



# INTERIM HIGHLIGHTS

Office of Legislative Research and General Counsel  
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## LEGISLATIVE INTERIM MEETINGS

Meetings were held July 13, 2016, or as noted.

### IN THIS ISSUE:

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***\*\* Special Session Highlights - P. 8 \*\****

### Administrative Rules Review Committee

July 11, 2016

#### **Broad Grants of Statutory Rulemaking Authority**

Continued the discussion from the June 8 meeting regarding broad grants in statute that authorize state agencies to make administrative rules. Reviewed and discussed a [sampling](#) of broad grants of rulemaking authority currently in statute. The committee chairs requested that staff review state agency policy manuals and determine whether there are policies that meet the definition of a rule and that should be filed as rules.

#### **Impact of Administrative Rules on Businesses**

Discussed with the [Salt Lake Chamber of Commerce](#), the Office of the Legislative Fiscal Analyst, and the Office of Administrative Rules current measures being taken to evaluate the impact of administrative rules on businesses and what additional steps could be taken to improve the accuracy of those measurements.

*Chairs: Rep. Curtis Oda / Sen. Howard A. Stephenson*

*Staff: Art L. Hunsaker (Policy Analyst) / Christine R. Gilbert (Attorney) /  
Tracey Fredman (Legislative Assistant)*

### Business and Labor

#### **Continuing Care Retirement Communities**

**Action:** Voted to favorably recommend to the full Legislature 2016 Third Special Session [S.B. 3004](#), "Continuing Care Retirement Community Amendments," which modifies provisions related to continuing care retirement communities.

#### **Economic Development Revisions**

**Action:** Voted to favorably recommend to the full Legislature 2016 Third Special Session [S.B. 3002](#), "Economic Development Revisions," which defines "qualifying enterprise data center" and provides certain sales and use tax exemptions for a qualifying enterprise data center.

#### **Entertainment Software Rating Board**

Received comments from the Office of the Attorney General and received a [presentation](#) from the Entertainment Software Rating Board explaining the board's rating system of self-regulation.

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## Grand Boulevards Corridor Plan

Received presentations from Salt Lake City, the Salt Lake Chamber of Commerce, and the [Department of Transportation](#) regarding the Grand Boulevards Corridor Plan, which is a master planning effort to create an attractive and welcoming entrance and exit to Salt Lake City. Discussion focused on the transportation aspects of the plan.

## Insurance Premium Tax

Received an explanation from the committee chairs of a problem created by a change in how insurance companies report premium taxes. The change has caused a decrease in funds being allocated to firefighter-related purposes.

## Occupational and Professional Licensure Review Committee

Received a staff [presentation](#) and comments regarding the purpose and activities of the Occupational and Professional Licensure Review Committee created in [Title 36, Chapter 23, Occupational and Professional Licensure Review Committee Act](#).

*Chairs: Rep. Val L. Peterson / Sen. Curtis S. Bramble*

*Staff: Joseph T. Wade (Policy Analyst) / Patricia Owen (Attorney) / Samuel C. Johnston (Attorney) / Lucy W. Daynes (Legislative Assistant)*

## [Economic Development and Workforce Services](#)

### Sunset Review—Employment Security Act

Received a presentation from the Department of Workforce Services (DWS) regarding the [Employment Security Act](#), which includes a provision [[Subsection 35A-4-312\(5\)\(p\)](#)] that allows DWS to provide certain information regarding misclassified workers to the Wage and Hour Division of the United States Department of Labor. DWS recently signed a [memorandum of understanding](#) with the Department of Labor and has not yet shared any information with the department. DWS requested that a bill file be opened to change the sunset date of this provision in order to give DWS more time to assess the provision's effectiveness.

**Action:** Voted to open a committee bill file to extend the sunset date of [Subsection 35A-4-312\(5\)\(p\)](#).

### Motion Picture Incentive Program

Received a [presentation](#) from the Governor's Office of Economic Development regarding the goals, funding sources, financial outlays, award process, and assessment metrics of the Motion Picture Incentive Program. The presentation highlighted the appeal of Utah landscapes for filmmakers and indicated that the \$6.8 million tax credit allocation is effective in attracting film production to the state.

