LEGISLATIVE INTERIM MEETINGS
Meetings were held October 19, 2016, or as noted.

Administrative Rules Review Committee
September 23, 2016

Local Ordinances and Potential Conflicts with State Law
Discussed whether the Legislature should provide oversight and assist citizens in addressing concerns about county or city ordinances that may be in conflict with state statute.

Office of Administrative Rules Transition
Received an update from the Office of Administrative Rules on its transition from a division to an office as a result of 2016 General Session H.B. 103, "Department of Administrative Services Amendments."

Rulemaking Training for State Agencies
Received an overview from the Office of Administrative Rules regarding training provided by the office to state agencies that write administrative rules.

October 14, 2016

Higher Education's Exemption from Administrative Rulemaking
Discussed with the Board of Regents whether to repeal a provision in the Administrative Rulemaking Act that exempts state education institutions from the requirement to make administrative rules when the institution's action applies only to students.

Impact of Administrative Rules on Businesses
Discussed with the Governor’s General Counsel:
- The impact of administrative rules on businesses;
- The Governor’s Executive Order Establishing Effective Oversight over State Agency Rulemaking; and
- Ways to improve the development and review of administrative rules.

Local Ordinances and Potential Conflicts with State Law
Discussed with the Utah League of Cities and Towns, the Utah Association of Counties, and the Utah Association of Special Districts whether a process is needed at the state level to review local government ordinances that may violate state law.

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

**Alcoholic Beverage Control**
Discussed draft legislation "Alcohol Beverage Control Budget Amendments" and draft legislation "Department of Alcoholic Beverage Control Amendments," Both bills would revise the budget of the Department of Alcoholic Beverage Control.

**Consumer Protection Revisions**
Discussed draft legislation "Consumer Protection Revisions," which would modify statutes administered by the Division of Consumer Protection.

**Insurance Premium Tax**
**Action:** Amended and approved as a committee bill, draft legislation "Insurance Premium Tax Amendments," which would modify provisions related to the insurance premium tax.

**Payday Lending**
**Action:** Approved as a committee bill, draft legislation "Check Cashing and Deferred Deposit Lending Amendments," which would modify provisions related to check cashing and deferred deposit lending.

**State Construction Code**
**Action:** Approved as a committee bill, draft legislation "State Construction Code Amendments," which would amend provisions related to the state construction code.

**Statutorily Required Reports**
**Action:** Approved as a committee bill, draft legislation "Statutory Required Reports Amendments," which would modify provisions regarding specific reports required by statute.

**Utah Revised Business Corporation Act**
**Action:** Approved as a committee bill, draft legislation "Utah Revised Business Corporation Act Modifications," which would modify provisions regulating business corporations.

**Utah Science Technology and Research (USTAR)**
Received a presentation from USTAR. Discussed issues regarding the operations, activities, programs, and services of the governing authority and the USTAR initiative. Also received the annual report from USTAR.

**Workers' Compensation Fund**
Discussed draft legislation "Workers' Compensation Fund Amendments," which would repeal the statute creating the Workers’ Compensation Fund and make conforming amendments.

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**Child Welfare Legislative Oversight Panel**

**October 13, 2016**

**Fatality Review Report**
Received the Fatality Review Executive Summary from the Department of Human Services concerning deaths of all individuals during FY 2016:
- For whom there was an open department case at the time of death; or
- In cases where the individuals or their families had received services through the department within 12 months preceding the death.

The panel discussed concerns about the increase in youth suicide. In a meeting closed to the public, the panel reviewed individual fatality cases.

**Qualitative Case Review and Case Process Review**
Received a report from the Office of Services Review on the findings of its qualitative case review and case process review of the Division of Child and Family Services.

Discussed trends and areas of concern identified by the Office of Services Review. The Division of Child and Family Services showed a video and advised what action has been taken, or should be taken, to address areas of concern.

