



UTAH STATE

LEGISLATURE

MINUTES

HOUSE BUSINESS AND LABOR STANDING COMMITTEE

Thursday, February 6, 2020 | 4:00 p.m. | 445 State Capitol

Members Present:

Rep. James A. Dunnigan, Chair
 Rep. A. Cory Maloy, Vice Chair
 Rep. Brady Brammer
 Rep. Craig Hall
 Rep. Timothy D. Hawkes
 Rep. Brian S. King
 Rep. Michael K. McKell
 Rep. Calvin R. Musselman
 Rep. Tim Quinn
 Rep. Marc K. Roberts

Rep. Mike Schultz
 Rep. Casey Snider
 Rep. Mark A. Wheatley
 Rep. Mike Winder

Members Absent:

Rep. Susan Duckworth

Staff Present:

Adam J. Sweet, Policy Analyst
 Claire Kirkland, Committee Secretary

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

Rep. Maloy called the meeting to order at 4:00 p.m.

MOTION: Rep. Roberts moved to approve the minutes of the February 5, 2019, meeting. The motion passed with a vote of 8 - 0 - 7.

Yeas-8

Rep. J. Dunnigan
 Rep. C. Hall
 Rep. A. Maloy
 Rep. M. McKell
 Rep. C. Musselman
 Rep. T. Quinn
 Rep. M. Roberts
 Rep. C. Snider

Nays-0

Absent-7

Rep. B. Brammer
 Rep. S. Duckworth
 Rep. T. Hawkes
 Rep. B. King
 Rep. M. Schultz
 Rep. M. Wheatley
 Rep. M. Winder

1 . H.B. 162 Securities Amendments (McKell, M.)

Rep. McKell presented H.B. 162.

Tom Brady, Director, Division of Securities, answered questions.

MOTION: Rep. McKell made a motion to amend H.B. 162 with Amendment #2.

Amendment 2
 H.B. 162

1. Page 1, Lines 8 through 9:
- 8 General Description:
- 9 This bill amends the Utah Uniform Securities Act ~~{regarding}~~.

2. Page , Line 90 through Page 4, Line 100:
- 90 than those specified in Subsection (3)(b), who are residents of this state.
- 91 (4) It is unlawful for a person to hold ~~{the person}~~ oneself out as a provider of investment advice
- 92 or as a provider of investment advisory services or otherwise represent that the person is a
- 93 financial planner, financial adviser, financial consultant, or holds any other similar title as the
- 94 division may specify in rule made in accordance with Title 63G, Chapter 3, Utah
- 95 Administrative Rulemaking Act, in any way as to imply that the person is generally engaged in
- 96 an investment advisory business, unless:
- 97 (a) the person is a federal covered adviser; ~~{or}~~

98 (b) it is lawful for the person to transact business in this state as an investment adviser
99 or as an investment adviser representative under Subsection (3)~~{-}~~; or

(c) the person:

- (i) is not an investment adviser or an investment adviser representative; and
- (ii) is otherwise licensed under this chapter to transact business in the state.

100 ~~{(4)}~~ (5) (a) It is unlawful for:

SUBSTITUTE MOTION: Rep. Dunnigan made a substitute motion to amend H.B. 162 with Amendment #2. The substitute motion passed with a vote of 10 - 0 - 5.

Amendment 2
H.B. 162

1. Page 1, Lines 8 through 9:

8 General Description:

9 This bill amends the Utah Uniform Securities Act ~~{-regarding-}~~.

2. Page , Line 90 through Page 4, Line 100:

90 than those specified in Subsection (3)(b), who are residents of this state.

91 (4) It is unlawful for a person to hold ~~{the person}~~ oneself out as a provider of investment advice
92 or as a provider of investment advisory services or otherwise represent that the person is a
93 financial planner, financial adviser, financial consultant, or holds any other similar title as the
94 division may specify in rule made in accordance with Title 63G, Chapter 3, Utah
95 Administrative Rulemaking Act, in any way as to imply that the person is generally engaged in
96 an investment advisory business, unless:

97 (a) the person is a federal covered adviser; ~~{-or-}~~

98 (b) it is lawful for the person to transact business in this state as an investment adviser
99 or as an investment adviser representative under Subsection (3)~~{-}~~; or

(c) the person:

- (i) is not an investment adviser or an investment adviser representative; and
- (ii) is otherwise licensed under this chapter to transact business in the state.

