

2002 GENERAL SESSION PREVIEW

A report to the 54th Legislature on recommended
legislation and studies from the 2001 Legislative Interim
Committees



OFFICE OF LEGISLATIVE RESEARCH AND GENERAL COUNSEL

Utah State Legislature

2002 GENERAL SESSION PREVIEW

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on recommended legislation and studies
from the 2001 Legislative Interim Committees

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INTRODUCTION AND ACKNOWLEDGMENTS

INTRODUCTION

The *General Session Preview* is prepared each year by the Office of Legislative Research and General Counsel. The yellow pages contain summaries of legislation recommended by the interim committees and task forces for the upcoming legislative session. It also contains a summary of pertinent interim committee and task force studies. In this publication, the summaries are categorized by committee. More information on these studies may be obtained from the Office of Legislative Research and General Counsel. Minutes and committee histories of interim committee meetings are available on the Utah State Legislature's website—<http://www.le.state.ut.us>.

ACKNOWLEDGMENTS

Legislative Management Committee

Each study item selected by a committee is approved for study by the Legislative Management Committee. Many of the items studied by interim committees are selected from "The Master Study Resolution" passed during the previous legislative session.

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Secretary: Joy L. Miller

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Secretary: Cassandra Bauman

Olympic Coordination Committee

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Attorney: Keith M. Woodwell
Secretary: Joy L. Miller

Political Subdivisions Interim Committee

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Public Utilities and Technology Interim Committee

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Quasi-governmental Entities Committee

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Redistricting Committee

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Secretary: Sandra Wissa

State Water Development Commission

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Attorney: Jeanenne B. Larson
Secretary: Joy L. Miller

Strategic Planning for Public and Higher Education Committee

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Attorney: James L. Wilson
Secretary: Wendy L. Bangarter

Tax Review Commission

Analyst: Bryant R. Howe
Attorney: Rebecca L. Rockwell
Secretary: Sandra Wissa

Transportation Interim Committee

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Secretary: Junie G. Anderson

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Utah Tomorrow Strategic Planning Committee

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Attorney: Paul W. Hess
Secretary: Cassandra Bauman

Workforce Services and Community and Economic Development Interim Committee

Analyst: Jami Mombberger
Attorney: James L. Wilson
Secretary: Jennifer Markham

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SUMMARY OF RECOMMENDED LEGISLATION

SUMMARY OF RECOMMENDED LEGISLATION

The following is a summary of recommended legislation, listed alphabetically by committee. Further information on the legislation can be found on the page number provided after certain summaries.

ADMINISTRATIVE RULES REVIEW COMMITTEE

Reauthorization of Administrative Rules (2002FL0689)—reauthorizes all administrative rules of state agencies annually, except those specified in the legislation. (page 12)

BUSINESS AND LABOR INTERIM COMMITTEE

Application for Vehicle Title Amendments, S.B. 6—modifies the Motor Vehicle Code to allow the signature of one vehicle owner on a motor vehicle certificate of title in situations where there is more than one owner.

Funding Formula for Alcohol Related Activities of Local Governments, S.B. 30—modifies annual appropriation amounts, how funds are distributed to municipalities and counties, and provides a mechanism to suspend payments if it is found that a municipality or county is not using the monies for the specified purposes. (page 15)

Mortgage Practice Act Revisions, H.B. 23—clarifies the Division of Real Estate's rulemaking authority, clarifies standards for reinstatement of the registration of an individual or entity whose registration has been revoked, and makes it discretionary for the director to file suit against violators who do not seek an adjudicative hearing or against whom a permanent cease and desist order has been issued in agency action.

Trustees of Trust Deed Amendments, H.B. 44—modifies qualifications of trustees of trust deeds and obligations of a trustee of a trust deed to send notices.

Utah Construction Contracts Prompt Payment Act, S.B. 19—requires progress payments on certain construction contracts, requires prompt payment by the owner upon completion of work, requires the owner to

promptly dispute a billing or estimate with which the owner does not agree, and requires prompt payment by the contractor to subcontractors and suppliers. Limits the amount an owner can withhold from a progress payment, provides for interest on late payments and for the awarding of costs and attorney's fees, requires the waiver of mechanics' lien rights by contractors and subcontractors upon receipt of payment, and provides for the interruption or termination of work on a construction contract in certain instances. (page 16)

EDUCATION INTERIM COMMITTEE

Annual Reports Given to the Legislature, H.B. 46—eliminates or modifies requirements to submit reports to the Legislature. Eliminates or reduces the number of reports the State Board of Education is required to make on a recidivism reduction plan, statewide testing time lines, reading achievement, kindergarten assessments, a reading specialist scholarship program, textbook needs and spending, and highly impacted schools. Eliminates reporting of volunteer hours in the school performance report. Sets a date for reports from the Job Enhancement Committee and the Families, Agencies, and Communities Together Council. Removes the Education Interim Committee from the lists of recipients of reports from the Disability Determination Services Advisory Council and board of directors of the Utah Educational Savings Plan Trust. Consolidates reports of the Technology Initiative Advisory Board and Board of Regents relating to the Engineering and Computer Science Initiative. (page 19)