Discussion noted that tax credits awarded through the program are likely larger than the new state revenue generated by filming in Utah but identified the maintenance of the state's film industry and marketing of the state to the film industry as benefits of this expenditure.

## STEM Action Center

Received a [presentation](#) from the Governor's Office of Economic Development regarding the goals, funding sources, financial outlays, award process, and assessment metrics of the STEM Action Center. The presentation highlighted improved test scores in a number of students who used educational software products funded through the program.

Possible future legislation was discussed that would allow the STEM Action Center more flexibility to direct resources to those products that prove most effective.

## Tourism Performance Marketing Fund

Received a [presentation](#) from the Governor's Office of Economic Development regarding the goals, funding sources, financial outlays, award process, and assessment metrics of the Tourism Performance Marketing Fund. The presentation outlined the efforts of the Utah Office of Tourism to market the state primarily through advertisements highlighting the state's red rock regions and ski resorts. A third-party research firm identified a significant increase in incremental visitors and state tax revenue generated as a result of these advertisements.

*Chairs: Rep. Rebecca P. Edwards / Sen. Brian E. Shiozawa*

*Staff: Ryan M. Hunter (Policy Analyst) / Peter Asplund (Attorney) / Debra Hale (Legislative Assistant)*

## [Education](#)

### School Turnaround and Leadership Development Act

Received an update on implementation of the School Turnaround and Leadership Development Act ([Title 53A, Chapter 1, Part 12](#)) from the State Board of Education, school administrators, and school turnaround experts that are engaged in academic achievement improvements.

### Teacher Preparation

Received a [presentation](#) from the State Board of Education and the School of Education at Utah Valley University regarding a partnership between public education and higher education that is working to address teacher preparation in Utah.

*Chairs: Rep. Bradley G. Last / Sen. Ann Millner*

*Staff: Allyson R. Goldstein (Policy Analyst) / Tiffany A. Stanley (Policy Analyst) / Victoria Ashby (Attorney) / Rebekah M. Bradway (Attorney) / Michael E. Curtis (Attorney) / Debra Hale (Legislative Assistant)*

## Government Operations

### Election Law

**Action:** Approved as a committee bill, draft legislation "[Amendments to Election Law](#)," which makes logistical changes to the [Election Code](#) as suggested by the committee and the Office of the Lieutenant Governor.

### Issues Presented by the Office of the Attorney General

Discussed issues recommended by the Office of the Attorney General for the Legislature's consideration, including issues related to the Government Records Access and Management Act and governmental immunity.

### Issues Presented by the State Auditor

Discussed [issues](#) recommended by the state auditor for the Legislature's consideration, including issues related to state organizations' operational activities and state employees' compensation and employment.

### Redistricting Standards

**Action:** Approved as a committee bill, draft legislation "[Joint Rules Resolution on Redistricting Standards](#)," which enacts principles and procedures to guide the Legislature during the redistricting process.

Chairs: Rep. Jack R. Draxler / Sen. Margaret Dayton  
Staff: Brian J. Bean (Policy Analyst) / Thomas R. Vaughn (Attorney) / Katie LeFevre (Legislative Assistant)



## Health and Human Services

### Controlled Substance Database—Access by Probation and Parole Officers

**Action:** Voted to favorably recommend to the full Legislature 2016 Third Special Session [S.B. 3001](#), "Controlled Substance Database Modifications," which addresses access to the state's controlled substance database by a probation or parole officer.

### Medical Aid in Dying

Received presentations from interested parties on [legislation](#) introduced during the past two general sessions of the Legislature that would enable terminally ill individuals to end their lives at will with the indirect involvement of medical professionals prescribing and dispensing life-ending pharmaceuticals under specified conditions.

### Opioid Misuse

Received a [presentation](#) on a [proposal](#) that would prohibit a health insurer from paying for an opioid prescription not made in accordance with established prescribing guidelines unless the prescriber obtained prior authorization for payment from the insurer.

