

**MINUTES OF THE
POLITICAL SUBDIVISIONS INTERIM COMMITTEE**
Wednesday, June 18, 2014 – 2:00 p.m. – Room 25 House Building

Members Present:

Sen. Daniel W. Thatcher, Senate Chair
Rep. R. Curt Webb, House Chair
Sen. Wayne A. Harper
Sen. Karen Mayne
Rep. Jerry B. Anderson
Rep. Joel K. Briscoe
Rep. Jon Cox
Rep. Richard A. Greenwood
Rep. Craig Hall
Rep. Kay L. McIff
Rep. Jeremy A. Peterson
Rep. Jennifer M. Seelig
Rep. Earl D. Tanner

Members Absent:

President Wayne L. Niederhauser
Sen. Aaron Osmond
Rep. Melvin R. Brown

Staff Present:

Mr. Joseph T. Wade, Policy Analyst
Ms. Victoria Ashby, Associate General Counsel
Ms. Sara J. Thomas, Legislative Secretary

Note: A list of others present, a copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov.

1. Committee Business

Acting Chair Peterson called the meeting to order at 2:34 p.m.

MOTION: Rep. McIff moved to approve the minutes of the November 20, 2013, and May 21, 2014, meetings. The motion passed unanimously. Sen. Harper was absent for the vote.

2. Good Landlord Program

Mr. Wade presented "Good Landlord Program: Summary of Current Statute." He explained the concept of disproportionate costs to cities of providing municipal services to renter-occupied residential properties versus owner-occupied residential properties. He explained that the statutes regarding the Good Landlord Program seek to address this cost disparity by authorizing, under specified conditions, a municipality to charge landlords a fee to recover the municipality's disproportionate costs. He noted that the statute requires a municipality to provide for a fee reduction if the landlord complies with the requirements of the municipality's Good Landlord Training Program. He responded to questions from the committee.

Rep. Gage Froerer provided background information on the Good Landlord Program. He articulated his concern that some cities appear to have taken too much liberty with the statute and placed too great a cost burden on rental property owners. He advised the committee that if the Good Landlord Program is going to continue, it needs to be administered consistently across municipalities. He responded to questions from the committee.

Rep. Curtis Oda described his experience with the Good Landlord Program in Clearfield, Utah. He provided some suggestions for improving the Good Landlord Program.

Acting Chair Peterson observed that the Good Landlord Program has largely had a positive effect on communities where it has been implemented. He noted that the issue calls for further study to find areas of potential improvement.

Mr. Mike Ostermiller, Utah Apartment Association and Utah Association of Realtors, noted the associations' support of the Good Landlord Program and described some of the benefits associated with it. He responded to questions from the committee.

Mr. Paul Smith, Utah Apartment Association, detailed some of the challenges associated with the Good Landlord Program and outlined some potential solutions. He noted that he supports the program, in principle, but is concerned about cities abusing fees.

Mr. Lincoln Shurtz, Director of Legislative Affairs, Utah League of Cities and Towns, stated that the league is happy to cooperate with other stakeholders to resolve concerns regarding the Good Landlord Program.

Mr. Gary Williams, Ogden City, described the success of the Good Landlord Program in Ogden, where it originated. He noted that 42% of Ogden's housing is rental housing and that Ogden has 10% of all rental housing in the state.

Mr. Andrew Riggle, Disability Law Center, outlined concerns regarding certain city ordinances associated with the Good Landlord Program that have implications on fair housing law.

Ms. Nori Huntsman, Deputy Division Director of Programming, Utah Department of Corrections, requested that the Department of Corrections be included in any potential work group, as the department plays a role in locating appropriate housing for inmates on parole.

Mr. Tom Wood, President and instructor, The Good Landlord (a private training program), described his impressions of the Good Landlord Program from his perspective as a former president of the Utah Apartment Association and a current landlord training instructor. He expressed concern that some cities only recognize training provided by the Utah Apartment Association, in violation of statute. He responded to questions from the committee.

Acting Chair Peterson relinquished the chair to Sen. Thatcher.

Chair Thatcher requested that any parties interested in participating in a work group addressing concerns regarding the Good Landlord Program should provide committee staff with their contact information and they will be notified of any work group meetings.

3. Ethics Laws for Local Government Officials and Employees

Ms. Ashby distributed and summarized "Provisions Governing Employment of Campaign Staff in Local Government Positions and Use of Local Government Resources for Campaign Purposes." She reviewed current statutes regarding standards of unethical or criminal conduct by local government officials and employees in hiring practices and use of public services for campaigns. She responded to questions from the committee.

