Legislative Interim Meetings
Meetings were held July 18, 2018, or as noted

Business and Labor

Off-Premise Beer Retailer Licensing Amendments
Discussed draft legislation, "Off-Premise Beer Retailer Licensing Amendments," for the 2018 Second Special Session, which creates a conditional off-premise beer retailer state license.

Action: Voted to recommend the draft legislation during the 2018 Second Special Session.

Utah Inland Port Authority Amendments
Discussed draft legislation, "Utah Inland Port Authority Amendments," for the 2018 Second Special Session, which enacts new provisions and makes changes to the Inland Port Authority.

Peer-to-Peer Storage Rentals
Discussed the business model of peer-to-peer storage rentals, as well as fire and insurance related items. Heard remarks from a peer-to-peer storage rental platform provider, the State Fire Marshal, an insurance company, the Self-Storage Association, and a warehouse marketplace company.

Staff: Adam J. Sweet (Policy Analyst) / Amy L. West (Attorney) / Christine R. Gilbert (Attorney) / Julia Octavia Conner (Administrative Assistant)
Criminal Code Evaluation Task Force

Overview of the Criminal Code Evaluation Task Force
Received a presentation from committee staff on the creation, duties, and procedures of the task force.

Overview of Issues in Utah Sentencing
Received a presentation from the Utah Sentencing Commission on principles and values in sentencing policy.

Task Force Priorities, Goals, and Objectives
Discussed general direction and priorities for the task force.

Action: Voted to create a working group consisting of five members of the task force to evaluate the Master Offense List and make suggestions as to what the task force should focus on.

Economic Development and Workforce Services

Affordable Housing Bond
Received a presentation from a legislator on the growing shortage of affordable housing in the state and proposed legislation authorizing the issuance of bonds to pay for certain affordable housing projects.
Received a presentation from committee staff providing examples of affordable housing bonds issued by other states.

Earned Income Tax Credit
Discussed 2018 General Session H.B. 57, "Utah Intergenerational Poverty, Work, and Self-sufficiency Tax Credit," which was introduced but did not pass. H.B. 57 would have enacted a state earned income tax credit.

Local Government's Role in Affordable Housing
Received a presentation from the Utah League of Cities and Towns on the role of local government in addressing housing issues, including issues related to housing affordability and zoning.

Staff: John Feinauer (Policy Analyst) / Ericka A. Evans (Attorney) / Tracey Fredman (Administrative Assistant)
Opportunity Zones Program

Received an update from the Governor's Office of Economic Development regarding the new federal opportunity zones program.

Staff: Julie Humberstone (Policy Analyst) / Peter Asplund (Attorney) / Collyn Jelani Mosquito (Administrative Assistant)

Government Operations

Initiatives

Discussed statewide initiatives and pending litigation that could potentially impact an initiative's qualification for the general election ballot.

Quasi-State Entities

Studied whether quasi-state entities should be exempt from the State Procurement Code while still operating under the authority of state law.

Action: Opened a committee bill file to address how internal government service agencies provide services, and are accountable for the services they provide, to entities outside the governor's oversight.

Risk Management

Action: Voted to approve, in relation to the 2018 Second Special Session, draft legislation, "Calculating New Damages Limits for Personal Injury Cases," which corrects a provision relating to limits on damages arising from claims against governmental entities.

Staff: Brian J. Bean (Policy Analyst) / Thomas R. Vaughn (Attorney) / Tracey Fredman (Administrative Assistant)

Education

Early Literacy

Heard a presentation from the State Board of Education regarding changes to the Early Literacy Program enacted in 2018 General Session S.B. 194, "Early Literacy Program." The committee also heard from a panel of elementary schools that have experienced success with literacy proficiency and growth in kindergarten through grade 3.

Postsecondary Education for Returning Adults and Nontraditional Students

Heard presentations from a national organization, the Utah System of Higher Education, and institutions of higher education regarding:

- strategies that states can use to help adults who return to postsecondary education achieve success; and
- current policies and practices in place in Utah to help adults who are returning to complete post-secondary education.

Staff: Nathan W. Brady (Policy Analyst) / Ablyson R. Hicks (Policy Analyst) / Rebekah M. Bradway (Attorney) / Tracy J. Nuttall (Attorney) / Victoria Ashby (Attorney) / Brent M. Gage (Administrative Assistant)

Health and Human Services

Mental Health -- Supporting Persons in Crisis

Received presentations from Mental Illness Policy Org, Mental Health America, National Alliance on Mental Illness - Utah, and the Division of Substance Abuse and Mental Health examining and making recommendations for Utah's system of care for individuals experiencing mental illness.

