| 1  | PRIVATIZATION POLICY BOARD  |
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| 2  | AMENDMENTS  |
| 3  | 2003 GENERAL SESSION  |
| 4  | STATE OF UTAH   |
| 5  | Sponsor: Ron Bigelow  |
| 6  | This act modifies provisions on the Privatization Policy Board by allowing the board to     |
| 7  | review local government agencies regarding privatization issues. The act removes the        |
| 8  | \$2,000,000 maximum requirement for an agency to independently privatize a service or       |
| 9  | function.   |
| 10 | This act affects sections of Utah Code Annotated 1953 as follows:                           |
| 11 | AMENDS:   |
| 12 | 63-55a-1, as enacted by Chapter 221, Laws of Utah 1989                                      |
| 13 | 63-55a-3, as last amended by Chapter 18, Laws of Utah 1996                                  |
| 14 | Be it enacted by the Legislature of the state of Utah:                                      |
| 15 | Section 1. Section 63-55a-1 is amended to read:   |
| 16 | 63-55a-1. Definitions.  |
| 17 | (1) (a) "Agency" means a department, division, office, bureau, board, commission, or        |
| 18 | other administrative unit of the state.   |
| 19 | (b) "Agency" includes departments, divisions, offices, bureaus, boards, commissions,        |
| 20 | and other administrative units of the state's counties and municipalities.                  |
| 21 | (2) "Agency head" means the chief administrative officer of an agency.                      |
| 22 | (3) "Privatization" means action by a state agency to contract with the private sector or   |
| 23 | with another state agency to perform functions or services currently being performed by it. |
| 24 | Section 2. Section 63-55a-3 is amended to read:   |
| 25 | 63-55a-3. Privatization Policy Board Duties.  |
| 26 | (1) The board shall:  |
| 27 | (a) review whether or not certain services performed by existing state agencies could       |



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| 28 | be privatized to provide the same types and quality of services that would result in cost        |
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| 29 | savings;   |
| 30 | (b) review particular requests for privatization of services and issues concerning               |
| 31 | agency competition with the private sector and determine whether privatization would be          |
| 32 | feasible and would result in cost savings and ways to eliminate any unfair competition;          |
| 33 | (c) recommend privatization to the agency head when the proposed privatization is                |
| 34 | demonstrated to provide a more cost efficient and effective manner of providing existing         |
| 35 | governmental services;   |
| 36 | (d) comply with the provisions of Title 63, Chapter 46a, the Utah Administrative                 |
| 37 | Rulemaking Act, in making rules establishing privatization standards, procedures, and            |
| 38 | requirements;  |
| 39 | (e) maintain communication with and access information from, other entities                      |
| 40 | promoting privatization;   |
| 41 | (f) prepare an annual report that contains:  |
| 42 | (i) information about the board's activities; and  |
| 43 | (ii) recommendations on privatizing government services; and                                     |
| 44 | (g) submit the annual report to the Legislature and the governor.                                |
| 45 | (2) In addition to filing copies of its recommendations for privatization with the               |
| 46 | relevant agency head, the board shall file copies of its recommendations for privatization with: |
| 47 | (a) the governor's office; and   |
| 48 | (b) the Office of Legislative Fiscal Analyst for submission to the relevant Legislative          |
| 49 | Appropriation Subcommittee.  |
| 50 | (3) (a) The board may appoint advisory groups to conduct studies, research, analyses,            |
| 51 | and make reports and recommendations with respect to subjects or matters within the              |
| 52 | jurisdiction of the board.   |
| 53 | (b) At least one member of the board shall serve on each advisory group.                         |
| 54 | (4) This chapter does not preclude any agency from privatizing any service or function           |
| 55 | independently of the board if:   |
| 56 | [(a) the contract is expending less than \$2,000,000 of the agency budget in a fiscal            |
| 57 | year;]   |
| 58 | [(b)] (a) as part of the contract that privatizes the function, the contractor assumes all       |

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- 59 liability to perform the privatizated function; and
- 60 [(c)] (b) the agency notifies the board at least 120 days before the privatization occurs
- 61 of [their] its intent to privatize the function.

### Legislative Review Note as of 2-3-03 9:24 AM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel

## State Impact

No fiscal impact

### Individual and Business Impact

No fiscal impact

Office of the Legislative Fiscal Analyst