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Legislative Interim Meetings
Meetings were held September 20, 2017, or as noted

Administrative Rules Review Committee
September 07, 2017

Higher Education: Policies and Procedures Development
Received presentations from Southern Utah University and Snow College regarding the institutions’ processes for developing and approving campus policies and procedures.

Immunization Exemptions for Students
Introduced issues related to the Department of Health’s application of statutes regarding immunization exemptions for students.

Staff: Art L. Hunsaker (Policy Analyst) / Amy L. West (Attorney) / Tracey Fredman (Legislative Assistant)

Business and Labor

Construction Code Recommendations
Received a report from the Uniform Building Code Commission that was written as a result of an update to the 2017 National Electric Code. The commission submitted its report to the committee and made recommendations to amend the building code.

Action: Opened a committee bill file to amend the building code based on the Uniform Building Code Commission’s recommendations.

Non-Opioid Medication Study

Action: The Senate chair directed staff to open a committee bill file to pursue a study on non-opioid medications as a viable alternative for pain management.
Worker Classification Coordinated Enforcement Council Report

Received an annual report from the Worker Classification Coordinated Enforcement Council on:

- the nature and extent of misclassification of workers in the state;
- the results of regulatory and law enforcement efforts related to the council;
- the status of information sharing between member agencies; and
- recommended changes to state statute.

Occupational Licensing Barriers

Received a presentation from a legislator about occupational licensing barriers. The Division of Occupational and Professional Licensing explained professional licensing in Utah.

Discussed the expanded jurisdiction of the Occupational and Professional Licensing Review Committee to review all state licensed lawful occupations every 10 years. Staff presented information about the Occupational Licensing Policy Learning Consortium that the Legislature applied to on behalf of the state and discussed the application.

Enterprise Zone Act

Action: Approved as a committee bill draft legislation "Enterprise Zone Sunset Amendments" that would extend the sunset date of the Enterprise Zone Act to 2028.

Governor's Office of Economic Development (GOED)

Action: Approved as a committee bill draft legislation "Office of Economic Development Amendments" that would:

- eliminate the Utah Broadband Outreach Center and move a few of its key functions to the GOED;
- allow the GOED to establish advisory committees for targeted industries;
- eliminate the role of State Science Advisor;
- repeal the Health System Reform Act, which includes the Avenue H small employer health insurance exchange; and
- move the administration of Private Activity Bonds to the Department of Workforce Services.

Utah Capital Investment Corporation

Received a presentation from the Utah Capital Investment Corporation outlining the corporation's annual report. The presentation highlighted the corporation's success in refinancing the debt that initially funded the Utah Fund of Funds on more favorable terms. The presentation also highlighted the corporation's efforts to connect Utah entrepreneurs with venture capital.

Utah's Entrepreneurship Environment

Received a presentation from Silicon Slopes, a nonprofit organization focused on high-tech entrepreneurship in the state, regarding Utah's entrepreneurship environment. The organization identified three specific initiatives it has undertaken:

- the Silicon Slopes Tech Summit, which brings thousands of attendees to Utah each January;
- the ParityPledge, which invites CEOs to pledge to interview at least one qualified female candidate for any position of vice president or above; and
- a new Pathways program in which Silicon Slopes will provide high school students and adults experience and skills needed for tech careers.

Economic Development and Workforce Services

Affordable Housing - Community Reinvestment Agencies

Received presentations from the Department of Workforce Services and the Utah Redevelopment Association regarding a provision in the Community Reinvestment Agency Act that requires certain community reinvestment areas to use a portion of the tax increment collected for affordable housing.

Affordable Housing - New Programs

Received an update from a legislator and the Department of Workforce Services regarding the following three affordable housing programs that were created or modified during the 2017 General Session:

- an increase in the value of income tax credits for available low-income housing;
- the establishment of the Economic Revitalization and Investment Fund; and
- the establishment of a pilot program to reimburse landlords for damages caused by tenants using Federal Housing Choice Vouchers.

Economic Development Incentives

Received a document from committee staff describing actions that have been taken to evaluate economic development and workforce services related incentives in the state.

