

Senator Michael G. Waddoups proposes the following substitute bill:

PRODUCER AND AFFILIATE DISCLOSURE

AMENDMENTS

2007 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Michael G. Waddoups

House Sponsor: _____

LONG TITLE

General Description:

This bill amends the State System of Higher Education Code and the State System of Public Education Code.

Highlighted Provisions:

This bill:

- clarifies that institutions of higher education, public education, and charter schools must follow the state procurement code when obtaining insurance policies; and
- beginning July 1, 2007, requires an institution of higher education, institutions of public education, and charter schools to issue a request for proposal for insurance policies at least once every two years.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

53A-3-426, Utah Code Annotated 1953



26 **53B-2-110**, Utah Code Annotated 1953

27
28 *Be it enacted by the Legislature of the state of Utah:*

29 Section 1. Section **53A-3-426** is enacted to read:

30 **53A-3-426. Restrictions on procurement of insurance policies.**

31 (1) For purposes of this section:

32 (a) "consultant" is defined in Section 31A-1-301; and

33 (b) "insurance policies" means any insurance business as defined in Section
34 31A-1-301.

35 (2) (a) Beginning July 1, 2007, school districts and charter schools shall, at least once
36 every 2 years, issue a request for proposal under the provisions of Title 63, Chapter 56, Utah
37 Procurement Code for:

38 (i) insurance policies provided by or paid by the school district or charter school; and

39 (ii) any consultants used by the school district or charter school to assist the institution
40 with the procurement process required by Subsection (2)(a)(i).

41 (b) Any actual or prospective bidder, offeror or contractor who is aggrieved in
42 connection with the procurement process required by this section and Title 63, Chapter 56,
43 Utah Procurement Code may protest to the chief procurement officer under the provisions of
44 Title 56, Chapter 56, Part 8, Legal and Contractual Remedies.

45 (3) This section does not apply to workers' compensation insurance as defined in
46 Section 31A-1-301.

47 Section 2. Section **53B-2-110** is enacted to read:

48 **53B-2-110. Restrictions on procurement of insurance policies.**

49 (1) For purposes of this section:

50 (a) "consultant" is defined in Section 31A-1-301; and

51 (b) "insurance policies" means any insurance business as defined in Section
52 31A-1-301.

53 (2) (a) Beginning July 1, 2007, an institution of higher education shall, at least once
54 every two years, issue a request for proposal under the provisions of Title 63, Chapter 56, Utah
55 Procurement Code for:

56 (i) insurance policies purchased by or offered through the institution of higher

57 education; and

58 (ii) any consultants used by the institution of higher education to assist the institution
59 with the procurement process required by Subsection (2)(a)(i).

60 (b) Any actual or prospective bidder, offeror or contractor who is aggrieved in
61 connection with the procurement process required by this section and Title 63, Chapter 56,
62 Utah Procurement Code may protest to the chief procurement officer under the provisions of
63 Title 56, Chapter 56, Part 8, Legal and Contractual Remedies.

64 (3) This section does not apply to worker's compensation insurance as defined in
65 Section 31A-1-301.

S.B. 165 1st Sub. (Green) - Producer and Affiliate Disclosure Amendments

Fiscal Note

2007 General Session

State of Utah

State Impact

Enactment of this bill will require an appropriation of \$835,000 to the Utah System of Higher Education institutions and UCAT campuses to comply with the request for proposal process on a minimum of seven types of insurance.

	FY 2007 <u>Approp.</u>	FY 2008 <u>Approp.</u>	FY 2009 <u>Approp.</u>	FY 2007 <u>Revenue</u>	FY 2008 <u>Revenue</u>	FY 2009 <u>Revenue</u>
General Fund	\$0	\$835,000	\$835,000	\$0	\$0	\$0
Total	\$0	\$835,000	\$835,000	\$0	\$0	\$0

Individual, Business and/or Local Impact

Local school districts will be impacted by requirements of this bill, costs varying from district to district. Consultants may benefit with increased business by the enactment of this bill.