

**BEDL Accountable Process Budget Recommendations**

Interim 2024

Labor Commission and Tax Commission

Item	Agency	Appropriation Unit	Budget Issue	Recommended Action	Agency Position/Comments	Current Chair Position
1.	Labor	TAA – Administration	On occasion additional federal funding will become available and state plans can submit a request with their planned use of the funding.	In the event that the Labor Commission receives last minute additional Federal funding, we recommend that they share their submitted request plan with the Legislature.	Neutral	Support
2.	Labor	TAB – Industrial Accidents	In the past few years, the appropriations made to the Labor Commission from the Industrial Accidents Restricted Account (UCA 34A-2-705) have not been used entirely.	We recommend that the Legislature reduce the appropriation from the Industrial Accidents Restricted Account by \$350,000 one-time in FY 2025 and ongoing in FY 2026.	Neutral – The only concern the Labor Commission has with this recommendation is that the actual amount of funding available is based on revenue received from an assessment on workers’ compensation premiums which is variable and out of the control of the Labor Commission.	Support
3.	Labor	TAF – Adjudication	The current performance measure for the Adjudication division is incorrectly stated in H.B. 3 (Item 222) as the percentage of workers’ compensation decisions issued by the Division of Adjudication within 60 days of the date of the hearing with a target of 100%. The correct language is the percentage of workers’ compensation cases in which a Final Order is issued within 60 days of a case being ready for Final Order.	We recommend that the language for the Adjudication Division performance measure be corrected to the following: Percentage of workers’ compensation cases in which a Final Order is issued within 60 days of a case being ready for Final Order (Target = 85%).	Support	Support
4.	Labor	TAG – Boiler, Elevator, and Coal Mine Safety Division	The current performance measure for the BECMS Division is based on the rate of elevator units overdue for inspection with a target of zero percent. This is not an achievable goal due to constraints and factors outside of the commission’s control.	We recommend that the performance measure for the Boiler, Elevator, and Coal Mine Safety Division be revised to the following: Percentage of elevator units inspected prior to becoming overdue (Target = 90%).	Support	Support
5.	Labor	TAG – Boiler, Elevator, and Coal Mine Safety Division	BECMS fees have not been increased since 2004. The fees do not cover the costs of the division, and the difference is made up by the General Fund. Over the past five years there has been an average difference of \$500,000 between fee revenue and division costs.	If the Legislature would like this division’s costs to be covered by fees, fees would need to be increased by 40%. We recommend that fees be increased in proportion to inflation and wage growth, by 10-20%.	Support	Interested in further discussion with the committee
6.	Labor	TAK – Utah Occupational Safety and Health	In accordance with the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 OSHA annually adjusts penalty amounts for inflation. UOSH has agreed to stay within 10% of the updated amounts. The last increase was made with the enactment of HB 245 in the 2022 General Session, bringing penalties to FY 2021 OSHA levels. These penalties are not within 10% of OSHA’s FY 2024 levels. Based on estimates of FY 2024 penalty collections, an approximate \$130,000 of additional revenue could have been collected from matching OSHA’s current penalty amounts.	We recommend that the Legislature consider the following options for addressing the discrepancy in penalty amounts: 1. Leave as is. 2. Adopt the federal schedule annually. 3. Automatically adopt the prior year schedule.	Neutral – The Labor Commission is intending to approach the legislature this upcoming session regarding increasing the penalty structure in UOSH to be “as effective as” federal OSHA as UOSH’s current penalty structure is more than 10% below OSHA’s structure.	Interested in further discussion with the committee

