

MINUTES OF THE SENATE BUSINESS & LABOR STANDING COMMITTEE

Room 215 Senate Building
Thursday, February 14, 2013

Members Present: Sen. Curtis S. Bramble, Chair
Sen. Gene Davis
Sen. Deidre M. Henderson
Sen. David P. Hinkins
Sen. Karen Mayne
Sen. John L. Valentine
Sen. Todd Weiler

Staff Present: Mr. Bryant R. Howe, Assistant Director
Ms. Karen Allred, Committee Secretary

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

Chair Bramble called the meeting to order at 2:13 p.m.

Approval of Minutes

MOTION: Sen. Mayne moved to approve the minutes of the February 12, 2012 meeting. The motion passed unanimously with Sen. Valentine and Sen. Davis absent for the vote.

S.B. 64 Homeowner Association Reserve Account Amendments (*S. Urquhart*)

Sen. Urquhart introduced and explained the bill assisted by Jim Campbell, President, Association of PUDs and Condominiums of Washington County.

MOTION: Sen. Hinkins moved to adopt the following amendments:

1. Page 7, Lines 201 through 211:

- 201 (6) ~~{An}~~ Each year that a new or updated reserve analysis is completed,
202 an association of unit owners shall:
203 owners:
204 (i) present the reserve [study] analysis; [and]
205 (ii) [provide an opportunity for unit owners to] discuss reserves and [to] the reserve
206 analysis; and
207 (iii) vote [on], by a majority of unit owners present at the annual meeting of unit
owners, whether to fund a reserve fund [and, if so,
208 how to fund it and in what amount] in the manner and amount suggested in the reserve

analysis
209 or in some other manner and amount; and
210 (b) prepare and keep minutes of each meeting held under Subsection (6)(a) and
211 indicate in the minutes any decision relating to funding a reserve fund.

2. *Page 11, Line 331 through Page 12, Line 340:*

331 (6) ~~{An}~~ Each year that a new or updated reserve analysis is completed,
an association shall:
332 (a) ~~{annually,}~~ at the annual meeting of lot owners or at a special meeting of lot
owners:
333 (i) present the reserve ~~[study]~~ analysis; ~~[and]~~
334 (ii) ~~[provide an opportunity for lot owners to]~~ discuss reserves and ~~[to]~~ the reserve
335 analysis; and
336 (iii) vote ~~[on]~~, by a majority of lot owners present at the annual meeting of lot
owners, whether to fund a reserve fund ~~[and, if so,~~
337 ~~how to fund it and in what amount]~~ in the manner and amount suggested in the reserve
analysis
338 or in some other manner and amount; and
339 (b) prepare and keep minutes of each meeting held under Subsection (6)(a) and
340 indicate in the minutes any decision relating to funding a reserve fund.

The motion passed unanimously.

Sen. Urquhart and Mr. Campbell further clarified the bill and answered questions from the committee.

Spoke in opposition to the bill: Michael Johnson, Utah Community Associations Institute
John Morris, Attorney, Legislative Action Committee
Justin Rae, Board Member, Utah Legislative Action Committee

MOTION: Sen. Henderson moved to transmit **S.B. 64** favorably as amended. The motion passed unanimously with Sen. Hinkins and Sen. Valentine absent for the vote.

S.B. 182 Storage Unit Amendments (*J. S. Adams*)

MOTION: Sen. Davis moved to adopt **1st Sub. S.B. 182**. The motion passed unanimously with Sen. Hinkins and Sen. Valentine absent for the vote.

Sen. Adams introduced and explained the bill.

Spoke in opposition to the bill: Vaughn Jacobsen, Director of Operations, Standard Examiner

MOTION: Sen. Valentine moved to transmit **1st Sub. S.B. 182** favorably. The motion passed with Sen. Weiler voting in opposition to the motion.

