduction for the payment of long-term care insurance premiums. The committee considered this issue at its November meeting and recommended legislation titled "Long-term Care Amendments."

INFORMATION TECHNOLOGY COMMISSION

Membership

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

Sen. Scott N. Howell
Sen. Robert F. Montgomery
Rep. Brent Goodfellow
Rep. Martin R. Stephens
Mr. Clifford L. Ames
Mr. Gerald R. Capps

Mr. Ronald L. Fox
Mr. Peter R. Genereaux
Ms. Nancy C W Gibbs
Mr. Robert W. Hood
Mr. Garth Howard
Ms. Eileen B. Longworth
Mr. Stephen F. Mecham

Mr. O. Leon Miller
Mr. David C. Moon
Mr. David A. Packer
Dr. Mike Petersen
Mr. Jerry P. Peterson
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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 which affect the public and private sectors in Utah. Because information technology is an area of dynamic change without precedence or existing practices to follow, the commission has often been a pioneer in exploring the issues and, in the case of digital signatures, creating model legislation for other states and countries to follow.

Commission membership provides representation from state and local governments, the private sector, and the business community. The public, private sector, and local government members may serve two four-year terms. The members represent the interests of information technology providers, suppliers, and users.

Digitally Signing Election Campaign Forms

Background

A digital signature is a means of signing documents in an electronic form that is encrypted. This process began with the advent of electronic transmission of all types of documents, some of which require a legally recognized signature. Utah, the first state with a digital signature law, authorizes the use of digital signatures for signing any document which would otherwise require a handwritten signature.

Committee Action

The Information Technology Commission studied the issue of whether certain election campaign forms could be signed digitally by reviewing the existing statute and hearing testimony from Utah's Digital Signature Coordinator. The commission concluded that current law allows candidates to digitally sign election campaign forms. The commission considered this issue at its May, June, and July meetings but did not recommend legislation.

Electronic Transmission of Tax Notice Information

Background

The Utah Tax commission is currently authorized to send notices regarding proposed adjustments in a tax assessment to the county assessor by first class mail. With less costly and more efficient communication alternatives, such as electronic mail or private carriers, the Utah Tax Commission is requesting statutory authorization to use other means to communicate tax notice information to a county assessor.

Committee Action

The Information Technology Commission heard testimony from the Utah Tax Commission regarding lower costs and greater efficiencies in electronically transmitting tax notices and reviewed the existing law. The commission considered this issue at its October and November meetings and recommended legislation titled "Electronic Transmission of Tax Notice Information."

Information Technology Restructuring

Background

During the 1998 General Session, legislation was enacted requiring the state's chief information officer to review the state's existing information technology organizational structure, prepare a report describing the existing structure and propose changes, and report to the legislature's Information Technology Commission and the Public Utilities and Technology Interim Committee.

Committee Action

In the September 1998 meeting, the chief information officer (CIO) presented his report with recommendations to the commission. Those recommendations included an ongoing semiannual report, codification of the Rate Committee, and a requirement that the director of the Division of Information Technology Services provide the CIO with strategic plans and budgetary requests. The commission approved all three proposals. The commission considered these issues at its September and November meetings and recommended legislation titled "Information Technology Restructuring."

Privacy

Background

The Information Technology Commission began its study of privacy issues during the 1997 interim and, because of the number and complexity of related issues, it continued the study over the 1998 interim. The two issues reviewed in 1998 were access to medical records and theft of financial identity information. The concern involving medical records focused on patients' lack of statutory access to their own medical records without hiring an attorney; the financial identity information issue addressed theft of personal data for unlawful financial gain.

Committee Action

The Information Technology Commission heard testimony from those involved with medical records access but did not approve legislation. The commission discussed the issue of theft of financial identity and recommended legislation titled "Financial Identity Fraud."

The commission considered these issues at its July, August, and November meetings.

Year 2000

Background

The Year 2000 (Y2K) problem concerns the inability of certain computer hardware and software to correctly read the date change from 1999 to 2000. Most computers were programmed or wired to read only two time digits rather than the four necessary to correctly interpret a millennium year change.

The Information Technology Commission began its study of the Y2K issue in October 1996 with the question: how is the state preparing for the Year 2000 issue? The State Information Technology Coordinator's Office presented data concerning the extent of the problem and efforts to solve its effects. In 1997, the commission again asked for and received a report regarding the state's Year 2000 remediation efforts, which included a proposed Year 2000 Governmental Immunity Act.

In 1998, the Information Technology Commission began monthly reviews of major Y2K issues involving all three branches of government and the education community. The commission will continue its review during the 1999 interim.

Committee Action

The Information Technology Commission heard testimony from experts inside and outside government regarding the nature of the Y2K problem, how best to prepare and solve this issue, and the need for contingency plans in case of emergencies. The commission also discussed and adopted a Y2K governmental immunity proposal for state and local governments. The commission considered this issue at its April, May, June, July, August, September, October, and November meetings and recommended legislation titled "Year 2000 Governmental Immunity."

JUDICIAL RULES REVIEW COMMITTEE

Membership

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

Sen. L. Steven Poulton

Sen. Robert C. Steiner
Rep. Perry L. Buckner

Rep. Greg J. Curtis

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Susan Creager Allred, Associate General Counsel
Glenda S. Whitney, Legislative 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 comments on the proposed rules or amendments to rules in these six areas as well as the Rules of Judicial Administration, which are promulgated by the Judicial Council. The committee's primary focus is to identify whether these rules are substantive or procedural in nature and whether they conflict with statute.

1998 Activities

Background

The committee focused on the ongoing work of the Supreme Court's advisory committees of civil, criminal, appellate, and juvenile procedure, as well as professional and judicial conduct. Draft rules served as the source for committee discussion and action. The committee monitored all potential changes and offered recommendations to the courts on these rules.

Committee Action

The committee did not recommend legislation.

JUDICIARY INTERIM COMMITTEE

Membership

Sen. Craig L. Taylor, Senate Chair
Rep. A. Lamont Tyler, House Chair

Sen. Lane Beattie	Rep. John B. Arrington	Rep. Tammy J. Rowan
Sen. David L. Buhler	Rep. Loretta Baca	Rep. J. W. Hickman
Sen. Lyle W. Hillyard	Rep. Afton B. Bradshaw	Rep. Martin R. Stephens
Sen. Robert C. Steiner	Rep. Katherine M. Bryson	Rep. Swen C. Nielsen
Rep. Patrice M. Arent	Rep. Keele Johnson	Rep. Glenn L. Way

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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.

Court Interviews with Children

Background

Utah Code Ann. 30-3-10(1) provides: "In determining custody, the court shall consider the best interests of the child and the past conduct and demonstrated moral standards of each of the parties. The court may inquire of the children and take into consideration the children's desires regarding future custody, but the expressed desires are not controlling and the court may determine the children's custody otherwise." The statute allows the court to interview children, but it is silent with respect to whether a judge, when exercising this authority, must keep the information confidential or give notice to either counsel or the parties.

Committee Action

The study proposal originally sought to authorize judges to conduct confidential interviews with children in cases of custody and visitation without notice to the parents or counsel. The Judiciary Interim Committee decided that judges should have discretion to conduct confidential interviews with children but reasoned that notice to the parties should be required prior to the interview.

The committee noted that if judges use information obtained in a confidential interview to make legal decisions concerning a case, then neither party will have the ability to challenge the validity of that information before the judge or on appeal. It was debated whether a record of these interviews should be preserved through either a written summary of the interview or a video recording of the interview, both of which could be held confidential unless the case was appealed. The Administrative Office of the Courts requested that the court not be burdened with a procedure when conducting *in camera* or private interviews.

The Judiciary Interim Committee approved legislation titled "Court Interviews of Children," allowing the courts to conduct confidential interviews with children in these cases without preserving a record for appeal. These issues were discussed during the committee's May and August meetings.

Identification Number Fraud

Background

Social security numbers have become widely used by governments and businesses to identify individuals for a variety of purposes. Because the social security number has become so popular as an identifier, it is now easier than ever for the social security number to be used to obtain credit in the name of the person to whom the number has been issued and private information about the person to

whom the number has been issued. To complicate the issue, businesses, including large insurance companies and financial institutions, have become so dependent on the use of social security numbers as a means to identify individuals that, when people refuse to provide a social security number, some companies have refused services, placing the customer in a difficult position: either provide the number and increase one's risk for identity theft or refuse the number and risk being denied services.

Committee Action

The Judiciary Interim Committee discussed the possibility of allowing people to request a company to use a number other than a social security number for identification purposes. The committee was persuaded, however, that legitimate business practices such as obtaining credit reports, verifying credit histories, conducting background checks and the like require a universal identifier. In attempting to balance the interests of legitimate business practices and to protect people from identity theft, the committee decided to make it a felony to use someone else's driver license number, social security number, insurance, bank, or financial institution account numbers, personal identification codes, or digital signatures with intent to defraud or deceive. If the identification number is used and the value of the fraud is or exceeds \$5,000, the penalty is a second degree felony; otherwise, the penalty is a third degree felony.

The Judiciary Interim Committee considered these issues at its June, July, and November meetings. The committee endorsed "Identification Number Fraud" at its November meeting.

Judicial Conduct Commission

Background

On July 10, 1998, the Supreme Court issued its decision of In Re Young, 347 Utah Adv. Rep. 26 (1998), which held that legislators may not be appointed to or serve as members on the Utah Judicial Conduct Commission. The Judiciary Interim Committee took notice of the finding of unconstitutionality from that decision because it cast a cloud of uncertainty as to the membership of the Judicial Conduct Commission in meeting its constitutional charge to investigate complaints against any judge.

In October, the committee discussed how the In Re Young decision reopens significant separation of powers issues that were thought to have been settled through delicate compromises agreed to when the Judicial Article of the Utah Constitution was amended in 1985. It was noted that the legislature once held the power of address, which allowed the House and Senate to remove a judge for cause with a 2/3 vote in each house. The Judicial Conduct Commission was substituted for the power of address in the 1985 Judicial Article amendment. The Judiciary Interim Committee discussed that the only remaining legislative check on judicial discipline is its constitutional power of impeachment. Concerning that power, the committee noted that the Utah Constitution is silent on

whether the Legislature can exercise impeachment powers while not in a General Session. It also noted that the current impeachment process established primarily by legislative rule is much too cumbersome to be effective within a 45-day General Session.