Education

September 13, 2017

School Leader (Principal) Preparation and Development

Held a full-day meeting with stakeholders to address state policy options for principal preparation and development. Committee members and stakeholders:

- reviewed the results of the committee's December 19, 2016, meeting about school leadership;
received a presentation from the State Board of Education (the board) about the role of principals in achieving the board’s strategic plan;

• discussed proposed revisions to the Utah Educational Leadership Standards;

• received presentations from national experts on a residency program for school administrators in Maryland and a study about the cost of operating and maintaining a principal pipeline; and

• developed solutions to improve student achievement through residencies as part of preparation for new principals.

**Assessment and Accountability Report**

Received a statutorily required report from the State Board of Education regarding performance thresholds and the criteria for assigning a school an overall rating. The board also provided the committee with a sample report card for a school under the proposed criteria and thresholds.

**Educator Licensing**

Received a presentation from the State Board of Education regarding recommendations on changes to educator licensure. The State Board of Education formed a task force to study licensing and recommended changes. The State Board of Education voted to recommend a three-tier licensing structure in Utah.

**Action:** Voted to open a committee bill file to address educator licensing changes.

**Recodification of the Public Education Code**

Received a presentation from committee staff regarding the draft public education code recodification. The committee chairs requested that the public and committee members provide feedback on the draft recodification bills by September 30, 2017.

**Statewide Goals and Outcome Metrics for Education, Preschool through Advanced Degrees and Careers (P-20)**

Received a presentation from committee staff regarding a table and a summary document describing work done by stakeholders to prepare statewide goals and metrics for education.

**Government Operations**

**Boards and Commissions Review**

Continued the committee’s study of boards and commissions with legislators by receiving reports from nine boards and commissions.

**Action:** Voted to repeal the Rural Development Legislative Liaison Committee.

**Election Law Modifications**

**Action:** Approved as a committee bill draft legislation "Election Law Modifications," which corrects errors in the code identified by the Office of the Lieutenant Governor with regard to the Election Code.
Political Activities and Elections

**Action:** Approved as a committee bill draft legislation "Political Activities and Elections," which corrects errors in the code identified by staff in relation to the regulation of candidates, officeholders, and lobbyists.

Federal Funds Commission

Received a report from the Federal Funds Commission regarding the commission's activities over the previous year.

Free Market Protection and Privatization Board

Received a report from the Free Market Protection and Privatization Board regarding the board's history and lack of appropriated funding. The board identified a need for $70,000 ongoing to fund the board's activities.

Capital Maintenance

Received reports from the State Building Board and the Division of Facilities Construction and Management regarding the qualification and management of capital maintenance projects and the conduct of state building maintenance audits.

Required Reports

Received a presentation from committee staff regarding the reports required to be given to the committee each year.

Health and Human Services

Medicaid -- Extending Family Planning Coverage

Considered draft legislation that would require the Department of Health to seek a federal Medicaid waiver authorizing the creation of a four-year pilot program to extend Medicaid family planning services to individuals not otherwise eligible for Medicaid. The legislation also would require the state’s Medicaid program to separately pay for long-acting reversible contraception provided at the time of childbirth, apart from other services provided at the time of birth.

Mental Health

Received a report from the Department of Human Services on steps that could be taken within the next two years to improve services for individuals experiencing serious mental illness or substance use disorders.

Also received a report from the department on the impacts of the 21st Century Cures Act, passed by Congress in December 2017.

Received a report from the Utah Association of Counties on behavioral healthcare services provided because of Operation Rio Grande.

**Action:** Requested draft legislation to amend the Utah Code to reflect the provisions of a recent settlement agreement entered into by the state and the Disability Law Center. The agreement specifies limits on the amount of time that an individual charged with a crime but declared incompetent to proceed must wait to receive competency restoration services.

Skilled Nursing Facilities – Licensure

**Briefed** by the Utah HealthCARE Association on the rationale for the state’s moratorium on the construction of skilled nursing facilities.

