# INTERIM HIGHLIGHTS

SEPTEMBER 2019 Vol. 19, No. 4



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# Legislative Interim Meetings

Meetings were held September 18, 2019, or as noted

# **Administrative Rules Review Committee**

August 29, 2019

# Agency Response to Legislation Requiring Administrative Rulemaking

Received an update from committee staff regarding state agency compliance with administrative rulemaking requirements from  $\underline{2017}$  and  $\underline{2018}$  General Session legislation.

### **State Board of Education Rules Process**

Received a <u>presentation</u> from the State Board of Education regarding the board's analysis of its administrative rules, including the impact of each rule on affected persons and how the board ensures the opportunity for <u>public input</u> on rules prior to making each rule effective.

# Statutory and Administrative Rules References to Bullying

Received a <u>presentation</u> from the State Board of Education and heard comments from the Pacific Justice Institute regarding the differences between the current statutory definition of "<u>bullying</u>" and the State Board of Education's <u>administrative rule</u> defining "bullying."

Chairs: Rep. Marc K. Roberts / Sen. Jacob L. Anderegg Staff: Art L. Hunsaker (Policy Analyst) / Ericka A. Evans (Attorney) / Tracey Fredman (Administrative Assistant)

# **Business and Labor**

September 10, 2019

#### **Beer Transition Period Amendments**

Reviewed draft legislation, "Beer Transition Period Amendments," which facilitates the transition from selling beer with 3.2% alcohol content to beers with heavier alcohol content. The bill will permit a licensee to transport, store, purchase, or sell newly-classified beer to another licensee before November 1 under certain conditions.

Heard remarks from the Utah Retail Merchants Association and the Utah Food Industry Association.

**Action:** Approved draft legislation, "Beer Transition Period Amendments," for consideration during the First Special Session.

### **Election Code Date Changes**

Discussed draft legislation, "<u>Election Code Date Changes</u>," which changes the primary election to June 30, for the year 2020 only, and related dates accordingly.

Heard remarks from the Director of Elections within the Office of the Lieutenant Governor.

**Action:** Approved draft legislation, "Election Code Date Changes," for consideration during the First Special Session.

# **Tax Incentive Oversight Amendments**

Discussed draft legislation, "<u>Tax Incentive Oversight Amendments</u>," which modifies the independent certified public accountant provisions of the severance tax credit for well recompletion or workover and the motion picture income tax credit.

Heard remarks from the Division of Oil, Gas, and Mining and the Utah Association of Certified Public Accountants.

**Action:** Approved draft legislation, "Tax Incentive Oversight Amendments," for consideration during the First Special Session.

September 18, 2019

#### **Alcohol Policy Discussion**

Received a presentation about the upcoming Alcohol Policy Summit that will be held at the capitol and will feature nationally recognized presenters from the public health and safety and the alcohol and hospitality industries.

Identified the purpose and goals of the summit and how the legislature can play a role in the issues that will be discussed at the summit.

### **Blockchain Technology**

Studied the real-world applications, potential benefits, value, and barriers to blockchain technology, including the potential benefits and value to state government administration and affairs.

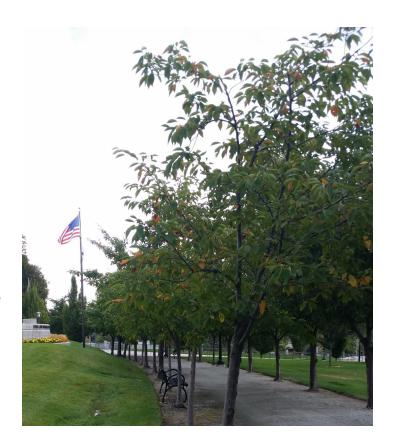
Received a <u>presentation</u> from committee staff and discussed <u>recent</u> and <u>past</u> state legislation.

Also heard from the following entities:

- the Wyoming House of Representatives Majority Whip;
- the Department of Technology Services;
- the Consumer Technology Association;
- MerxNet, Inc.;
- Power Block Coin, LLC;
- HEROIC.com;
- Prosperity Council;
- the Utah County Clerk; and
- Medici Ventures.

IBM also provided a presentation, cheat sheet, and handout.