Committee Action

The Judiciary Interim Committee recommended that, as the Legislature addresses the problems arising from the In Re Young decision in the upcoming session, the legislature should take a holistic approach toward a solution. The committee also realized that its scope of authority concerning these issues included some aspects of the impeachment process and the Judicial Conduct Commission's composition and procedures. The committee recommended that the impeachment process be clarified concerning when the legislature has authority to conduct an impeachment hearing and trial and that the process be streamlined to allow for impeachment within at least a 45-day period. The committee also decided that the larger separation of powers issues upon which the In Re Young decision was based need clarification before the committee could feel comfortable in recommending the composition of the Judicial Conduct Commission.

Juvenile Justice Task Force

Membership

Sen. Lyle W. Hillyard, Senate Chair
Rep. J. Brent Haymond, House Chair

Sen. Joseph L. Hull
Sen. Nathan C. Tanner
Sen. John B. Arrington
Rep. Steve Barth

Rep. Katherine Bryson
Rep. Blake D. Chard
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, Legislative Secretary

Background

In the 1998 General Session, the legislature extended the two-year task force for a third year to give additional time to study and present recommendations on the juvenile justice system's purpose, sentencing matrix guidelines, resource constraints and needs, operation of secure facilities, jurisdictional age of juveniles, intake and probation functions, juvenile sex offender treatment, and other issues the task force considered relevant.

The juvenile justice system was also the focus of an audit conducted by the Office of the Legislative Auditor General during the 1998 interim. However, the task force did not receive this report before its November meeting and was not able to make recommendations based on audit findings.

Committee Action

The principal issues studied by the task force during the 1998 interim were divided into four major areas: prevention, restorative justice and graduated sanctions, serious and violent offenders, and aftercare. In its final meeting in November, the task force outlined its accomplishments for the year, the remaining gaps in the system with specific action items assigned to the appropriate agency, and its recommendations for future priorities.

The task force recommended three pieces of legislation: "Youth Parole Authority

Amendments," "Compulsory Education Requirements," and "Competency Evaluations for Juveniles." The task force discussed these issues at its June, July, August, September, October, and November meetings. The Health and Human Services and the Law Enforcement and Criminal Justice Interim Committees received a written report from the task force but took no action. The Judiciary Interim Committee, upon receiving a presentation, took no action on the proposed legislation.

Other Studies

Judicial Nominating Procedures

Article VIII, Section 8, of the Utah Constitution requires the legislature to provide by statute for the nominating commission's composition and procedures. During the 1998 General Session, the legislature established voting procedures for the nominating commission. It was noted, however, that a sunset date required committee action to either repeal the date, extend the date, or allow the statute to be repealed. The committee decided at its May meeting to extend the sunset date until 2002.

Religious Freedom Restoration Act

At its May meeting, the Judiciary Interim Committee decided to study issues related to the Religious Freedom Restoration Act, but later in the year a Utah Supreme Court decision, Jeffs v. Stubbs, 351 Utah Adv. Rep. 3 seemed to resolve the issue.

Statute of Limitations

The Judiciary Interim Committee studied a request to amend the statutes of limitation and repose for improvements to real property. Current law requires that a cause of action be brought within a five-year period following the discovery of the act, error, omission, or breach of duty that forms the basis of the action. The committee prepared legislation requiring that a cause of action be brought within a two-year period of the date of completion of construction; however, the committee took no action on the legislation at the request of the sponsor who indicated that the bill would be heard during the 1999 General Session.

LAW ENFORCEMENT AND CRIMINAL JUSTICE INTERIM COMMITTEE

Membership

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

Sen. LeRay McAllister
Sen. Pete Suazo
Rep. Perry L. Buckner
Rep. Blake D. Chard

Rep. Gary F. Cox
Rep. David L. Gladwell
Rep. Neal B. Hendrickson
Rep. David L. Hogue

Rep. Susan J. Koehn
Rep. Carl R. Saunders
Rep. John E. Swallow

Staff

Chyleen A. Arbon, Research Analyst
Susan Creager Allred, Associate General Counsel
Wendy Bangerter, Legislative 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, 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 Department of Public Safety, Department of Corrections, Utah Board of Pardons and Parole, Commission on Criminal and Juvenile Justice, Utah Sentencing Commission, and Utah Substance Abuse and Anti-Violence Coordinating Council.

With the public's recent attention on crime in Utah, the committee's focus has been on increasing the efficiency and effectiveness of law enforcement agencies, the use of correctional and judicial resources, and crime prevention.

Corrections Compensation

Background

The committee reviewed the issue of compensation for state correctional officers. The following information was highlighted during the committee's discussions: the disparity between county correctional officers' salaries and the salaries paid to state correctional officers as shown by the Department of Human Resource Management; the dangerous and demanding nature of correctional officers' employment; and the impact these aspects of employment have on the quality of life for them and their families. The urgency of this issue is exacerbated by the anticipated opening of two new county jails, which is expected to entice more state correctional officers to apply for higher paying jobs at these facilities.

Committee Action

The committee sent a letter to the governor requesting that he address in his proposed budget the disparity in correctional officers' salaries for the Department of Corrections, and legislation was prepared to appropriate funds to help rectify this disparity. The committee considered this issue at its August and November meetings and endorsed legislation titled "Department of Corrections Compensation Adjustment."

Jail Contracting and Jail Reimbursement

Background

The jail reimbursement program was initially created in the 1982 General Session through H.B. 32 which gave the state authority to reimburse counties for housing convicted felons sentenced to a county jail for a specified period of time as a condition of probation. It was determined that the Department of Corrections would administer the program. In 1989, H.B. 60 abolished the jail reimbursement program, but it was re-established in 1993 through H.B. 162.

Through jail contracting, a convicted felon is sentenced to the Department of Corrections, which then contracts with a county jail to house the inmate. The application of two different processes for housing convicted felons in jail often results in competition for funding from the legislature.

Committee Action

After the committee discussed jail contracting and jail reimbursement, legislation was prepared to require convicted felons to be sentenced to the Department of Corrections when their sentence is for probation which includes serving time in a county jail. This procedure would allow funding for these jail sentences to be handled by the Department of Corrections through the process of jail contracting, rather than by the current jail reimbursement program.

The committee expressed support for the concept of the legislation titled "Sentencing of Convicted Felons" but took no formal action on the bill. The committee considered this issue at its June and November meetings.

Prison Privatization

Background

In the 1998 General Session, the Executive Appropriations Committee recommended that the Department of Corrections begin the process of contracting with a private company to establish a private 500-bed facility for male inmates. In response to this recommendation, the legislature appropriated just under \$2 million to begin this project. The Department of Corrections is finalizing a Request for Proposals for a private correctional facility in Utah.

Committee Action

The committee received information about the private prison industry and various issues and concerns related to establishing a private prison in Utah. In earlier studies conducted on private prisons, there were weaknesses in measuring differences between state and privately run prisons, which resulted in mixed conclusions. There is, however, a trend indicating that private facilities can be less expensive to operate without compromising the conditions of confinement or the safety of correctional officers. Because of the complex nature of contracting with a private company to operate a prison, legislation may be required to oversee the contracting process. The committee heard testimony from individuals representing a variety of interests, including: legislators, the Department of Corrections, the Commission on Criminal and Juvenile Justice, Utah Citizens Education Project, Citizens for Penal Reform, the American Civil Liberties Union, several private prison corporations, Utah Public Employees Association, American Federation of State, County, and Municipal Employees, local government officials, and citizens. The committee considered this issue at its July and November meetings but did not take formal action.

Other Studies

Community Crime Prevention

The committee heard testimony regarding the Commission on Criminal and Juvenile Justice and how it provides effective tools to improve the efficiency of the criminal justice system. The Utah's Promise program was highlighted as a comprehensive tool to prevent crime. Local law enforcement agencies reported on the various crime prevention programs they provide, which are focused on establishing a statewide electronic system to share information and educating youth about crime preventing behavior and activities. The committee also heard testimony from administrators and participants of the Salt Lake City Day Reporting Center, the 3rd District Drug Court, and the drug treatment program Con-Quest located at the Draper prison site. All presenters spoke of the ability of these programs to successfully and efficiently rehabilitate offenders, resulting in lower recidivism rates and reduced costs to the state. The committee considered this issue at its October meeting.

Olympics and Public Safety

In the 1998 General Session, S.B. 159, "Government Relationship to Olympics," created the State Olympic Public Safety Command to plan and coordinate law enforcement and public safety services related to the Olympics. Full-time planners have been hired to consider all resources and create a public safety plan; a complete draft will be available by December 1999. Legislative issues the Public Safety Command will be considering include: concealed weapons, using out-of-state officers if local resources are not adequate, court procedures for foreign visitors, street vendors, ticket scalping, telephone taps and traces, and the criminal code on explosives. The committee considered this issue at its May meeting.

NATIVE AMERICAN LEGISLATIVE LIAISON COMMITTEE

Membership

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

Sen. R. Mont Evans
Sen. Millie M. Peterson
Sen. Pete Suazo

Rep. Eli H. Anderson
Rep. Judy Ann Buffmire
Rep. Beverly A. Evans

Rep. James R. Gowans
Rep. Jordan Tanner
Rep. John L. Valentine

Staff

John Q. Cannon, Research Analyst
Patricia Owen, Associate General Counsel
Vanessa Thompson, Legislative Secretary

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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 1998 interim, the committee met in Salt Lake City and participated in meetings in Ibapah with the Goshute Indian Tribe. Discussions in these meetings focused on several key issues, including: Native American human remains; the structure and operation of the Utah Division of Indian Affairs; the State Native American Coordinating Board; the Utah Navajo Trust Fund; Empowerment Zone initiatives; the Circle of Wellness (urban Indian programs); and the Uintah Basin and Navajo Revitalization Funds.

Protection of Native American Remains

Background

In early 1998, the Native American Remains Review Committee, the Division of Indian Affairs, the State Archeologist, and others requested that the Native American Legislative Liaison Committee review current statutes relating to protection of Indian remains. These groups were particularly concerned because of recent court decisions addressing the application of the criminal provisions for abuse of a dead human body to ancient human remains. The committee narrowed its review to the definition of "dead human body" and penalties for disturbing archeological sites.

Committee Action

The committee heard testimony and discussed possible changes to the antiquities act and statutes covering abuse or desecration of a dead human body. The committee particularly sought feedback from the Division of Indian Affairs, the Native American Remains Review Committee, tribal leaders, and others who may be affected by statutory changes. After significant discussion, the committee suggested amendments to current law. This issue was studied at the August, September, October and November meetings.