Staff: Adam J. Sweet (Policy Analyst) / Lee A. Killian (Attorney) / Lori Rammell (Legislative Assistant)
**Commission on Federalism**  
_Science, Technology, Engineering, and Math (STEM) Action Center_  
_Raised questions regarding ongoing efforts to support skilled trades in the state and noted a variety of metrics used to demonstrate the center’s impact on educators and students in the state._

**Continuing Education on Federalism Curriculum**  
_Received a presentation from the Center for Constitutional Studies at Utah Valley University regarding the federalism curriculum and continuing legal education credit for participating attorneys. The curriculum has been approved for one credit hour of continuing legal education and the center has applied for two hours of continuing legal education credit for participants who complete the course and follow-up quiz._

**United States Constitution Article V Issues**  
_Received a report from a legislator regarding Article V issues that were covered at a recent convention of the states. The purpose of the convention was to practice an Article V convention and the rules and processes that might be used._

**Economic Development and Workforce Services**  
**Governor's Office of Economic Development**  
_Received a presentation from the Governor's Office of Economic Development regarding its annual report. The presentation highlighted the office's:_
  - Student workforce training program;
  - Tourism marketing campaigns; and
  - Corporate recruiting efforts._

**Science, Technology, Engineering, and Math (STEM) Action Center**  
_Received a follow-up presentation from the STEM Action Center regarding questions raised during the September interim meeting. The presentation highlighted the center’s efforts that support skilled trades in the state and noted a variety of metrics used to demonstrate the center’s impact on educators and students in the state._

**Utah Capital Investment Corporation**  
_Received a presentation from the Utah Capital Investment Corporation regarding its annual report. The presentation highlighted efforts to refinance the corporation's original debt liabilities and contribute to entrepreneurial economic development efforts in the state. The presentation also reported that the corporation's portfolio has realized a 2.6% net internal rate of return as of June 30, 2016._

**Utah Department of Heritage and Arts**  
_Received a presentation from the Department of Heritage and Arts regarding its annual report. The presentation highlighted the department's efforts of the past year, including:_
  - Historic photograph digitization;
  - Museum support;
  - Multicultural events; and
  - Bookmobile services to rural communities._

**Utah Department of Workforce Services**  
_Received a presentation from the Department of Workforce Services regarding its annual report. The presenters highlighted several awards the department has received and discussed the department’s efforts to engage communities regarding intergenerational poverty and to reduce unemployment among veterans._

**Utah Science, Technology, and Research Initiative**  
_Received a presentation from the Utah Science, Technology, and Research Initiative regarding the initiative's annual report. The presentation indicated that in the coming year the initiative will fully:_
  - Implement the new grant programs;
  - Expand services for technology entrepreneurs; and
  - Reopen an aerospace and advanced manufacturing incubator._
**Education**

**Assessment and Accountability**
Considered draft legislation "Education Assessment and Accountability Amendments," which would address changes regarding accountability and assessment in public schools, as proposed by the State Board of Education.

**Equalization**
Considered draft legislation "School Funding Amendments," which would:
- Direct the Legislature to annually appropriate certain funds to the voted and board local levy guarantee programs; and
- Amend the number of local levy increments guaranteed.

**Higher Education Performance Funding**
Received a presentation from the Utah System of Higher Education about the implementation of performance funding. The Utah College of Applied Technology presented a proposed model for expanding performance funding to the Utah College of Applied Technology. The committee also considered draft legislation "Higher Education Performance Funding," which would provide a dedicated portion of certain income tax growth to performance funding.

**Outline for Recodification of Education Code**
Discussed a proposed outline for recodifying Title 53A, State System of Public Education.

**Government Operations**

**Commission on Federalism**
Received a statutorily required report from the Commission on Federalism, which included an update on the development of the curriculum on federalism through the Center for Constitutional Studies at Utah Valley University.

**Disposition of Ballots**
Action: Approved as a committee bill, draft legislation "Disposition of Ballots Amendments," which would require an elections officer to notify a voter when the voter's absentee ballot is rejected.

**Federal Funds Commission**
Received a statutorily required report from the Federal Funds Commission regarding the commission's findings and recommendations.

**Free Market Protection and Privatization Board**
Received a statutorily required report from the Free Market Protection and Privatization Board and discussed the future role of the board.

