



MINUTES

HOUSE ECONOMIC DEVELOPMENT AND WORKFORCE SERVICES STANDING COMMITTEE

LEGISLATURE

Wednesday, February 13, 2019 | 3:40 p.m. | 20 House Building

Members Present:

Rep. Mike Winder, Chair
Rep. Derrin R. Owens, Vice Chair
Rep. Francis D. Gibson
Rep. Suzanne Harrison
Rep. Timothy D. Hawkes
Rep. Eric K. Hutchings
Rep. Karen Kwan
Rep. A. Cory Maloy

Rep. Carol Spackman Moss
Rep. Calvin R. Musselman

Members Absent:

Rep. Karianne Lisonbee

Staff Present:

Mr. Steve Benard, Session Secretary
Ms. Julie Humberstone, Policy Analyst

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

Chair Winder called the meeting to order.

1 . H.B. 203 Homeless Shelter Funding Revisions (Chew, S.)

Rep. Chew presented.

Mr. Lincoln Shurtz, Utah Association of Counties, spoke in favor of the bill.

Mr. Cameron Diehl, Executive Director, Utah League of Cities and Towns, spoke in favor of the bill.

Mr. Quinn Bennion, Vernal City Manager, spoke in favor of the bill.

Commissioner Brad Horrocks from Uintah County, spoke in favor of the bill.

Ashley Spatafore, representing South Salt Lake and Midvale, spoke in favor of the bill.

MOTION: Rep. Gibson moved to pass H.B. 203 out favorably. The motion passed with a vote of 7 - 0 - 4.

Yeas-7

Rep. F. Gibson
Rep. S. Harrison
Rep. K. Kwan
Rep. A. Maloy
Rep. C. Musselman
Rep. D. Owens
Rep. M. Winder

Nays-0

Absent-4

Rep. T. Hawkes
Rep. E. Hutchings
Rep. K. Lisonbee
Rep. C. Moss

MOTION: Rep. Owens moved to approve the minutes for Feb 5, 2019 The motion passed with a vote of 7 - 0 - 4.

Yeas-7

Rep. F. Gibson
Rep. S. Harrison
Rep. K. Kwan
Rep. A. Maloy
Rep. C. Musselman
Rep. D. Owens
Rep. M. Winder

Nays-0

Absent-4

Rep. T. Hawkes
Rep. E. Hutchings
Rep. K. Lisonbee
Rep. C. Moss

2 . H.B. 204 Employment Selection Procedures Act Amendments (*Wheatley, M.*)

Rep. Wheatley presented the bill with the assistance of Jonathan Thorne, attorney for Strindberg and Scholnick.

Mr. Chris Hill, Deputy Commissioner and General Counsel, Utah Labor Commission, spoke to the bill.

Ms. Jan Zogmaster, NFIB, spoke to the bill.

Mr. Dave Davis, Utah Retail Merchants Association, spoke against the bill.

MOTION: Rep. Gibson moved to replace H.B. 204 with 1st Substitute H.B. 204. The motion passed with a vote of 9 - 0 - 2.

Yeas-9

Rep. F. Gibson
Rep. S. Harrison
Rep. T. Hawkes
Rep. E. Hutchings
Rep. K. Kwan
Rep. A. Maloy
Rep. C. Musselman
Rep. D. Owens
Rep. M. Winder

Nays-0

Absent-2

Rep. K. Lisonbee
Rep. C. Moss

MOTION: Rep. Hutchings moved to amend 1st Substitute H.B. 204 with Amendment #0 to delete lines 81-84.

SUBSTITUTE MOTION: Rep. Hawkes moved to hold 1st Substitute H.B. 204. The Substitute motion passed with a vote of 9 - 0 - 2.

Yeas-9

Rep. F. Gibson
Rep. S. Harrison
Rep. T. Hawkes
Rep. E. Hutchings
Rep. K. Kwan
Rep. A. Maloy
Rep. C. Musselman
Rep. D. Owens
Rep. M. Winder

Nays-0

Absent-2

Rep. K. Lisonbee
Rep. C. Moss

Rep. Owens assumed the chair.

3 . H.B. 245 Community Reinvestment Agency Revisions (*Winder, M.*)

Rep. Mike Winder presented the bill.

Mr. Matt Dahl, Utah Development Association, spoke to the bill.

MOTION: Rep. Kwan moved to replace H.B. 245 with 1st Substitute H.B. 245. The motion passed with a vote of 10 - 0 - 1.