School Uniform Amendments, H.B. 5—eliminates a student's ability to opt out of participating in the school uniform program after an election has taken place unless a principal finds extenuating circumstances. (page 21)

SUMMARY OF RECOMMENDED LEGISLATION

GOVERNMENT OPERATIONS INTERIM COMMITTEE

Certification and Testing of Voting Equipment, H.B. 33—modifies the Election code by requiring election officers to ensure that voting equipment meets certain standards. (page 26)

Election Campaign Fund Checkoff Amendments, H.B. 19—modifies tax code provisions governing requirements for the Election Campaign Fund and makes technical corrections. (page 26)

Overseas and Military Voters Amendments, H.B. 32—modifies provisions of the Election Code governing military and overseas voters by modifying mailing requirements for overseas and military ballots. (page 26)

Provisional Ballot, S.B. 36—modifies the Election Code by establishing a procedure for certain persons to vote a provisional ballot in Utah elections. (page 26)

Repeal of Environmental Quality Coordinating Committee, H.B. 15—modifies the Environmental Quality Code by repealing the Environmental Quality Coordinating Committee (page 25).

Repeal of Health Benefit Plan Committee, H.B. 38—modifies the Insurance Code by repealing the Health Benefit Plan Committee (page 25).

Repeal of Human Resource Advisory Committee, H.B. 13—modifies the Personnel Management Act by repealing the Human Resource Advisory Committee. (page 25)

Repeal of Investment Advisory Committee, H.B. 10—modifies the Public Funds and Accounts title by eliminating the Investment Advisory Committee. (page 25)

Repeal of Local Government Information Technology Review Committee, H.B. 8—modifies the Utah Administrative Services Code by eliminating requirements

to establish a Local Government Information Technology Review Committee. (page 25)

Repeal of Medical Examiner Committee, H.B. 9—modifies the Utah Health Code by repealing the Medical Examiner Committee. (page 25)

Repeal of National Guard Advisory Board, S.B. 8—modifies provisions governing the National Guard by repealing the National Guard Advisory Board. (page 25)

Repeal of State Advisory Planning Committee, H.B. 14—modifies the State Affairs in General title by repealing the State Advisory Planning Committee. (page 25)

Repeal of Utah Occupational Safety and Health Advisory Council, H.B. 11—modifies the Utah Labor Code by repealing the Utah Occupational Safety and Health Advisory Council. (page 25)

Revisions to Senate Advise and Consent Powers, S.B. 10—makes uniform the language in the Utah Code governing Senate advise and consent powers. The bill resolves specific statutory conflicts relating to the governor's appointment powers by conforming inconsistent language with the general provisions governing the governor's appointment powers. (page 25)

Utah Substance Abuse and Antiviolence Coordinating Council Amendments, H.B. 41—modifies State Affairs in general by eliminating certain committees of the Utah Substance Abuse and Antiviolence Coordinating Council and modifying provisions governing the council. (page 25)

HEALTH AND HUMAN SERVICES INTERIM COMMITTEE

Access to Health Care and Coverage Task Force, S.B. 33—authorizes the Task Force to meet one additional year to study ways to improve access to health care, including basic medical services, for Utah's uninsured population. (page 28)

SUMMARY OF RECOMMENDED LEGISLATION

Adult Protective Services Amendments, H.B. 25—recodifies the adult protective services statute. (page 27)

Appropriation for Sexual Violence Victim Assistance Programs, S.B. 5—appropriates \$100,000 to the Utah Criminal Justice Commission for grants to sexual violence victim assistance programs.

Cigarette Tax Stamp and Contraband Amendments, S.B. 7—prohibits a person licensed to sell cigarettes in the state from selling cigarettes of a tobacco product manufacturer who is not in compliance with the Master Settlement Agreement escrow requirements and requires reporting under those requirements to be made quarterly rather than annually. (page 27)

Genetic Privacy and Discrimination, H.B. 56—prohibits employers from using private genetic information for hiring and promotion purposes, places restrictions on health insurers' use of genetic information, and provides a private right of action for violations of the provisions. (page 27)

Immunity from Liability in Child Welfare Investigations, H.B. 28—provides that there is no immunity to governmental employee child welfare workers who act or fail to act through fraud or malice, or who commit perjury. (page 29)

Local Substance Abuse Authority Amendments, H.B. 48—expands the duties of local substance abuse authorities to include services to people convicted of driving under the influence and authorizes the use of proceeds from DUI penalties to fund those services. (page 28)

Reports to Health and Human Services, S.B. 4—reduces the number of periodic reports submitted to the Health and Human Services Interim Committee by legislative, judicial, and executive branch agencies. (page 28)

Technical Amendments to Tobacco Settlement Trust Fund, H.B. 53—makes technical amendments to the

distribution of tobacco settlement funds to comply with *Utah Constitution* Article XXII, Section 4. (page 30)

Tobacco Amendments, H.B. 54—removes the limit on the amount of Master Settlement Agreement monies that may be spent to enforce the prohibition of tobacco sales to minors. (page 30)