**Governmental Nonprofit Entity Compliance**
Discussed a proposal to require governmental nonprofit entities to be subject to certain transparency in provisions of the Utah Code, including the Open and Public Meetings Act and the Government Records Access and Management Act.

**Plurality**
Discussed a proposal to address the issue of a candidate being elected by a plurality rather than a majority of voters.

**Voting Equipment**
Received a presentation from the Office of the Lieutenant Governor regarding the need for, cost of, policies regarding, and progress in purchasing new voting equipment for the state.

**Health and Human Services**

**Medical Marijuana**
Received presentations from four legislators on draft legislation related to the regulation, research, and use of marijuana for medical purposes:
- "Cannabis-Based Medicine Regulatory Amendments";
- "Cannabinoind Medicine Act";
- "Cannabis-Based Medicine Research"; and
- "Cannabis-Based Medicine Amendments."

**Opioid Misuse**
Received a report on the outcomes of a Utah initiative to provide medication-assisted treatment to persons experiencing opioid addiction. Also received reports from Intermountain Healthcare and Utah Nurse Practitioners on recent changes in opioid prescribing and a request for the state to provide financial support for expanded access to medication-assisted treatment.

**Statutorily Required Reports**
Considered draft legislation "Repeal of Health and Human Services Reports," which would repeal certain statutorily required reports on health and human services issues.
Health Reform Task Force
September 29, 2016

Small Business Health Insurance Exchange
Received a report from Avenue H, the state's administrator of the federal Affordable Care Act's Small Business Health Options Program (the SHOP), a health insurance exchange for small employers. Avenue H reported on the challenges it faces and referred to a study by the Salt Lake Chamber of Commerce on whether Avenue H could be converted to a nonprofit organization and expanded to serve a larger market. Also received comments from interested parties on the value of having Avenue H, as opposed to another entity, administer the SHOP.

Health Insurance—2017 Premiums
Received a report from the Utah Insurance Department that premiums for health insurance plans offered in the individual market are expected to be 30% higher in 2017 than in 2016. Rates for small group plans are expected to increase by about 10%.

Medicaid Expansion
Received updated estimates, which include 2016 enrollment in the federal health insurance exchange, from the Office of the Legislative Fiscal Analyst of the impacts regarding expanding Medicaid eligibility.

Task Force Workgroups
Received updates on the work of the task force's:
- Telehealth Workgroup;
- Managed Care Workgroup; and
- Network Adequacy/Surprise Billing Workgroup.
The Telehealth Workgroup is considering proposals to establish pilot programs that would test the impacts of telemedicine.

October 20, 2016

All-Payers Claims Database—Federal Rule
Considered how to respond to a recent U.S. Supreme Court case that could affect the submission of health insurance claims data by self-insured employers to the state's all-payers health insurance claims database.

Action: Voted to draft a letter in support of comments by the National Association of State Health Policy regarding a U.S. Department of Labor proposed regulation that responds to the U.S. Supreme Court case.

Small Business Health Insurance Exchange
Considered options for the operation of the federal Affordable Care Act's Small Business Health Options Program (the SHOP), a health insurance exchange for small employers.

Action: Voted to draft a letter requesting that the executive branch notify the Centers for Medicare and Medicaid Services within the U.S. Department of Health and Human Services that Utah no longer wishes to provide the operational platform for the SHOP.
DUI Report

Received a statutorily required report on DUI offenses, which summarized data from FY2016 on DUI-related offenses, arrests, and fatalities. Also discussed issues related to impairment from substances other than alcohol and the difficulty in determining whether the driver was impaired when operating a vehicle.

Indigent Defense

Received a presentation from the Indigent Defense Commission, established by 2016 General Session S.B. 155, "Indigent Defense." The commission reported on its activities and current efforts to reform:

- The state's indigent criminal defense system;
- The responsibilities of the commission authorized under statute;
- The structure of contracts for public defenders; and
- Grants available for local jurisdictions to improve indigent defense services.

