

**MINUTES OF THE SENATE BUSINESS & LABOR  
STANDING COMMITTEE  
THURSDAY, FEBRUARY 10, 2005, 4:00 P.M.  
ROOM W015, WEST OFFICE BUILDING  
STATE CAPITOL COMPLEX**

Members Present: Sen. Scott K. Jenkins, Chair  
Sen. Gene Davis  
Sen. Thomas V. Hatch  
Sen. Parley G. Hellewell  
Sen. John W. Hickman  
Sen. Sheldon L. Killpack  
Sen. Ed Mayne  
Sen. Michael Waddoups

Members Excused: Sen. L. Alma Mansell

Staff Present: Mark Steinagel, Policy Analyst  
Karen Allred, Committee Secretary

Public Speakers Present: Dale Zabriskie, Utah Manufactured Housing Association  
Tom Bingham, President, Utah Manufacturers Association  
Gordon Olsen, Coast Crane Company  
Rich Thorn, President, CEO, Associated General Contractors  
Pete Clark, Utah Manager, Ed Kraemer & Sons  
Craig Jackson, Director, Division of Occupational and  
Professional Licensing  
Randon Wilson, Attorney  
Paul Allred, Deputy Commissioner, Department of Financial  
Institutions  
Jim Werbeckes, Vice President, Government and Regulations,  
Employees Insurance Corporation  
Gary Thorup, Attorney, Property & Casualty Company of America  
Brian Allen, Liberty Mutual Insurance  
Mike Sonntag, Lobbyist, American Insurance Association  
Douglas Richins, Director, DAS Purchasing  
Paul Rogers, Workers Compensation Fund  
Larry Lunt, Chairman, Alcohol Beverage Control Board  
Chris Purcell, State Farm Insurance  
Steve Sullivan, Attorney

A list of visitors and a copy of handouts are filed with the committee minutes.

Committee Chair Scott K. Jenkins called the meeting to order at 4:10 p.m.

**MOTION:** Sen. Hellewell moved to adopt the minutes of February 8, 2005.  
The motion passed unanimously with Sen. Hatch, Sen. Hickman and Sen. Waddoups absent for the vote.

1. **S.B. 223 Oversight and Enforcement of Work Done on Mobile Homes** (E. Mayne)

Sen. Mayne proposed the following amendments:

1. *Page 1, Lines 13 through 16:*

13           ▶ includes mobile homes and manufactured homes within the definition of  
                  structures referred to in the Utah  
14 Construction Trades Licensing Act, thereby giving the Division of Occupational and  
15 Professional Licensing oversight of construction trades that construct, alter,  
16 remodel, or repair mobile or manufactured homes.

2. *Page 3, Lines 66 through 72:*

66           (10) "Construction trade" means any trade or occupation involving:  
67           (a) (i) construction, alteration, remodeling, repairing, wrecking or demolition,  
                  addition  
68 to, or improvement of any building, highway, road, railroad, dam, bridge, structure,  
                  excavation  
69 or other project, development, or improvement to other than personal property; ~~or~~ and  
70           (ii) ~~{for purposes of this Subsection (10)(a), a mobile home is considered a~~  
                  ~~structure and }~~  
71           ~~{not an item of personal property; }~~ constructing, remodeling, or repairing a  
                  manufactured home or mobile home as defined in Section 58-56-3; or  
72           (b) installation or repair of a residential or commercial natural gas appliance or

**MOTION:** Sen. Mayne moved to adopt the amendments.

The motion passed with Sen. Hatch, Sen. Hickman, Sen. Waddoups and Sen. Davis absent for the vote.

Dale Zabriskie, Utah Manufactured Housing Association, spoke in support of the bill.

**MOTION:** Sen. Hellewell moved to pass the bill out favorably as amended.

The motion passed unanimously with Sen. Hatch, Sen. Hickman and Sen. Waddoups absent for the vote.

**2. S.B. 29 Licensing of Crane Operators (G. Davis)**

Sen. Davis explained the bill.

Speaking in support of the bill were: Tom Bingham, Utah Manufacturers Association; Gordon Olsen, Coast Crane Company; Rich Thorn, President and CEO, Associated General Contractors; and Pete Clark, Utah Manager, Ed Kraemer & Sons.

Craig Jackson, Director, Division of Occupational and Professional Licensing answered questions from the committee.

**MOTION:** Sen. Mayne moved to pass the bill out favorably.

The motion passed unanimously with Sen. Hickman and Sen. Killpack absent for the vote.

**3. S.B. 215 Financial Institutions as Limited Liability Companies (L. Hillyard)**

**MOTION:** Sen. Hellewell moved to adopt **1st Sub. 215**.

The motion passed unanimously with Sen. Hickman and Sen. Killpack absent for the vote.

The following amendments were distributed:

1. *Page 1, Lines 20 through 21:*

20 Other Special Clauses:

21            ~~{None}~~     **This bill provides an immediate effective date.**

2. *Page 6, Lines 151 through 153:*

151           (7) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,  
the

152 commissioner shall make rules governing the form of a request for approval filed under  
this

153 section.

**Section 2. Effective date.**

**If approved by two-thirds of all the members elected to each house, this bill takes effect upon approval by the governor, or the day following the constitutional time limit of Utah Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto, the date of veto override.**

**MOTION:** Sen. Hatch moved to adopt the amendments.

The motion passed unanimously with Sen. Hickman and Sen Killpack absent for the vote.

Sen. Hillyard explained the bill assisted by Randon Wilson, Attorney.