Chairs: Rep. James A. Dunnigan / Sen. Curtis S. Bramble
Staff: Adam J. Sweet (Policy Analyst) / Amy L. West (Attorney) / Gus Harb (Attorney) /
Leila Reynolds (Administrative Assistant)





# **Criminal Code Evaluation Task Force**

August 26, 2019

# **Child Pornography**

Received a presentation from the Internet Crimes Against Children Task Force regarding the prevalence of child pornography abuses and the current sentencing structure for such crimes.

**Action:** Voted to request that the Administrative Office of the Courts and other relevant organizations provide data to staff regarding the outcomes of child pornography convictions in the state.

#### **Intoxication and Consent**

Received a <u>presentation</u> from the Salt Lake County District Attorney's Office on whether intoxication should be included as a circumstance in which there is no legal consent for the purposes of sex offenses.

# **Prostitution Decriminalization**

Received a <u>presentation</u> from the Sex Workers Outreach Project on sex work decriminalization.

Chairs: Rep. Paul Ray / Sen. Karen Mayne
Staff: John Feinauer (Policy Analyst) / Chelsea Grant (Attorney) / Esther D.
Chelsea-McCarty (Attorney) / Tracey Fredman (Administrative Assistant)

# **Economic Development and Workforce Services**

# **Artificial Intelligence**

Received presentations from <u>CompTia</u> and <u>Adobe</u> regarding the increasing prevalence of artificial intelligence technology and related policy implications, including policy implications for STEM education and workforce development.

# **Economic Development Incentives**

Received a <u>presentation</u> from the Mercatus Center at George Mason University regarding problems with targeted economic development incentives. The presentation proposed an interstate compact as a solution to competition between states to offer the most attractive economic development incentive packages.

**Action:** Opened a committee bill file to create an interstate compact regarding targeted economic development incentives.

# Sunset Review: IGP Plan Implementation Pilot Program

Received a <u>presentation</u> from the Department of Workforce Services and an <u>outcomes report</u> from Weber

County regarding the Intergenerational Poverty Plan Implementation Pilot Program, created to provide funding for counties to implement local solutions to address intergenerational poverty. If the Legislature takes no action, <a href="https://linearchy.com/Utah-Code Section 35A-9-501">Utah Code Section 35A-9-501</a>, which creates the program, will be repealed on January 1, 2021.

Action: Opened a committee bill file to extend the sunset date for the Intergenerational Poverty Plan Implementation Pilot Program to January 1, 2023.

# Sunset Review: Pete Suazo Utah Athletic Commission

Received an <u>overview</u> from committee staff and heard comments from the Governor's Office of Economic Development regarding changes made by 2019 General Session H.B. 387, "<u>Boards and Commissions Amendments</u>," related to the appointment of Pete Suazo Utah Athletic Commission members. If the Legislature takes no action, the changes to the appointment of commission members will take effect on January 1, 2021.

**Action:** Asked staff to review the other changes made by 2019 General Session H.B. 387, "Boards and Commissions," to find similar repeals of legislative appointment authority.

# **USTAR Report**

Received an <u>update</u> and <u>audit report</u> from the Governor's Office of Economic Development related to a report required by 2019 General Session S.B. 212, "<u>USTAR Amendments</u>," and addressing the transition of USTAR headquarters and programs to the Governor's Office of Economic Development.

Chairs: Rep. Mike Winder / Sen. Daniel McCay Staff: Julie Humberstone (Policy Analyst) / Peter Asplund (Attorney) / Leila Reynolds (Administrative Assistant)

# **Education**

# Compulsory Education, Truancy, and Chronic Absenteeism

Discussed draft legislation, "School Absenteeism and Truancy Amendments," which:

- creates uniform definitions for chronic absenteeism and truancy;
- limits the conditions under which a public school may impose administrative penalties on a school-age minor who is truant; and
- requires local education agencies to report specific information to the State Board of Education.

**Action:** Approved as a committee bill draft legislation, "School Absenteeism and Truancy Amendments."



#### **E-cigarettes Workgroup**

Received a <u>presentation</u> from a legislator regarding an informal workgroup that studied the use of e-cigarettes by minors. The legislator provided recommendations for legislation to address the use of e-cigarettes by minors.

**Action:** Voted to open one or more committee bill files to address the use of e-cigarettes by minors.

### **Early Childhood Learning**

Received a <u>presentation</u> from the State Board of Education, Department of Workforce Services, and Waterford regarding the implementation and effectiveness of the UPSTART program for pre-kindergarten students.

