



INTERIM HIGHLIGHTS

Office of Legislative Research and General Counsel
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LEGISLATIVE INTERIM MEETINGS

Meetings were held May 18, 2011 or as noted.

Business and Labor

Health Insurance Laws

Considered amendments to state laws governing health insurance and received information from the Governor's Office, Utah Association of Health Underwriters, and other concerned groups and individuals regarding S.B. 294, "Patient Access Reform" (2011 General Session).

Action: Adopted 2012 General Session draft legislation, "Insurance Amendments," which, among other provisions, amends the case characteristics a small employer carrier may use when establishing health insurance premium rates.

Health Insurance Mandate Review

Reviewed the statutory requirement that the Business and Labor Interim Committee annually identify health insurance mandates that have been in effect for five or more years and have not been reviewed during the previous ten years. Under this requirement, the Committee may select some of these mandates to review to determine whether the mandate should be continued, modified, or repealed. The Committee may also review the purpose and effectiveness of the health insurance mandates.

Received a committee staff presentation regarding the requirements for review and received a presentation from the Insurance Department regarding its role in conducting reviews of health insurance mandates.

Action: Voted to ask the Health Care Reform Task Force to include a review of health insurance mandates in its report to the Business and Labor Interim Committee later this year.

Sunset Review - Motor Fuel Marketing Act

Discussed Utah's Motor Fuel Marketing Act, which provides that it is unlawful to sell motor fuel at a price that is below cost if the intent or effect is to injure competition, induce the buying of other merchandise, unfairly divert trade from a competitor, or otherwise injure a competitor. The law also provides exceptions to this general prohibition. The Motor Fuel Marketing Act is scheduled for repeal on July 1, 2012.

The Committee received comments from the Office of the Attorney General and the Utah Petroleum Marketers Association.

Technical Amendments to Alcoholic Beverage

Control Act

Reviewed proposed amendments to S.B. 314, "Alcoholic Beverage Amendments" (2011 General Session). Since its enactment, several proposed technical and other amendments have been identified. These changes were presented to the Committee for its consideration.

Action: Adopted 2012 General Session draft legislation "Alcoholic Beverage Control Act Amendments," which modifies definitions related to prohibited interests, relationships, and actions, modifies the times during which restaurants may sell an alcoholic product, modifies certain bond amounts, and makes technical and conforming amendments.

Chairs: Rep. James A. Dunnigan / Sen. John L. Valentine
Staff: Bryant R. Howe (Assistant Director) / Patricia Owen (Attorney) /
Robert H. Rees (Attorney) / Joy L. Miller (Secretary)

Education

Implementation of 2011 General Session Legislation

Received a report from the State Board of Education on action taken by the board to implement legislation enacted in the 2011 General Session. The board elected to allow a school district or charter school to decide whether to use its allotment of money for the Early Intervention or K-3 Reading Improvement programs.

Recidivism Reduction Plan

Received a report from the Department of Corrections on the implementation of a recidivism reduction plan in which inmates are enrolled in applied technology courses to prepare them for careers.

Chairs: Rep. Bill Wright / Sen. Howard A. Stephenson
Staff: Allison M. Nicholson (Policy Analyst) / Constance C. Steffen (Policy Analyst) /
Angela Oakes Stallings (Attorney) / Debra Hale (Secretary)

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Audits-in-Process Report

Government Operations and Political Subdivisions

GRAMA Working Group Update

Received an update from the Government Records Access and Management Act (GRAMA) Working Group on the progress made by the working group in addressing potential changes to the act.

Overview of State Agencies

Received reports from the Lieutenant Governor's Office, the Department of Administrative Services, and the Department of Human Resources describing the responsibilities of each agency.

Policy and Law Related to Committee Areas of Responsibility

Received presentations from committee staff on both the government operations and the political subdivision aspects of the committee's oversight responsibilities.

Open and Public Meetings Act

Received a briefing from committee staff on the Open and Public Meetings Act, which outlines requirements for the conduct of meetings held by public bodies.

Voter Registration Amendments

Received a report from a committee member regarding potential 2012 legislation proposing to purge voter rolls of inactive voters.