Underage Possession of Tobacco Amendments, H.B. 55—increases the minimum fine for underage possession of tobacco and makes participation in a tobacco education program mandatory. (page 30)

Use of Tobacco Settlement Interest Proceeds, H.B. 12—appropriates 50 percent of the annual interest and dividends earned by the permanent state trust fund for tobacco settlement monies to the Department of Health for alcohol, tobacco, and other drug prevention, reduction, cessation, and control programs and makes technical amendments necessary to comply with *Utah Constitution* Article XXII, Section 4. (page 30)

INFORMATION TECHNOLOGY COMMISSION

Electronic Government Services Amendments - Agriculture, H.B. 21—modifies existing code to allow the use of electronic process in addition to paper-based methods for the provisions of government goods and services (page 32).

Electronic Government Services Amendments - Transportation, H.B. 22—modifies existing code to allow the use of electronic process in addition to paper-based methods for the provision of driver licenses and related government services. (page 32)

Private Records Amendments, S.B. 34—allows personal information provided to the state for specific online applications to be designated as a private record under the Government Records and Management Act. (page 32)

SUMMARY OF RECOMMENDED LEGISLATION

JUDICIARY INTERIM COMMITTEE

Amendments to Guilty and Mentally Ill, S.B. 27—creates a new plea of "guilty and mentally ill at the time of the offense" and sets standards for jury instructions.

Attempted Murder Amendments, S.B. 22—provides that an offense of attempting to commit certain first degree felonies is also a first degree felony, and the indeterminate term for these attempted first degree felonies is not less than 3 years, but may be for life.

Expungement of Juvenile Records, H.B. 35—clarifies that to expunge a record in juvenile court, the petitioner must be over the age of 18, have completed all court requirements, and not have an adult criminal record.

Office of Recovery Services Amendments, S.B. 25—requires that an applicant for child support services be informed that providing false information may lead to prosecution or case closure. (page 36)

Parent Time Amendments, H.B. 37—establishes sanctions for the wrongful denial of visitation, prohibits the court from considering gender when determining custody, and specifies guidelines for the court when determining parent-time. (page 35)

Release of Custodial or Noncustodial Parent's Address, S.B. 24—establishes procedures for the Office of Recovery Services to release location information on custodial and noncustodial parents. (page 36)

Repeal of Sunset Dates on Office of Court Administrator and Alternative Dispute Resolution, H.B. 47—repeals the sunset provisions for the Office of the Court Administrator and Alternate Dispute Resolution so that these sections of the code will no longer be subject to further sunset reviews.

Serious Youth Offender Amendments, S.B. 26—provides that certain felonies committed by a minor within a secure facility are not subject to district court jurisdiction and clarifies when jurisdiction over a

minor is retained under the Serious Youth Offender provisions.

Statute of Limitations Amendments, H.B. 39—specifies that child abuse homicide, aggravated kidnaping, and child kidnaping are not subject to statutes of limitations for prosecution and that a defendant's active concealment of a crime tolls that statute of limitations.

LAW ENFORCEMENT AND CRIMINAL JUSTICE INTERIM COMMITTEE

DCFS Management Information System Amendments, S.B. 17—reorganizes and clarifies the statutes governing the Division of Child and Family Services Management Information System, including the LIS (Licensing Information System). Requires that a finding of substantiation for child abuse be determined by a preponderance of evidence by a committee of at least three division employees and requires the division to provide a greater opportunity for an appellate hearing before an administrative law judge before information about an alleged perpetrator can be included in the LIS. Clarifies procedures for removing a person's name from the LIS if that person is vindicated by a court. (page 38)

Prisoner Escape Amendment, H.B. 45—clarifies that the criminal offense of a prisoner leaving official custody without authorization includes those situations where a prisoner obtains the authorization to leave by means of fraud or deceit.

Prohibiting Intimacy with Youth Receiving State Services, S.B. 11—creates the criminal offense of custodial sexual relations and custodial sexual misconduct for employees of the Department of Human Services or employees of the juvenile court who engage in sexual relations with youth receiving state services. (page 39)

Public Safety - Division Name Change, H.B. 40—changes the name of the Division of Comprehensive Emergency Management within the

SUMMARY OF RECOMMENDED LEGISLATION

Department of Public Safety to the Division of Emergency Services and Homeland Security.

Public Safety Bureau Name Change, H.B. 6—changes the name of the Criminal Investigations Bureau within the Department of Public Safety to the State Bureau of Investigation.