Paul Allred, Deputy Commissioner, Department of Financial Institutions spoke in support of the bill.

**MOTION:** Sen. Hatch moved to pass out **1st Sub. S.B. 215** out favorably as amended.

The motion passed unanimously with Sen. Hickman and Sen. Davis absent for the vote.

**4. S.B. 180 Workers Compensation - Competitive Bid Requirements (M. Waddoups)**

Sen. Waddoups proposed the following amendments:

*1. Page 1, Lines 12 through 19:*

12 This bill:

▶ **addresses the makeup of the Workers' Compensation Fund's board of directors;**

13 ▶ deletes the requirement that state entities pay the Workers' Compensation Fund  
for

14 workers' compensation coverage;

15 ▶ requires that state entities seek competitive bids for workers' compensation  
16 insurance every three years in accordance with the Utah Procurement Code; **and**

17 { ~~requires the Department of Insurance to determine the criteria and  
process for~~

18 ~~insurance companies submitting competitive bids; and }~~

19 ▶ makes technical changes.

▶ *Page 2, Lines 34 through 37:*

34 (3) One director {+} : (a) {+} shall be the executive director of the  
Department of  
35 Administrative Services or the executive director's designee[~~;~~and] {~~.~~} ;  
36 {+} (b) acts as the representative of the state as a policyholder of the  
Workers'  
37 Compensation Fund. {+} ; and  
(c) shall resign when required by Subsection (8).

▶ *Page 2, Line 58 through Page 3, Line 60:*

58 (8) (a) Any director who represents a policyholder that fails to maintain workers'  
59 compensation insurance through the Workers' Compensation Fund shall immediately  
resign  
60 from the board including the executive director of the Department of  
Administrative Services or the executive director's designee resigning on the day on  
which no department, commission, board, or other agency of the state is insured by  
the Workers' Compensation Fund pursuant to Section 34-2-203.  
(b) If no department, commission, board, or other agency of the state is insured  
by the Workers' Compensation Fund pursuant to Section 34A-2-203, the governor,  
with the consent of the Senate, shall appoint a member to replace the executive  
director of the Department of Administrative Services or the executive director's  
designee. The member appointed under this Subsection (8)(b) shall:  
(i) be an owner, officer, or employee of a policyholder that has been insured by  
the Workers' Compensation Fund for at least one year before the appointment of  
the director representing the policyholder; and  
(ii) shall have the experience outlined in Subsection (7) .

▶ *Page 3, Lines 73 through 75:*

73 (b) Notwithstanding the requirements of Subsection (11)(a), the governor shall, at  
the  
74 time of appointment or reappointment, adjust the length of terms to ensure that the terms  
of

75 directors are staggered so that approximately half of the appointed members of  
the board ~~{is}~~ are appointed every two years , provided that no more than  
two directors may be appointed in a single year .

► *Page 5, Lines 124 through 134:*

124 [Each] (1) ~~{(a)}~~ Beginning on the day on which any contract in effect on May  
2, 2005,  
125 between the state and the Workers' Compensation Fund for workers' compensation  
coverage  
126 terminates, each department, commission, board, or other agency of the state shall [pay  
the  
127 insurance premium on its employees direct to the Workers' Compensation Fund] obtain  
128 workers' compensation insurance under this title by way of a competitive bid process.  
129 ~~{(b)}~~ (2) The competitive bid process required by Subsection  
(1) ~~{(a)}~~ shall:  
130 ~~{(i)}~~ (a) occur once every three years; and  
131 ~~{(ii)}~~ (b) be conducted in accordance with Title 63, Chapter 56, Utah  
Procurement Code.  
132 ~~{(2) Notwithstanding Subsection (1)(b), the Insurance Department shall~~  
determine the  
133 criteria and process for an insurance carrier to bid for the opportunity to provide  
workers'  
134 compensation insurance to a department, commission, board, or other agency of the  
state.}

**MOTION:** Sen. Waddoups moved to adopt the amendments.

The motion passed unanimously with Sen. Hickman absent for the vote.

Jim Werbeckes, Vice President, Government and Regulations, Employees Insurance Corporation, spoke in support of the bill, but opposed to the amendment.

Speaking in support of the bill were: Gary Thorup, Attorney, Property & Casualty Company of America; Brian Allen, Liberty Mutual Insurance; Mike Sonntag, Lobbyist, American Insurance Association; Douglas Richins, Director, DAS Purchasing.

Paul Rogers, Workers Compensation Fund, spoke to the amendments.

**MOTION :** Sen. Killpack moved to pass the bill out favorably as amended.

The motion passed unanimously with Sen. Hickman absent for the vote.

**5. S.B. 65 Alcoholic Beverage Control Amendments (P. Knudson)**

Sen. Knudson explained the bill assisted by Larry Lunt, Chairman, Alcoholic Beverage Control Commission.

**MOTION:** Sen. Davis moved to pass the bill out favorably.

The motion passed unanimously with Sen. Hickman absent for the vote.

**6. S.B. 207 Motor Vehicle Insurance Coverage Amendments (D. Eastman)**

Sen. Hatch presented the bill.

Chris Purcell, State Farm Insurance, and Steve Sullivan, Attorney, spoke in support of the bill.

**MOTION:** Sen. Waddoups moved to pass the bill out favorably.

The motion passed unanimously with Sen. Hickman absent for the vote.

**MOTION:** Sen. Davis moved to adjourn.

The motion passed unanimously with Sen. Hickman absent for the vote.

The meeting adjourned at 5:45 p.m.

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