Opioid Misuse

Received reports from the Utah Coalition for Opioid Overdose Prevention and a healthcare provider on initiatives to promote the appropriate prescribing and use of opioids. The reports identified 14 additional steps that could be taken to address the opioid epidemic.

Also considered draft legislation urging the United States Drug Enforcement Administration to allow pharmacies to manage the return of unused prescription drugs.

Federal Funds Commission

June 25, 2018

Federal Budget

Heard a summary of the Congressional Budget Office's 2018 Budget and Economic Outlook report.
**Action:** Voted to recommend draft legislation, "Concurrent Resolution Urging The United States Drug Enforcement Administration To Approve A Pharmaceutical Drop Box Pilot Program."

**Sunset Review – Medical Arbitration**

Considered whether to reauthorize Section 78B-3-421, "Medical Malpractice Arbitration Agreements," scheduled for sunset July 1, 2019.

**Action:** Voted to:
- extend the sunset date for Section 78B-3-421, Medical Malpractice Arbitration Agreements until July 1, 2029;
- request the drafting of legislation to authorize the extension; and
- recommend the drafted legislation as a committee bill.

**Health Reform Task Force**

July 11, 2018

**Federal Regulations and Guidance**

Briefed by the Utah Insurance Department on the impacts of recent federal regulations affecting Utah's health insurance market, including recent regulations governing association health plans and extending the use of short-term plans to 12 months. The department reported that, based on preliminary rate filings, 2019 premium increases will be less than annual premium increases for the previous three years.

**Medicaid Dental Benefits**

Received a report from the Department of Health that it recently re-bid the Medicaid program's dental benefits. Benefits provided by the two awardees will begin September 1 along the Wasatch Front and January 1 elsewhere in the state.

**Medicaid Pharmaceutical Spending**

Received a report by the Department of Health regarding the Medicaid preferred drug list program. The task force also received a staff report on policies implemented by Utah or considered by other states to address pharmaceutical pricing, spending, prescribing, and use.

**Medicaid Waivers**

Received a report by the Department of Health on Utah's recent request for federal waivers to extend Medicaid eligibility to Utah adults under the federal poverty line in accordance with 2018 General Session H.B. 472, "Medicaid Expansion Revisions." The request is currently going through a 30-day public comment period ending August 4, 2018. The department reports that three other requests for federal waivers were submitted to Centers for Medicare & Medicaid Services on June 29, 2018.

**Judiciary**

**Diversity on Utah's Bench**

Discussed issues relating to diversity in Utah's legal profession, particularly diversity on Utah's bench. The committee heard presentations from the Utah Center for Legal Inclusion, the Minority Bar Association, and the Women Lawyers of Utah.

**Grand Juries**

Discussed relevant federal and Utah constitutional provisions, the history of Utah's grand jury system, grand juries in other states, how grand juries are convened in Utah, and the role of grand juries in Utah.

The committee heard presentations from staff, the Administrative Office of the Courts, the Salt Lake County District Attorney's Office, and a criminal defense lawyer.

**Law Enforcement and Criminal Justice**

**Distracted Driving Amendments**

Received a presentation on draft legislation, "Distracted Driver Amendments," which prohibits the use of a handheld mobile device while operating a motor vehicle.
DUI Changes and 24/7 Sobriety Program

Received a presentation from the Utah Highway Patrol on updates to the DUI law and the implementation of the pilot 24/7 Sobriety program.

Pretrial Release Amendments

Action: Voted to approve as a committee bill draft legislation, "Pretrial Release Amendments," which modifies pretrial release provisions.

Review of the Master Offense List

Received a presentation from the Sentencing Commission on updates to the Master Offense List.

Safe Storage of Firearms

Received a presentation on possible legislation regarding the safe storage of firearms and education about safe firearm handling, storage, and use.

Legislative Management

July 17, 2018

Risk Management Settlements

Heard requests from the Division of Risk Management for approval by the Legislative Management Committee to settle two claims, one regarding Washington County School District and the other involving the University of Utah.

Action: Voted to recommend that the Division of Risk Management execute the financial settlement agreements in these two cases.