100 ~~{(4)}~~ (5) (a) It is unlawful for:

Yeas-10

- Rep. J. Dunnigan
- Rep. C. Hall
- Rep. T. Hawkes
- Rep. A. Maloy
- Rep. M. McKell
- Rep. C. Musselman
- Rep. T. Quinn
- Rep. M. Roberts
- Rep. C. Snider
- Rep. M. Winder

Nays-0

Absent-5

- Rep. B. Brammer
- Rep. S. Duckworth
- Rep. B. King
- Rep. M. Schultz
- Rep. M. Wheatley

MOTION: Rep. Roberts moved to pass H.B. 162 out favorably. The motion passed with a vote of 10 - 0 - 5.

Yeas-10

Rep. J. Dunnigan
Rep. C. Hall
Rep. T. Hawkes
Rep. A. Maloy
Rep. M. McKell
Rep. C. Musselman
Rep. T. Quinn
Rep. M. Roberts
Rep. C. Snider
Rep. M. Winder

Nays-0

Absent-5

Rep. B. Brammer
Rep. S. Duckworth
Rep. B. King
Rep. M. Schultz
Rep. M. Wheatley

2 . H.B. 12 Abusive Conduct Reporting Amendments (Stratton, K.)

Rep. Keven J. Stratton and Denise Halverson, Utah Healthy Workplace Advocates, presented H.B. 12.

Jacey Skinner, General Counsel for the Salt Lake Chamber, spoke in favor of the bill.

Dorothy Solomon, professor, spoke in favor of the bill

Hannah Gorski, Utah Public Employees Association, spoke in favor of the bill.

MOTION: Rep. Hawkes moved to amend H.B. 12 with Amendment #1. The motion passed with a vote of 13 - 0 - 2.

Amendment 1
H.B. 12

1. Page 6, Lines 171 through 179:

- 171 (4) (a) The office may overturn the findings of the abusive conduct investigation if the
172 office determines that:
173 (i) the findings are not reasonable, rational, or sufficiently supported by the evidence;
174 or
175 (ii) the facts on which the findings are based are {unreliable or} inaccurate.
176 (b) The office may uphold the findings of the abusive conduct investigation if the
177 office determines that:
178 (i) the findings are reasonable, rational, and sufficiently supported by the evidence; and
179 (ii) the facts on which the findings are based are {reliable and} accurate.

Yeas-13

Rep. B. Brammer
Rep. J. Dunnigan
Rep. C. Hall
Rep. T. Hawkes
Rep. B. King
Rep. A. Maloy
Rep. M. McKell
Rep. C. Musselman
Rep. T. Quinn
Rep. M. Schultz
Rep. C. Snider
Rep. M. Wheatley
Rep. M. Winder

Nays-0

Absent-2

Rep. S. Duckworth
Rep. M. Roberts

MOTION: Rep. Brammer moved to pass H.B. 12 out favorably. The motion passed with a vote of 10 - 4 - 1.

Yeas-10

Rep. B. Brammer
Rep. J. Dunnigan
Rep. C. Hall
Rep. B. King
Rep. A. Maloy
Rep. M. McKell
Rep. C. Musselman
Rep. M. Roberts
Rep. M. Wheatley
Rep. M. Winder

Nays-4

Rep. T. Hawkes
Rep. T. Quinn
Rep. M. Schultz
Rep. C. Snider

Absent-1

Rep. S. Duckworth

3 . H.B. 211 Renter Expenses Disclosure Requirements (*Judkins, M.*)

Rep. Marsha Judkins and Francisca Blanc, Utah Housing Coalition, presented H.B. 211. as amended.

Jeremy Shorts, attorney, spoke in favor of the bill.