The committee approved "Native American Remains and Historic Artifacts" as a committee bill. The legislation amends the crime of abuse or desecration of a dead human body to clarify its application to ancient human remains and increases penalties for antiquities crimes.

Utah Division of Indian Affairs

Background

The Native American Legislative Liaison Committee is statutorily charged to review the operations of the Division of Indian Affairs. During the 1998 interim, the committee reviewed Title 9, Chapter 9, Indian Affairs Act, to determine if statutory changes were warranted to the duties and responsibilities of the division.

Committee Action

At committee meetings in August, September, October, and November, the committee discussed the role of the Division of Indian Affairs and draft legislation that amends the responsibilities of the division. Discussions in these meetings focused on several issues: government-to-government relations between the state and tribal governments, division meetings with tribal leaders and Indian groups, and the functions, powers, and duties of the division. The committee approved "Utah Division of Indian Affairs Amendments" as a committee bill.

NATURAL RESOURCES, AGRICULTURE, AND ENVIRONMENT INTERIM COMMITTEE

Membership

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

Sen. Craig A. Peterson
Sen. R. Mont Evans
Sen. Joseph L. Hull
Rep. Eli H. Anderson
Rep. Melvin R. Brown

Rep. Craig W. Buttars
Rep. Mary Carlson
Rep. Beverly A. Evans
Rep. James R. Gowans
Rep. Tom Hatch
Rep. Dennis H. Iverson

Rep. Evan L. Olsen
Rep. Michael R. Styler
Rep. Jordan Tanner
Rep. Daniel H. Tuttle
Rep. Bill Wright

Staff

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

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Committee Overview

Pigs, pollution, predators, pumps, and perchlorate – this is just a sampling of the topics that have appeared on agendas of the Natural Resources, Agriculture, and Environment Interim Committee during the 1998 interim. Although the work of the committee extends over a diverse array of subjects, the basic dynamics of each committee meeting are similar. The committee continually grapples with finding the appropriate balance between promotion and development of the state's natural resources and the conservation and regulation of their use. Another struggle which the committee faces monthly is how to balance competing uses of the state's natural resources.

Much of the committee's efforts involve coping with rapid growth and urbanization of the state's population. A top priority has been assuring that the state has ample water supplies. Maintaining and improving the quality of the state's water is as critical as developing adequate water supplies. This year the committee studied measures the Department of Environmental Quality is taking to prevent discharges to ground water from large hog farms and the department's strategy to monitor and improve the water quality of streams and reservoirs.

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

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.

Confined Animal Feeding Operations

Background

Livestock and their products increasingly are being produced in confined animal feeding operations – facilities which contain 1,000 or more animals. The Circle 4 hog farm, Utah's largest confined animal feeding operation, has one-quarter million hogs and has plans to expand capacity to two million hogs. An egg-laying farm capable of housing one and one-half million chickens is proposed to be constructed in Millard County. Agricultural facilities of this magnitude create unique problems because of the large amounts of animal waste generated. Unless the waste is managed properly, there is a risk that it may pollute surface or underground waters. Another problem is how to control the odor of the waste.

Committee Action

Representatives of the Department of Environmental Quality briefed the committee at the May and July committee meetings on regulatory action the department has taken to protect surface and ground waters from contamination from confined animal feeding operations. They also requested the committee to consider these additional regulatory requirements to protect the public and the environment:

- annual operating fees for ground water permits to cover costs of inspecting and monitoring confined animal feeding operations that may discharge to ground water;
- siting criteria to assure that adverse environmental impacts are avoided;
- waste management plans designed to minimize odor; and
- financial assurance to guarantee sufficient resources are available to remedy any site contamination.

The committee did not recommend legislation on confined animal feeding operations.

Great Salt Lake Management Plan

Background

The Department of Natural Resources is preparing a management plan for the Great Salt Lake. Two major management issues deal with regulating the level and salinity of the lake. Wetter weather in recent years has caused the level of the lake to rise from a low of 4,198 feet in 1994 to 4,203.5 in the spring of 1998. If the lake's level continues to rise, bird refuges along the lake's shore and the causeway to Antelope Island may be damaged by wave action. The level of the lake could be

moderated by operating the West Desert pumps. The \$60 million West Desert pumping project was implemented in 1986-87 as an emergency flood control project. The department has been asked to examine the feasibility of using the pumps as a lake level management tool.

The Great Salt Lake is bifurcated by a railroad causeway creating a north arm and south arm. Most of the lake's tributaries empty into the south arm resulting in the south arm being much less saline than the north arm. Although two culverts and a breach in the causeway allow for some mixing of the north and south arm waters, research suggests that the differential in the salinity of the north and south arms is increasing. This trend could be harmful to the salt and brine shrimp industries on the lake. The management plan will examine possible causes of the increasing salinity differential and actions to reverse the trend.

Committee Action

The Department of Natural Resources briefed the committee in May on: 1) the feasibility of using the West Desert pumps as a tool to manage the level of the lake; and 2) an action plan to address the changing salinity of the lake. Although the department did not rule out the possibility that the pumps may be used to manage the level of the lake, they identified several obstacles to using the pumps for any purpose other than emergency flood control:

- operation of the pumps is dependent upon the approval of the Air Force, because the water is pumped onto the Hill Air Force Base bombing range;
- the U.S. Army Corps of Engineers may require the project's environmental impact statement to be revised to examine the effects of pumping on salinity of the lake; and
- the pumps cannot be operated at lake levels below 4,208 feet without dredging a channel to the pumps.

The department intends to continue research on the long term trend in the lake's salinity and the impact of changing salinity on brine shrimp. The department will also request the causeway owner to clean out the culverts and the breach to enhance movement of brine from the north to south arm.

Sensitive Species

Background

Once a species is listed as threatened or endangered under the federal Endangered Species Act, management options for the species and the land it inhabits are restricted. With some exceptions, the act strictly prohibits actions that may result in the taking of a threatened or endangered species or in the diminishing of its habitat. To provide greater flexibility in the management of species whose populations are dwindling, federal and state government agencies are seeking to protect those species before they become threatened or endangered.

Committee Action

At the April committee meeting, the Division of Wildlife Resources and several federal agencies described their policies and programs to prevent sensitive species from being listed as threatened or endangered. The committee also heard from an oil producer and a gas producer who are concerned how requirements to protect sensitive species may impact their operations.

The Division of Wildlife Resources provided the committee a list of 139 species of birds, mammals, amphibians, reptiles, fish, and mollusks identified as sensitive by the Division and Board of Wildlife Resources. Of the 139 species identified, only 22 species are listed as extinct, threatened, or endangered under federal law. Although the Division of Wildlife Resources has no authority to require land owners or users to protect the habitat of sensitive species, the Bureau of Land Management (BLM) and U.S. Forest Service testified that it is their policy to prevent sensitive species from becoming listed as threatened or endangered. Consistent with that policy are the mitigation efforts detailed by Inland Resources, Inc., to protect the ferruginous hawk. As a condition of operating on BLM land, Inland Resources has expended a great deal of money to avoid harming the ferruginous hawk, a species that the federal government decided not to list as threatened but which is listed as sensitive by the state. River Gas Corporation warned that their operations could be significantly impacted if the state places the golden eagle or red tail hawk on the sensitive species list.

Because the listing of a species as sensitive by the state may have significant consequences for users of federal lands, committee members urged the Division of Wildlife Resources to use scientific criteria as the basis for a listing and provide opportunities for the public to be involved in the listing process.

Other Studies

Cedar Mountain Project

Since 1979, Utah State University and Southern Utah University have been engaged in long term range management experiments with the goal of optimizing livestock productivity. The schools would like to change the focus of the research to determine how rangeland can best be managed to support both livestock and wildlife. The research, which would be conducted in the mountains east of Cedar City, would require ongoing funding of approximately \$250,000. The committee considered this proposal in the August meeting.

Documentation of R.S. 2477 Rights-of-way and Associated Structures

The Utah Association of Counties and Utah State University will ask the legislature for money to document and map R.S. 2477 rights-of-way and nearby structures, such as mines and farm buildings, that may show why the rights-of-way were established. R.S. 2477 rights-of-way are roads across federal lands that were created prior to the enactment of the Federal Lands Management Policy Act in 1976. Federal land management agencies have been reluctant to accept many R.S. 2477 right-of-way claims by counties, so the counties intend to compile sufficient documentation to prove the existence of R.S. 2477 rights-of-way. The project consists of mapping and photographing the rights-of-way and associated structures and collecting photographs of the rights-of-way taken before 1976. The committee considered this proposal in the November meeting.

Licensing Requirements for Falconry

At the request of falconers, the Division of Wildlife Resources proposed to streamline licensing requirements for falconers. The division suggested replacing the falconry license with a certificate of registration that would run concurrently with the falconer's three-year federal license. After studying this issue in the July and October meetings, the committee approved a bill to implement the division's proposal.

State Water Development Commission

The State Water Development Commission was created in 1994 to advise the governor and legislature how the growing water needs of the state are to be met. The commission is scheduled to sunset on December 31, 1998. The committee approved a bill to reestablish the commission for a period of five years and to expand its duties to include any water issue of statewide importance. This issue was studied in the June and October meetings.

Wildlife License Fees

Utah law allows veterans and other individuals with certain handicaps or disabilities to obtain fishing licenses at a reduced cost or no cost. The Division of Wildlife Resources proposed allowing any disabled person identified in wildlife law to obtain a free fishing license. The committee approved a bill to grant free fishing privileges to veterans and individuals with certain disabilities and to children who are committed to the custody of the state. The committee considered this issue at its July and October meetings.

POLITICAL SUBDIVISIONS INTERIM COMMITTEE

Membership

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

Sen. Leonard M. Blackham	Rep. DeMar "Bud" Bowman	Rep. David L. Gladwell
Sen. George Mantes	Rep. Craig W. Buttars	Rep. James R. Gowans
Rep. Brian R. Allen	Rep. Blake D. Chard	Rep. John E. Swallow
Rep. John B. Arrington	Rep. Greg J. Curtis	Rep. Richard L. Walsh
	Rep. Marda Dillree	

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Joseph Wade, Research Analyst
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Joy Miller, Legislative Secretary

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Committee Overview

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

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

Agricultural Protection Areas

Background

In 1994, the legislature established procedures for county government to create agricultural protection areas. The legislation provides legal protection for those areas dedicated to agricultural production.