Transfer of Youth Services Oversight, S.B. 12—changes the oversight of Youth Services Programs which provide prevention and early intervention services to runaways and ungovernable youth. The oversight would move from the Division of Child and Family Services to the Division of Youth Corrections, both of which are in the Department of Human Services. (page 38)

LEGISLATIVE PROCESS COMMITTEE

Rules Resolution - Committee Notes on Bills, H.J.R. 2—creates definitions of “legislative committee” and “mixed committee” and requires the Director of the Office of Legislative Research and General Counsel to place a note on any bill reviewed by a legislative committee or mixed committee where the bill is voted on with or without recommendation. The note for a mixed committee will also include the number of legislators and non-legislators on the mixed committee and the number of legislators who voted for or against the bill. (page 42)

NATURAL RESOURCES, AGRICULTURE, AND ENVIRONMENT INTERIM COMMITTEE

Access to Fluoridated Water, H.B. 43—allows a public water system whose entire water inventory is fluoridated to supply water to a residence or business in an adjacent municipality or county that has not approved fluoridation under certain circumstances. (page 48)

Fluoridation of Public Water Systems in an Emergency, H.B. 42—grants a waiver to a public water system that supplies water from its fluoridated inventory to a municipality or county that has not approved fluoridation

if it is due to a short term emergency and the public water system ceases to provide fluoridated water in a time consistent with repair times following best industrial practice. (page 48)

Forfeited Water Right Allocation, H.B. 57—modifies the Water and Irrigation Code to allow a mutual water company to allocate water rights lost by forfeiture. (page 46)

Mutual Water Company Change Applications, S.B. 37—modifies the Water and Irrigation Code to allow a shareholder in a mutual water company to request a change in point of diversion, place of use, or purpose of use of water in a mutual water company. (page 46)

Water Forfeiture Amendments, H.B. 58—modifies the Water and Irrigation Code to amend provisions relating to the abandonment and forfeiture of water. (page 46)

POLITICAL SUBDIVISIONS INTERIM COMMITTEE

Bonding Authority for Irrigation Districts, S.B. 20—modifies the Special Districts Code by amending provisions related to irrigation districts. Provides for definitions. Repeals existing provisions relating to bonding authority of irrigation districts and enacts new bonding provisions. Repeals outdated provisions relating to irrigation districts. Provides for the assessment of use charges in place of annual assessments or taxes. Provides for the collection of delinquent use charges. Makes other changes to the irrigation district provisions. (page 55)

Municipal Plan for Moderate Income Housing, H.B. 49—modifies the Utah Municipal Code by amending the requirements for municipalities to plan for moderate income housing. Redefines the contents and process of developing a moderate income housing plan. Limits the scope of the moderate income housing planning requirement to cities. (page 54)

SUMMARY OF RECOMMENDED LEGISLATION

Prohibiting Residential Lots from Crossing County Lines, H.B. 20—modifies the Utah Municipal Code and the county code to prohibit residential lots under 1 acre in size from crossing county boundary lines. Prohibits the division of a residence by a county line. Provides for an immediate effective date upon the governor's signature. (page 54)

Revisions to Redevelopment Agency Laws, H.B. 24—modifies the Redevelopment Agencies Act by making minor changes and technical corrections throughout the act. Resolves internal inconsistencies and makes related changes within the redevelopment agencies code relating to plan hearings, survey areas, owner participation, relocation plan requirements, time limits for use of tax increment, benefit analysis, and publication requirements. Amends the requirements for blight findings when expanding a redevelopment project. (page 54)

Technical Corrections to County Code, H.B. 26—modifies the County Code by making a technical correction relating to investigations by the county legislative body. (page 55)

Technical Corrections to Municipal Code, H.B. 27—modifies the Utah Municipal Code by making a technical correction relating to capital budgets. (page 55)

Uniform Withdrawal Procedures for Special Districts, S.B. 18—modifies the Local Districts and Special Districts Codes by repealing existing procedures for withdrawals from special or local districts and creating a uniform procedure for withdrawal. Provides for definitions. Establishes the requirements for petitions for withdrawal from a local district. Creates a streamlined process for unopposed withdrawals. Provides a process for the certification of petitions and for notice and public hearings. Provides a process for a local district and a municipality to jointly adjust the boundaries of a local district. Sets out the criteria for a local district board to approve or reject a proposed withdrawal and outlines the procedures for allocating assets and liabilities upon withdrawal. Provides for the continuation of tax levies in withdrawn areas and provides other protections for local district bonds. Allows

for judicial review of the decision of the local district board. Makes other technical changes. (page 55)

Voter Residence Where Lot Is Divided by County Boundary Line, S.B. 35—modifies the Election Code to provide for the determination of residency for voting purposes when a person's residence is divided by a county boundary line. Provides for an immediate effective date upon the governor's signature. (page 54)

PUBLIC UTILITIES AND TECHNOLOGY INTERIM COMMITTEE

Electric Power Facilities Amendments, S.B. 32—amends existing code relating to thermal power by making the statutes applicable to electric power facilities instead. (page 57)

Electronic Government Services Amendments - Agriculture, H.B. 21—modifies existing code to allow the use of electronic process in addition to paper-based methods for the provisions of government goods and services. (page 58)

Electronic Government Services Amendments - Transportation, H.B. 22—modifies existing code to allow the use of electronic process in addition to paper-based methods for the provisions of drivers licenses and related government services. (page 58)

Interlocal Cooperation Act Amendments, S.B. 29—authorizes the creation of public energy service agencies and broadens the Interlocal Cooperation Act to include public agencies from other states. (page 58)