MOTION: Chair Dunnigan moved to hold H.B. 211. The motion passed with a vote of 13 - 0 - 2.

Yeas-13

Rep. B. Brammer
Rep. J. Dunnigan
Rep. T. Hawkes
Rep. B. King
Rep. A. Maloy
Rep. M. McKell
Rep. C. Musselman
Rep. T. Quinn
Rep. M. Roberts
Rep. M. Schultz
Rep. C. Snider
Rep. M. Wheatley
Rep. M. Winder

Nays-0

Absent-2

Rep. S. Duckworth
Rep. C. Hall

4 . H.B. 155 Homeowner Association Provisions Amendments (*Acton, C.K.*)

Rep. Acton presented H.B. 155.

Mike Ostermiller, Utah Association of Realtors, spoke in favor of amending the bill.

Michael Johnson, Utah Community Associations Institute, spoke in favor of the bill.

Taz Biesinger, Home Builders Association, spoke in favor of amending the bill.

MOTION: Rep. Winder moved to adopt 1st Substitute H.B. 155. The motion passed with a vote of 11 - 0 - 4.

Yeas-11

Rep. B. Brammer
 Rep. J. Dunnigan
 Rep. T. Hawkes
 Rep. B. King
 Rep. A. Maloy
 Rep. M. McKell
 Rep. C. Musselman
 Rep. M. Roberts
 Rep. C. Snider
 Rep. M. Wheatley
 Rep. M. Winder

Nays-0

Absent-4

Rep. S. Duckworth
 Rep. C. Hall
 Rep. T. Quinn
 Rep. M. Schultz

MOTION: Rep. Winder moved to amend 1st Substitute H.B. 155 with Amendment #1. The motion passed with a vote of 11 - 0 - 4.

Amendment 1
 1st Sub. H.B. 155

1. Page 1, Lines 12 through 21:

12 This bill:
 13 ▸ imposes certain disclosure requirements before the closing of a sale of homeowner
 14 association property to an independent third party;
 15 {→} {~~amends certain registration requirements to include an electronic version of an~~
 16 ~~association's or an association of unit owners' governing documents;~~};
 17 ▸ requires the Department of Commerce to publish certain educational materials on its
 18 website; and
 19 {→} ~~requires the Department of Commerce to provide links to governing documents on~~
 20 ~~its website; and~~};
 21 ▸ makes technical and conforming changes.

2. Page , Line 57 through Page 3, Line 75:

57 (3) The department shall require an association of unit owners registering as required
 58 in this section to provide with each registration:
 59 (a) the name and address of the association of unit owners;
 60 (b) the name, address, telephone number, and, if applicable, email address of the
 61 president of the association of unit owners;
 62 (c) the name and address of each manager or management committee member;
 63 (d) the name, address, telephone number, and, if the contact person wishes to use email
 64 or facsimile transmission for communicating payoff information, the email address or facsimile
 65 number, as applicable, of a primary contact person who has association payoff information that
 66 a closing agent needs in connection with the closing of a unit owner's financing, refinancing, or
 67 sale of the owner's unit; {+}and{+}
 68 {~~(e) an electronic copy of the association of unit owners' governing documents; and~~}
 69 {+}(e){+}{~~(f)~~} a registration fee not to exceed \$37.
 70 (4) {~~(a)~~} An association of unit owners that has registered under Subsection (2) shall
 71 submit to the department an updated registration, in the manner established by the department,
 72 within 90 days after a change in any of the information provided under Subsection (3).
 73 {~~(b) An association of unit owners existing under a declaration recorded before May 12,~~
 74 ~~2020, shall, before August 10, 2020, submit to the department, in a manner the department~~
 75 ~~establishes, the information required under Subsection (3)(e).~~}

3. Page 4, Lines 108 through 118:

108 (6) The department shall{~~:~~
 109 ~~—(a)~~} publish educational materials on the department's website providing, in simple and
 110 easy to understand language, a brief overview of state law governing associations of unit
 111 owners, including:
 112 {~~(i)~~} (a) a description of the rights and responsibilities provided in this chapter to any party
 113 under the jurisdiction of an association of unit owners; and
 114 {~~(ii)~~} (b) instructions regarding how an association of unit owners may be organized and
 115 dismantled in accordance with this chapter{~~; and~~}

116 ~~—(b) for each association of unit owners registered in accordance with this section,~~
117 ~~provide a link on the department's website to the association of unit owners' governing~~
118 ~~documents.}~~ .