*Chairs: Rep. Craig Powell / Sen. Peter C. Knudson / Rep. R. Curt Webb
Staff: Art L. Hunsaker (Policy Analyst) / Joseph T. Wade (Policy Analyst) / Victoria Ashby (Attorney) / Emily R. Brown (Attorney) / Wendy Bangerter (Secretary)*

Health and Human Services

Medicaid Inspector General

Discussed with the Department of Health and the Governor's Office of Planning and Budget (GOPB) the implementation of H.B. 84 (2011 General Session), which creates an Office of Inspector General of Medicaid Services within GOPB.

Medicaid Reform Waiver

Received a report from the Utah Department of Health on the development of the Medicaid Reform waiver required by S.B. 180, "Medicaid Reform" (2011 General Session), which must be submitted to the U.S. Centers for Medicare and Medicaid Services by July 1, 2011.

The department reported on how stakeholders have been involved in the development of the waiver and how the waiver is expected to create more appropriate financial incentives for consumers and providers of health care. The sponsor of the legislation also discussed expected outcomes of the waiver.

*Chairs: Rep. Paul Ray / Sen. Allen M. Christensen
Staff: Mark D. Andrews (Policy Analyst) / RuthAnne Frost (Attorney) / Cathy J. Dupont (Attorney) / Kimberly A. Heiner (Secretary)*

Health System Reform Task Force

Cost Containment

Received from committee staff 15 policy briefs prepared by NCSL on options for containing health care costs and discussed options for further consideration.

Utah Health Exchange

Received a report from the Office of Consumer Health Services on enrollment in and development of the Utah Health Exchange. The office hopes that by January 2012 insurance plans marketed through the exchange will cover 1,000 employers, 9,000 employees, and as many as 25,000 individuals.

Also received a report from the Governor's Health Policy and Reform Initiatives Coordinator on expectations for the future of the exchange.

Received a report from the Utah Defined Contribution Risk Adjuster Board on its activities and the functioning of the risk adjuster mechanism developed for the exchange.

*Chairs: Rep. James A. Dunnigan / Sen. Wayne L. Niederhauser
Staff: Mark D. Andrews (Policy Analyst) / Cathy J. Dupont (Attorney) / Wendy Bangerter (Secretary)*

Judiciary, Law Enforcement, and Criminal Justice

Administrative Office of the Courts - Issues

Received a report from the Administrative Office of the Courts regarding the use of technology and administrative reorganization to enhance the timeliness and quality of the adjudication process.

Department of Public Safety - Issues

Received a report from the Department of Public Safety indicating that the department has reduced the number of helicopter flights due to budgetary considerations. The department noted that the helicopter program is extremely useful in combating illegal marijuana production and assisting local law enforcement in conducting many rescues in remote areas of the state. Maintenance is expensive because the department's helicopters are older models. It was also reported that additional resources are needed for the state crime lab, which needs an additional employee who is trained in firearm forensics.

Retention Election for Justice Court Judges

Received a presentation from the legislative sponsor and the Executive Director of the Judicial Performance Evaluation Commission on the need for special session legislation to comply with the Judicial Performance Evaluation Commission Act, which requires the commission to evaluate all justice court judges beginning with the general election of 2012.

Action: Adopted 2012 General Session draft legislation, "Retention Election for Justice Court Judges," as a committee bill.

Sunset Review - Foreclosure Notice to Tenants and Unlawful Detainer

Discussed statutes relating to unlawful detainer and protecting tenants in residential rental properties during foreclosure. The December 31, 2012 sunset on Sections 78B-6-103 and 78B-6-901.5 was established to coincide with the sunset on P.L. 111-22. However, Congress has extended the sunset on P.L. 111-22 until December 31, 2014.

Action: Moved to extend the sunset date on Sections 78B-6-802 and 78B-6-901.5 to December 31, 2014 to coincide with the sunset of the federal statute on which these sections are based.

Sunset Review - Practicing Law Without a License

Received a report from the Utah State Bar concerning the need to protect the public from individuals who practice law without a license. Members of the committee noted that one reason this issue is before the Legislature for review is the concern that legal services be available to all of Utah's citizens, not only those who have the resources to afford a lawyer.