Law Enforcement and Criminal Justice

Board of Pardons and Parole—Audit and Update

Received a report from the Board of Pardons and Parole regarding the findings and recommendations of the February 2016 audit conducted by the Office of the Legislative Auditor General. The board presented a plan to implement an electronic file management system during the next two and a half years. The system would assist with record management and streamline processes across law enforcement and criminal justice agencies.

Expungement Amendments

Discussed draft legislation "Expungement Amendments," which would:

- Prevent the dissemination of information regarding pardons and expungements; and
- Specify that infractions, traffic offenses, and certain minor offenses would not affect expungement eligibility.

Human Trafficking Amendments

Received an update from a legislator regarding the crime of human trafficking and the need to address gaps within current provisions to protect victims.

Sexualized Images

At its September 20, 2016, meeting, the Legislative Management Committee authorized this committee to study the effect of sexualized images on youth and to hold one additional meeting to address this topic. The meeting has been scheduled for November 10, 2016, at 4:00 p.m. in Room 450 of the State Capitol Building.

Legislative Management Committee

October 18, 2016

Meeting Requests

Action: Approved the following committee requests:

- Education Interim Committee's request for an additional committee meeting in conjunction with the National Conference of State Legislatures on educational leadership; and
- Revenue and Taxation Interim Committee's request for an additional committee meeting to complete the assigned study items.

Staff: M’kynzi E. Newbold (Policy Analyst) / Nathan W. Brady (Policy Analyst) / Susan Creager Alfred (Attorney) / Lori Rammell (Legislative Assistant)
**Native American Legislative Liaison Committee**  
*September 29, 2016*  
*Meeting held in Mexican Water, Utah*

**Broadband Infrastructure in San Juan County**
Discussed with the Utah Education and Telehealth Network an opportunity to expand broadband access to Native American schools in San Juan County and the benefits that would result for the county.

*Action:* Voted to send a letter of support for this project to the president and speaker of the Navajo Nation, to Utah’s governor, to Utah’s congressional delegation, and to the Grand and San Juan county offices of the Bureau of Land Management.

**State School Grants**
State Board of Education staff discussed the state grant program for Native Americans, reporting that Eagle Mountain elementary school in Uintah School District received the only grant this year.

*Action:* Voted to increase the grant program to $500,000 of ongoing funds annually for five years.

**Native American Graves Repatriation Act**
Discussed the issues concerning the remains of ancient Native Americans, particularly in regards to the relocation of remains.

Staff: Art L. Hunsaker (Policy Analyst) / Michael E. Christensen (Director) / Patricia Owen (Attorney) / Joshua M. Weber (Legislative Assistant)

**Natural Resources, Agriculture, and Environment**

**Statewide Wildland Fire Policy**
Received a report from the Division of Forestry, Fire, and State Lands on its efforts to establish a comprehensive, statewide wildland fire prevention, preparedness, and suppression policy. The report emphasized efforts to reduce wildland fire risks and lower overall costs.

**Direct Food Sales**
Received a report from the Department of Agriculture and Food on the department’s cottage food program.

The committee also considered draft legislation "Direct Food Sales Amendments," which would:

- Modify the rulemaking authority of the Department of Agriculture and Food regarding cottage food production operations; and
- Require the operator of a cottage food production operation to package a cottage food product with a label, as specified by the department.

**Sage Grouse Program**
Received a report from the Department of Natural Resources on the Greater Sage Grouse Compensatory Mitigation Program administered by the department.

**Water Development Commission**
*Action:* Approved as a committee bill, draft legislation "Water Development Commission Amendments," which would modify the membership of the State Water Development Commission.

**Water System Infrastructure Funding**
Received a report from the Division of Water Resources and the Board of Water Resources regarding efforts to establish rules relating to funding from the Water Infrastructure Restricted Account as required by 2016 General Session S.B. 251 "Water Infrastructure Funding Amendments."

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

**Political Subdivisions**

**Assessment Area Act**
*Action:* Approved as a committee bill, draft legislation "Assessment Area Act Amendments," which would:

- Clarify the required contents of a notice of a proposed assessment area designation; and
- Require a local entity that levies an assessment for economic promotion activities to assess each benefited property.