Discussed the efforts made to reach out to families of atrisk children and ways to expand the UPSTART program to meet the needs of more at-risk children.

Also discussed the possible expansion of the UPSTART program to include all 4-year-olds statewide.

### **Educator Exit Survey**

Received a <u>presentation</u> from State Board of Education staff regarding proposed <u>rules</u> related to the educator exit surveys required by 2019 General Session H.B. 130, "Public Education Exit Survey."

### State Board Legislation Requests

Heard a <u>presentation</u> from State Board of Education staff regarding requests for minor technical statutory changes that are supported by the board.

Received a <u>presentation</u> from State Board of Education staff regarding a request to modify statutes to increase access to the School Breakfast Program for children who are food insecure.

**Action:** Voted to open a committee bill file to address the minor technical statutory changes proposed by the State Board of Education.

Voted to open one or more committee bill files to address State Board of Education recommendations related to the School Breakfast Program.

Chairs: Rep. V. Lowry Snow / Sen. Deidre M. Henderson Staff: Allyson R. Hicks (Policy Analyst) / Nathan W. Brady (Policy Analyst) / Michael E. Curtis (Attorney) / Amy Shewan (Attorney) / Jesse Dowdle (Administrative Assistant)

# Federalism Commission

September 16, 2019

#### **Central Wasatch Mountains Site Visit**

Joined members of the Natural Resources, Agriculture, and Environment Interim Committee to visit sites in the Central Wasatch mountains and discuss issues related to the area, including:

- proposed federal legislation creating the Central Wasatch National Conservation and Recreation Area;
- transportation;
- water:
- economic development; and
- environmental sustainability.

September 16, 2019

### Mine Tailings in the Cottonwood Canyons

Received <u>comments</u>, a <u>related report</u>, and <u>data</u> from John Bennett regarding challenges posed by historic mining activity in Big and Little Cottonwood Canyons and the need to more adequately address those and other challenges in the Central Wasatch mountains. Received comments from the Salt Lake City Department of Public Utilities.

# **Proposed Federal Designation Legislation**

Received a <u>presentation</u> from the Central Wasatch Commission regarding proposed <u>federal legislation</u> creating a Central Wasatch National Conservation and Recreation Area and related topics.

The Central Wasatch Commission provided information on transportation issues, land exchanges, and proposed conservation and recreation areas.

Heard comments from the:

- Granite Community Council;
- Alta Ski Area;
- Big Cottonwood Canyon Community Council;
- Save our Canyons;
- Salt Lake County Mayor's Office; and
- other stakeholders.

#### Valuation of Federal Lands

Received an update from Geomancer regarding progress on the valuation of the state's public lands, including challenges to collecting necessary data from small cities and towns.

Chairs: Rep. Keven J. Stratton / Sen. Lincoln Fillmore
Staff: Julie Humberstone (Policy Analyst) / Karin M. Rueff (Policy Analyst) / Robert H.
Rees (Attorney) / Shannon C. Halverson (Attorney) / Sidnee Bailey (Administrative
Assistant)



# **Government Operations**

# **Ballot Simplification**

Received a proposal from <u>county clerks</u> to simplify ballot language and increase ballot information available to voters through various other sources.

**Action:** Opened a committee bill file to simplify ballot language.

# **Government Use of Facial Recognition Technology**

Discussed the Department of Public Safety's use of facial recognition technology, including:

- the nature of the technology;
- the circumstances under which and frequency with which the technology is used;
- statutory and department policies and procedures that govern the use of the technology; and
- whether statutory limits should be placed on the government's use of the technology.

# **Voter Registration Records**

Discussed challenges political parties face because voters, under a 2018 change to statute, frequently designate their voter registration records as private records under the Government Records Access and Management Act.

Discussed political parties' use of and desire to access voter registration records.

Chairs: Rep. John Knotwell / Sen. Daniel W. Thatcher Staff: Brian J. Bean (Policy Analyst) / Thomas R. Vaughn (Attorney) / Tracey Fredman (Administrative Assistant)

# **Health and Human Services**

September 09, 2019

#### **Medical Cannabis**

Received a <u>summary</u> and public comment on draft legislation, "<u>Medical Cannabis Amendments</u>," proposed for the September 16, 2019, First Special Session of the Legislature.