Letters to Legislative Management Committee

Action: Approved the following:

- request from the Social Services Appropriations Subcommittee to meet offsite for 2018 interim meetings, change meeting start and ending times, and meet an extra time to hold a town meeting in September in Carbon County to discuss opioid overdoses and suicide; and
request from the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommitte and the Legislative Water Development Commission for a site visit on August 14, 2018 to the Jordanelle Dam, Wallsburg Project, and Saratoga Springs Underground Water Storage Facility.

Legislative Water Development Commission
July 17, 2018

Irrigation Efficiencies and Water Use Duties
The State Engineer discussed irrigation efficiencies and conservation measures and how those measures relate to the duty of water assigned to a particular acreage. The committee discussed how water not used goes downstream to other users and is the basis of water rights and beneficial use.

Utah/Idaho Bear Lake Water Rights
Received a report from the Division of Water Quality on Utah and Idaho applications to appropriate Bear Lake water.

Staff: J Brian Allred (Policy Analyst) / Amy L. West (Attorney) / RuthAnne Frost (Attorney) / Cassidy Hansen (Administrative Assistant)

Natural Resources, Agriculture, and Environment

Department of Environmental Quality Amendments
Discussed alternative versions of draft legislation "Department of Environmental Quality Amendments," both of which amend provisions relating to legislative review or approval of certain rules proposed by the Water Quality Board.

Utah Wholesome Food Act Amendments
Action: Approved as a committee bill "Utah Wholesome Food Act Amendments," which:
• designates “produce” as adulterated if it is in violation of certain provisions of the Federal Food Safety Modernization Act;
• expands the definition of “food establishment” to include farms;
• allows an authorized agent of the Department of Agriculture and Food to enter a farm for inspections under certain circumstances; and
• provides that carriers are subject to regulation under the Utah Wholesome Food Act.

Review of Energy Policy

Action: Amended and approved as a committee bill "State Energy Policy Amendments," which adds to the state energy policy the promotion of certain nuclear power generation technologies, energy development infrastructure, and energy education programs in grades K-12.

Harmful Algal Blooms Update

Received a report from the Division of Water Quality on harmful algal blooms in the state in 2018.

Sunset Review - Air Conservation Act

Action: Voted to recommend that the repeal date of the Air Conservation Act be extended to July 1, 2029.

Sunset Review - Solid and Hazardous Waste Act

Action: Voted to recommend that the repeal date of the Solid and Hazardous Waste Act be extended to July 1, 2029.

Sunset Review - Title 19, Chapter 6, Part 7, Used Oil Management Act

Action: Approved as a committee bill "Sunset Reauthorization - Used Oil Management Act," which extends the act’s repeal date to July 1, 2029.

Sunset Review - Water Quality Act

Action: Voted to recommend that the repeal date of the Water Quality Act be extended to July 1, 2029.

Occupational and Professional Licensure Review Committee

July 17, 2018

Massage Therapy Practice Act Amendments

Action: Voted to recommend draft legislation, "Massage Therapy Practice Act Amendments," which modifies exemptions from licensure in the Massage Therapy Practice Act by exempting a Bowenwork practitioner from being required to be licensed as a massage therapist and by amending provisions related to reflexology and foot zone therapy.

Licensure Overview

Received an overview of occupational and professional licenses issued by the Department of Public Safety as part of the committee's review of each licensed lawful occupation every ten years. Heard presentations from:

• Peace Officer Standards and Training Division;
• State Fire Marshal Division regarding certifications and companies; and
• Bureau of Criminal Identification.

Occupational Licensing Policy Learning Consortium

Summarized the activities of the state's core team involved in a two-year occupational and professional licensing study hosted by the National Conference of State Legislatures, the Council of State Governments, and the National Governors Association Center for Best Practices.

Revised Application for Sunrise Review

Action: Approved a revised cover letter/application for sunrise review that a government requestor or a representative of a lawful occupation that is not licensed by the state must submit to the Office of Legislative Research and General Counsel to propose that the state license or newly regulate a lawful occupation.

Sunset Review of Anesthesia and Sedation

Conducted a sunset review of anesthesia and sedation related provisions pertaining to reports of anesthesia adverse events, whistle blower protections, and unprofessional conduct. Received comments from the Utah Medical Association and Division of Family Health and Preparedness. Absent further action by the Legislature, the statutes will be repealed July 1, 2019.

Action: Voted to open a committee bill file to reauthorize the statutes.