Committee Action

The committee was presented with a proposal that would require the consent of the owners of all property within an agricultural protection area for an annexation petition of that area or for withdrawal of the area from the agricultural protection area after annexation. The committee endorsed draft legislation titled "Annexation of Agricultural Protection Areas." This issue was discussed during the November committee meeting.

County Officials

Background

Current statute provides that if an elected county, district, precinct, or prosecution district officer is absent any time during his term of office for a continuous period of more than 60 days without the consent of the county legislative body, the office is automatically vacant. Also, current statute assigns the duty of collecting certain property taxes to the county assessor as opposed to the county treasurer.

Committee Action

The Utah Association of Counties presented the committee with several proposals. The committee endorsed draft legislation titled "County Officers" and "Duties of County Assessor and Treasurer." The committee chose not to endorse draft legislation titled "Combining County Offices into Multi-County Offices," which would authorize two or more counties to combine into multi-county offices each county's office of treasurer, sheriff, clerk, auditor, recorder, surveyor, or assessor. These issues were discussed during the August, October, and November committee meetings.

Forms of Municipal Government

Background

By statute, a city changes from a third class city to a second class city when its population exceeds 60,000, and the default form of government for a third class city is different than for a second class city.

Committee Action

The committee was presented with a proposal that would allow a city to retain its old form of government when the city's classification is changed due to population growth. The committee endorsed draft legislation titled "City Forms of Government." This issue was discussed during the June and July committee meetings.

Implementation of H.B. 194, Amendments to County Improvement Districts for Water Services

Background

During the 1997 interim, the committee studied a proposal that would allow a municipality to withdraw from a county improvement district that provides water services. The issue was 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. In the 1998 General Session, the legislature passed H.B. 194, "Amendments to County Improvement Districts for Water Services." The enacted legislation restricts the area that can be included in a county improvement district for water services under certain circumstances; establishes a procedure for withdrawing territory within a municipality from a county improvement district for water services; provides for an allocation of district assets upon withdrawal; provides a method for a withdrawn area to pay its proportionate share of district bonds; and allows municipalities to issue bonds to fund an escrow to pay its proportionate share of certain bonds.

Committee Action

Those involved in the conflict between the White City Water Improvement District and some residents of Sandy City briefed the committee on recent developments and expressed concerns with the actions of certain public entities. Some concerns expressed include issues relating to the use of public funds, access to information, and use of public monies to influence the outcome of an election. The committee voted to request the Legislative Auditor General to audit the White City Water

Improvement District and any transactions related with that public entity. This issue was discussed during the October committee meeting.

Private Property Ombudsman

Background

In 1997, the legislature created a private property ombudsman to provide information and mediate disputes regarding constitutional takings. A constitutional taking is a governmental action that results in a taking of private property so that compensation to the owner of the property is required by the United States Constitution or the Utah Constitution.

Committee Action

The committee was presented with a proposal that would temporarily suspend the expiration of the time to file a petition for court review upon the filing of a request for arbitration with the private property ombudsman and provide for a stay of an eminent domain action. The committee endorsed draft legislation titled "Private Property Ombudsman Amendment." This issue was discussed during the May, August, October, and November committee meetings.

School Inspections

Background

Current statute exempts school districts from municipal and county building permit and inspection processes. Oversight of public school building design, construction, and inspection is placed with the State Superintendent of Public Instruction.

Committee Action

Due to problems resulting in the recent closure of Riverton Elementary, parents of some students expressed concerns about the adequacy of oversight in the construction of school buildings. A legislative audit examining school district compliance with current law was presented to the committee. The committee endorsed draft legislation titled "School Board Oversight of School

Inspections" and "Inspections of Public School Buildings." This issue was discussed during the June, August, October, and November committee meetings.

Special Districts

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 1997, the Special Districts Subcommittee of the Political Subdivisions Interim Committee developed uniform special district creation procedures as the first step in recodifying the code. The legislature passed this uniform creation process and other recommended legislation. There are 26 different types (15 independent and 11 dependent) of special districts contained in about 809 sections of the code. Special districts receive about 10.6% of property tax revenues while cities receive about 13%.

Committee Action

The committee discussed issues relating to the recodification of the code but took no final action on the recodification. The committee, however, endorsed draft legislation titled "Special District Board Training." Special district issues were discussed during the April, May, June, July, October, and November committee meetings.

Other Studies

Condemnation Process for Government Entities

In the April meeting, the committee discussed but took no action on a study of the salvage rights and condemnation process used by the Utah Department of Transportation.

County Personnel Management

In the November meeting, the committee discussed but took no action on a proposal to amend county personnel management provisions in statute to be similar to provisions for the state.

Legislative Audit of Construction Management by Political Subdivisions

In the October meeting, the committee discussed but took no action on a legislative audit reviewing concerns about construction management practices used by local government and school districts.

Legislative Audit of Copperton Improvement District

In the May meeting, the committee discussed but took no action on a legislative audit of Copperton Improvement District, an independent special district.

Legislative Audit of Utah Technology Finance Corporation

In the July meeting, the committee discussed but took no action on a legislative audit of the Utah Technology Finance Corporation.

Municipal Annexations in First Class Counties

In the October and November meetings, the committee discussed but took no action on a proposal that would restrict municipalities in first class counties from denying an annexation petition.

Optional Forms of County Government

In the April, May, June, and August meetings, the committee discussed but took no action on issues relating to optional forms of county government.

Subdivision Development

In the August meeting, the committee discussed but took no action on a study of issues relating to subdivision development, including restrictive covenants and homeowners' associations.

Voter Registration Lists

In the April meeting, the committee discussed but took no action on issues relating to the non-uniform selling of voter registration lists by county clerks and the state.

Voting Procedures of Special Districts Having Water Shares

In the November meeting, the committee discussed but took no action on an explanation of problems with the current voting process for special districts having water shares.

Waiver of Governmental Immunity for Perjury by a Government Employee

In the July meeting, the committee discussed but took no action on a proposal that would waive governmental immunity from actions seeking damages resulting from perjury, the intentional making of a false statement, or the making of a false statement with reckless regard as to its truthfulness, by a government employee in any court or administrative hearing.

PUBLIC UTILITIES AND TECHNOLOGY INTERIM COMMITTEE

Membership

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

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

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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 of extensive reviews of the regulatory environment, policymakers have established permanent committees at the federal and state levels.

In January 1997, the Utah House of Representatives created the Public Utilities and Technology Standing Committee to review legislation on regulated public utilities such as telecommunications and energy. During the following legislative interim study period, the legislature also created the Public Utilities and Technology Interim Committee to review issues related to utility deregulation and make recommendations.

Slamming, Cramming, Spamming

Background

Slamming is the common term for using deception or fraud to switch a telephone customer from one long-distance company to another, usually without the customer's knowledge or consent. Cramming refers to unexplained charges on a telephone bill for services that were never ordered, authorized, received, or used. Spamming is sending unsolicited commercial e-mail.

With the advent of nationwide telephone deregulation and the development of new communication services such as e-mail, a number of unethical and, in some cases, fraudulent, criminal activities have developed. Because newer communication services are being offered continually and crime related problems are increasing, these issues are being addressed with legislation and rules at federal and state levels.

Committee Action

The Public Utilities and Technology Interim Committee heard testimony from the telecommunications industry, state consumer affairs offices, and citizen groups. The committee concluded that no action was necessary at this time given new federal government regulations and self-policing proposals by the industry. The committee considered this issue at its June meeting but did not recommend legislation.

The State of the Telecommunications Industry in Utah

Background

Over the 1994 legislative interim, the issue of telecommunications deregulation was introduced and during the 1995 General Session, the Telecommunications Reform Act was adopted. As required in the act, the Public Service Commission implemented a price freeze and conducted a final telephone rate hearing.

The 1995 act also requires the Public Service Commission to make a biannual report to the legislature on the telecommunications industry in Utah. As part of the 1998 report, the commission recommended making the report annual rather than biannual, eliminating the price freeze, and allowing the commission to conduct another rate hearing in regard to a projected \$29 million over-earning, and the lack of effective competition.

Committee Action

The Public Utilities and Technology Interim Committee heard testimony from the Public Service Commission and members of the telecommunications industry regarding the deregulation transition and concluded that the commission needed to report annually rather than biannually. Recommendations were not approved for lifting the price freeze. The committee considered these issues at the October and November committee meetings and recommended legislation titled "Public Service Commission Reporting."

The Telecommunications Reform Act of 1995

Background

In 1995, the legislature adopted a telecommunications deregulations act, which was to promote the development of telecommunications competition and deregulate certain incumbent telephone providers. Key aspects of the act included effective entry, interconnection, incentives or pricing flexibility, and price regulation. Implementation required a final telephone rate hearing followed by a price freeze for three years.

One of the act's major goals was to provide a fair statutory process for transition from a regulated telephone environment to a competitive market. However, over the last three years, a number of unanticipated effects have developed, and, as a result, affected parties have requested a review of the act.

Committee Action

The Public Utilities and Technology Interim Committee heard testimony from the local exchange carriers, competitors, the Public Service Commission, and other interested parties. After many discussions, the committee concluded that additional monitoring and study was necessary before any statutory changes could be adopted. The committee considered this issue at the June, July, August, and October committee meetings but did not recommend legislation.

Electrical Deregulation and Customer Choice Task Force

Membership

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

Sen. Lorin V. Jones	Sen. Michael G. Waddoups	Rep. Kevin S. Garn
Sen. Eddie "Ed" P. Mayne	Rep. Ralph Becker	Rep. J. Brent Haymond
Sen. Millie M. Peterson	Rep. Judy Ann Buffmire	Rep. David Ure
	Rep. Christine R. Fox-Finlinson	

Staff

Brian Allred, Research Analyst
Robert H. Rees, Associate General Counsel
Patricia Owen, Associate General Counsel
Beverlee LeCheminant, Legislative Secretary

Background

The Electrical Deregulation and Customer Choice Task Force was created by H.B. 313 in the 1997 General Session. The bill directed the task force to study and make recommendations on issues relating to the replacement of comprehensive regulation of monopoly electric suppliers with retail competition. In addition to creating and directing the task force, H.B. 313 froze PacifiCorp's rates at January 31, 1997 levels until May 4, 1998, and prohibited the Public Service Commission from issuing an order or holding any hearings during the rate freeze period regarding an increase or decrease in PacifiCorp's January 31, 1997 rate levels.