2nd Sub. H.B. 47 Insurance Law Amendments (*J. Dunnigan*)

MOTION: Sen. Valentine moved to adopt the following amendments:

1. *Page 1, Lines 21 through 23:*

- 21 ▶ *amends provisions related to company action level events;*
- 22 { ~~→ prohibits discretionary clauses;~~ }
- 23 ▶ *enacts a provision regarding producer's duties related to replacement of life*

2. *Page 3, Lines 65 through 67:*

- 65 31A-20-110, as last amended by Laws of Utah 2003, Chapter 298
- 66 { ~~31A-21-314, as last amended by Laws of Utah 1987, Chapter 95~~ }
- 67 31A-21-503, as last amended by Laws of Utah 2007, Chapter 307

3. *Page 57, Line 1758 through Page 58, Line 1768:*

- 1758 { ~~Section 14. Section 31A-21-314 is amended to read:~~
- 1759 ~~— 31A-21-314. Prohibited provisions.~~
- 1760 ~~— [No] An insurance policy subject to this chapter may not contain any provision:~~
- 1761 ~~— (1) requiring it to be construed according to the laws of another jurisdiction~~
except as
- 1762 ~~necessary to meet the requirements of compulsory insurance laws of other jurisdictions;~~
- 1763 ~~— (2) depriving Utah courts of jurisdiction over an action against the insurer, except~~
as
- 1764 ~~provided in permissible arbitration provisions; [or]~~
- 1765 ~~— (3) limiting the right of action against the insurer to less than three years from the~~
date
- 1766 ~~the cause of action accrues[.]; or~~
- 1767 ~~— (4) purporting to give to an insurer, plan administrator, or claim administrator~~
full and
- 1768 ~~final discretion in interpreting benefits in an insurance policy. }~~

Renumber remaining sections accordingly

Rep. Dunnigan introduced and explained the bill and answered questions from the committee. assisted by Todd Kyser, Commissioner, Insurance Department.

Spoke in opposition to the amendment: Marilyn O'dell, Co-President Utah League of Women Voters
Jennifer Dailey, Utah Association for Justice
Allen Orsmy, American Association for Retired People

Spoke to the amendment: Lincoln Nehring, Voices for Utah Children

Sen. Valentine withdrew his motion to amend.

MOTION: Sen. Valentine moved to proceed to the next item on the agenda. The motion passed unanimously with Sen. Hinkins absent for the vote.

Sen. Bramble relinquished the Chair to Sen. Henderson.

S.B. 67 Consumer Protection Revisions (*C. Bramble*)

Sen. Bramble introduced and explained the bill.

MOTION: Sen. Bramble moved to adopt **2nd Sub. 67**. The motion passed unanimously.

Spoke in favor of the bill: Afton January, Utah Housing Coalition
Scott Simpson, President, Utah Credit Union Association
Howard Headlee, President, Utah Bankers Association

Dave Davis, Pres, Utah Retailer Merchant Association, Utah Food Industry Association, spoke to the bill and answered questions from the committee.

MOTION: Sen. Weiler moved to adopt following amendment:

Page 2, Line 115: After line 115, insert:

Section 13A-6-302 is repealed on June 30, 2014.

SUBSTITUTE MOTION: Sen. Valentine moved to proceed to the next item on the agenda. The motion passed unanimously with Sen. Hinkins absent for the

vote.

S.B. 179 Local Government Financial Reporting Revisions (*C. Bramble*)

Sen. Bramble introduced and explained the bill.

MOTION: Sen. Davis moved to transmit **S.B. 179** favorably. The motion passed unanimously with Sen. Hinkins absent for the vote.

MOTION: Sen. Bramble moved to place **S.B. 179** on the Consent Calendar. The motion passed unanimously with Sen. Hinkins absent for the vote.

MOTION: Sen. Bramble moved to adjourn. The motion passed unanimously with Sen. Hinkins absent for the vote. Chair Bramble adjourned the meeting at 3:55 p.m.

Sen. Curtis S. Bramble, Committee Chair