September 18, 2019

# Opioid Misuse: Prescriber Education and Prescriber Compliance with State Law

Received a report from the Division of Occupational and

Professional Licensing on the implementation of policies in Utah Code Sections <u>58-37f-304</u> and <u>58-37f-702</u> designed to identify and offer education to prescribers who may not be prescribing opioids or other controlled substances in accordance with best practice guidelines.

**Action:** Opened a bill file to apply the Nurse Practice Act <u>provision</u> specifying that "knowingly entering into any medical record any false or misleading information or altering a medical record" is unprofessional conduct to all other prescribers.

#### **Medical Cannabis: Contraindicated Uses**

Briefed by University of Utah Health Sciences on the risks associated with cannabis use by youth and by women who are pregnant or breastfeeding. The university highlighted the U.S. Surgeon General's advisory that "no amount of marijuana use during pregnancy or adolescence is known to be safe" and recommended education for parents, education for medical professionals, and counseling of pregnant or breastfeeding women.

### Children's Hearing Aid Program: Sunset Review

Action: Approved as a committee bill draft legislation, "Children's Hearing Aid Program Amendments," which reauthorizes the Children's Hearing Aid Program for five years until 2025.

# **Utah Health Care Workforce Financial Assistance Program**

Considered draft legislation, "Health Care Workforce Financial Assistance Program Amendments," which appropriates \$300,000 to the program and allows hospitals to contribute education loan repayment assistance to program participants.

Chairs: Rep. Brad M. Daw / Sen. Allen M. Christensen
Staff: Karin M. Rueff (Policy Analyst) / Mark D. Andrews (Policy Analyst) / Daniel M.
Cheung (Attorney) / Ericka A. Evans (Attorney) / Rikka Strong (Attorney) / Nathan
Erickson (Administrative Assistant)

# **Judiciary**

# **Insanity Defense**

Heard comments from criminal defense attorneys, the Statewide Association of Prosecutors, the Utah Psychiatric Association, the Utah Medical Association, the Attorney General's Office, citizens, and a legislator regarding whether to modify the circumstances under which a defendant may plead not guilty to a criminal offense by reason of insanity.

# **Oversight and Accountability of Prosecutors**

Heard comments from a legislator and the Utah Commission on Criminal and Juvenile Justice regarding a proposal to collect data regarding prosecutors and alleged prosecutorial misconduct.



#### **Trauma-informed Services for Victims**

Received a <u>report</u>, required by <u>Utah Code Section 63M-7-209</u>, from the Commission on Criminal and Juvenile Justice regarding the Multi-Disciplinary Trauma-Informed Committee's activities and recommendations and a performance incentive grant program created to provide advocacy and related services for victims using standards of trauma-informed care.

**Action:** Opened a committee bill file to address recommendations in the report.

### Vaping and E-cigarettes

Heard a <u>presentation</u> from a workgroup studying vaping and the use of e-cigarettes by minors.

**Action:** Opened a committee bill file to address certain recommendations of the workgroup.

Chairs: Rep. Karianne Lisonbee / Sen. Todd Weiler Staff: Joseph T. Wade (Policy Analyst) / Jacqueline Carlton (Attorney) / Nathan Erickson (Administrative Assistant)

# **Law Enforcement and Criminal Justice**

#### **Asset Forfeiture**

Received a <u>presentation</u> from the Utah Chiefs of Police Association and the Office of the Attorney General summarizing draft legislation, "<u>Asset Forfeiture Revisions</u>," which makes changes to asset forfeiture statues.

**Action:** Voted to revisit the issue of asset forfeiture and the draft legislation at a future interim meeting.

#### **Trauma-informed Justice**

Received a <u>report</u> from the Multi-Disciplinary Trauma-Informed Committee on its research and recommendations for the trauma-informed justice program.

### **Vehicle Safety Inspections**

Received a <u>presentation</u> from the Utah Highway Patrol on how eliminating the vehicle safety inspection requirement has impacted the Highway Patrol. Also received a <u>presentation</u> from the Libertas Institute about the effectiveness of safety inspections in reducing accidents.

**Action:** Opened a committee bill file to address requirements for licensed used car dealers to have safety inspections performed on vehicles they plan to sell.