The electric power system is generally divided into three main parts: generation, transmission, and distribution. Proposals to deregulate are limited primarily to the generation system. Transmission and distribution of electricity 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.

Twelve states have passed detailed electric restructuring legislation (California, Connecticut, Illinois, Maine, Massachusetts, Montana, Nevada, New Hampshire, Oklahoma, Pennsylvania, Rhode Island, and Virginia). In six states, the utility commission has issued regulatory orders that restructure their electric industries (Arizona, Maryland, Michigan, New Jersey, New York, and Vermont). The restructuring plans enacted by these states vary greatly. Some states allow competition to begin at a certain date, while others phase-in competition over a number of years. Some states explicitly direct how deregulation will occur, while others grant broad authority to state utility commissions to determine how deregulation will occur. In California and Massachusetts, voter-initiated measures appeared on the November ballot proposing to repeal at least part of the restructuring legislation. Both measures failed. A similar effort in Montana failed to gather sufficient signatures to make the ballot.

In states that have restructured, litigation has often followed. Suits have been brought by consumer groups, investor-owned utilities, state attorneys general, and others opposing various aspects of restructuring plans. The suits involve multiple issues, the most common being the appropriate method and amount of recovery of stranded costs. Restructuring through federal legislation has been discussed. Several bills have been introduced in Congress that would restructure the electrical industry. In addition, the President has developed a restructuring plan. The congressional and presidential efforts have generally included a grandfathering or opt out provision for states. It does not appear that any of these proposals will become law in the near future.

Committee Action

The task force studied the possibility of restructuring Utah's electric industry, i.e., replacing comprehensive regulation of monopoly electric suppliers with retail competition. During its two-year study, the task force met over twenty times. The task force focused on deregulation of the generation component of electric power, the industry being generally divided into generation, transmission, and distribution; and examined how restructuring would impact the various types of utilities and consumers. The task force considered whether Utah, with low cost electricity, would benefit from retail competition; and whether the restructuring efforts by the federal government or other states required immediate action.

In examining restructuring, the task force studied multiple interrelated issues and reached specific conclusions or recommendations regarding these issues. The main issues studied by the task force were:

- Aggregation (combining of customers to create greater purchasing power)
- Consumer Issues
- Electric Power Marketers (electric suppliers that often purchase the power on the open market and sell to consumers)
- Environmental Issues
- Market Power
- Municipalities
- Rural Electric Cooperatives
- Taxation Implications
- Transition Costs (electric utility costs, sometimes called stranded costs, that would have been

recovered under regulation that are not recoverable under market pricing)

The Electrical Restructuring and Customer Choice Task Force concluded that:

- consideration of a comprehensive electrical restructuring plan during the 1999 General Session is premature and a restructuring plan should be deferred until conditions are appropriate;
- the electrical industry in the world, nation, and the western region will continue to change, and the degree and impact of those changes on Utah are uncertain;
- further study of restructuring and monitoring efforts at the federal level and in other states will position Utah to implement restructuring when it is in the best interest of the state;
- the legislature should enact legislation during the 1999 General Session to reauthorize the task force for an additional two years to: 1) continue to explore possible electrical restructuring in and its effects on Utah; 2) remain informed about developments in electrical restructuring on the federal level and in other states; and 3) continue to monitor closely other states that have implemented an electrical restructuring plan to learn from their experience; and
- the new task force should report at least annually to the Public Utilities and Technology Interim Committee.

Greater detail on the task force activities and recommendations are available in "*Report of the Electrical Deregulation and Customer Choice Task Force*" dated November 18, 1998.

In November, the task force presented its final report to the Public Utilities and Technology and the Business, Labor, and Economic Development Interim Committees. Both committees approved the report. The Business, Labor, and Economic Development Interim Committee approved draft legislation presented by the task force. The Public Utilities and Technology Interim Committee took no action on the draft legislation.

Other Studies

Digital Television

In 1997, the Federal Communication Commission (FCC) issued orders regarding the future use of analog broadcasting and the allocation of digital frequencies. The commission indicated that in five years all analog frequencies will be reallocated and that existing broadcasters will receive a digital frequency in their place. The significance of this issue is that if states wish to continue non-commercial broadcasting, including distance learning, they must begin the transition to digital broadcasting now. The committee addressed this issue at its November meeting.

Telecommunications Local Loop Divestiture

This study addresses whether the ownership and operation of the local telephone loop by an incumbent telephone corporation, which also engages in offering wholesale or retail telecommunication services, carries financial incentives for discriminatory practices in providing interconnection to the local loop. Because of the complexity of this issue, the committee concluded further study is needed. The committee addressed this issue at its November meeting.

Telecommunications Price Freeze

This issue focuses on amending the Telecommunications Deregulation Act of 1995 and allowing the Public Service Commission to conduct another rate hearing on a projected \$29 million dollar over-earning by the local exchange carrier. The committee concluded the issue needed additional study. The committee addressed this issue at its November meeting.

Telecommunications Pricing New Services

Under the pricing flexibility section of the Utah Telecommunications Reform Act of 1995, an incumbent telephone company may price list or competitively contract the provision of any new services. This issue involves equal competitor access to a new service in order for them to compete fairly with an incumbent telephone company. After discussing the issue, the committee determined additional review is warranted. The committee addressed this issue at its August, October, and November meetings.

RETIREMENT INTERIM COMMITTEE

Membership

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

Sen. R. Lane Beattie
Sen. Millie M. Peterson
Sen. L. Steven Poulton
Rep. John B. Arrington

Rep. Melvin R. Brown
Rep. Judy Ann Buffmire
Rep. Orville D. Carnahan
Rep. Beverly Ann Evans

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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	Rep. Judy A. Buffmire	Rep. Loraine Pace
Sen. Mike Dmitrich	Rep. Greg J. Curtis	Rep. Jack A. Seitz
Sen. E. George Mantes	Rep. Kevin S. Garn	Rep. A. Lamont Tyler
Sen. L. Steven Poulton	Rep. Wayne A. Harper	Rep. John L. Valentine
Sen. Howard A. Stephenson	Rep. David M. Jones	Rep. Richard L. Walsh
	Rep. Patricia B. Larson	

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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.

Commercial Waste Facility Fees

Background

During the 1998 General Session, the legislature considered legislation on fees paid by radioactive waste facilities and on types of waste received by hazardous waste facilities. Proposals to change fees did not pass, but the legislature enacted S.B. 144, "Commercial Waste Facility Issues," directing the Revenue and Taxation Interim Committee to study fees paid by all commercial waste facilities.

Utah is home to several commercial waste facilities (including landfills and incinerators) that receive municipal, industrial, radioactive, and hazardous waste. These facilities are regulated by the Department of Environmental Quality. Each facility pays a fee based on the amount of waste that it receives. These fees range from 50 cents per ton for municipal waste to \$28 per ton for untreated hazardous waste; they are deposited in the Department of Environmental Quality Restricted Account and are used for a variety of purposes including regulatory costs.

While there are many commercial waste facilities in the United States that accept hazardous, municipal, and industrial waste, there are only three commercial facilities that accept low level radioactive waste. A low level radioactive waste facility in Tooele County is operated by Envirocare of Utah, Inc. This facility accepts Class A low level radioactive waste, naturally occurring radioactive materials, mill tailings, and mixed (both radioactive and hazardous) waste. Envirocare pays to the state a fee of \$2.50 per ton of radioactive waste (except mill tailings) that it receives and \$28 per ton for mixed waste. Envirocare also pays an impact fee of 5% of gross revenues to Tooele County.

Committee Action

The committee reviewed the location, role, and function of each commercial waste facility in Utah. In addition, the committee visited the commercial waste facilities operated by Laidlaw Environmental Services, Inc. at Grassy Mountain and Aragonite and the low level radioactive waste facility operated by Envirocare. The committee also received testimony from these companies and from the operator of a commercial municipal and industrial waste facility at East Carbon. The testimony concerned the level and use of fees imposed by the state.

A study comparing the fees charged by the three states with low level radioactive waste facilities – Utah, Washington, and South Carolina – was presented to the committee. The study found that on a per cubic foot basis, the \$2.50 per ton fee imposed by Utah is lowest among the three states. However, on a per curie (measure of radioactive intensity) basis, Utah's fee is the highest among the three states. The committee addressed this issue at its April, May, June, and July meetings.

Marriage Penalty

Background

Under the Individual Income Tax, a marriage penalty exists when a married couple pays more in income taxes than if they were single and filing separate returns. The marriage penalty issue has been studied extensively at the federal level. Several proposals to eliminate the penalty have been considered by the United States Congress, but never enacted.

Committee Action

The committee considered draft legislation that modifies the adjusted gross income amounts at which the retirement income deduction and personal retirement exemption are reduced and clarifies the amounts that may be deducted under the retirement income deduction. The committee recommended legislation titled "State Income Tax - Elimination of Marriage Tax Penalties." This issue was discussed at the August meeting.

Research and Experimentation Tax Credit

Background

Utah is home to several telecommunication, information technology, biotechnology, and computer software development firms. Many states offer tax incentives to encourage research and experimentation by these firms. Proponents of tax incentives for research activity believe that there is stiff competition for research dollars and that Utah should be receiving a larger share. Because research is costly, carries a high risk, and is a long-term investment, proponents argue that tax incentives will encourage firms to conduct more research in Utah.

During its 1998 session, the legislature enacted S.B. 47, "Research Tax Credit," and S.B. 220, "Research Tax Credit for Machinery and Equipment." The incentives provided by these bills are effective beginning the 1999 tax year. These bills also directed the Revenue and Taxation Interim Committee to study the cost, effectiveness, and benefits of these incentives and whether they should be continued, modified, or repealed.

Committee Action

The committee asked the Tax Review Commission to consider this issue. The commission recommended continuation of the tax incentives provided for in S.B. 47 and S.B. 220. The commission also recommended legislation titled "Research Tax Credit Modifications," clarifying the establishment of a base year upon which tax incentives are computed. This legislation was also recommended by the committee. This issue was discussed at the May and October committee meetings.

Revisions to Individual Income Tax

Background

Utah is among the majority of states that impose a state individual income tax. Proceeds from the individual income tax are deposited in the Uniform School Fund and used to fund public and higher education. In FY 1998, the state collected \$1,377,494,000 in revenues from this tax.

Federal taxable income is the basis for computing the Utah individual income tax. State law provides for several additions to and deductions from federal taxable income in computing state taxable income. Tax rates range from 2.3% to 7%, depending on tax bracket. About 80% of all income tax revenue is collected from income in the top bracket.