Yeas-10

Rep. F. Gibson
Rep. S. Harrison
Rep. T. Hawkes
Rep. E. Hutchings
Rep. K. Kwan
Rep. A. Maloy
Rep. C. Moss
Rep. C. Musselman
Rep. D. Owens
Rep. M. Winder

Nays-0

Absent-1

Rep. K. Lisonbee

MOTION: Rep. Winder moved to amend 1st Substitute H.B. 245 with Amendment #1, by striking lines 1175-1184. The motion passed with a vote of 10 - 0 - 1.

Amendment 1
1st Sub. H.B. 245

1. Page 38, Line 1172 through Page 41, Line 1255:

1172 Section 12. Section 17C-1-412 is amended to read:

1173 17C-1-412. Use of housing allocation – Separate accounting required – Issuance
1174 of bonds for housing – Action to compel agency to provide housing allocation.

1175 { ~~(1) This section applies to an agency that allocates urban renewal project area funds~~
1176 ~~under Section 17C-2-203 or community reinvestment project area funds under Section~~
1177 ~~17C-5-307.~~

1178 ~~— (2) (a) Except as provided in Subsection (2)(b), before using all or a portion of an~~
1179 ~~agency's housing allocation, the agency shall adopt a housing plan that shows how the agency~~
1180 ~~will use the agency's housing allocation to accomplish the purposes described in this section.~~

1181 ~~— (b) An agency is not required to adopt a housing plan under Subsection (2)(a) if the~~
1182 ~~agency is implementing the moderate income housing element of the general plan that the~~
1183 ~~community that created the agency adopted in accordance with Section 10-9a-403 or~~
1184 ~~17-27a-403.~~

1185 {+}(1){+}{(3)} (a) An agency shall use the agency's housing allocation[, if applicable,] to:

1186 (i) pay part or all of the cost of land or construction of income targeted housing within
1187 the boundary of the agency, if practicable in a mixed income development or area;

1188 (ii) pay part or all of the cost of rehabilitation of income targeted housing within the
1189 boundary of the agency;

1190 (iii) lend, grant, or contribute money to a person, public entity, housing authority,
1191 private entity or business, or nonprofit corporation for income targeted housing within the
1192 boundary of the agency;

1193 (iv) plan or otherwise promote income targeted housing within the boundary of the
1194 agency;

1195 (v) pay part or all of the cost of land or installation, construction, or rehabilitation of
1196 any building, facility, structure, or other housing improvement, including infrastructure
1197 improvements, related to housing located in a project area where [blight has been found to
1198 exist] a board has determined that a development impediment exists;

1199 (vi) replace housing units lost as a result of the project area development;

1200 (vii) make payments on or establish a reserve fund for bonds:

1201 (A) issued by the agency, the community, or the housing authority that provides
1202 income targeted housing within the community; and

1203 (B) all or part of the proceeds of which are used within the community for the purposes
1204 stated in Subsection {+}(1){+}{(3)}(a)(i), (ii), (iii), (iv), (v), or (vi);

1205 (viii) if the community's fair share ratio at the time of the first adoption of the project
1206 area budget is at least 1.1 to 1.0, make payments on bonds:

1207 (A) that were previously issued by the agency, the community, or the housing authority
1208 that provides income targeted housing within the community; and