Action: Moved to extend the sunset date of Section 78A-9-103, "Practicing law without a license, prohibited -- exceptions," until December 31, 2017.

*Chairs: Rep. Kay L. McCliff / Sen. Mark B. Madsen / Rep. Curtis Oda
Staff: Jerry D. Howe (Policy Analyst) / Stewart E. Smith (Policy Analyst) /
Susan Creager Allred (Attorney) / Esther Chelsea-McCarty (Attorney) /
Joy L. Miller (Secretary)*

Legislative Management Committee

April 05, 2011

Interim Schedule & Master Study Resolution

Action:

- Approved the interim committee schedule. Interim meetings begin in May and continue through November, except that August interim meetings will not be held due to the NCSL annual meeting held that month;
- Approved the referral of the Master Study Resolution items to the interim committees, with the only change to the list being the assignment of Items 180 and 183 to the Natural Resources, Agriculture, and Environment Interim Committee; and
- Approved the assignment of sunset reviews to interim committees as recommended by staff.

*Chairs: President Michael G. Waddoups / Speaker Rebecca D. Lockhart
Staff: Michael E. Christensen (Director) / John L. Fellows (General Counsel) /
Phalin L. Flowers (Administrative Assistant)*

Native American Legislative Liaison Committee

April 21, 2011 and April 22, 2011

Meetings with Tribal Leaders

Members of the Committee met with local Navajo and White Mesa Ute tribal leaders in several locations in San Juan County. Meetings were held on the reservation at the Aneth Chapter House, the McElmo Creek Bridge, Monument Valley High School, the Oljato Chapter House, and the White Mesa Community Center. Issues discussed included transportation, education, health, governance, infrastructure, and economic development.

*Chairs: Rep. Jack R. Draxler / Sen. Kevin T. Van Tassell
Staff: John Q. Cannon (Managing Policy Analyst) / Patricia Owen (Attorney) /
Wendy Bangerter (Secretary)*

Natural Resources, Agriculture, and Environment

Higher Education's Coordination of Energy Research

Reviewed energy research objectives outlined in the governor's 10-year strategic energy plan and discussed ways the University of Utah, Utah State, and Brigham Young University can better coordinate and collaborate on energy research efforts in the state.

Update on Snowpack and Potential Flooding

Received a report from the Department of Natural Resources, the National Resources Conservation Service, and water conservancy districts on current snowpack conditions, reservoir levels, and preparations for potential spring flooding.

*Chairs: Rep. Roger E. Barrus / Sen. Ralph Okerlund
Staff: J Brian Allred (Policy Analyst) / Kimberly A. Heiner (Secretary)*

Public Utilities and Technology

Nuclear Power Safety

Received presentations from the former head of the Nuclear Regulatory Commission and the policy director of the Healthy Environmental Alliance of Utah about the safety, costs, and operations of nuclear power plants.

*Chairs: Rep. Michael E. Noel / Sen. J. Stuart Adams
Staff: Richard C. North (Policy Analyst) / Robert H. Rees (Attorney) /
Tracey Fredman (Secretary)*

Redistricting Committee

April 25, 2011 and May 4, 2011

Redistricting Principles and Procedures

Reviewed the responsibilities of the Redistricting Committee as the Legislature fulfills its constitutional requirement to divide the state into congressional, legislative, and state school board seats to equalize population of the districts, and ensure equal representation throughout the state.

(Continued next page)

At its first two meetings, the Committee met to discuss redistricting procedures and the fundamental redistricting principles that will guide the work of the Committee.