4. Page 5, Lines 129 through 148:

129 (3) The department shall require an association registering as required in this section to
130 provide with each registration:
131 (a) the name and address of the association;
132 (b) the name, address, telephone number, and, if applicable, email address of the chair
133 of the association board;
134 (c) contact information for the manager;
135 (d) the name, address, telephone number, and, if the contact person wishes to use email
136 or facsimile transmission for communicating payoff information, the email address or facsimile
137 number, as applicable, of a primary contact person who has association payoff information that
138 a closing agent needs in connection with the closing of a lot owner's financing, refinancing, or
139 sale of the owner's lot; ~~{+}~~and~~{+}~~
140 ~~{(e) an electronic copy of the association's governing documents; and}~~
141 ~~{+}(e){+}{(f)}~~ a registration fee not to exceed \$37.
142 (4) ~~{(a)}~~ An association that has registered under Subsection (2) shall submit to the
143 department an updated registration, in the manner established by the department, within 90
144 days after a change in any of the information provided under Subsection (3).
145 ~~{(b) An association existing under a declaration of covenants, conditions, and~~
146 ~~restrictions recorded before May 12, 2020, shall, before August 10, 2020, submit to the~~
147 ~~department, in a manner the department establishes, the information required under Subsection~~
148 ~~(3)(e).}~~

5. Page 6, Line 180 through Page 7, Line 188:

180 (6) The department shall~~{:~~
~~-181 —(a)}~~ publish educational materials on the department's website providing, in simple and
182 easy to understand language, a brief overview of state law governing associations, including:
183 ~~{(i)}~~ (a) a description of the rights and responsibilities provided in this chapter to any party
184 under the jurisdiction of an association; and
185 ~~{(ii)}~~ (b) instructions regarding how an association may be organized and dismantled in
186 accordance with this chapter~~{: and~~
187 ~~—(b) for each association registered in accordance with this section, provide a link on the~~
188 ~~department's website to the association's governing documents.}~~ .

Yeas-11

- Rep. B. Brammer
- Rep. J. Dunnigan
- Rep. T. Hawkes
- Rep. B. King
- Rep. A. Maloy
- Rep. M. McKell
- Rep. C. Musselman
- Rep. M. Roberts
- Rep. C. Snider
- Rep. M. Wheatley
- Rep. M. Winder

Nays-0

Absent-4

- Rep. S. Duckworth
- Rep. C. Hall
- Rep. T. Quinn
- Rep. M. Schultz

MOTION: Rep. Brammer moved to pass 1st Substitute H.B. 155 out favorably. The motion passed with a vote of 9 - 2 - 4.

Yeas-9

Rep. B. Brammer
Rep. J. Dunnigan
Rep. T. Hawkes
Rep. B. King
Rep. M. McKell
Rep. C. Musselman
Rep. C. Snider
Rep. M. Wheatley
Rep. M. Winder

Nays-2

Rep. A. Maloy
Rep. M. Roberts

Absent-4

Rep. S. Duckworth
Rep. C. Hall
Rep. T. Quinn
Rep. M. Schultz

MOTION: Rep. Snider moved to adjourn. The motion passed with a vote of 11 - 0 - 4.

Yeas-11

Rep. B. Brammer
Rep. J. Dunnigan
Rep. T. Hawkes
Rep. B. King
Rep. A. Maloy
Rep. M. McKell
Rep. C. Musselman
Rep. M. Roberts
Rep. C. Snider
Rep. M. Wheatley
Rep. M. Winder

Nays-0

Absent-4

Rep. S. Duckworth
Rep. C. Hall
Rep. T. Quinn
Rep. M. Schultz

Rep. Maloy adjourned the meeting at 6:10 p.m.