Dissatisfaction with the Utah individual income tax stems from several areas. Some are concerned that Utah allows only 75% of the federal personal exemption and that the income tax brackets have not been readjusted for inflation since 1974. Others are concerned that only one-half of federal income tax liability may be deducted when computing Utah tax liability. Still others oppose the complete phase out of the elderly exemption.

Committee Action

The committee reviewed the basis, history, and structure of the Utah individual income tax. It also considered several proposals for revision including: 1) adjusting brackets for inflation; 2) full deduction of federal personal exemption; 3) full deduction of federal income tax liability; 4) beginning with federal adjusted gross income as the basis for computing Utah taxable income; and 5) enacting a floor equal to the federal personal exemption for the minimum elderly exemption. The committee adopted, without recommendation, legislation titled "Income Tax Amendments." This issue was addressed at the September and November meetings.

Sales and Use Tax Exemption for Manufacturing Equipment

Background

In 1985, the legislature granted an exemption from the sales and use taxes for purchases or leases of equipment and machinery used in new or expanding manufacturing operations. This exemption has been studied several times by the legislature. The first study was conducted in 1984, just prior to the exemption's enactment. Other reports followed in 1991 and 1994 recommending the continuation of the exemption. In 1996, the Utah State Tax Commission released a study also recommending that the exemption be continued but raising issues about the difficulty of administering this exemption, particularly "replacement" parts vs. parts used in "new or expanding" operations. The legislature subsequently passed legislation expanding the exemption but later narrowed the exemption during a special session.

In the 1998 General Session, the legislature enacted S.B. 185 providing that beginning July 1, 1999, 80% of the sale or lease of normal operating replacement parts would be exempted from the sales tax. This would be a reduction from the 100% of the sale or lease that took effect on July 1, 1998. S.B. 185 also directed the Revenue and Taxation Interim Committee to study this exemption and recommend whether it should be continued, modified, or repealed.

Committee Action

The committee reviewed the legislative history of this exemption, including the numerous studies and reviews conducted since it was originally enacted. The committee retained the services of Mr. Hal Hovey, President, State Policy Research, Inc. to again review the exemption. Mr. Hovey reported that experts in tax policy view the sales tax as appropriately applied only to final consumption of end products. Therefore, the exemption should be continued at 100% of the sale or lease price. The committee recommended legislation titled "Manufacturing Sales and Use Tax Exemption." This issue was addressed at the May, October, and November meetings.

Sales and Use Tax Exemption for Pollution Control Equipment

Background

In 1973, the legislature granted an exemption from the sales and use tax for the purchase or use of equipment used to control air and water pollution. Since then, the legislature has reauthorized this exemption four times. In 1994, the exemption was modified to require that the pollution control equipment's "primary" rather than "substantial" use had to be for reducing air or water pollution. A

firm wishing to obtain a sales or use tax exemption for pollution control equipment must first obtain a certificate from the Department of Environmental Quality. This certificate ensures that the facility meets the requirements of state law and is eligible for the exemption.

Committee Action

The committee reviewed testimony from the Utah State Tax Commission and the Department of Environmental Quality regarding the administration of this exemption. Firms in the mining, agricultural, manufacturing, and service industries have all applied for an exemption under this law. In FY 1997 and 1998, 15 firms applied for sales and use tax exemptions for purchases of pollution control equipment. The committee recommended legislation titled "Sales and Use Tax Exemption for Pollution Control Facilities." This issue was discussed at the May, July, and August committee meetings.

Sales and Use Tax Exemption for Purchases of Food

Background

Utah imposes a sales tax on purchases of food. Some argue that the imposition of the sales tax on food is one of the most regressive parts of the tax system because those with lower incomes spend a greater portion of their income on food than those with higher incomes. However, as required under federal law, the state does not tax the purchases of food made with food stamps and food vouchers. Others argue that imposition of the sales tax on food is fair because the sales tax is one of the few taxes paid by persons with low incomes.

The issue of removal of the sales tax from food has been before the legislature and electorate several times. In 1990, the electorate turned down a ballot initiative to remove the sales tax from purchases of food. The legislature must balance its desire to remove the tax on food with the significant losses in revenue caused by the removal. Removal of sales tax from food would reduce state sales tax revenues between \$120 million and \$140 million. In addition, local governments would face a large revenue loss, particularly small counties and towns where sales of food constitute a large portion of the sales tax base.

Committee Action

The committee reviewed information regarding the amount of food purchased by families based on income and family size. To begin to reduce the effects of the sales tax on food and still avoid a large revenue loss, the committee considered legislation granting a \$20 per person refundable credit

against a taxpayer's individual income tax liability. The committee recommended legislation titled "Income Tax Credit for Sales and Use Taxes Paid on Food." This issue was considered at the October committee meeting.

Tax Incentives to Purchase Long-Term Care Insurance

Background

Financing long-term care for the elderly is a major health policy issue. Medicare, the federal health care financing program for the elderly, does not pay for most long term care. Medicaid, the state and federal health care financing program for the poor, pays for 70% of the cost of nursing home care in Utah. Less expensive forms of long-term care are provided in the home and community and include home nursing, homemaking services, transportation services, meals on wheels, and personal care attendant services.

Committee Action

The committee received a report from the Utah Health Policy Commission regarding financing of long-term care. Premiums for long-term care insurance are deductible from federal adjusted gross income to the same extent as other health care costs. The commission recommended Utah tax incentives to encourage individuals to purchase long-term care insurance. The committee recommended legislation titled "Long Term Care Amendments." This issue was discussed at the November 18 and November 24 committee meetings.

Truth In Taxation Notices

Background

Utah law provides that a taxing entity may not budget an increased amount of ad valorem tax revenues – exclusive from new growth – unless it advertises its intention to do so. This requirement does not apply to taxing entities that collect less than \$15,000 in ad valorem tax revenues. State law also regulates the size, format, and content of the advertisement.

Committee Action

The committee received a recommendation from the School Funding Task Force that the language in the property tax revenue increase (Truth in Taxation) advertisement be changed. The task force recommended deleting language regarding increased property tax revenue and adding language describing the property tax increase on a home and business located within the taxing entity. The committee recommended legislation titled "Certified Tax Rate Notice Amendments." This issue was discussed at the November meeting.

Local Airport Funding Task Force

Membership

Sen. Lyle W. Hillyard, Senate Chair
Rep. J. W. Hickman, House Chair

Sen. Eddie "Ed" P. Mayne
Sen. Alarik Myrin
Rep. Judy Ann Buffmire
Rep. Don E. Bush

Rep. James R. Gowans
Rep. Glenn L. Way
Mr. Bob Dalla
Mr. Robert Froelich
Mr. Jerry Peterson

Mr. Danny Quillen
Mr. Jeremy Taylor
Mr. Russell Widmar
Mr. Leonard Wojcik

Staff

Constance C. Steffen, Research Analyst
Keith Woodwell, Associate General Counsel
Angela D. Kelley, Legislative Secretary

Background

Utah has 51 public-use airports that are sponsored by city or county governments and one privately owned public-use airport. Each airport is in need of continued repair and maintenance; however, only one airport, Salt Lake City International, has sufficient revenues to pay for it. The Local Airport Funding Task Force was created to identify funding mechanisms for airports.

The sources of money available to airports include federal grants, state aviation fuel tax revenues, local government contributions, and use fees such as fuel flowage fees, hangar and terminal leasing fees, concession revenue, and passenger facility charges. Airports without regularly scheduled commercial air transportation services have a limited opportunity to collect user fees and must rely primarily on government funding. Federal grants provide most of the money for airport improvements, but federal monies may not be used for maintenance and repair. The state tax of four cents on each gallon of aviation fuel is the main source of funds for airport maintenance and repair.

Task Force Action

The task force identified ways to generate additional revenue for airports but did not recommend any proposed legislation. The funding mechanisms considered are:

- Increase the tax on aviation fuel from \$.04/gallon to \$.08/gallon for all aircraft except common carriers. Jet fuel used by common carriers would not be increased or increased by a very small amount, because the price of jet fuel is significantly higher in Utah than in other states.
- Reallocate aviation fuel tax revenues. Currently, 75% of aviation fuel tax receipts is distributed back to the airport where the tax is generated and 25% is distributed to the Division of Aeronautical Operations. The division awards grants to airports from the funds it receives. Salt Lake City International Airport gets 98% of the 75% of tax revenue distributed back to airports. If the percentage of tax revenue distributed to the Salt Lake International Airport were lowered, more revenue could be made available to the division for grants to other airports.
- Appropriate money from the General Fund. There is some justification for using General Fund monies to support airports. Airports are used as a base of operations to fight fires and for medical evacuations of residents and tourists.

Other Studies

Residential Property Tax

During its 1998 General Session, the legislature enacted S.B. 58, "Study on Residential Property Tax Amendments." This legislation directed the Revenue and Taxation Interim Committee to address the issue of whether to amend the Utah constitution to authorize a property tax exemption for residential property not exceeding a statewide average of 45% of fair market value. As part of this study, the committee received testimony on the benefits of California's acquisition date-based valuation system. While no formal action was taken due to the lack of a quorum, the sense of the committee was to ask the Tax Review Commission to study this issue in depth and report its findings and recommendations during the 1999 interim. This issue was discussed at the August meeting.

Taxation of Boats, Off-Highway Vehicles, and Campers

The committee considered proposals to change the method of taxing boats and off-highway vehicles (OHV). Under current law, owners of boats and OHV pay the uniform statewide fee of 1.5% of value. The committee reviewed proposals to implement a flat fee based on the type or size of the

boat or vehicle. The committee also considered eliminating registration fees on campers. No further action was taken. This issue was discussed at the April, May, and June meetings.

TRANSPORTATION INTERIM COMMITTEE

Membership

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

Sen. L. Alma “Al” Mansell	Rep. Trisha S. Beck	Rep. Peter C. Knudson
Sen. Eddie “Ed” P. Mayne	Rep. Ralph Becker	Rep. Joseph G. Murray
Sen. David H. Steele	Rep. Ron Bigelow	Rep. Lowell A. Nelson
Sen. Nathan C. Tanner	Rep. DeMar “Bud” Bowman	Rep. Richard M. Siddoway
Rep. Gerry A. Adair	Rep. Don E. Bush	Rep. David Ure
Rep. Brian R. Allen	Rep. Gene Davis	Rep. David L. Zolman Sr.
	Rep. Brad King	

Staff

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Junie G. Anderson, Legislative 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% 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, Utah Code Annotated 1953). Of the amount remaining, 25% 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% 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, revenue generated by the 1/64% sales and use tax rate. 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 are provided by the Motor Vehicle Division of the Tax Commission. These functions are split within the Tax Commission between the Customer Service and Processing Divisions. The Motor Vehicle Enforcement Division of the Tax Commission regulates motor vehicle dealers and enforces vehicle theft statutes.