Municipal Telephone Utilities Amendments, H.B. 59—provides small community telephone providers with access to the Universal Service Fund for a limited period of 4 years. (page 59)

Net Metering of Electricity, H.B. 7—authorizes residential and small business electric power generators to sell power

SUMMARY OF RECOMMENDED LEGISLATION

under certain conditions back to the state regulated power provider. (page 58)

Private Records Amendments, S.B. 34—allows personal information provided to the State for specific on-line applications to be designated as a private record under the Government Records and Management Act. (page 59)

Protection of Commercially Sensitive Energy Information (2002FL0313)—prohibits the disclosure of sensitive commercial information regarding the purchase or sale of electricity, fuels, or related energy services provided to public entities. (page 59)

Resolution Encouraging Research and Development Grants for Clean Coal Alternatives, S.J.R. 1—encourages the federal government to provide grants for the development of clean coal technology. (page 57)

REVENUE AND TAXATION INTERIM COMMITTEE

Higher Education Savings Incentive Program Amendments, H.B. 52—clarifies that a taxpayer may subtract from federal taxable income the amount of income that was derived from money paid by the taxpayer into a higher education savings account but only when the funds are used for qualified higher education costs of the beneficiary. (page 65)

Individual Income Tax - Bracket Adjustments, S.B. 31—requires the Utah State Tax Commission to make certain adjustments to the individual income tax brackets and amount of tax as a result of inflation or deflation. (page 66)

Individual Income Tax - State Earned Income Tax Credit, H.B. 60—establishes a nonrefundable state earned income tax credit equal to 5 percent of a taxpayer's federal earned income tax credit. Applies only if the taxpayer has an adjusted gross income of \$25,000 or less. Requires the Utah State Tax Commission to make transfers from the General Fund to the Uniform School Fund equal to the

amount of state earned income tax credit claimed. (page 67)

Individual Income Tax Personal Retirement Exemption and Deduction for Retirement Income - Eliminating Marriage Tax Penalties, H.B. 50—modifies the adjusted gross income amounts at which the subtraction from federal taxable income for retirement income and the personal retirement exemption are reduced. (page 67)

Sales and Use Tax – Taxability of Parts and Labor, H.B. 51—clarifies that no sales and use tax is imposed on parts or labor used in the repair of certain items of tangible personal property when the purchase of that tangible personal property is exempt from the sales and use tax. (page 67)

Tax Credits - Removal of Tax Credit from Tax Form and Prohibition on Claiming or Carrying Forward Tax Credit, S.B. 28—provides a mechanism to remove certain individual income and corporate franchise and income credits from tax returns that do not meet a certain criteria in terms of number of taxpayers claiming the credit and dollar amount of credit claimed. Provides that a taxpayer may not claim or carry forward a credit that has been removed from a tax return.

TRANSPORTATION INTERIM COMMITTEE

Alcoholic Beverage Service-Warning Required, S.B. 13—changes the language of the warning sign required to be posted in any establishment that is serving alcohol and that is subject to the Alcoholic Beverage Control Act. (page 78)

Amendments to Driving Under the Influence, S.B. 9—increases the required compensatory-service hours for first time DUI offenders from 24 to 48 hours. Requires supervised probation whenever probation is ordered for a felony DUI offender. (page 78)

Blood and Breath Alcohol Testing, H.B. 16—amends the method of proving the elements of driving under the

SUMMARY OF RECOMMENDED LEGISLATION

influence related offenses by repealing a requirement that a test must be given with 2 hours of the alleged driving and instead allows a subsequent test which shows a violation either at time of the test or at the time of the operation of the vehicle to be considered an offense. This change is made in sections relating to driving under the influence, commercial driver licensing, automobile homicide, flying under the influence, and boating under the influence. (page 78)

Child Restraint Violations, H.B. 29—allows a reduction of the fine for a child restraint violation, if the person submits proof of acquisition of child restraint device. Repeals the provision which allowed for a dismissal of a first violation of a child restraint law by showing acquisition of a child restraint device. (page 79)

Court Records of Driving Under the Influence Cases, H.B. 18—requires state courts to create and maintain a database of information on DUI cases. The database will be used to ensure that sentencing and enhancement decisions are made in accordance with current DUI and reckless driving laws (page 78).

Driver License Reporting, S.B. 14—clarifies provisions for reporting a person who has an impairment that may effect driving ability. Provides that a report of an impaired driver that is filed with the Driver License Division is a protected record. A health care professional who submits a false or inaccurate report for an improper purpose is guilty of unprofessional conduct and is subject to license penalties. A person other than a health care professional who submits a false or inaccurate report for an improper purpose is guilty of a class B misdemeanor. (page 79)

License Plate Requirements, H.B. 31—repeals the requirement to have a county decal as one of the registration decals on vehicle license plates. (page 79)

Master State Highway Amendments, H.B. 30—affects seven state highways by realigning, transferring, adding or deleting sections of highways on the state highway system. (page 77)

Motor Vehicle Registration Amendments, S.B. 21—allows a court to require proof of proper motor vehicle registration as part of any sentence for a charge of improper motor vehicle registration. (page 79)