Chairs: Rep. Lee B. Perry / Sen. Keith Grover
Staff: John Feinauer (Policy Analyst) / Chelsea Grant (Attorney) / Esther D. ChelseaMcCarty (Attorney) / Tracey Fredman (Administrative Assistant)

# **Legislative Policy Summit**

September 17, 2019

Received a report from the Kem C. Gardner Institute regarding the impact growth is expected to have on the state.

In a series of breakout groups, legislators discussed the primary challenges facing the state's ability to:

- Meet the future demand for water;
- Build and maintain an adequate transportation and power infrastructure; and
- Create economic conditions that favorably affect housing affordability.

Learned about the Utah National Guard and its military base at Camp Williams.

Received a presentation about the history of Utah's tax policy, including an overview of current revenue sources and uses.

Learned from the National Tax Foundation how Utah compares to national trends in tax policy.

Heard from the chairs of the Tax Restructuring and Equalization Task Force about the task force's findings after a summer of holding town hall meetings throughout the state.

Received a report about the expected devastation a future earthquake could bring to the state and steps the Legislature may take to prepare for and mitigate the damage.

# Natural Resources, Agriculture, and Environment

September 16, 2019

#### **Central Wasatch Mountains Site Visit**

Joined members of the Federalism Commission to visit sites in the Central Wasatch mountains to discuss issues relating to the area, including:

- proposed federal legislation creating the Central Wasatch National Conservation and Recreation Area;
- transportation;
- water;
- economic development; and
- environmental sustainability.

September 18, 2019

### **Agricultural Water Optimization Task Force Report**

Received a report from the Agricultural Water Optimization Task Force on the activities and work of the task force.

#### Air Quality

Received a <u>report</u> from the Division of Air Quality on <u>air</u> <u>quality</u>, permitting fees, and mobile source registration fees.



# Department of Agriculture and Food Fee Adjustment for the Administration of the Industrial Hemp Program

Received a report from the Department of Agriculture and Food on the need to adjust fees for the administration of the department's industrial hemp program. The department also discussed the creation of an industrial hemp retail license.

# **Energy Producer States' Agreement Report**

Received a report on Utah's involvement in the Energy Producing States' Coalition.

#### **Local Food Advisory Council Report**

Received a <u>report</u> from the Local Food Advisory Council on its activities in the areas of agricultural land preservation, production and distribution innovation, and regulation.

# **Prescribed Burn Policies Report**

Received a <u>report</u> from the Division of Forestry, Fire, and State Lands, United States Forest Service, and the Division of Air Quality on policies intended to improve the ability to effectively use prescribed burns, including options for revising the Regional Haze State Implementation Plan to allow for easier permitting of prescribed burns during times of the year with low fire risk.

# **Quagga Mussels Update**

Received a <u>report</u> from the Department of Natural Resources on efforts to control the spread of invasive quagga and zebra mussels in the state.

# **State Agency Air Quality Best Practices Report**

Received a <u>report</u> from the State Coordinator of Resource Stewardship on the <u>efforts</u> of state agencies to promote improved air quality.

Chairs: Rep. Keven J. Stratton / Sen. Ralph Okerlund Staff: J Brian Allred (Policy Analyst) / Patricia Owen (Attorney) / Rikka Strong (Attorney) / Sidnee Bailey (Administrative Assistant)

# Occupational and Professional Licensure Review

September 05, 2019

# **Practice of Barbering and Estheticians**

Discussed how some states have introduced legislation that reduces or eliminates licensing regulations for hair stylists who only provide blow drying and other limited services to clients. Under current Utah statute, blow drying requires a licensee to have at least a barber license, which requires a minimum of 1,000 hours of instruction. Similarly, the application of eyelash extensions requires a licensee to have at least an esthetician license, which requires a minimum of 600 hours of instruction.

Reviewed letters from <u>Styld Blow Dry Bar</u>, <u>Institute for Justice</u>, and <u>Brinnly Buxton</u>.

# **Sunrise Review for Sleep Technologists**

Reviewed an <u>application</u> for sunrise review that proposed that the state license or regulate sleep technologists. Heard a <u>presentation</u> and received a <u>handout</u> from the Sleep-Wake Center at the University of Utah.