Sunset Review of Speech-Language Pathology and Audiology Licensing Act

Conducted a sunset review of Title 58, Chapter 41, Speech-Language Pathology and Audiology Licensing Act that is scheduled for termination on July 1, 2019, absent further action by the Legislature. Heard remarks from the Utah Speech-Language Hearing Association and reviewed licensing statistics from the Division of Occupational and Professional Licensing.
**Political Subdivisions**

**Affordable Housing Set-Aside**
Received a presentation from the Utah Association of Counties and Salt Lake County regarding a new database for tracking Community Reinvestment Agencies' tax increment that is set aside for affordable housing.

**County Classification**
Received a summary from staff regarding preliminary research related to statutory provisions that affect counties of the first class.

**Extraterritorial Water Distribution**
Received an overview of concerns regarding certain municipalities that sell their surplus water, including concerns with data and rate transparency and the use of revenue from water fees. A separate legislative workgroup is studying these and other issues over the interim.

**Nonprofits Associated with Government**
Discussed policy questions related to the committee's bill files that address issues with nonprofits that are associated with government.

**Public Utilities, Energy, and Technology**

**Industrial Ratepayer Perspective**
Received a committee briefing from the Utah Association of Energy Users on the current cost and risk-sharing landscape since the passage of 2016 General Session S.B. 115, "Sustainable Transportation and Energy Plan Act," which suspended the energy balancing account for Rocky Mountain Power until December 31, 2019.

**Intermountain Power Agency**
Received a status update on the Intermountain Power Agency's (IPA) working plan to reestablish itself as an energy hub for future natural gas, wind energy, solar energy, and compressed air energy storage projects from an IPA representative.

**Rural Job Creation and the Energy and Minerals Sector**
Received presentations on plans to achieve the goal of creating 8,000 new rural jobs in Utah by the end of 2020 from the following industry representatives and government administrators:

- Seven County Infrastructure Coalition and Alpha Tech Research Corp;
- Ormat Technologies;
- Utah Associated Municipal Power Systems;
- Utah Mining Association;
- Governor’s Office of Energy Development; and
- Governor’s Office of Rural Development.

**Revenue and Taxation**

**July 12, 2018 and July 18, 2018**

**Contributions to Capital**
Discussed the merits of decoupling from the federal tax code regarding taxing contributions to capital from a governmental entity to a corporation through a grant or incentive.

**Deduction of FDIC Premiums**
Considered draft legislation, "FDIC Premium Deduction Amendments," that would separate provisions of Utah tax code from the federal tax code by amending the state's tax code to allow premiums paid by banks to the FDIC for deposit insurance to be deducted in Utah.
**Action:** The committee recommended as a committee bill draft legislation, "FDIC Premium Deduction Amendments."

**Foreign Derived Intangible Income**

Considered draft legislation, "Foreign Derived Intangible Income Amendments," to decide whether to offer a state income tax deduction for a portion of a corporation's foreign derived intangible income.

**Global Intangible Low-Taxed Income**

Discussed two versions of draft legislation, "Foreign Derived Intangible Income Amendments," to decide whether to impose a state income tax on global intangible low-taxed income.

**Implementation Requirements for Expansion of Manufacturing Sales and Use Tax Exemption**

Considered draft legislation that modifies the trigger for the expansion of the manufacturing sales and use tax exemption to require that the $55,000,000 in qualified state revenue collected from remote sellers be deposited into the Remote Sales Restricted Account within a 12-month period.

**Interest Deduction**

Considered draft legislation, "Foreign Derived Intangible Income Amendments," to decide whether to offer a state income tax deduction for a portion of a corporation's foreign derived intangible income.

**Net Operating Loss and Intergenerational Poverty**

Considered draft legislation that amends provisions related to a Utah net loss, including eliminating the ability for a taxpayer to carry back a Utah net loss to an earlier taxable year, and limiting the amount that a taxpayer may carry forward in a taxable year while also removing the 15-year limit for a taxpayer to carry forward a net Utah loss. The draft legislation also enacts a refundable state earned income tax credit for certain individuals who are experiencing intergenerational poverty.

**Repatriation Transition Tax**

Discussed three versions of draft legislation, "Foreign Income Amendments," to decide whether to impose a state income tax on deferred foreign income subject to the federal repatriation transition tax.

**Sales Tax Collection on Remote Sales**

The committee received a report from the State Tax Commission and had a discussion regarding the recent United States Supreme Court decision in the South Dakota v. Wayfair case. Also considered draft legislation, "Online Sales Tax Amendments," which would amend Utah's tax code to create a standard for when remote sellers must collect Utah sales tax on online transactions.