**Historic Preservation Amendments**
Discussed draft legislation "Historic Preservation Amendments," which would:

- Authorize a local legislative body to designate a historic preservation commission to make administrative decisions on land use applications related to historically significant property; and
- Provide, under certain circumstances, an automatic appeal from a decision of a historic preservation commission.

**Local Officer Amendments**
Discussed draft legislation "Local Officer Amendments," which would modify provisions related to the timing of the appointment of the recorder and treasurer in certain municipalities.

**Municipal Service Amendments**
Discussed draft legislation "Municipal Service Amendments," which would address an issue identified in the 2015 Performance Audit of Culinary Water Improvement Districts.

The legislation would restrict a municipality’s ability to provide a service that a local district already provides.
Quality Growth Commission
Received an annual report regarding progress statewide on accomplishing the purposes of the Quality Growth Act. The report advised the committee of:

- The outcomes of the LeRay McAllister Critical Land Conservation Program;
- Growth management issues; and
- Assistance needed by local governments to plan for quality growth.

Short-Term Rentals
Received an update from a legislator regarding the regulation of short-term property rental units. The League of Cities and Towns gathered data to determine how municipalities regulate these rental properties and reported that regulations vary by city, based on unique local factors.

Action: Found the item to be significant, and recommended more time be taken to develop solutions and consensus.

Public Utilities, Energy, and Technology

Alternative Energy Credits, Subsidies, and Exemptions
Discussed the total value or amount of state and federal incentives, subsidies, credits, and exemptions designed for alternative energy. Received comments from Utah State University about the impact on the potential for oversupply and market distortion due to excessive credits. Received a presentation and handout from the Governor’s Office of Energy Development about incentive programs that it administers.

Action: Voted to request that the Legislative Audit Subcommittee to order an audit of state energy incentive programs.

Self-Driving Motor Vehicle Study
Received a report from the Department of Public Safety and the Department of Transportation regarding best practices for regulation of autonomous vehicle technology on Utah highways, as required by 2016 General Session H.B. 280, "Autonomous Vehicle Study."

Molten Salt Reactor
Received a presentation from an energy company about developing a liquid fluoride thorium reactor with an advanced power conversion system known as a supercritical CO₂ Brayton cycle. Discussed the economic, industrial, and technological benefits of developing this type of reactor in Utah.

Received an outline from the Governor’s Office of Energy Development regarding its mission to strengthen Utah’s energy policies.

Revenue and Taxation

Assessment of Golf Courses
Received a presentation from the Golf Alliance of Utah on its concerns regarding the method used by some county assessors to value golf courses for property tax purposes.

Assessment of Static Property
Received a presentation from a legislator on draft legislation "Property Tax Changes," which would modify the method of valuing property, for property tax purposes, when the property has not been improved, rezoned, or leased since the prior assessment.

New Growth and Property Taxes

Action: Approved as a committee bill, draft legislation "Revenue and Taxation Modifications," which would amend one of the new growth definitions to exclude a change in assessed value that occurs due to property being assessed under the Farmland Assessment Act or the Urban Farming Assessment Act.

Sales and Use Tax Exemption Changes

Action: Approved as a committee bill, draft legislation "Sales and Use Tax Exemption Changes," which would clarify a sales and use tax exemption for the cleaning and washing of a vehicle.

Utah Educational Savings Plan Tax Amendments
Received a presentation from a legislator on draft legislation "Student Prosperity Savings Plan - Tax Amendments," which would create the Student Prosperity Savings Plan and related corporate and individual tax benefits. Money donated or appropriated to the Student Prosperity Savings Plan would be used to fund tax-advantaged college savings accounts for high school students who are economically disadvantaged.