Step Therapy

Received input from health insurers and others on legislation considered during the 2017 General Session that would have required a health insurer who uses a step therapy protocol to authorize bypass of one or more drugs in the protocol under certain conditions.

Electronic Death Entry Network (EDEN)

**Briefed** by the Department of Health on an online system that expedites the process for recording a death certificate prior to the transport or disposition of a person’s remains.

Judicial Rules Review Committee

September 14, 2017

**Review of Supreme Court Rules**

Reviewed selected Rules of Civil Procedure, Rules of Criminal Procedure, Rules of Juvenile Procedure, Rules of Appellate Procedure, Rules of Evidence, and Rules of Professional Conduct, which were recently approved by the Utah Supreme Court or posted for public comment. The committee also reviewed public comments to the selected rules.

**Judiciary**

**Administrative Office of the Courts - Sunset Review**

**Action:** Approved as a committee bill draft legislation "Administrative Office of the Courts Amendments," which would remove the Office of the Court Administrator from the Legislative Oversight and Sunset Act; provide for consistent use of the terms "Administrative Office of the Courts" and "state court administrator"; and clarify that the state court administrator serves at the pleasure of the Judicial Council and the Supreme Court.
Bail Issues
Discussed the pending implementation of statewide pretrial public safety assessments and heard remarks from the Administrative Office of the Courts and the Utah Association of Professional Bondsmen and Agents.

Department of Public Safety Fee Amendments
Heard remarks from the National Rifle Association, the Utah Shooting Sports Council, and the Department of Public Safety regarding proposed increases to Department of Public Safety fees.

Action: Approved as a committee bill draft legislation "Public Safety Fee Revisions," which changes fee amounts for services provided by the Department of Public Safety.

Law Enforcement Retention and Recruiting
Received a presentation from the Department of Human Resource Management on national and statewide recruitment and retention trends within law enforcement agencies. Also heard remarks from Utah Peace Officer Standards and Training on how lower recruitment rates have impacted the training process for law enforcement agencies.

Public Safety Peer Counseling
Action: Approved as a committee bill draft legislation "Public Safety Peer Counseling Provisions," which creates provisions for peer support and counseling services within public safety agencies.

Legislative Water Development Commission
September 13, 2017
Utah Lake Restoration
Visited Utah Lake and discussed the role of publicly owned sewage treatment plants, nutrient pollution, algae blooms, wastewater infrastructure, and water quality research.

Management and Protection of Watersheds - Working Group
Received a report from a working group, jointly comprised of members of the commission and members of the Executive Water Task Force, on plans to study ways to better cooperate with the federal government and other stakeholders on the management and protection of Utah watersheds.

Duty of Water
Received a report from the Division of Water Rights on the role of the state engineer in establishing the amount of water, as determined by the Division of Water Rights, needed to satisfy the irrigation requirements of a specified farm area.
Farm Bureau Update on Water Issues

Received a report from the Utah Farm Bureau Federation on water rights issues affecting the state, including federal assertions of diligence claims, which are water right claims that assert beneficial use of surface water prior to 1903 or groundwater prior to 1935.

Produced Water

Received a report from the Division of Oil, Gas, and Mining on the potential use of produced water.

Natural Resources, Agriculture, and Environment

September 13, 2017

Utah Lake Restoration

Visited Utah Lake and discussed the role of publicly owned sewage treatment plants, nutrient pollution, algae blooms, wastewater infrastructure, and water quality research.

Brian Head Wildfire

Viewed a video prepared by a legislator, on the causes and consequences of the 2017 Brian Head wildfire.

Conservation Commission Amendments

Discussed draft legislation "Conservation Commission Amendments," which:

- modifies the Conservation Commission membership;
- modifies the procedure for making loans or grants from the Agriculture Resource Development Fund;
- authorizes an advisory board of the Conservation Commission to approve loans;
- modifies the duties of a conservation district to include responsibility for planning watershed and flood control projects; and
- modifies the procedure for electing an individual to the board of supervisors of a conservation district.

Water Quality

Received a report from the Wasatch Front Water Quality Council, interested parties, and the Division of Water Quality on the role of publicly owned sewage treatment plants, nutrient pollution, algae blooms, wastewater infrastructure, and water quality research in the state.