Chairs: Rep. Kay L. McIlff / Sen. Evan J. Vickers  
Staff: Mark D. Andrews (Policy Analyst) / Michael E. Curtis (Attorney) / Cathy J. Dupont (Attorney) / Lee A. Killian (Attorney) / Lori Rammell (Legislative Assistant)

## Health Reform Task Force

July 14, 2016

### Substance Abuse Treatment -- Fraud Prevention

Received reports from the Office of Licensing within the Department of Human Services, the Insurance Department, and the Utah Association of Addiction Treatment Providers that 2016 General Session [H.B. 259](#), "Substance Abuse Treatment Fraud," is having positive effects. The legislation was enacted in response to allegations of questionable practices by substance abuse treatment providers brought to the attention of the task force last year. The presenters did not make any recommendations for further statutory changes at this time.

### Telehealth

Received a [report](#) from the Utah Telehealth Network on recent developments in telehealth and discussed potential issues for further study by a workgroup consisting of:

- Members of the task force;
- Members of the Public Utilities, Energy, and Technology Interim Committee; and
- Telehealth stakeholders.

Also received a briefing on the purpose and operation of the [Utah Education and Telehealth Network](#).

Chairs: Rep. James A. Dunnigan / Sen. Allen M. Christensen  
Staff: Mark D. Andrews (Policy Analyst) / Cathy J. Dupont (Attorney) / Lori Rammell (Legislative Assistant)



## Judiciary

### Controlled Substance Database Audit

Received a [report](#) from the Office of the Legislative Auditor General on law enforcement agencies' use of the controlled substance database.

**Action:** *Voted to recommend that no further action be taken by the Legislature to address the audit findings, but to be open to the possibility that the Department of Occupational and Professional Licensing present to the committee its privacy requirements for the controlled substance database.*

### Criminal Justice Reinvestment Amendments

Received an overview of 2016 Third Special Session [H.B. 3004](#), "Criminal Justice Reinvestment Amendments," which modifies provisions regarding probation and the earned time program for incarcerated offenders.

### Grandparent Rights Amendments

Reviewed 2016 Third Special Session [H.B. 3005](#), "Grandparent Rights Amendments," which provides that a grandparent may petition for visitation after a parent's rights have been terminated, unless the grandchild is adopted by a nonrelative.

### Judicial Nominating Commissions

Received an overview of 2016 Third Special Session [S.B. 3003](#), "Judicial Nominating Commissions - Amendments," which provides that if a judicial nominating commission is considering applicants for more than one vacancy existing in a court at the same time, the judicial nominating commission shall include in the list it sends to the governor one additional applicant for each additional vacancy.

*Chairs: Rep. LaVar Christensen / Sen. Mark B. Madsen*

*Staff: Gregg A. Girvan (Policy Analyst) / Esther Chelsea-McCarty (Attorney) / Lucy W. Daynes (Legislative Assistant)*

## Law Enforcement and Criminal Justice

### Death Penalty Process and Costs

Received presentations from [committee staff](#), the [Office of the Attorney General](#), and the Death Penalty Information Center regarding the trial and appeal process of capital punishment cases and the cost of imposing the death penalty in Utah.

The committee discussed:

- Inmates' length of stay on death row in states under the jurisdiction of the federal 10th Circuit court;
- The appeals process for capital offenses in the Utah courts and in the federal court of appeals; and
- The cost of imposing capital punishment compared to life without parole.

### Off-Duty Law Enforcement Officer Employment

Received a presentation from a legislator regarding draft legislation, "[Off Duty Law Enforcement Officer Employment Amendments](#)," which would address the employment of law enforcement officers by private security businesses while they are off duty.

*Chairs: Rep. Don L. Ipson / Sen. Todd Weiler*

*Staff: Nathan W. Brady (Policy Analyst) / Susan Creager Allred (Attorney) / Lori Rammell (Legislative Assistant)*

## Natural Resources, Agriculture, and Environment

### State Energy Policy

Received a [report](#) from the state energy advisor and the Governor's Office of Energy Development on the status and development of the state's energy resources and the energy advisor's activities. The advisor reviewed the state energy policy and discussed the importance of energy development and the impact of energy development on the state economy.