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

Highway Jurisdiction and Funding

Background

S.B. 176, "Highway Jurisdiction and Funding Study," which passed during the 1998 General Session, required the committee to review and make recommendations on the allocation of highways, the distribution of highway funding between state and local jurisdictions, and other related issues. The bill required the committee to recommend a new state highway system based on its modifications to a proposed list of state highways described in the bill. The list included a total of 2,327 miles of state highways. The current state highway system has 5,852 miles of highway.

Committee Action

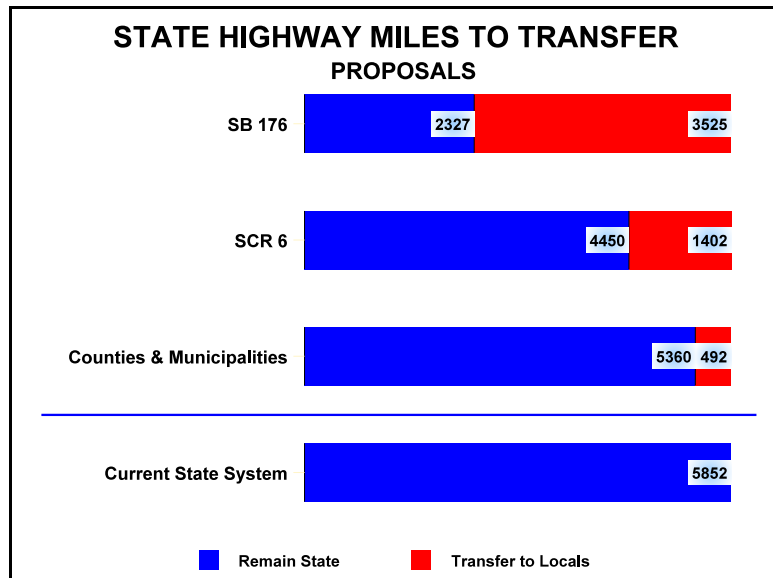
The committee identified multiple issues related to this study. Several key issues are shown by category in the table below.

HIGHWAY JURISDICTION AND FUNDING ISSUES BY CATEGORY

Basis for Transfers	Highway Network Integrity	Funding	Transition
National Highway System	Route and system continuity	Annual maintenance costs	Timing/phase in
U.S. numbered routes	Traffic flow (Signal coordination and access management)	Reconstruction costs	Employees
Functional classification	Consistent and reliable level of service (maintenance, safety, traffic control, and mobility vs. access mix)	Liability exposure	Highway condition
National park and recreation area access	Future highway improvements and funding	Catastrophic events	Current STIP projects
Urban and rural distinctions	Long-term regional transportation planning and funding responsibility	Heavy load factor/ Special circumstance roads (coal haul roads)	Preservation cycle
Highway attributes (traffic volume, speed, lanes, width, and length)		Utility relocation provisions	Advanced Traffic Management System (ATMS)
Trucking routes		Bid limit provisions	Equipment and facilities
Statewide interest (health, safety, and economics)		Federal funding	Interlocal agreements
Design, maintenance, and construction efficiency		Local use of new funds for other purposes	Law enforcement
		Highway user taxing authority / responsibility for highways	Right-of-way transfers
			Site plan review expertise

The committee heard detailed reports on work that had been completed in compliance with S.C.R. 6, "Highway Transfer Process Resolution," a 1996 resolution that urged UDOT to consult with local governments and work out a process for the transfer of appropriate highways between state and local jurisdictions. During its May meeting, the committee recommended no changes and voted to discontinue the study. In its July meeting, the committee voted to reconsider its previous action and look at a process for appropriate highway transfers.

The committee considered several transfer scenarios. The adjacent chart illustrates mileage comparisons of various transfer proposals. The chart shows the highway mileage that would remain on the state system and the highway mileage that would be transferred to local jurisdictions under each proposal. After considerable effort to obtain input from local governments throughout the state, the counties and municipalities presented a proposal to transfer 492 miles of highways to local jurisdictions, on the condition that adequate funding would accompany the transfers. UDOT agreed to transfer 261 of those miles if local jurisdictions would accept an additional 374 miles of highways that do not meet UDOT's criteria for state highways. The committee did not take action on either proposal.



In several of the meetings, criteria for defining a state highway was discussed. The committee voted to have legislation drafted that would define the criteria for state highways in statute. When the draft legislation was presented, the committee added an amendment to require that highways transferred to local governments between sessions of the legislature have the agreement of all highway authorities involved in the transfer. The committee recommended legislation titled "Statewide Highway Criteria" as a committee bill. The committee also voted to support a pilot project to be initiated by UDOT to transfer highways to both an urban and a rural local government entity. The local governments for the pilot project will be selected on a voluntary basis. The committee considered this issue at its April, May, July, August, September, October, and both November meetings.

I-15 Reconstruction and Highway Funding

Background

On March 26, 1997, Wasatch Constructors was awarded a bid for a project to demolish, design, and reconstruct I-15 in Salt Lake County from 600 North to 10800 South. UDOT issued the notice to proceed with the design/build project on April 15, 1997. The total project cost is \$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 in May 2001, five months ahead of schedule. The freeway south of 5300 South is projected to be completed by October 1, 2000.

During the 1997 General Session, the legislature began a ten-year finance plan for the I-15 reconstruction and other Centennial Highway Fund projects. General Fund appropriations, bonding, and federal funding are three critical revenue sources that require ongoing adjustments within the plan. During the 1998 General Session, the legislature appropriated \$110 million from the General Fund to the Centennial Highway Fund for fiscal year 1998-99. The legislature also authorized the issuance of up to \$190 million in general obligation bonds. An additional \$50 million in general obligation bonds were authorized for centennial highway projects, if needed, to offset federal dollars received under \$50 million. \$240 million in short-term bond anticipation notes were authorized for bond administration purposes. Under authorizations for fiscal year 1997-98 and 1998-99, a total of \$550 million in general obligation bonds and \$290 million in bond anticipation notes had been issued by the state as of July 1998.

Federal participation for the I-15 project and other centennial highway projects is anticipated to be \$20 million in formula fund increases and \$62 million in discretionary funds, for a total of \$82 million for fiscal year 1998-99. This keeps the ten-year finance plan on target for the anticipated federal assistance of \$450 million over the course of the plan.

As of December 1998, the 54-month I-15 reconstruction project has been underway for 20 months. Total payments for the project are \$638.3 million as of the end of October 1998. The design phase of the project is almost complete. The first overpasses were completed during the summer of 1998, including the 600 North interchange, which is now finished and open. Mainline traffic has been switched to new pavement south of I-215.

Committee Action

The committee heard several reports on the reconstruction of I-15 and highway funding, including transportation finance briefing; Centennial Highway Fund update; federal funding status; construction status; project design changes; traffic detours and schedules; and the Statewide Transportation Improvement Program. The committee voted to request that UDOT reevaluate the need for barricades to detour traffic at 600 North and 400 West. The committee considered these issues at its April, May, July, August, October, and November 18 meetings.

Traffic Safety Task Force

Membership

Sen. Robert Montgomery, Senate Chair
Rep. Wayne A. Harper, House Chair

Sen. Millie M. Peterson
Rep. Patrice Arent
Mr. K. Craig Allred
Mr. Beau Babka
Mr. Bill Barnes

Mr. Rod Betit
Mr. Walter Borla
Mr. Patrick Casaday
Mr. David Creer
Ms. Laura Drew
Mr. Aaron D. Kennard

Ms. Rolayne Fairclough
Dr. Thomas Metcalf
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Background

H.B. 410, "Traffic Safety Task Force," which passed during the 1998 General Session, created an 18-member task force to review and make recommendations on traffic safety, child pedestrian safety, bicycle safety, public awareness and educational programs, driver education, and coordination efforts in these areas.

The task force identified and studied the following five key issues during the year – listed in order of priority as determined by the task force:

- **pedestrian and child pedestrian safety;**
- **seat belts and child safety seats;**
- **education, public awareness, and media programs;**
- **driver education and graduated driver licensing; and**
- **coordinating councils.**

In addition, the task force discussed the following issues:

- **comparative negligence for seat belt use;**
- **physically impaired drivers;**
- **coordination of highway construction and utility work on highways; and**
- **traffic safety enforcement and funding.**

The task force recommended the following bills:

- "Seat Belt Law Amendments"
- "Graduated Driver Licensing"
- "State Traffic and Pedestrian Safety Coordinating Council"
- "Driver Licensing Amendments"

The task force recommended that the legislature fund additional troopers and make salary adjustments necessary to retain current troopers within the Utah Highway Patrol.

The task force voted to have two letters sent to the governor requesting that he:

- require seat belt use for all occupants of state vehicles; and
- add a non-voting member, to represent utility companies, to each metropolitan planning organization (MPO) in the state.

Committee Action

The task force made its recommendations to the Transportation Interim Committee. At its November 18 meeting, the committee:

- adopted the task force's recommended legislation titled "Seat Belt Law Amendments" and "State Traffic and Pedestrian Safety Coordinating Council;"
- voted to recommend that the legislature look at legislation to address driver training and graduated driver licensing during the 1999 General Session; and
- voted not to support the task force's recommended legislation titled "Driver Licensing Amendments."

Other Studies

Driver Training and Licensing

Several driver training and licensing issues were prioritized for study in 1998. The primary issues were the amount of supervised driving teenagers get before obtaining a license and the differences in training requirements for public and private school driver education courses. Members of the committee presented draft legislation addressing these issues. The committee also heard the Traffic Safety Task Force recommendation on the issue. The committee voted to recommend that the legislature look at appropriate legislation to address driver training and graduated driver licensing in the 1999 General Session. The committee considered this issue at its June, July, and November 18 meetings.