Wild Horses and Burros

Received a report from the Department of Natural Resources on the Wild Horse and Burro Management Summit that took place August 22 - 24th in Salt Lake City.
Occupational and Professional Licensure Review Committee
August 31, 2017

Ten Year Review
Discussed the preferred methods of organizing and sorting each licensed lawful occupation for review over the next 10 years. Identified occupations licensed by Division of Occupational and Professional Licensing and occupations licensed by other state agencies.

Private Investigators
Discussed the licensure requirements for private investigators in the Private Investigator Regulation Act. The Bureau of Criminal Identification described the private investigator application process and reported on the types of licenses that are issued annually for private investigator agency licenses, registrant licenses, and apprentice licenses.

Political Subdivisions

Animal Shelters
Discussed policy changes proposed by S.B. 56, "Animal Shelter Amendments," which the Legislature considered but did not pass during the 2017 General Session. S.B. 56 would have addressed the methods by which an animal shelter may euthanize animals and required a shelter to adopt a euthanasia policy and training program.

A Review of Best Practices for Internal Control of Limited Purpose Entities
Discussed recommendations of the committee's working group regarding issues raised in the Office of the Legislative Auditor General's report, "A Review of Best Practices for Internal Control of Limited Purpose Entities."

Local Government Disposition of Property

Action: Approved as a committee bill draft legislation "Community Reinvestment Agency Revisions," which authorizes a public entity to dispose of or lease the public entity's property to a Community Reinvestment Agency for less than fair market value.
Municipal Encroachment on Local and Special Service Districts
Received an update from a legislator regarding meetings and discussions with stakeholders.

**Action:** Recommended that no further study is required and this issue does not require legislation during the 2018 General Session.

Removal of Local Officials

**Action:** Approved as a committee bill draft legislation "Local Elected Officer Amendments," which establishes a process that a county may adopt to remove an elected county official from office for mental incapacity.

Statewide Crisis Line

Received a presentation from the Mental Health Crisis Line Commission regarding the extent to which the commission fulfilled its duties and recommendations for future legislation related to integrating local mental health crisis lines or establishing a statewide mental health crisis line.

**Action:** Directed staff to open committee bill files, as necessary, to address the Mental Health Crisis Line Commission’s recommendations.

Public Utilities, Energy, and Technology

Audit Report

Received a report from the Office of the Legislative Auditor General summarizing its audit findings and recommendations regarding control improvements at the Utah Communications Authority. The Utah Communications Authority reported on implementation of control improvements.

Communications System Overhaul

Received an update from the Utah Communications Authority regarding its newly appointed board and plan relative to the timing and process for its communications system overhaul.

Status of Battery Storage

Received presentations from battery manufacturing company BYD America, the Governor's Office of Energy Development, and the Department of Chemical Engineering, Brigham Young University regarding the status of battery technology.

Sunset Review

Conducted a sunset review of Utah Code Section 36-12-20, Development of proposed energy producer states' agreement--Membership selection--Agreements--Goals--Meetings--Reports.

**Action:** Opened a committee bill file to reauthorize Utah Code Section 36-20-12 for five years.

Retirement and Independent Entities

September 07, 2017

State Employee Compensation

Received presentations from the Department of Human Resource Management and from a consulting firm outlining the department's process for performing market analyses and determining compensation structures for state employees.

Utah Retirement Systems (URS) Preliminary Retirement Contribution Rates and Assumed Rate of Return

Received a presentation from URS that reviewed recently adopted preliminary contribution rates and changes to the assumed rate of return on investments.

Utah Retirement Systems Actuary Update

Received a presentation from URS’s consulting actuary regarding the actuary’s role with URS; actuarial methods, valuations, and assumptions; and URS’s current actuarial soundness.