### Energy Producing States' Agreement

Received a [report](#) on Utah's involvement in the Energy Producing States' Coalition and the efforts of the coalition to establish an energy production agreement.

### Sunset Review—Mercury Switch Removal Act

**Action:** Reviewed [Title 19, Chapter 6, Part 10, Mercury Switch Removal Act](#), which is set to be repealed on July 1, 2017, by a sunset provision. Recommended that the act be reauthorized for a period of 10 years.

### Unmanned Aircraft Amendments

Discussed 2016 Third Special Session [H.B. 3003](#) "Unmanned Aircraft Amendments," which addresses operating unmanned aircraft systems within certain wildland fire areas. The bill modifies penalties and authorizes neutralization of an unmanned aircraft under certain circumstances.

**Action:** *Voted to favorably recommend [H.B. 3003](#) to the full Legislature.*

### Waste Tire Recycling Fees

Discussed [Title 19, Chapter 6, Part 8, Waste Tire Recycling Act](#). Received a report from the Division of Waste Management and Radiation Control, the Salt Lake County Health Department, and the Division of Finance on the collection and use of waste tire recycling fees.

*Chairs: Rep. Lee B. Perry / Sen. Scott K. Jenkins*

*Staff: J Brian Allred (Policy Analyst) / RuthAnne Frost (Attorney) / Katie LeFevre (Legislative Assistant)*

## Point of the Mountain Development Commission

### Request for Proposals for Consultant Services

Reviewed a draft request for proposals (RFP) for consultant services. Also suggested minor revisions to clarify the size of the area intended to be studied in association with the RFP, and expressed the expectation that the selected consultant will help the commission provide a report to the Legislature and the governor by December 1, 2016.

**Action:** *Voted to approve the RFP and authorize its issuance, subject to discussed changes, formatting, and other non-substantive corrections by the commission chairs and staff.*

*Voted to authorize the commission chairs to do the following on behalf of the commission:*

1. *Issue any addenda to the RFP that become necessary during the RFP process, including an addendum to answer questions submitted by potential responders; and*
2. *Take any administrative actions that become necessary during the RFP process in order to facilitate the process.*

*Voted to appoint an evaluation committee to evaluate proposals submitted in response to the RFP.*

*Chairs: Mr. Christopher Conabee / Rep. Brad R. Wilson  
Staff: Ryan M. Hunter (Policy Analyst) / Robert H. Rees (Attorney) / Peter Asplund (Attorney) / Lucy W. Daynes (Legislative Assistant)*

## Political Subdivisions

### Limited Purpose Local Government Entities—Taxation and Fees

Received a [presentation](#) from committee staff providing a legal and statutory overview of how limited purpose local government entities levy property taxes, collect fees, and charge assessments. Discussed several related policy issues, including:

- The composition of boards that oversee certain entities that tax customers;
- The public process required when entities propose to raise a tax or fee; and
- Transparency.

### Local Building Authorities

Discussed [Title 17D, Chapter 2, Local Building Authority Act](#), which allows a local government to create a nonprofit corporation for the purpose of financing public facilities. Examined the relationship between the local government and the authority in terms of governance and financial obligations, and explored the variety of projects that have been funded under the act.

### Local District Dissolution Process

Received a [presentation](#) from committee staff providing the statutory requirements for the dissolution of a local district. Discussed the policy basis for having a high threshold to dissolve an active local district, and the ways in which local governments and local districts have worked together to amicably dissolve an active district.

### Short-Term Rentals

Received an update from a legislator regarding the regulation of short-term property rental units. The League of Cities and Towns has been gathering data to determine how municipalities are regulating these rentals, and hopes to identify best practices that can address concerns raised by interested parties.