Chairs: Rep. Norman K. Thurston / Sen. Todd Weiler
Staff: Adam J. Sweet (Policy Analyst) / Peter Asplund (Attorney) / Leila Reynolds
(Administrative Assistant)

# **Political Subdivisions**

# **Appointed vs. Elected County Officials**

Received a <u>presentation</u> from a Utah Valley University professor and discussed the advantages and disadvantages of elected versus appointed county officials.

### **Changing Forms of County Government**

Received a <u>presentation</u> from committee staff on the options and <u>process</u> to change a county form of government. Discussed the perspective of the Utah Association of Counties.

**Action:** Opened a committee bill file to streamline how counties can change their form of government.

### **County Classifications**

Received a <u>presentation</u> from committee staff on related <u>research</u>, <u>current process</u> by which a county classification changes, and the differences between county <u>classifications</u>. The Utah Association of Counties gave its perspective and answered questions from the committee.

Chairs: Rep. Stephen G. Handy / Sen. Jacob L. Anderegg Staff: Samantha D. Brucker (Policy Analyst) / Victoria Ashby (Attorney) / Sidnee Bailey (Administrative Assistant)

# **Public Utilities, Energy, and Technology**

# Electrical Grid Reliability and Public Utilities Rate Design

Discussed various rate design mechanisms and potential costs and benefits under certain scenarios, including the integration of increasing levels of renewable energy resources into the electrical grid, time-varying rate designs and capacity credits, demand reduction programs, and net renewable tariffs.

Received comments from the following stakeholders:

- Western Electricity Coordinating Council (WECC);
- Public Service Commission;
- Office of Consumer Services;
- Division of Public Utilities;



- Utah Clean Energy:
- Rocky Mountain Power; and
- Deseret Power Electric Cooperative.

### **Regional Haze**

Received a <u>status update</u> from Rocky Mountain Power on the company's Huntington and Hunter power plants.

# Universal Public Telecommunications Support Fund and Public Utility Regulatory Restricted Account

Reviewed policy options related to two statutes that the committee studied during its June and August meetings and heard from the following stakeholders and state economic regulators:

- <u>Utah Public Service Commission;</u>
- <u>CTIA and Leonine Public Affairs</u> (originally known as the Cellular Telecommunications Industry Association);
- Office of Consumer Services:
- Division of Public Utilities;
- Verizon Wireless;
- AT&T;
- Utah Rural Telecommunications Association; and
- · CenturyLink.

**Action:** Voted to monitor the Utah Universal Public Telecommunications Support Fund goals, objectives, and accountability through a report and review from committee staff.

Opened a committee bill file to address statutory changes to the Public Utilities Regulatory Restricted Account.

#### **Wolverine Fuels**

Received a <u>presentation</u> from Wolverine Fuels on the company's performance and economic impact in the state.

Chairs: Rep. Carl R. Albrecht / Sen. Ronald Winterton
Staff: Sarah J. Balland (Policy Analyst) / Shannon C. Halverson (Attorney) /
Cherish Cosman (Administrative Assistant)

# **Retirement and Independent Entities**

September 19, 2019

# New Public Safety and Firefighter Tier II Contributory Retirement Study

Heard an update on the workgroup tasked with the uncodified study enacted by 2019 General Session S.B.

129 Third Substitute, "Public Safety and Firefighter Tier II Retirement Enhancements," and that has been meeting throughout the 2019 interim.

# Overview of My529 College Savings Plan

Received an <u>overview</u> of My529's creation and purpose, its current status, tax advantages, and company best practices.

# **State of Utah Total Compensation Market Study**

Received an <u>overview</u> of the Department of Human Resource Management's process for performing a market analysis of total compensation, including benefits, for state employees, in coordination with Gallagher Consultants.

# Sunset Review: Heber Valley Historic Railroad Authority

Conducted a <u>sunset review</u> of Utah Code <u>Title 63H</u>, <u>Chapter 4</u>, <u>Heber Valley Historic Railroad Authority</u>, pursuant to <u>Utah</u> <u>Code Section 63I-1-263</u>, Repeal Dates, Titles 63A to 63N, to determine if it should be reauthorized for up to 10 years, with or without amendments, or allowed to expire by its current sunset date of July 1, 2020.

Action: Opened a committee bill file reauthorizing the Heber Valley Historic Railroad Authority for an additional 10 years and requiring, within that 10-year window, a committee study on policy considerations and legislative action needed to convert the authority from an independent entity into a private program.