**Senate Judicial Confirmation**

July 13, 2017

**Confirmation of Don M. Torgerson**

Recommended to the Senate the confirmation of Mr. Don M. Torgerson as a judge to the Seventh District Court. The Senate met in extraordinary session on July 18, 2017, and confirmed the appointment of Mr. Torgerson.

**Confirmation of D. Scott Davis**

Recommended to the Senate the confirmation of Mr. D. Scott Davis as a judge to the Fourth District Juvenile Court. The Senate met in extraordinary session on July 18, 2017, and confirmed the appointment of Mr. Davis.

**Confirmation of Debra Jensen Merkley**

Recommended to the Senate the confirmation of Ms. Debra Jensen Merkley as a judge to the Second District Juvenile Court.
The Senate met in extraordinary session on July 18, 2017, and confirmed the appointment of Ms. Merkley.

Transportation and Tax Review Task Force
July 16, 2018

Alternative Transportation Financing Tools - Sponsorship
Received presentations from the Utah Department of Transportation and the Utah Transit Authority regarding sponsorship as an alternative transportation funding source. The Department of Transportation indicated that a financially viable sponsorship program would need to include incident management vehicles. The Utah Transit Authority described its current sponsorship programs and successful transit sponsorship programs around the country.

Current Transportation Funding Sources
Discussed the transportation funding mechanisms that exist under current statute and potential areas for simplification.

History of Transportation Funding
Received presentations from the Utah Department of Transportation, the State Tax Commission, and the Utah Transit Authority on the history of transportation funding in the state.

Sales Tax
Received a presentation from the Governor's Office of Management and Budget regarding trends in sales tax collection and potential ways to broaden the sales tax base. The presentation highlighted the decline in sales tax collections as a share of overall economic activity due to increases in online commerce and service sector purchases.

Small Business Personal Property Tax
Briefly discussed the potential administrative burden small businesses face in determining small business personal property taxes. The committee indicated it would consider discussing this issue in further detail at a future meeting.

Transportation
Class B and C Road Funds
Considered 2018 Second Special Session S.B. 2004, "Class B & Class C Road Funds Amendments," which amends provisions related to the calculation of amounts allocated to political subdivisions for class B and class C roads and amends provisions related to the use of class B and class C road funds.


Point of the Mountain Development Commission
Heard a presentation from the Point of the Mountain Development Commission regarding transportation improvements for the point of the mountain area included in the "Vision and Recommendations" adopted by the commission. The presentation highlighted the importance of addressing transportation needs at the point of the mountain to accommodate the significant growth that is expected in the region over the next 30 years.

Public Transit Corridors
Received presentations from the city of Vineyard and the Utah Transit Authority regarding public transit corridors across the Wasatch Front, including a corridor in Utah County connecting the cities of Vineyard and Orem.

Unmanned Air Traffic Management
Heard discussion from a legislator and the Utah Department of Transportation on unmanned air traffic management and the need for future regulation to facilitate unmanned air traffic for travel, deliveries, and other commercial activity. The presentation also highlighted the speed with which unmanned aircraft technologies are being developed and the leading role Utah can play in developing the infrastructure for unmanned air traffic.
Veterans and Military Affairs Commission

July 10, 2018

Helping Employers Support Deployed Servicemembers

Received a report from the Utah National Guard regarding its concern with the increasing challenges inherent in frequent and longer deployments. The Utah National Guard recommended that the commission study this matter further.

Helping Veterans Start Businesses

Received a presentation from the Utah Veteran-Owned Business Partnership and the Utah Veterans Business Resource Center that focused on the resources currently used to assist veterans in starting their own businesses. Partnership representatives also discussed statistics on veterans mentored by the partnership and the economic impact of the mentoring program.

Military Installation Updates

Received an update regarding the F-35 Force Build Up Plan and the Air Force's current deliberation on whether Hill Air Force Base will become home to its Hybrid Product Support Integrator Office. The commission was also updated on the challenges faced by Dugway Proving Ground as a remote location.

Transition Assistance Program

Received a briefing from the Department of Defense's Transition to Veterans Office on its Transition Assistance Program, which is designed to help states and their business communities help veterans succeed in their transition to the workplace. The briefing provided background on the Transition Assistance Program and addressed the program's curriculum and career readiness standards.

Staff: Art L. Hunsaker (Policy Analyst) / Esther Chelsea-McCarty (Attorney) / Tracey Fredman (Administrative Assistant)