### Zoning for Substance Abuse Recovery Residences

Received an update from a legislator on issues related to a local government's ability to use its zoning powers to regulate substance abuse recovery residences while also complying with the federal [Fair Housing Act](#) and [Americans With Disabilities Act](#), including an update on meetings the legislator has held with stakeholders.

*Chairs: Rep. R. Curt Webb / Sen. Daniel W. Thatcher  
Staff: Megan L. Bolin (Policy Analyst) / Christine R. Gilbert (Attorney) / Joshua M. Weber (Legislative Assistant)*



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## Public Utilities, Energy, and Technology

### Long-Term Planning

Received a presentation from the Governor's Office of Energy Development regarding the office's mission, strategic plan, top three issues, and goals.

### Regional Transmission Operation Proposal

Received information regarding the California Independent System Operator and PacifiCorp regional transmission operation proposal from the following organizations:

- Governor's Office of Energy Development;
- Public Service Commission of Utah;
- Office of Consumer Services;
- Division of Public Utilities;
- [Western Resource Advocates](#);
- [Utah Association of Energy Users](#);
- [Rocky Mountain Power](#);
- [Utah Associated Municipal Power Systems](#);
- [Sutherland Institute](#); and
- Deseret Power.

**Action:** Voted to open a committee bill file to address the California Independent System Operator and PacifiCorp regional transmission operation proposal.

*Chairs: Rep. Ken Ivory / Sen. David P. Hinkins  
Staff: Adam J. Sweet (Policy Analyst) / Samuel C. Johnston (Attorney) / Tracey Fredman (Legislative Assistant)*

## Revenue and Taxation

### Assessment of Land in Agricultural Use

Received an [overview](#) from the Utah State Tax Commission regarding the [Farmland Assessment Act](#), which provides that qualified agricultural property is assessed, for property tax purposes, on the basis of its agricultural production instead of its market value.

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Received presentations from the Utah Association of Counties, a county assessor, and the Utah Farm Bureau on the importance of the [Farmland Assessment Act](#) to farming operations and also the challenges of administering the act.

### Review of Utah State Tax Commission

Received a [presentation](#) from the Utah State Tax Commission regarding the commission's:

- Recent policy rulings;
- Organizational structure;
- Duties and delegation of duties; and
- Statutory provisions regarding meetings with administrative staff.

### Tax Credit Review Amendments

Received a presentation on 2016 Third Special Session [H.B. 3001](#) "Tax Credit Review Amendments," which provides for a review of certain tax credits on a three-year cycle.

**Action:** Voted to favorably recommend [H.B. 3001](#) to the full Legislature.

*Chairs: Rep. Daniel McCoy / Sen. Deidre M. Henderson  
Staff: Bryant R. Howe (Deputy Director) / Leif G. Elder (Policy Analyst) / Andrea Valenti Arthur (Attorney) / Bree Frehner (Legislative Assistant)*

## Senate Judicial Confirmation Committee

July 06, 2016

### Confirmation of Mr. Craig Bunnell

Recommended to the Senate the confirmation of Mr. Craig Bunnell as a judge to the Seventh District Juvenile Court.

During the 2016 Third Special Session on July 13, 2016, the Senate met and confirmed the appointment of Mr. Bunnell.

*Chairs: Sen. Scott K. Jenkins  
Staff: Jerry D. Howe (Managing Policy Analyst) / Susan Creager Allred (Attorney) / Lucy W. Daynes (Legislative Assistant)*

## State Water Development Commission

July 12, 2016

### Federal Water Actions

Received a [report](#) from the Utah Farm Bureau Federation on the status of federal water actions, including:

- Changes to the definition of "Waters of the United States";
- Changes to the Water Rights Protection Act; and
- The protection of Utah sovereign water rights.

### Water Infrastructure Funding

Discussed the commission's newly established [responsibilities](#) under 2016 General Session [S.B. 251](#) "Water Infrastructure Funding Amendments" and 2016 General Session [S.B. 80](#) "Infrastructure Funding Amendments."

