

**MINUTES OF THE SENATE BUSINESS & LABOR STANDING COMMITTEE
TUESDAY, FEBRUARY 2, 2010
ROOM 215, SENATE BUILDING
STATE CAPITOL COMPLEX**

Members Present: Sen. John Valentine, Chair
Sen. Gene Davis
Sen. Dan Liljenquist
Sen. Karen Mayne
Sen. Steve Urquhart
Sen. Kevin VanTassell

Members Excused: Sen. Wayne Niederhauser

Staff Present: Bryant Howe, Office of Legislative Research and General Counsel
Karen Allred, Committee Secretary

Public Speakers Present: Steve Clyde, Attorney, Central Utah Water Conservancy District
Fred Finlinson, Chairman, Utah Water Coalition
Craig Peterson, Consultant, CAP Consulting
Elliot Christensen, President, Brighton and North Point Consolidated
Irrigation Companies
Jodi Hoffman, Lobbyist, Utah League of Cities and Towns
Randy Crozier, General Manager, Duchesne County Water
Conservation District
Sterling Brown, Vice President, Public Policy, Utah Farm Bureau
Jay Humphrey, Manager, Emery County Water Conservancy District
Bill Callister, Shareholder, East Millcreek Water Company
Megan Greathouse, DMADC Water Companies, Millard County
Maryann Christensen, Secretary/Treasurer, Little Cottonwood Brown
Ditch Company
Kent Jones, State Engineer
Greg Greathouse, Attorney, DMADC Companies, Millard County
Gordon Young, President, Mona Irrigation Company
Harold Mitchell, Attorney, Shareholder, Parowan Reservoir Company

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

Chair Valentine called the meeting to order at 5:07 p.m. and announced that **S.B. 112 Termination of a Billboard and Associated Rights Amendments** (*P. Knudson*) and **S.B. 115 Unemployment Insurance Revisions** (*L. Robles*) have been withdrawn from today's agenda at the request of the sponsors.

1. H.B. 53 Foreclosure Rescue and Loan Modification Amendments (R. Wilcox)

Rep. Wilcox introduced the bill and 1st Sub. H.B. 53 was distributed.

MOTION: Sen. Liljenquist moved to adopt 1st Sub. H.B. 53.

The motion passed unanimously with Sens. Urquhart and Davis absent for the vote.

Rep. Wilcox explained the bill.

MOTION: Sen. VanTassell moved to transmit 1st Sub. H.B. 53 with a favorable recommendation.

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

2. H.B. 39 Insurance Related Amendments (J. Dunnigan)

Rep. Dunnigan introduced the bill and the following amendments were distributed:

1. *Page 1, Lines 24 through 26:*

- 24 ▶ clarifies language related to underinsured motorist coverage;
- { 25 —————▶ **prohibits certain conduct related insurance premium finance agreements;** }
- 26 ▶ modifies provisions related to catastrophic coverage of mental health conditions;

2. *Page 3, Lines 72 through 74*

House Floor Amendments

1-28-2010:

- 72 31A-3-105, Utah Code Annotated 1953
- { 73 ————— **31A-22-429, Utah Code Annotated 1953** }
- 74 31A-22-725, Utah Code Annotated 1953

3. *Page 65, Line 2006 through Page 66, Line 2018:*

- 2006 { ~~Section 16. Section 31A-22-429 is enacted to read:~~
- 2007 — ~~31A-22-429. Insurance premium finance agreement.~~
- 2008 — ~~(1) As used in this section:~~
- 2009 — ~~(a) "Insurance policy" means:~~
- 2010 — ~~(i) an individual or group life insurance or annuity policy; or~~
- 2011 — ~~(ii) a group life insurance or group annuity certificate.~~

- 2012 ~~—(b) "Insurance premium finance agreement" means an agreement for financing~~
2013 ~~an~~
2014 ~~insurance policy premium payment;~~
2015 ~~—(2) A person who provides premium financing for an insurance policy may not~~
2016 ~~receive~~
2017 ~~proceeds, fees, or other consideration from the insurance policy or the insurance~~
2018 ~~policyholder~~
~~that is in addition to the amounts required to pay the principal, interest, and~~
~~reasonable~~
~~expenses incurred by a lender or borrower in connection with a premium finance~~
~~agreement. }~~
- 2018 Section 17. Section 31A-22-625 is amended to read:

Renumber remaining sections accordingly

MOTION: Sen. Mayne moved to adopt the amendments.