Motorboat Driver Licensing and Boating Under the Influence Provisions, H.B. 4—defines a motorboat as any vessel with an engine output of more than 10 horsepower and beginning January 1, 2007, requires a motorboat driver to be licensed by passing a written motorboat test administered by the Driver License Division. After passing the test, a motorboat endorsement is added to the person's driver license. Exceptions are provided for certain drivers. A person under 12 years of age is prohibited from driving a motorboat. A person at least 12 years of age, may drive a motorboat after completing a motorboat safety course and if the person is accompanied by a licensed person at least 18 years of age. A nonresident at least 16 years of age, may drive a motorboat if the person possesses a certificate of completion of an approved boating safety course or if the person holds a nonresident temporary permit. A person at least 18 years of age, may drive a motorboat if the person is renting a motorboat from a licensed boat livery and has a copy of the rental agreement; and possesses a 14-day temporary motorboat license issued by an authorized boat livery. Places vessel navigation and steering laws in statute and points are assessed for each offense in a point system kept by Division of Parks and Recreation. After a certain number of points for motorboat violations, a letter is sent to the Driver License Division indicating that the person's driver license which includes the motorboat endorsement should be denied or suspended. Combines driving under the influence provisions with boating under the influence provisions and provides that a violation results in the same driver licensing sanctions. (page 77)

Multiple Driving Under the Influence Offenses, H.B. 17—clarifies the types of convictions that are considered as prior convictions by a court in a DUI case and in a driver license suspension proceeding. A conviction for driving with drugs, driving with a combination of alcohol and drugs, or any DUI related

SUMMARY OF RECOMMENDED LEGISLATION

offense that has been reduced by a court qualifies as a prior conviction in any subsequent DUI case. (page 78)

Organ Donation Checkoff, S.B. 15—allows a voluntary \$1 contribution to promote and support organ donation from an applicant for renewal of a motor vehicle registration or a driver license. Creates the Organ Donation Contribution Account and allows the Department of Health to administer the account. The Department of Health selects and distributes monies to qualified organizations for the purposes of promoting organ donation, maintaining a statewide organ donor registry, and providing donor awareness education. (page 79)

Traffic Offense Adjudication, S.B. 16—allows counties and municipalities served by justice courts to impose a civil penalty for minor traffic offenses and to provide administrative traffic proceedings to adjudicate these cases. Allows justice court judges or administrative law judges to conduct administrative traffic proceedings. Specifies that a defendant in an administrative traffic proceeding shall have the right to present and refute evidence, confront the defendant's accuser, cross examine witnesses, and have an attorney present. Requires a municipality or county that uses an administrative law judge to adjudicate administrative traffic proceedings to establish a complaint and disciplinary process. (page 75)

Tourism Amendments, H.B. 34—requires an annual report to the Workforce Services and Community and Economic Development Interim Committee, addressing the coordinated efforts of the UTC (Utah Travel Council) and the 29 county legislative bodies. Requires an annual independent audit of the TRCC (Tourism, Recreation, Cultural, and Convention tax) revenues. Requires the findings of these audits to be reported to the interim committee. (page 84)

Workforce Services Amendments, S.B. 23—modifies the definition of consortium of counties and membership of the regional councils on workforce services. Authorizes the Department of Workforce Services to administer oaths, certify its official acts, and issue subpoenas. (page 84)

WORKFORCE SERVICES AND COMMUNITY AND ECONOMIC DEVELOPMENT INTERIM COMMITTEE

Child Care Amendments, H.B. 36—clarifies and expands the duties and responsibilities of the OCC (Office of Child Care), requires the OCC to provide an annual written report on the status of child care in Utah to the Workforce Services and Community and Economic Development Interim Committee, and modifies and expands the Child Care Advisory Committee to include key stakeholders in the community. Clarifies the statutory roles and relationships of those individuals and entities involved with the Child Care Expendable Trust Fund. (page 81)

COMMITTEE STUDIES

ADMINISTRATIVE RULES REVIEW COMMITTEE

ADMINISTRATIVE RULES REVIEW COMMITTEE

Membership

Sen. Howard A. Stephenson, Senate Chair
Rep. David Ure, House Chair
Sen. Mike Dmitrich
President Al Mansell
Sen. Ed Mayne
Sen. Michael G. Waddoups
Rep. Judy A. Buffmire
Rep. James R. Gowans
Speaker Martin R. Stephens
Rep. John E. Swallow

Staff

Mr. Arthur L. Hunsaker, Research Analyst
Ms. Susan Creager Allred, Associate General Counsel
Ms. Cassandra Bauman, Legislative Secretary

COMMITTEE OVERVIEW

The Administrative Rules Review Committee was established by the Legislature in the 1983 General Session. Section 63-46a-11(3)(b), *Utah Code Annotated 1953*, requires that the Committee review agency rules to ensure they do not exceed the bounds of legislative authority and intent and to determine their impact on the economy, state and local government operations, and affected persons.