Staff: Ryan M. Hunter (Policy Analyst) / M’kynzi E. Newbold (Policy Analyst) / Christine R. Gilbert (Attorney) / Joshua M. Weber (Legislative Assistant)

Staff: Adam J. Sweet (Policy Analyst) / Samuel C. Johnston (Attorney) / Tracey Fredman (Legislative Assistant)
State Water Development Commission
October 18, 2016

Water Infrastructure Funding
Received a report from the Division of Water Resources and the Board of Water Resources regarding efforts to draft water infrastructure funding rules as required by 2016 General Session S.B. 251, "Water Infrastructure Funding Amendments."

Water Law—Nonuse Applications
Considered draft legislation "Water Law - Nonuse Applications," which would provide that:
- An approved nonuse application is not subject to the requirement of beneficial use of water from the date of filing; and
- The time during which an approved nonuse application is in effect is not subject to and does not count toward the seven-year time limit, for purposes of forfeiture.

The draft legislation would also provide that the filing or approval of a nonuse application, or a series of nonuse applications, would not:
- Constitute a beneficial use of a water right;
- Protect a water right that is already subject to forfeiture; or
- Bar a water right owner from using the water under the water right, as permitted under the water right, or claiming a forfeiture defense.

The draft legislation would also modify the procedure for instituting a forfeiture action.

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

Transportation
Self-Driving Vehicle Study
Received a presentation from the Utah Department of Transportation and the Driver License Division summarizing the study of autonomous vehicles as required by 2016 General Session H.B. 280, "Autonomous Vehicle Study."

Department of Transportation Divisions and Structure
Action: Approved as a committee bill, draft legislation "Transportation Divisions and Structure Amendments," which would modify the structure and responsibilities of the divisions of the Utah Department of Transportation.

DUI Impound Fees
Received a briefing from the Utah State Tax Commission regarding the Motor Vehicle Division's processing of refund requests made for DUI impound fees after a "no action" determination is made by the Driver License Division regarding the driver. The briefing referred to an opinion written in response to an appeal made to the Utah State Tax Commission.

Action: Directed staff to open a committee bill file that would amend the statutory timeframe regarding the request for refund of DUI impound fees following a "no action" determination by the Driver License Division.

Motor Carrier Size and Weight Restrictions
Action: Approved as a committee bill, draft legislation "Motor Carrier Amendments," which would modify the following motor carrier provisions:
- Length restrictions;
- Rulemaking authority; and
- Meetings of the Motor Carrier Advisory Board.

Motor Vehicle Accident Cost Recovery
Action: Approved as a committee bill, draft legislation "Motor Vehicle Accident Cost Recovery," which would modify provisions related to the recovery of costs to repair damages caused by motor vehicle accidents, including allowing government entities to contract with third parties to recover these costs.

State Highway System Amendments
Action: Directed staff to open a committee bill file that would codify any additions to, or deletions from, the state highway system during the past year.

Utah Transit Authority Governance Structure
Received a presentation from the Utah Transit Authority and its Board of Trustees regarding the agency's governance structure and board composition.

Staff: Alex R. Janak (Policy Analyst) / Kurt P. Gasser (Attorney) / Shannon C. Halverson (Attorney) / Joshua M. Weber (Legislative Assistant)
Global Cities Initiative
Received a presentation from Salt Lake County regarding participation in the global cities initiative. The county discussed its export plan that was developed during the first phase of the initiative. The plan highlights the county’s current reliance on mining for a large share of exports and the potential for increased exports in other industries due to multiple hard and soft assets available to exporters. The county also noted that the second phase of the initiative will result in a foreign direct investment plan for the county.

World Trade Center
Received a presentation from World Trade Center Utah outlining the services the center provides to Utah companies interested in exporting goods and services. The center highlighted three 2016 trade missions that brought Utah business and government leaders together with their counterparts from Mexico, France, and Canada.

Veterans’ and Military Affairs Commission
September 27, 2016
College Veterans Centers
Received a briefing from the Utah Department of Veterans and Military Affairs on veterans and families who are receiving GI Bill education benefits or other education benefits.
Received a presentation from the Utah System of Higher Education on improvements at Utah Valley University and Southern Utah University to better integrate veterans and provide employment opportunities after graduation.

(Continued next column)