7.	Labor	TAH – Workplace Safety	According to UCA 34A-2-701(5) there is a requirement for reporting on the funds awarded from the Workplace Safety Restricted Account. Statute requires reporting on the use of the money and the impact on the safety of Utah’s workplaces. Currently, this requirement is fulfilled by a brief review in the Labor Commission’s annual report.	If the Legislature is still interested in monitoring the use and impact of these funds, the Labor Commission should provide further detail in their report. If the Legislature is satisfied with the current reporting, we recommend that statute be changed to alter the language regarding the reporting requirements.	Neutral – The Labor Commission will provide whatever reporting details the legislature requires.	Satisfied with current reporting.
8.	Labor	TAH – Workplace Safety & TAK – Utah Occupational Safety and Health	In the past few years, the appropriations made to the Labor Commission from the Workplace Safety Restricted Account (UCA 34A-2-701) have not been used entirely.  Meanwhile, UOSH has experienced significant turnover at the compliance safety and health officer (CSHO) level. Currently, UOSH still requires an additional compliance officer. However, due to the recent decrease in funding from OSHA they will have to leave the position vacant.	We recommend that the Legislature modify statute to allow Workplace Safety Restricted Account funds to be used for compliance officer compensation in UOSH.  If the Legislature chooses not to change statute to adjust use of Workplace Safety, it may want to consider reducing the appropriation to counteract balance growth in the account.	Support – If UCA 34A-2-701 is amended to allow Workplace Safety Restricted Account funds to be used for UOSH compliance and not just UOSH consultation (as it is now), the Labor Commission believes that this would help to address the large pay discrepancy between the UOSH compliance officers and safety professionals in the private sector, which currently is leading to tremendous turnover in UOSH compliance. This would allow the Labor Commission to increase salaries for these safety professionals, lead to less turnover, and have no impact on the general fund.	Support allowing restricted account funding to be used for UOSH compliance officers.
9.	Tax	GAL – Operations	The Commission no longer has the resources to absorb the growing administrative costs from the implementation of new bills.	We recommend that the Legislature expand the use of the State Tax Commission Administrative Charge Account to allow the funds to be put toward the cost of state tax law changes.	Neutral	Support
10.	Tax	GAP – Enforcement	The Motor Vehicle Enforcement Division Temporary Permit Restricted Account currently has a \$7.7M balance. The FY 2025 appropriation of \$5.9M to Enforcement will still leave \$1.8M plus revenues made in that year. Historically, Tax has left a balance in the account in preparation for a decrease in car sales and a resulting loss in revenue from a decrease in temporary permit requests from dealers.	We recommend that the Legislature reduce the General Fund appropriation to the Enforcement division by \$2.4M one-time in fiscal years 2025 and 2026 and replace with funds from the Motor Vehicle Enforcement Division Temporary Permit Restricted Account.	Neutral	Support

11.	Tax	GAO – Property and Miscellaneous Taxes	The Office of the Legislative Auditor General completed a performance audit of Utah’s Property Tax System, published in April of 2024. The audit resulted in the following recommendations from OLAG: 1. The Legislature should consider statutorily allowing the Property Tax Division to adopt multi-tiered enforcement mechanisms, 2. The Legislature should consider benefits & risks of adopting a policy that would require the disclosure of property sales data, 3. The Legislature should consider defining what property characteristics should be made available to property owners, and 4. The Legislature should consider requiring counties to provide clear information to taxpayers about the property tax appeal process.	We recommend that the Legislature work with OLAG and the Tax Commission, as needed, to implement the Property Tax System audit recommendations including any statutory changes required. We also recommend that the Tax Commission report back to the committee during the 2025 General Session with the status of the implementation.	Neutral	Support
12.	Tax	Fund 1503 Rural Health Care Facilities Account & GGA – Rural Health Care Facilities Distribution	Appropriations to the Rural Health Care Restricted Account require the Tax Commission to complete an additional step in the distribution of funds. This is inconsistent with the way distribution is handled for the Commission’s other line items.	We recommend that the Legislature repeal the Rural Health Care Restricted Account and appropriate funds directly to the Rural Health Care program.	Support	Support
13.	Tax	Fund 1500 Alcoholic Beverage and Substance Abuse Enforcement and Treatment Restricted Account & GDA – Liquor Profit Distribution	Funding for alcohol law enforcement at the local level is appropriated to the Tax Commission and passed through to locals. Municipalities are required to reporting their spending of funds received from the Alcoholic Beverage and Substance Abuse Enforcement and Treatment Restricted Account to the USAAV+ council, an entity housed within CCJJ. Due to the timing of distributions and reporting, USAAV+ is unable to analyze the reports prior to distribution. Since state alcohol law enforcement funding is within DPS and has some reporting requirements within CCJJ, it may make sense to include legislative oversight for this function within EOCJ subcommittee. This proposed change is also under consideration within the EOCJ Subcommittee.	Contingent on necessary statute changes, we recommend that the Legislature move the \$9,247,800 ongoing appropriation from the GFR - Alcoholic Beverage Enforcement and Treatment Account. In addition, we recommend that USAAV+ determine a timeline that would be more reasonable for assessing distribution amounts and report to the committee by the 2025 General Session.	Neutral	Support
14.	Tax	GDA – Liquor Profit Distribution	Statute requires that the Tax Commission provides a notification of the deposit of beer excise tax collections to the Governor’s Office of Planning and Budget and the Legislative Fiscal Analyst (UCA 59-15-109(4)).	We recommend that the Legislature remove this reporting requirement.	Support	Support