Action:

Adopted six redistricting principles after discussion at the two meetings:

1. *Congressional districts must be as nearly equal as practicable, with a deviation not greater than $\pm .1\%$.*
2. *State legislative districts and state school board districts must have substantial equality of population among the various districts, with a deviation not greater than $\pm 3.5\%$.*
3. *Districts will be single member districts.*
4. *Plans will be drawn to create four Congressional Districts, 29 State Senate Districts, 75 State House Districts, and 15 State School Board Districts.*
5. *In drawing districts, the official population enumeration of the 2010 decennial census will be used.*
6. *Districts will be contiguous and reasonably compact.*

*Chairs: Rep. Kenneth W. Sumsion / Sen. Ralph Okerlund
Staff: John Q. Cannon (Managing Policy Analyst) / John L. Fellows (General Counsel) / Art L. Hunsaker (Policy Analyst) / Allison M. Nicholson (Policy Analyst) / J Brian Allred (Policy Analyst) / Benjamin N. Christensen (Policy Analyst) / Jerry D. Howe (Policy Analyst) / Joseph T. Wade (Policy Analyst) / Leif G. Elder (Policy Analyst) / Mark D. Andrews (Policy Analyst) / Phillip V. Dean (Policy Analyst) / Richard C. North (Policy Analyst) / Emily R. Brown (Attorney) / Eric N. Weeks (Deputy General Counsel) / Kimberly A. Heiner (Secretary)*

Retirement and Independent Entities

Public Employees Health Program (PEHP) Audit Recommendations Follow-up

Reviewed the January 2011 audit "A Performance Audit of Public Employees Health Program's (PEHP) Business Practices" released by the Office of the Legislative Auditor General. The Committee reviewed the audit in two meetings during the 2011 General Session and asked PEHP and its parent organization, Utah Retirement Systems (URS), to immediately begin implementing the audit recommendations. The URS legal counsel and the PEHP chief actuary reported that PEHP:

- commissioned an in-depth cost containment study;
- appointed a new PEHP director to focus on containing the cost of claims;
- adjusted its physician fee schedule;
- negotiated additional discounts with Intermountain Health Care;
- renegotiated the out-of-state provider network;
- hired a managing purchasing agent;
- reduced deficits in local government risk pools;
- strengthened contract language to require groups to adhere to contracts;
- commissioned an actuarial study to determine the appropriate claim contingency reserve, to look at credibility blended external industry reinsurance, and to recommend stop-loss deductible levels; and
- plans to implement the prospectively quoted administrative expenses.

*Chairs: Rep. Don L. Ipson / Sen. Daniel R. Liljenquist
Staff: Benjamin N. Christensen (Policy Analyst) / Shannon C. Halverson (Attorney) / Cathy J. Dupont (Attorney) / Debra Hale (Secretary)*

Revenue and Taxation

Local Sales and Use Tax

Discussed distribution of the local option sales and use tax, including the existing distribution methodology, alternative methodologies, and hold harmless provisions.

Revenue Collections

Received a report from committee staff on economic conditions and revenue collections. To date, revenue collections are slightly above projections.

Statutorily-Required Studies

Received a list of studies required by statute and background information on the statutory requirements of two studies.

*Chairs: Rep. Patrick Painter / Sen. Curtis S. Bramble
Staff: Phillip V. Dean (Policy Analyst) / Bryant R. Howe (Assistant Director) / Rebecca L. Rockwell (Attorney) / Chelsea B. Lloyd (Secretary)*

Transportation

Air Quality Update

Received an update from the Division of Air Quality and the Department of Transportation on air quality conformity requirements relating to 8-hour Ozone and PM2.5 National Ambient Air Quality Standards and the potential impacts that noncompliance with these standards may have on highway funds and highway construction projects within the state.

HOV Lane Report

Received a report from the Department of Transportation on high occupancy vehicle (HOV) lane usage within the state including the types of vehicles that access the HOV lane, the locations of the I-15 express lane access points, the HOV lane usage compared to general purpose lane usage, and HOV lane usage restriction compliance issues.

Session Wrap-up

Received an overview by committee staff of the Transportation Interim Committee's subject areas and reviewed transportation-related legislation passed in the 2011 General Session.

*Chairs: Rep. Bradley M. Daw / Sen. Kevin T. Van Tassell
Staff: Leif G. Elder (Policy Analyst) / Shannon C. Halverson (Attorney) / Tracey Fredman (Secretary)*

Workforce Services and Community and Economic Development

Department Overview

The Committee received a briefing from representatives of the three departments under the Committee's oversight—the Governor's Office of Economic Development, the Department of Community and Culture, and the Department of Workforce Services. The representatives reported on each of their department's missions, organization, number of employees, current projects, recent challenges and achievements, and current issues of concern.