Chair Thatcher relinquished the chair to Rep. Webb.

Sen. Thatcher articulated his concerns regarding government officials and employees using taxpayer resources for political purposes, such as campaigning. He responded to questions from the committee.

Mr. John Dougall, Utah State Auditor, explained that the Office of the Utah State Auditor receives more complaints regarding this issue close to elections. He noted that problems often arise from ignorance of the statute. He responded to questions from the committee.

The committee discussed what could be done to potentially address the issue.

Mr. Russ Wall, former mayor, informed the committee that he does not see a need for changing statute, but rather recommended that specific situations be investigated and prosecuted as appropriate. He responded to questions from the committee.

Ms. Claire Geddes, consumer advocate, informed the committee that she has worked as an advocate for ethics in government for many years. She encouraged the committee to look further into changing statute to address the problem.

Sen. Thatcher encouraged those with suggestions to work with him toward a productive solution.

4. School Planning and Zoning

Mr. Wade distributed "School Planning & Zoning: Summary of Current Statute."

Rep. Rich Cunningham explained the need for a school district or charter school to coordinate the siting of a new school with a municipality or county in order to implement the municipal or county general plan. He responded to questions from the committee.

Mr. Wall asserted that municipalities and schools need to better communicate with each other when undertaking new construction projects for the good of the whole community.

Sen. Evan Vickers cited an example from his Senate district of a proposed charter school zoned in a residential area that has raised concerns in the community.

Rep. Cunningham proposed that the stakeholders sit down together to resolve the issue.

Ms. Jodi Hoffman, Utah League of Cities and Towns, expressed the willingness of the league to work with all parties in order to come back to the committee with a consensus-based solution to the problem.

Mr. Chris Bleak, President, Utah Association of Public Charter Schools, stated that public district schools and charter schools do not have substantially different statutory requirements. He responded to questions from the committee.

5. UTOPIA Telecommunications Utility Fee

Chair Webb provided background information on a proposal the Utah Telecommunication Open Infrastructure Agency (UTOPIA) is considering. He explained that UTOPIA is working with an Australian-based company, Macquarie Capital, on a public-private partnership proposal. He stated that Macquarie Capital proposes to invest its own funds, with the cost of construction defrayed through a monthly telecommunications utility fee on homes and businesses. He further explained that the proposed monthly utility fee would be charged to all residences and businesses within the member cities regardless of whether or not a resident or business wants the service. He noted that in exchange for this utility fee, residents and businesses would receive access to a basic broadband network built up to the outside of

homes and businesses at no additional charge. He remarked that such an arrangement would be unprecedented in Utah. He responded to questions from the committee.

Mr. Royce Van Tassell, Utah Taxpayers Association, introduced Mr. Ray Gifford, attorney, who has done legal work for the Utah Taxpayers Association regarding this proposal.

Mr. Gifford discussed some of the legal issues raised by the proposed public-private partnership between UTOPIA and Macquarie Capital. He responded to questions from the committee.

Mr. Shurtz stated that the Utah League of Cities and Towns supports the public-private partnership. He noted that a utility-fee-based model such as the one proposed has been used for other services in Utah and would not be unprecedented. He responded to questions from the committee.

Ms. Ashby stated that UTOPIA's ability to assess the monthly utility fee is neither prohibited nor explicitly permitted in statute.

Mr. Ken Bullock, Utah League of Cities and Towns, noted that, outside of this specific proposal, discussions regarding UTOPIA have been taking place for years and citizens are generally well-informed regarding the services UTOPIA would provide.

Mayor Ron Bigelow, West Valley City, provided background information on the construction of UTOPIA's network and how the municipalities involved arrived at this decision. He asserted that the proposed public-private partnership with Macquarie Capital is a solution for these municipalities. He responded to questions from the committee.

Ms. Geddes outlined her opposition to the public-private partnership proposal.

Mr. George Chapman, member of the public, articulated his concern that this proposal would allow cities to spend money without voter approval. He responded to questions from the committee.

Mr. Tim Funk, member of the public, explained his concern that UTOPIA, as a utility, would be unregulated.

6. Other Items / Adjourn

MOTION: Rep. McIff moved to adjourn the meeting. The motion passed unanimously. Sen. Harper was absent for the vote.

Chair Webb adjourned the meeting at 5:15 p.m.