1209 (B) all or part of the proceeds of which were used within the community for the
1210 purposes stated in Subsection ~~{+}(1){+}{(3)}~~(a)(i), (ii), (iii), (iv), (v), or (vi);
1211 (ix) relocate mobile home park residents displaced by project area development; or
1212 (x) subject to Subsection ~~{+}(6){+}{(8)}~~, transfer funds to a community that created the
1213 agency.
1214 (b) As an alternative to the requirements of Subsection ~~{+}(1){+}{(3)}~~(a), an agency may pay
1215 all or any portion of the agency's housing allocation to:
1216 (i) the community for use as described in Subsection ~~{+}(1){+}{(3)}~~(a);
1217 (ii) a housing authority that provides income targeted housing within the community
1218 for use in providing income targeted housing within the community;
1219 (iii) a housing authority established by the county in which the agency is located for
1220 providing:
1221 (A) income targeted housing within the county;
1222 (B) permanent housing, permanent supportive housing, or a transitional facility, as
1223 defined in Section 35A-5-302, within the county; or
1224 (C) homeless assistance within the county; or
1225 (iv) the Olene Walker Housing Loan Fund, established under Title 35A, Chapter 8,
1226 Part 5, Olene Walker Housing Loan Fund, for use in providing income targeted housing within
1227 the community.
1228 ~~{+}(2){+}{(4)}~~ The agency shall create a housing fund and separately account for the agency's
1229 housing allocation, together with all interest earned by the housing allocation and all payments
1230 or repayments for loans, advances, or grants from the housing allocation.
1231 ~~{+}(3){+}{(5)}~~ An agency may:
1232 (a) issue bonds to finance a housing-related project under this section, including the
1233 payment of principal and interest upon advances for surveys and plans or preliminary loans;
1234 and
1235 (b) issue refunding bonds for the payment or retirement of bonds under Subsection
1236 ~~{+}(3){+}{(5)}~~(a) previously issued by the agency.
1237 ~~{+}(4){+}{(6)}~~ (a) Except as provided in Subsection ~~{+}(4){+}{(6)}~~(b), an agency shall allocate
1238 money to the housing fund each year in which the agency receives sufficient tax increment to
1239 make a housing allocation required by the project area budget.
1240 (b) Subsection ~~{+}(4){+}{(6)}~~(a) does not apply in a year in which tax increment is
1241 insufficient.
1242 ~~{+}(5){+}{(7)}~~ (a) Except as provided in Subsection ~~{+}(4){+}{(6)}~~(b), if an agency fails to provide
1243 a housing allocation in accordance with the project area budget and~~[-if applicable,] the housing~~
1244 plan adopted under Subsection 17C-2-204(2), the loan fund board may bring legal action to
1245 compel the agency to provide the housing allocation.
1246 (b) In an action under Subsection ~~{+}(5){+}{(7)}~~(a), the court:
1247 (i) shall award the loan fund board reasonable attorney fees, unless the court finds that
1248 the action was frivolous; and
1249 (ii) may not award the agency the agency's attorney fees, unless the court finds that the
1250 action was frivolous.
1251 ~~{+}(6){+}{(8)}~~ For the purpose of offsetting the community's annual local contribution to the
1252 Homeless Shelter Cities Mitigation Restricted Account, the total amount an agency transfers in
1253 a calendar year to a community under Subsections ~~{+}(1){+}{(3)}~~(a)(x), 17C-1-409(1)(a)(v), and
1254 17C-1-411(1)(d) may not exceed the community's annual local contribution as defined in
1255 Section 35A-8-606.



Yeas-10

Rep. F. Gibson
Rep. S. Harrison
Rep. T. Hawkes
Rep. E. Hutchings
Rep. K. Kwan
Rep. A. Maloy
Rep. C. Moss
Rep. C. Musselman
Rep. D. Owens
Rep. M. Winder

Nays-0

Absent-1

Rep. K. Lisonbee

MOTION:

Rep. Musselman moved to pass 1st Substitute H.B. 245 as amended out favorably. The motion passed with a vote of 10 - 0 - 1.

Yeas-10

Rep. F. Gibson
Rep. S. Harrison
Rep. T. Hawkes
Rep. E. Hutchings
Rep. K. Kwan
Rep. A. Maloy
Rep. C. Moss
Rep. C. Musselman
Rep. D. Owens
Rep. M. Winder

Nays-0

Absent-1

Rep. K. Lisonbee

4 . H.B. 280 Apprenticeship Opportunity Awareness (*Winder, M.*)

Rep. Mike Winder presented the bill with the assistance of Nate McDonald, Communication Director, Department of Workforce Services.

Mr. Jeff Worthington, President. Utah AFLCIO, spoke in favor of the bill.

MOTION:

Rep. Gibson moved to replace H.B. 280 with 1st Substitute H.B. 280. The motion passed with a vote of 10 - 0 - 1.

Yeas-10

Rep. F. Gibson
Rep. S. Harrison
Rep. T. Hawkes
Rep. E. Hutchings
Rep. K. Kwan
Rep. A. Maloy
Rep. C. Moss
Rep. C. Musselman
Rep. D. Owens
Rep. M. Winder

Nays-0

Absent-1

Rep. K. Lisonbee

MOTION:

Rep. Harrison moved to pass 1st Substitute H.B. 280 out favorably. The motion passed with a vote of 10 - 0 - 1.



Yeas-10

Rep. F. Gibson
Rep. S. Harrison
Rep. T. Hawkes
Rep. E. Hutchings
Rep. K. Kwan
Rep. A. Maloy
Rep. C. Moss
Rep. C. Musselman
Rep. D. Owens
Rep. M. Winder

Nays-0

Absent-1

Rep. K. Lisonbee

MOTION: Rep. Hawkes moved to adjourn. The motion passed with a vote of 10 - 0 - 1.

Yeas-10

Rep. F. Gibson
Rep. S. Harrison
Rep. T. Hawkes
Rep. E. Hutchings
Rep. K. Kwan
Rep. A. Maloy
Rep. C. Moss
Rep. C. Musselman
Rep. D. Owens
Rep. M. Winder

Nays-0

Absent-1

Rep. K. Lisonbee

Chair Owens adjourned the meeting at 5:32 pm.