*Chairs: Rep. Jim Bird / Sen. Stuart C. Reid
Staff: Benjamin N. Christensen (Policy Analyst) / Peter Asplund (Attorney) / Robert H. Rees (Attorney) / Debra Hale (Secretary)*

2011 1st Special Session & Veto Override Session

First Legislative Special Session -- March 25, 2011

The Legislature passed H.B. 1001, "Repeal of H.B. 477, 2011 General Session" (2011 First Special Session), (J. Dougall).

H.B. 477 modifies provisions of the Government Records Access and Management Act and other provisions relating to government records.

Legislative Veto-Override Session -- May 6-7, 2011

The Legislature voted to override the governor's veto on the following two bills:

- *H.B. 328, "State Government Work Week" (Noel, M.)*

This bill provides for a five-day work week for state agencies in the executive branch.

- *S.B. 229, "Transportation Funding Revisions" (Adams, J. S.)*

This bill modifies the Sales and Use Tax Act by amending provisions relating to transportation funding. The bill increases the amount of certain sales and use tax revenue that is deposited into the Centennial Highway Fund or the Transportation Investment Fund of 2005 for fiscal years beginning on or after July 1, 2012.

Senator Dennis Earl Stowell



The Utah State Legislature mourns the loss of Senator Dennis Stowell, who passed away at his Parowan home on April 17, 2011 due to cancer. He was 66 years old. "Dennis Stowell was remarkably intelligent and personable," said Senate President Michael Waddoups. "He was absolutely dedicated to water rights, the rural economy and lifestyle, and preserving the agricultural roots of our state. As vice chair of the appropriations committee, he worked tirelessly to balance the budget and would not stop until the task was complete. We will miss Dennis. We will miss his good cheer, his analytical capabilities, and his strong convictions. Our thoughts and prayers are with Marilee and the family."

At the beginning of the Legislative Veto-Override Session on April 6th, Senate President Michael Waddoups observed the loss felt by his colleagues in the Senate and praised Senator Stowell for his service to his District 28 and to the State of Utah.

Senator Stowell served three years in the Army for the Finance Division during the Vietnam War. He returned to Brigham Young University where he earned undergraduate and graduate degrees in Chemical Engineering as a program honors graduate.

Senator Stowell was married to Marilee Adams Stowell for forty-four years and they are the parents of seven children. His professional career included rancher, engineer, inventor, farmer, mayor, commissioner, and senator. He owned and operated several small businesses and held patents on several innovations especially related to agriculture. He was pleased to be recognized as a farmer and rancher specializing in sheep, cattle, and hay production.

Senator Stowell served for nine years as Mayor of the City of Parowan, ten years as an Iron County Commissioner, and was in his fifth year in the Utah State Senate.

Office of the Legislative Auditor General's Audits-in-Process Report

Currently Staffed Audits


Audit Name	Estimated Completion
Cost Comparison of Health Care Coverage for School Districts	June
Actuarial Study of PEHP Contingency Reserves	June
Operating Efficiency of the Utah Court System	July
O & M of Buildings and Space in Higher Education	July
University of Utah Student Fees	July
Out-of-State Tuition for Universities	July
Security of ITS for Quasi-Governments and Universities	August
Cost Effectiveness of UTA Transit	September
Sale of Conservation Tags by the Division of Wildlife Resources	September
Graduation Rates and Excess Hours of Students in Higher Education	October

Future Audits Approved by Audit Subcommittee

Audit Name	Date Approved
DWS Control of Medicaid Client Fraud	17-May-11
Utah Telecommunication Open Infrastructure Agency (UTOPIA)	17-May-11
Division of Housing & Community Development	17-May-11
Utah Radioactive Waste Disposal and Storage Fees	17-May-11
DABC Management of Package Agencies	17-May-11

Next Interim Day—June 15, 2011





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