The Committee primarily reviewed proposed agency rules, which are published twice monthly in the Utah State Bulletin by the Division of Administrative Rules. However, Committee members expressed concern that existing rules, many of them based on quite broad grants of statutory authority, were still unreviewed.

In the 1988 General Session, funds were appropriated for full-time staff to provide an existing rules component to the Committee's review process. The Committee directed staff to prepare legislation deleting the broad grants of rulemaking authority in several state agencies and instructed staff to work with each affected agency to ensure that statutes, as rewritten, would still provide the specific rulemaking authority needed. The Committee felt

that the effort to delete such grants from all agency statutes would require several years to complete.

As part of an agreement reached between members of the Administrative Rules Review Committee and the governor during the 1989 General Session, legislation was passed which granted the Committee authority to prepare annual legislation reauthorizing all rules of the state except for rules enumerated in each year's bill. The Committee delayed any action on broad statutory grants until after the 1990 General Session.

From 1989 through 1994, the Committee examined the rules of every state agency. Agency representatives were presented with a detailed analysis of their rules and met with the Committee to establish agreements regarding what rule changes would be made. This process prompted agencies to file more concise, carefully prepared rules that were in harmony with Utah statutes.

With the passage of H.B. 182, "Administrative Rules Review Committee Amendments," in the 1997 General Session, committee membership increased from 6 to 10. Currently, the Committee reviews the large number of proposed agency rules published twice monthly in the Utah State Bulletin and addresses specific concerns regarding proposed and existing rules, as raised by the public.

ANNUAL ADMINISTRATIVE RULES SUNSET LEGISLATION

Background

During the 1989 General Session, the Legislature enacted a law repealing all state agency rules annually. However, all state agency rules are reauthorized except those that are specifically enumerated to be repealed in annual legislation.

Committee Action

The Committee met with various state agencies throughout the year regarding specific rules of concern to Committee members and citizens. In most cases, agency representatives agreed to make changes requested by the Committee and filed those changes with the Division of

ADMINISTRATIVE RULES REVIEW COMMITTEE

Administrative Rules. With a rule agencies chose not to change, or agreed to change but never filed with the division, the Committee members decided they would vote to reauthorize the rule or consider the rule for nonreauthorization when preparing its annual sunset legislation.

The Committee planned to discuss this issue at its January 14, 2002 meeting and recommend legislation "Reauthorization of Administrative Rules."

FOSTER PARENT REQUIREMENTS GOVERNING CONCEALED FIREARM PERMIT HOLDERS

Background

The Committee heard testimony from an individual who claimed that the DCFS (Division of Child and Family Services) was interpreting R501-12-8, a foster care licensing rule, to deny his right to be both a concealed firearm permit holder and a foster parent. Representatives of DCFS stated that the rule, which requires that a firearm in the home be locked and inaccessible when the foster child is in the home, was intended to ensure the safety of foster children and foster parents.

Committee Action

Members of the Committee expressed concern that DCFS rule unduly restricted the rights of concealed firearm permit holders and requested that the agency examine the rule and report back to the Committee.

The agency's report included proposed changes to the rule, but when asked for assurance that the concealed firearm permit holder would receive a license to be a foster parent, an agency representative stated that it was her understanding that the license had been formally denied based on factors unrelated to the concealed firearm permit issue. Committee members urged both parties to resolve the issue before it entered litigation.

Committee staff was directed to research encroachments on the rights of concealed firearm permit holders in state administrative rule. Staff presented research indicating that there were several instances in which agency rules

impacting concealed firearm permit holders were more restrictive than state statute.

The Committee considered this issue at its May 8, May 29, July 16, and December 11, 2001 meetings. The Committee planned further discussion in its January 14, 2002 meeting.

LIMIT ON NUMBER OF FOSTER AND NATURAL CHILDREN

Background

Division of Child and Family Services rule R501-12-6(B)(2)(d) restricts the combined number of foster and natural children in a home to six. Some Committee members stated that restrictions on the number of children in a foster home should be based on the capability of the parents in each individual case. Agency representatives referred to the existing variance process designed to address individual circumstances, defended the setting of the six-child limit, and suggested that the Legislature had the authority to alter the limit by legislation.

Committee Action

The Committee requested that agency representatives examine the rule and report back to the Committee. The agency report supported the current limit and the variance process.

The Committee considered the issue at its August 28 and November 20, 2001 meetings and voted not to reauthorize R501-12-6(B)(2)(d).

RULES OF THE JUDICIAL CONDUCT COMMISSION

Background

The Committee was requested to examine possible conflicts between the rules of the Judicial Conduct Commission and state statutes as well as the Utah Constitution, because of rules that appeared to exceed statutory or constitutional limits. A representative of the Judicial Conduct Commission agreed that the Commission's rules should be examined carefully to bring them into compliance with the law.

ADMINISTRATIVE RULES REVIEW COMMITTEE

Committee Action

Staff was directed to review the rules of the Judicial Conduct Commission and prepare a list of those rules that conflict with statute or the Constitution.

The Committee reviewed this issue at its November 20 and December 11, 2001 meetings. The Committee planned further discussion in its January 14, 2002 meeting.