Chairs: Rep. Craig Hall / Sen. Wayne A. Harper Staff: Sarah J. Balland (Policy Analyst) / Shannon C. Halverson (Attorney) / Peter Asplund (Attorney) / Sidnee Bailey (Administrative Assistant)

# **Revenue and Taxation**

#### **Certified Tax Rate Calculation Amendments**

Discussed draft legislation, "Certified Tax Rate Calculation Amendments," which modifies the definition of incremental value to include project areas created under Title 11, Chapter 58, Utah Inland Port Authority Act; Title 63H, Chapter 1, Military Installation Development Authority Act; and Title 63N, Chapter 2, Part 5, New Convention Facility Development Incentives.

**Action:** Approved as a committee bill draft legislation, "Certified Tax Rate Calculation Amendments."

#### **Income Tax Revenue Amendments**

Discussed draft legislation, "Income Tax Revenue Amendments," which creates a restricted account for increased income tax revenues resulting from certain changes in federal tax law.

**Action:** Approved as a committee bill draft legislation, "Income Tax Revenue Amendments."



#### **Property Assessment Procedure Amendments**

Discussed draft legislation "Property Assessment Procedure Amendments," which repeals certain authority of the State Tax Commission to adjust and equalize the valuation of taxable property.

**Action:** Approved as a committee bill draft legislation, "Property Assessment Procedure Amendments."

# Required Annual Review of Certain Income Tax Credits

Received presentations from <u>committee staff</u> on several tax credits, from the <u>Division of Air Quality</u> on the Alternative Fuel Heavy Duty Vehicle Tax Credit, from <u>my529</u> on the my529 (UESP) Tax Credit, and from the Governor's Office of Economic Development on the Recycling Market Development Zones Tax Credit.

# Tax Exemption for Construction or Unoccupied Property

Discussed draft legislation, "<u>Tax Exemption for Construction or Unoccupied Property</u>," which modifies the definition of "residential property" for purposes of the Property Tax Act to include certain property that is under construction or unoccupied.

**Action:** Approved as a committee bill draft legislation, "Tax Exemption for Construction or Unoccupied Property."

# Utah State Tax Commission Authority to Reallocate Income Between Two Related Companies

Received presentations from <u>committee staff</u> and the <u>State Tax Commission</u> on the recent Utah Supreme Court decision in "Utah State Tax Commission v. See's Candy."

#### **Water Pricing**

Received a <u>presentation</u> from the Utah Foundation summarizing the foundation's recently released research report on water use in Utah. The presentation outlined the mix of property taxes and user fees wholesale and retail water providers in the state use to fund their operations and the impact of those funding sources on conservation.

Chairs: Rep. Robert M. Spendlove / Sen. Lincoln Fillmore
Staff: Alex R. Janak (Policy Analyst) / Ryan M. Hunter (Policy Analyst) / Andrea
Valenti Arthur (Attorney) / Christine R. Gilbert (Attorney) / Jesse Dowdle
(Administrative Assistant)

# **Senate Judicial Confirmation**

September 12, 2019

#### **Confirmation of Chelsea Koch**

Recommended to the Senate the confirmation of Chelsea Koch as a judge of the Third District Court.

The Senate met in Extraordinary Session on September 19, 2019, and confirmed the appointment of Chelsea Koch.

# **Confirmation of Angela Fonnesbeck**

Recommended to the Senate the confirmation of Angela Fonnesbeck as a judge of the First District Court.

The Senate met in Extraordinary Session on September 19, 2019, and confirmed the appointment of Angela Fonnesbeck.

Chairs: Rep. Robert M. Spendlove / Sen. Lincoln Fillmore
Staff: Jerry Howe (Strategic Initiatives Manager) / Eric N. Weeks (Deputy General
Counsel) / Nathan Erickson (Administrative Assistant / Sidnee Bailey (Administrative
Assistant)

# <u>Tax Restructuring and Equalization Task</u> Force

September 05, 2019

### **Tax Restructuring Policy Options**

Received a <u>presentation</u> from committee staff outlining several policy options suggested by the public to the task force for consideration to address the state's revenue imbalance challenge. The proposed options included:

- reducing general levels of state spending;
- eliminating the constitutional spending restriction on income tax revenue:
- expanding the Utah personal exemption; and
- increasing budget flexibility through:
  - an income tax filing fee and credit;
  - \* modifying the minimum basic levy to flow into the General Fund and funding the basic school program from the Education Fund:
  - funding the school lunch program from the Education Fund; and
  - funding other education related programs and income tax credits currently funded from the General Fund from the education fund.