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

Rep. Dunnigan further explained the bill.

MOTION: Sen. VanTassell moved to transmit H.B. 39, as amended with a favorable recommendation.

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

Sen. VanTassell assumed the Committee Chair.

3. S.B. 99 Water Companies and Water Right Change Requests (J. Valentine)

Sen. Valentine explained the bill and declared a Conflict of Interest.

Steve Clyde, Attorney, further clarified the bill and the following amendments were distributed:

1. *Page 5, Lines 143 through 146:*

- 143 (d) The water company shall approve the change request ~~{ unless the water~~
144 ~~company~~
145 ~~reasonably believes that potential damage, liability, or impairment to the water~~
~~company or its~~
146 ~~shareholders will occur and that the potential damage, liability, or impairment~~

- cannot be
146 reasonably mitigated without cost to the water company. } , including a change
that if made would result in changing the place of use to a location outside of the
historic service area of the water company, unless the water company reasonably
believes that:
(i) the proposed use:
(A) would be contrary to a restriction in an exchange or other contractual agreement
between the water company and:
(I) another water company;
(II) a political subdivision of the state; or
(III) the federal government; or
(B) could adversely affect the status of a water company as a public water supplier, as
defined in Section 73-1-4; or
(ii) any potential damage, liability, or impairment to the water company or its
shareholders cannot be mitigated:
(A) by the imposition of reasonable conditions on the approval of the change request;
and
(B) without cost to the water company.

2. *Page 6, Lines 163 through 175:*

- 163 ~~{ (f) A water company may not deny a change request because the change, if~~
~~made,~~
164 ~~would result in changing the place of use of the water to a location outside the historic~~
~~service~~
165 ~~area of the water company, unless:~~
166 ~~— (i) the proposed use:~~
167 ~~— (A) would be contrary to a restriction in an exchange or other contractual~~
~~agreement~~
168 ~~between the water company and:~~
169 ~~— (I) another water company; or~~
170 ~~— (II) a political subdivision of the state; or~~
171 ~~— (B) could adversely affect the status of a water company as a public water~~
~~supplier, as~~
172 ~~defined in Section 73-1-4; and~~
173 ~~— (ii) any potential damage, liability, or impairment to the water company or its~~
174 ~~shareholders cannot be mitigated by the imposition of reasonable conditions on the~~
~~approval of~~

175 ~~the change request.~~ }

MOTION: Sen. Valentine moved to adopt the amendments.

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

Steve Clyde, Attorney, Central Utah Water Conservancy District; Fred Finlinson, Chairman, Utah Water Coalition; Craig Peterson, Consultant, CAP Consulting; Elliot Christensen, President, Brighton and North Point Consolidated Irrigation Companies, and Jodi Hoffman, Lobbyist, Utah League of Cities and Towns spoke in support of the bill.

Randy Crozier, General Manager, Duchesne County Water Conservation District; Sterling Brown, Vice President, Public Policy, Utah Farm Bureau; Jay Humphrey, Manager, Emery County Water Conservancy District; Bill Callister, Shareholder, East Millcreek Water Company; Megan Greathouse, DMADC Water Companies, Millard County; Maryann Christensen, Secretary/Treasurer, Little Cottonwood Brown Ditch Company; Greg Greathouse, Attorney, DMADC Companies, Millard County; Gordon Young, President, Mona Irrigation Company, and Harold Mitchell, Attorney, Shareholder, Parowan Reservoir Company spoke in opposition to the bill.

Kent Jones, State Engineer, spoke to the bill.

MOTION: Sen. Valentine moved to transmit S.B. 99 with a favorable recommendation.

SUBSTITUTE MOTION: Sen. Urquhart moved to adjourn.

The motion passed unanimously.

Acting Committee Chair VanTassell adjourned the meeting at 5:07 p.m.

Sen. John Valentine, Committee Chair