High Occupancy Toll Lanes Report

S.B. 1, "Appropriations Act," which passed during the 1998 General Session, included intent language directing the Department of Transportation to study the feasibility of high occupancy toll (HOT) lanes and report its findings to the committee. The committee heard a report which concluded that, since Utah has no prior experience with high occupancy vehicle (HOV) lanes, usage patterns and toll decisions are speculative at this time. When I-15 is finished in Salt Lake County, it is projected that congestion levels will not warrant the need for HOV lanes. In addition, the report indicated that enforcement of toll lane restrictions will be difficult unless the HOT lanes are barrier-separated. If tolling is to generate new revenue, a system-wide study of tolling potential should be undertaken. The committee considered this issue at its November 18 meeting and took no action.

Public Transit Issues

Congress passed the "Transportation Equity Act for the 21st Century (TEA-21)," and the president signed it into law on June 9, 1998. The bill provides substantial increases in federal funding for highways and transit. Potentially, TEA-21 places Utah in a position to obtain large amounts of federal discretionary funds because of the ongoing I-15 reconstruction project and priority language in the bill for Olympic preparations. The light rail line planned between the airport to the University of Utah could be constructed at 100% funding by the federal government if the Utah Transit Authority (UTA) can demonstrate that they have the financial ability to fund ongoing operating expenses without a reduction in existing mass transportation services. UTA is generally in favor of expanding its system but says a 1/4 cent sales tax increase is needed for the operational costs of any new major expansions. Representatives of elected officials within Salt Lake County suggested that a 1/2 cent local option sales tax increase be apportioned into transit improvements, local road improvements, and sidewalk and traffic safety. The committee heard these issues at its June meeting but took no action.

UDOT and Transportation Commission Duties

The Transportation Commission is a part-time seven member body appointed by the governor for six-year terms. Its duties are to determine priorities and funding levels for state transportation projects, determine additions and deletions from the state highway system, hold public hearings, make policies and rules needed for its duties, review orders of the Department of Transportation in adjudicative proceedings, and advise the department in state transportation system policy. During the 1994 General Session, H.B. 261, "Transportation Amendments," moved rulemaking authority from the commission to the department for several activities. The bill updated definitions, and the commission was deleted from the definition of highway authority. Some argued that the balance of power between the commission and the department shifted toward the department as a result of these and other changes. Committee members questioned whether the current balance of power is appropriate. The committee heard from representatives from the department and the commission at its July meeting but took no action.

UTAH TOMORROW STRATEGIC PLANNING COMMITTEE

Membership

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

Sen. Joseph L. Hull
Sen. Craig L. Taylor
Rep. Beverly A. Evans
Rep. Daniel H. Tuttle

Mr. Brad Barber
Mr. Daniel Becker
Mr. Kim Burningham*
Mr. Gary Carlston
Ms. Kathleen Clarke

Mayor Tom Dolan
Mr. Gene Moser*
Dr. Dianne Nielson
Mr. Kent Peterson

***Non-Voting Members**

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John Q. Cannon, Research Analyst
James L. Wilson, Associate General Counsel
Angela D. Kelley, Legislative 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 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 1992-1997, 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 been presented annually 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. Working together with the governor's Office of Planning and Budget, the committee emphasized the coordination of the planning activities of the executive branch with the committee.

The Utah Tomorrow Strategic Planning Committee continues to emphasize performance measurement and data collection in cooperation with the governor's Office of Planning and Budget. Executive departments and local governments play a key role in the implementation of statewide strategic goals -- their involvement is critical to its success. During the 1998 General Session of the legislature, the committee had various sections of the Utah Tomorrow report reviewed by the relevant standing committees of the legislature. With feedback from the various standing committees, the Utah Tomorrow Strategic Planning Committee published its 1998 Annual Report in the spring of 1998.

During the 1998 interim, the Utah Tomorrow Strategic Planning Committee focused on simplifying the Strategic Plan, considering different formats for the annual report and ways to present the new simplified report to the legislature's interim committees in 1999. The committee has requested that state agencies reduce the number of performance measures, use performance measures that have targets for achieving goals, and identify the agency responsible for reporting data on each performance measure.

WORKFORCE SERVICES INTERIM COMMITTEE

Membership

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

Sen. Lorin V. Jones	Rep. Sheryl L. Allen	Rep. Brent H. Goodfellow
Sen. Robert M. Muhlestein	Rep. Steve Barth	Rep. J. Brent Haymond
Sen. Millie M. Peterson	Rep. Duane Bourdeaux	Rep. Bryan D. Holladay
Sen. Blaze D. Wharton	Rep. Margaret Dayton	Rep. Nora B. Stephens
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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 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.

Families Receiving Cash Assistance

Background

H.B. 269, enacted in the 1997 General Session, required the Department of Workforce Services to conduct a study of the characteristics of families receiving cash assistance. The study was to be completed prior to the 1999 General Session. The department contracted with the University of Utah's Graduate School of Social Work to conduct the study.

Committee Action

Representatives of the University of Utah Graduate School of Social Work presented the findings of the study to the committee. A profile of an average long-term welfare recipient was used to explain the data, including the influence of long-term predictive barriers such as mental illness, education, work history deficiencies, health problems, domestic violence, drug abuse, alcohol abuse, and severe child behavior problems. The presentation was made in the committee's October meeting. No committee action was taken.

Outcome Measures

Background

Outcome measures are one tool that agencies can use to determine whether they are accomplishing their mission. The committee discussed outcome measures in general and those of the Department of Workforce Services in particular.

Committee Action

Representatives of the Department of Workforce Services made presentations on the department's outcome measures in its July meeting. They reviewed the development of outcome measures, the department's assessment of the desired outcomes, and adjustments made when the outcome does not accomplish the original purpose.

Currently, data on job description and employee salary are not collected from employers in the state. However, the department feels this information would be helpful in carrying out its duties. Representatives of the Utah Partnership for Educational and Economic Development, Inc., the Board of Regents, and the business community pointed out the potential value of this data. The business community, however, expressed concern that it would lead to more

government intrusion and was not of sufficient value to merit the extra expense and time of employers to comply with data collection requirements.

The committee passed a motion requesting interested committee members to meet with representatives of the business community to work out a solution and report back to the committee. The committee received reports in its August and November meetings. The reports indicated that significant progress had been made to reduce the burden of compliance on businesses, but that business community concern with Year 2000 computer issues would likely delay final resolution of the issue.

The committee discussed purpose or intent statements in its July meeting. Discussion focused on whether these statements would help the legislature focus on the outcomes expected from legislation. The committee voted to refer the issue to the Legislative Process Committee.

Legislative Child Care Task Force

Membership

Sen. Leonard Blackham, Senate Chair

Rep. Sheryl Allen, House Chair

Sen. Robert Muhlestein

Sen. Pete Suazo

Rep. Margaret Dayton

Rep. David Jones

Julie Baker

Rod Betit

Melinda Clark

Ric Higbee

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Elyce Mouskondis

Joan Nichol

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Jill Rubadiri

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James L. Wilson, Associate General Counsel

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Background

The Legislative Child Care Task Force was created in response to increasing concerns expressed by the public and legislators about the quality, availability, and regulation of child care. As required by statute, the task force presented a report to the Workforce Services Interim Committee during the 1998 interim.

Committee Action

The task force recommended five pieces of legislation, all of which were adopted by the committee:

- 1) "Child Literacy Programs" creates a program to train teachers, families, and child care providers how to teach reading skills to children.
- 2) "Child Care Provider Criminal Background Check Amendments" requires a national criminal background check (FBI) as part of the child care licensing application and renewal process.
- 3) "Credit for Contributions to Child Care" provides a corporate tax credit equal to 25% of the value of a donation of real or tangible personal property to a child care provider.

- 4) "Child Care Commission Resolution" urges the governor to create a child care commission comprised of business leaders. The commission would be responsible for leading an effort to improve child care within the state.
- 5) "Child Care Task Force Reauthorization" reauthorizes the Legislative Child Care Task Force for an additional year.

The task force also made the following recommendations:

- 1) secure necessary state funding over the next three years to draw down the maximum amount of federal matching funds (match rate is 2.5:1);
- 2) endorse proposals by the Department of Workforce Services and the Department of Health to pay and rate child care providers based on various factors, including training, type of license, experience, and accreditation;
- 3) endorse the concept of establishing uniform municipal zoning provisions for child care providers; and
- 4) increase the availability of health insurance to child care employees and their dependents.

The committee heard a task force update in its August meeting. In its November meeting, the committee heard the final report and recommended legislation as outlined above.

Other Studies

Eligibility for Public Assistance

To be eligible for public assistance, an applicant must meet asset requirements. The committee discussed whether personal property, which can be used by the public assistance client to generate income, should be exempted from eligibility determination.

Draft legislation titled "Public Assistance Eligibility" exempts one-passenger vehicles and personal property that may be used for income-producing activities from eligibility determination. The legislation was discussed at the October meeting and recommended by the committee in the November meeting.

Family Employment Program

Currently, there is an exception to the three-year time limit on public assistance for those who demonstrate that they are working 80 hours per month and have worked six of the previous 24 months while on public assistance. Based on its experience with public assistance clients, the Department of Workforce Services questioned the need for the phrase "while on public

assistance."

Draft legislation titled "Amendments - Family Employment Program" proposed to delete "while on public assistance," arguing that the requirement should depend on the calendar rather than whether the person was on public assistance. The legislation was discussed in the committee's October and November meetings. No final action was taken.

Public Assistance Fraud

Current penalties for public assistance fraud make a convicted offender ineligible for any public assistance for a specified period of time (first offense, 12 months; second offense, 24 months). The Department of Workforce Services argued that disqualification should be interpreted and applied more narrowly.

Draft legislation, "Workforce Services Amendments," provided that persons found guilty of public assistance fraud are to be declared ineligible, according to current time period specifications, only for the specific public assistance program they defrauded. The legislation was discussed in the committee's October and November meetings. No final action was taken.

Unemployment Insurance Eligibility

Currently, a worker who terminates employment to accompany a spouse to the spouse's new job is not eligible for unemployment insurance benefits. The committee debated whether to propose an exception aimed at preserving the accompanying spouse's eligibility in certain circumstances. The committee also discussed whether the current fraud penalties are too onerous.

Draft legislation titled "Unemployment Insurance Amendments" provided that an accompanying spouse does not lose eligibility for unemployment insurance benefits if there are compelling reasons for the move, such as a spouse's mandated transfer, and reduces the penalties for fraud. The legislation was discussed in the committee's October and November meetings. No final action was taken.

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Child Care Task Force

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Secretary: Tracey H. Fredman

Constitutional Revision Commission

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Education Interim Committee

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Electrical Deregulation and Customer Choice Task Force

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