**Boiler, Elevator, & Coal Mine Safety Division Fees**

Fee ID	Fee Name	Fee Description	Per	Auth Quantity	Current Amount	Potential Increase Amount					
						10%	15%	20%	25%	30%	40%
1530	User Inspection Agency Certification	Flat application fee for owner user.	unit	2	250.00	275.00	287.50	300.00	312.50	325.00	350.00
1531	Original Exam	Examination fee.	unit	10	25.00	27.50	28.75	30.00	31.25	32.50	35.00
1532	Renewal	Annual renewal fee for Utah Certificate of competency.	unit	80	20.00	22.00	23.00	24.00	25.00	26.00	28.00
1533	Witness special inspection	Hourly fee for all other services.	hour	275	60.00	66.00	69.00	72.00	75.00	78.00	84.00
1534	< 250,000 BTU	Certificate of inspection/permit to operate.	unit	900	30.00	33.00	34.50	36.00	37.50	39.00	42.00
1535	> 250,000 BTU but < 4,000,000 BTU	Certificate of inspection/Permit to operate fee.	unit	3300	60.00	66.00	69.00	72.00	75.00	78.00	84.00
1536	> 4,000,001 BTU but < 20,000,000 BTU	Certificate of inspection/Permit to operate fee.	unit	700	150.00	165.00	172.50	180.00	187.50	195.00	210.00
1537	> 20,000,000 BTU	Certificate of inspection/Permit to operate fee.	unit	200	300.00	330.00	345.00	360.00	375.00	390.00	420.00
1539	< 250,000 BTU - New Boiler	Certificate of inspection/Permit to operate fee.	unit	250	45.00	49.50	51.75	54.00	56.25	58.50	63.00
1538	> 250,000 BTU but < 4,000,000 BTU -	Certificate of inspection/Permit to operate fee.	unit	800	90.00	99.00	103.50	108.00	112.50	117.00	126.00
1540	> 4,000,001 BTU but < 20,000,000 BTU	Certificate of inspection/Permit to operate fee.	unit	100	225.00	247.50	258.75	270.00	281.25	292.50	315.00
1541	> 20,000,000 BTU - New Boiler	Certificate of inspection/Permit to operate fee.	unit	20	450.00	495.00	517.50	540.00	562.50	585.00	630.00
1542	Existing - Existing Pressure Vessel	Certificate of inspection/Permit to operate fee.	unit	2000	30.00	33.00	34.50	36.00	37.50	39.00	42.00
1543	New - Pressure Vessel	Certificate of inspection/Permit to operate fee.	unit	2000	45.00	49.50	51.75	54.00	56.25	58.50	63.00
1544	25 or less on single statement - vessel	Annual renewal fee for owner user inspection program.	vessel	1	5.00	5.50	5.75	6.00	6.25	6.50	7.00
1545	26 through 100 on single statement - v	Annual renewal for owner user program.	statement	2	100.00	110.00	115.00	120.00	125.00	130.00	140.00
1546	101 through 500 on single statement -	Annual renewal for owner user program.	statement	7	200.00	220.00	230.00	240.00	250.00	260.00	280.00
1547	over 500 on single statement - vessels	Annual renewal for owner user program.	statement	11	400.00	440.00	460.00	480.00	500.00	520.00	560.00
1548	Hydraulic	Routine certificate of inspection/permit to operate.	unit	1900	85.00	93.50	97.75	102.00	106.25	110.50	119.00
1549	Electric	Routine certificate of inspection/permit to operate.	unit	200	85.00	93.50	97.75	102.00	106.25	110.50	119.00
1550	Handicapped	Routine certificate of inspection/permit to operate.	unit	250	85.00	93.50	97.75	102.00	106.25	110.50	119.00
1551	Other Elevators	Routine certificate of inspection/permit to operate.	unit	300	85.00	93.50	97.75	102.00	106.25	110.50	119.00
1552	Hydraulic - New	Routine certificate of inspection/permit to operate.	unit	230	300.00	330.00	345.00	360.00	375.00	390.00	420.00
1553	Electric - New	Routine certificate of inspection/permit to operate.	unit	25	700.00	770.00	805.00	840.00	875.00	910.00	980.00
1554	Handicapped - New	Routine certificate of inspection/permit to operate.	unit	35	200.00	220.00	230.00	240.00	250.00	260.00	280.00
1555	Other Elevators - New	Routine certificate of inspection/permit to operate.	unit	5	200.00	220.00	230.00	240.00	250.00	260.00	280.00
1556	Consultation and Review	Hourly fee for other services.	hour	650	60.00	66.00	69.00	72.00	75.00	78.00	84.00
1557	Escalators/Moving Walks - New	Certificate of inspection/permit to operate.	unit	6	700.00	770.00	805.00	840.00	875.00	910.00	980.00
1558	Remodeled Electric	Certificate of inspection/permit to operate.	unit	1	500.00	550.00	575.00	600.00	625.00	650.00	700.00
1559	Roped Hydraulic - New	Certificate of inspection/permit to operate.	unit	24	500.00	550.00	575.00	600.00	625.00	650.00	700.00