Revenue and Taxation

August 30, 2017

Manufacturing Sales Tax Exemption Under Subsection 59-12-104(14)

Received a presentation from the State Auditor on the report and recommendations of the Tax Review Commission's 2008 Sales and Use Tax Working Group. Received presentations from committee staff on Utah's sales tax system, sales taxation of business inputs and services in other states, Utah's sales tax exemption for certain equipment and machinery, the history of the exemption, sales tax exemptions for manufacturing in other states, sales tax exemptions for certain machinery and equipment in other states, a summary of reviews of Utah's sales tax exemption for machinery and equipment, and draft legislation "Sales and Use Tax Reform."

Received a presentation from URS that reviewed recently adopted preliminary contribution rates and changes to the assumed rate of return on investments.

Report on Centrally Assessed Property Value

Received a statutorily required report regarding the impacts of 2016 General Session H.B. 25, "Property Tax Changes."
Sales Taxation of Food and Food Ingredients
Received presentations from committee staff on Utah's tax policies regarding food and food ingredients, administering these policies, other states' tax treatment of food and food ingredients, and other items, the streamlined sales tax agreement, and states' earned income tax credits.

Received a presentation from the Office of the Legislative Fiscal Analyst on the fiscal impacts of changing the tax rate imposed on food and food ingredients.

Received presentations from the State Tax Commission and Utah Retail Merchants Association on administering changes to tax policies regarding food and food ingredients.

September 20, 2017
Impact of Sales Tax Exemptions on Local Revenue
Received comments from the Utah League of Cities and Towns regarding the impact that adopting a sales tax exemption for food or further exempting certain machinery and equipment would have on all cities.

Received a presentation from committee staff on options for mitigating the impacts on cities.

Apportionment of Business Income
Continued discussing draft legislation “Income Tax Reform,” which would, beginning in tax year 2019, phase in a single sales factor method of apportionment over three years and requires certain taxpayers that choose to apportion business income using the single sales factor method to continue to use the single sales factor method of apportionment in subsequent tax years.

Received a presentation from the State Tax Commission regarding the administrative rule that governs how broadly Utah's corporate income tax is applied to businesses.

Discussed a Tax Foundation document and the need to evaluate the income tax credits for jobs, research, and investment.

Distribution of Local Option Sales Tax Revenue
Received a presentation from the State Tax Commission on distributing certain local sales and use tax revenue by population only (distribution 1; distribution 2) instead of 50% based on population and 50% based on point of sale. Received a presentation from committee staff on daytime population and options for a distribution formula that would account for daytime population.

Sales Taxation of Food and Food Ingredients
Received a presentation from the Office of the Legislative Fiscal Analyst on the fiscal impacts of removing candy, soda, dietary supplements, and bottled water from the sales tax base.

Technical Cleanup of Local Option Sales and Use Tax Distribution Formula
**Action:** Approved as a committee bill draft legislation "Local Option Sales and Use Tax Distribution Formula Amendments," which primarily repeals obsolete language.

Staff: Bryant R. Howe (Deputy Director) / Leif G. Elder (Policy Analyst) / Shannon C. Halverson (Attorney) / Andrea Valenti Arthur (Attorney) / Brent M. Gage (Legislative Assistant)

Transportation
Autonomous, Connected, and Electrified Vehicles
Received a presentation from the National Conference of State Legislatures regarding autonomous and connected vehicles and how other states and the federal government are addressing the technology.

Flatiron/Harper Joint Venture Proposed Settlement Agreement
Received an update from a legislator regarding 2017 First Special Session S.J.R. 101, “Joint Resolution Approving the Flatiron/Harper Joint Venture Proposed Settlement Agreement.”

Requests for Legislation
Received an update from the Utah Department of Transportation (UDOT) on current issues that UDOT believes could be addressed with legislation.

**Action:** The committee voted to open three committee bill files to address UDOT’s issues related to:

- private donations to the “Zero Fatalities” program;
- mineral lease funding and
- background checks for prospective UDOT employees requested by the Department of Human Resource Management and performed by the Bureau of Criminal Investigation.

Road Closure Amendments
Received an update from legislators regarding 2017 First Special Session H.B. 1002, “Road Closure Amendments.”

Staff: Alex R. Janak (Policy Analyst) / Kurt P. Gasser (Attorney) / Lori Rammell (Legislative Assistant)