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## Water Rights Adjudication

Reviewed 2016 General Session [S.B. 75](#) "Water Rights Adjudication Amendments" and received a [report](#) from the Executive Water Task Force and the Division of Water Rights on water rights adjudication efforts.

*Chairs: Rep. Keith Grover / Sen. Margaret Dayton  
Staff: J Brian Allred (Policy Analyst) / RuthAnne Frost (Attorney) /  
Katie LeFevre (Legislative Assistant)*

## Transportation

### Long-Term Planning Updates

The committee received presentations from the [Utah Transit Authority](#) and Utah's four [metropolitan planning organizations](#) regarding the current and emerging challenges and issues facing each agency.

### Update on Electronic Driver License Study

2016 General Session [H.B. 227](#), "Electronic Driver License Amendments," required a written report be presented to the Transportation Interim Committee. The committee received the [draft report](#) and a [presentation](#) from the Driver License Division and the Department of Technology Services outlining the current landscape of electronic driver license technology and standards.

*Chairs: Rep. Johnny Anderson / Sen. Wayne A. Harper  
Staff: Alex R. Janak (Policy Analyst) / Kurt P. Gasser (Attorney) / Shannon C. Halverson (Attorney) / Joshua M. Weber (Legislative Assistant)*

## Utah Tax Review Commission

June 30, 2016

### Apportionment of Income Under the Utah Corporate Income Tax

Received information regarding the possibility of expanding the option of using a single sales factor apportionment formula under the Utah Corporate Income Tax to more taxpayers. Discussed issues and possible effects if Utah were to allow more taxpayers to use a single sales factor apportionment formula.

### State and Local Taxes on Businesses

Received a presentation from The Tax Foundation, a non-partisan, non-profit organization that conducts research on a variety of tax issues, including state and local taxes. The foundation said that Utah is consistently highly ranked in its annual [Business Tax Climate](#) report and is only one of two states with both an individual income tax and sales tax included in the top ten states.

*Chair: Mr. Curtis Trader  
Staff: Bryant R. Howe (Deputy Director) / Leif G. Elder (Policy Analyst) / Andrea Valenti Arthur (Attorney) / Bree Frehner (Legislative Assistant)*



**Third Special Session of the Sixty-first Legislature of the State of Utah— July 13, 2016**

The Legislature passed:

- **[HB 3001](#) *Tax Credit Review Amendments*** (J. Peterson). This bill requires the Revenue and Taxation Interim Committee to review certain credits related to individual income tax, corporate income tax, motor and special fuel tax, taxation of admitted insurers, and economic development.
- **[HB 3002](#) *State Fair Park Amendments*** (S. Hollins). This bill authorizes the Division of Facilities Construction and Management to contract for the design and construction of an arena at the state fair park and appropriates \$10 million for the construction of the arena.
- **[HB 3003](#) *Unmanned Aircraft Amendments*** (D. Ipson). The bill modifies penalties and authorizes neutralization of an unmanned aircraft that is flown within certain wildland fire areas.
- **[HB 3004](#) *Criminal Justice Reinvestment Amendments*** (E. Hutchings). This bill modifies provisions regarding probation, including supervision and services, and modifies the earned time program for incarcerated offenders.
- **[SB 3001](#) *Controlled Substance Database Modifications*** (T. Weiler). This bill describes the circumstances under which probation and parole officers may access information from the controlled substance database without a warrant.
- **[SB 3002](#) *Economic Development Revisions*** (C. Bramble). This bill defines "qualifying enterprise data center" and provides certain sales and use tax exemptions for a qualifying enterprise data center.
- **[SB 3003](#) *Judicial Nominating Commissions - Amendments*** (P. Knudson). This bill provides that if a judicial nominating commission is considering applicants for more than one vacancy existing in a court at the same time, the judicial nominating commission shall include in the list it sends to the governor one additional applicant for each additional vacancy.
- **[SB 3004](#) *Continuing Care Retirement Community Amendments*** (D. Henderson). This bill modifies provisions related to continuing care retirement communities.

**Next Interim Day — September 21, 2016**

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