## Boiler, Elevator, & Coal Mine Safety Division Revenues

Sources of Finance	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Rev. Approp	2025 Appropriated
General Fund	1,802,300	1,781,200	1,684,800	1,932,900	1,961,800	2,065,000
General Fund, One-Time	7,100	7,100	7,700	31,800	37,100	-17,400
Dedicated Credits Revenue	18,900	10,200	12,800	15,900	35,200	36,600
Workplace Safety (GFR)	0	0	0	0	0	30,600
<b>Total</b>	<b>1,828,300</b>	<b>1,798,500</b>	<b>1,705,300</b>	<b>1,980,600</b>	<b>2,034,100</b>	<b>2,114,800</b>

### Revenue to GF

Boiler Certification	532,885	536,415	513,170	515,875	476,245	
Elevator Certification	556,225	680,970	661,638	710,240	683,855	
Pressure Vessel Certification	184,695	178,150	191,130	194,435	178,190	
<b>Fee total</b>	<b>1,273,805</b>	<b>1,395,535</b>	<b>1,365,938</b>	<b>1,420,550</b>	<b>1,338,290</b>	

Portion of Total Funding covered by fees	69.7%	77.6%	80.1%	71.7%	65.8%	
Difference between Fee Revenue and GF ongoing	528,495	385,665	318,862	512,350	623,510	
% increase needed to match	41.5%	27.6%	23.3%	36.1%	46.6%	

## Utah Occupational Safety and Health Penalties

OSHA 2024 Penalty Amounts		
Type of Violation	Penalty Minimum	Penalty Maximum
Serious	\$1,190	\$16,131
Other-Than-Serious	\$0	\$16,131
Willful or Repeated	\$11,524	\$161,323
Posting Requirements	\$0	\$16,131
Failure to Abate	N/A	\$16,131

10% Lower Boundary

\$1,071	\$14,518
\$0	\$14,518
\$10,372	\$145,191
\$0	\$14,518
	\$14,518

UOSH Current Penalty Amounts		
Type of Violation	Penalty Minimum	Penalty Maximum
Serious	\$975	\$13,653
Other-Than-Serious	\$0	\$13,653
Willful or Repeated	\$9,753	\$136,532
Posting Requirements	\$0	\$13,653
Failure to Abate	N/A	\$13,653

% Difference between  
UOSH and OSHA 2024

**18.1%**

**15.4%**

OSHA 2023 Penalty Amounts		
Type of Violation	Penalty Minimum	Penalty Maximum
Serious	\$1,116	\$15,625
Other-Than-Serious	\$0	\$15,625
Willful or Repeated	\$11,162	\$156,259
Posting Requirements	\$0	\$15,625
Failure to Abate	N/A	\$15,625

10% Lower Boundary

\$1,004	\$14,063
\$0	\$14,063
\$10,046	\$140,633
\$0	\$14,063
	\$14,063

% Difference between  
UOSH and OSHA 2023

**12.6%**

OSHA 2022 Penalty Amounts		
Type of Violation	Penalty Minimum	Penalty Maximum
Serious	\$1,036	\$14,502
Other-Than-Serious	\$0	\$14,502
Willful or Repeated	\$10,360	\$145,027
Posting Requirements	\$0	\$14,502
Failure to Abate	N/A	\$14,502

10% Lower Boundary

% Difference between  
UOSH and OSHA 2023

**5.89%**

Each measure monitored by OSHA has an agreed-upon further review level (FRL) that can be either a single number or a range of numbers above and below the national average. State Plan data that falls outside the FRL triggers a closer look at the underlying performance of the mandatory activity.

SAMM 8 calculated the average current serious penalty in the private sector, and the FY 2023 FRL range was from \$2,718.91 to \$4,531.51 for all size employers. The State Plan was significantly below the FRL with an average serious penalty of \$1,743.56.

Average serious penalty		
FY 2023 FRL Range	\$ 2,718.91	\$ 4,531.51
Utah State Plan	\$ 1,743.56	

Collection History					
FY through APD 13	2024(f)**		2023	2022	2021
OSHA Penalties	\$ 2,048,826.21	\$ 1,668,517.76	\$ 2,293,420.32	\$ 1,917,935.50	
Deduction*	\$ 1,200,000.00	\$ 1,200,344.21	\$ 1,203,925.31	\$ 1,010,214.82	
<b>Total</b>	<b>\$ 848,826.21</b>	<b>\$ 468,173.55</b>	<b>\$ 1,089,495.01</b>	<b>\$ 907,720.68</b>	
<i>Predicted total with increase</i>	<i>\$ 979,545.45</i>				
<b>Difference</b>	<b>\$ 130,719.24</b>				

\*Deduction is an annual accounting process done by Finance to account for "bad debt"

\*\*Deduction amount for 2024 is an estimate