Chairs: Rep. Francis D. Gibson / Sen. Lyle W. Hillyard
Staff: Alex R. Janak (Policy Analyst) / Ryan M. Hunter (Policy Analyst) / Andrea
Valenti Arthur (Attorney) / Christine R. Gilbert (Attorney) / Jesse Dowdle
(Administrative Assistant)



# **Transportation**

# **Annual State Highway System Modifications**

Received an update from the Department of Transportation regarding this year's list of highways or sections of highways that are proposed for addition to or deletion from the state highway system.

**Action:** Opened a committee bill file to address the Department of Transportation and the Transportation Commission's annual list of highways or sections of highways proposed for addition to or deletion from the state highway system.

#### **Coordinated Mobility**

Received an <u>update</u> on the status of a statutorily required study by the Utah Transit Authority on opportunities for coordinated mobility among the various transit service providers along the Wasatch Front.

# Federal Transportation Funding Update and State Funding Alternatives

Received an <u>update</u> from the Department of Transportation and the Wasatch Front Regional Council on how federal transportation funding is structured, what changes to federal transportation funding have occurred in recent years, the current funding outlook, and <u>state-level funding alternatives</u>.

#### **Future of FrontRunner**

Received a <u>report</u> from the Utah Transit Authority regarding the role of FrontRunner in facing the challenges of growth and mobility in the Wasatch Front region, the Utah Transit Authority's current activities related to FrontRunner, and how joint efforts with agency partners and communities can help develop and define FrontRunner's short- and long-term vision.

# Local Option Sales Taxes Authorized by 2018 General Session S.B. 136, "Transportation Governance Amendments"

Received a presentation from the Utah League of Cities and Towns and the Utah Association of Counties addressing the towns and cities and counties that imposed the quarter-cent sales tax for certain transportation purposes, how much revenue is estimated to be collected, and for what purposes the revenue will be used.

# Update: Rules Governing Transportation Commission Prioritization Process

Received an update on administrative rules being prepared by the Transportation Commission to implement the prioritization process for certain transportation

projects, including an overview of the <u>prioritization process</u> and a draft of the rules.

Chairs: Rep. Kay J. Christofferson / Sen. Wayne A. Harper Staff: Art L. Hunsaker (Policy Analyst) / Ryan M. Hunter (Policy Analyst) / Gus Harb (Attorney) / Kurt P. Gasser (Attorney) / Cherish Cosman (Administrative Assistant)

# **Veterans and Military Affairs Commission**

August 27, 2019

# **Definition of "Eligible Person"**

Received a <u>presentation</u> on a proposal to amend the definition of "eligible person" in <u>Utah Code Section 53B-8-102</u> to allow for more flexibility and to clarify language.

**Action:** Voted to clarify the definition of "eligible person" in Utah Code Section 53B-8-102 in the bill file being opened to address the Veterans Tuition Gap Program.

# **Employment and Training Programs for Veterans: Southwest Regional Council of Carpenters**

Received a <u>presentation</u> from the Southwest Regional Council of Carpenters on its education, training, and service programs for veterans.

# **Fort Douglas Military Museum**

Received a <u>presentation</u> from the director of the museum on how the museum operates and plans for future projects.

**Action:** Opened a bill file to recognize the Fort Douglas Military Museum as the official state military museum.

#### **Veterans Preference in Purchase Contracts**

Received a <u>presentation</u> from committee staff on preferences for veteran-owned businesses when they submit proposals for a state contract.

Received comments from the Veterans in Business Network and from the Division of Purchasing and General Services.

### **Veterans Tuition Gap Funding**

Received a <u>presentation</u> on a proposal to amend <u>Utah Code</u> <u>Section 53B-13-104</u> to address a recurring need for funding for books and fees.

**Action:** Opened a committee bill file to amend Utah Code Section 53B-13-104 to allow for funding to apply to books and fees.

Chairs: Rep. Paul Ray / Sen. Todd Weiler

Staff: Samantha D. Brucker (Policy Analyst) / Esther D. Chelsea-McCarty (Attorney) / Tracey Fredman (Administrative Assistant)