OTHER STUDIES

Broad and Specific Grants of Statutory Authority to Make Rules

The Committee heard testimony from an attorney who stated that the courts give deference to statutes that grant specific rulemaking authority in comparison to statutes that contain broad, general grants. He recommended that specific rulemaking authority not be granted. Staff stated that abuse of broad grants of authority in years past led the Legislature to use specific grants as a check on the power of executive branch agencies.

The Committee directed staff to research the Legislature's granting of broad and specific grants of statutory authority to make rules. Staff completed and presented its findings.

The Committee considered the issue in its April 24 and May 29, 2001 meetings. The Committee planned further discussion in its January 14, 2002 meeting.

BUSINESS AND LABOR INTERIM COMMITTEE

BUSINESS AND LABOR INTERIM COMMITTEE

Membership

Sen. Dan R. Eastman, Senate Chair
Rep. Katherine M. Bryson, House Chair
Sen. Curtis S. Bramble
Sen. Gene Davis
Sen. Parley G. Hellewell
Sen. Ed P. Mayne
Sen. L. Steven Poulton
Rep. Gerry A. Adair
Rep. Roger E. Barrus
Rep. Cindy Beshear
Rep. Jackie Biskupski
Rep. David Clark
Rep. Greg J. Curtis
Rep. Carl W. Duckworth
Rep. Ben C. Ferry
Rep. Thomas V. Hatch
Rep. Brad King
Rep. Karen W. Morgan
Rep. Brent D. Parker

Staff

Ms. Mary Catherine Perry, Research Analyst
Ms. Patricia Owen, Associate General Counsel
Ms. Jennifer Markham, Legislative Secretary

COMMITTEE OVERVIEW

The Business and Labor Interim Committee considers issues relating to the interests of business owners, employees, and consumers. Safeguarding these interests involves balancing the need for appropriate regulation with the need to foster a healthy economy by avoiding unnecessary governmental interference in free enterprise.

The Committee has legislative responsibility for six departments and commissions: the Alcoholic Beverage Control Commission, the Department of Alcoholic Beverage Control, the Department of Commerce, the Department of Financial Institutions, the Department of Insurance, and the Labor Commission. In 2001, the Legislative Management Committee voted to move issues related to Community and Economic Development from

the Business and Labor Interim Committee to the Workforce Services and Economic Development Interim Committee.

Issues addressed by the Committee in recent years include motor fuel marketing, regulation of alcoholic beverages, regulation of construction activities, business assistance and recruitment programs, consumer credit reporting, economic and fiscal impacts of the 2002 Olympic Winter Games, workers' compensation, anti-discrimination, consumer protection, professional licensing, and real estate activities.

ALCOHOLIC BEVERAGE FUNDS

Background

The Legislature, by statute, shall annually appropriate from the General Fund, to municipalities and counties, an amount up to \$4,350,000 generated by liquor control profits and the beer excise tax. Municipalities and counties may use the funds for purposes including prevention, treatment, detection, and prosecution of violations in which alcohol is a contributing factor.

Committee Action

The Committee received information from the Governor's Council on Driving Under the Influence, Utah Substance Abuse and Anti-Violence Coordinating Council, and representatives from cities and counties. The Committee considered legislation that modifies annual appropriation amounts, determines how funds are distributed, and provides a mechanism to suspend payments if it is found that a municipality or county is not using the monies for the specified purposes.

The Committee considered this issue at its May and November 2001 meetings and recommended legislation "Funding Formula for Alcohol Related Activities of Local Governments."

FAIR CREDIT REPORTING

Background

Fair Credit Reporting activities are regulated to a great

BUSINESS AND LABOR INTERIM COMMITTEE

degree by federal law. However, several states have enacted various laws in the area of credit reporting. In Utah, the subject of consumer credit reporting is a recurring topic of study for the Legislature, appearing in the Master Study Resolution the last 3 years.

Committee Action

The Committee studied several issues related to consumer credit reporting including notification of negative entries in a consumer's credit history, procedures for correcting inaccurate information, costs of credit reports, and the use of credit scoring by insurance companies for consumers' insurance eligibility. Representatives from credit reporting agencies, consumer credit counseling services, the Insurance Department, and various sectors of the insurance industry appeared before the Committee to provide information to Committee members.

The Committee considered legislation that would enact the Utah Consumer Credit Reporting Act. The legislation requires a notice be sent to a consumer when a negative entry is made in their credit history, provides that consumers may obtain a free copy of their credit report under certain circumstances, and provides for a consumer's right to file actions in court.

The Committee studied these issues at its June, July, October, and November 2001 meetings but did not recommend legislation.

REGULATION OF CONSTRUCTION SERVICES

Background

In 2001, the Committee studied several issues related to regulation of construction services including the creation of a new Division of Construction Services in the Department of Commerce and prompt payment of subcontractors in construction projects.

Currently, DOPL (Division of Occupational and Professional Licensing) regulates licensees in the construction industry. However, some members of the construction industry argue that, although DOPL's administration is supportive and competent, its regulatory

power is insufficient to deal with the broad spectrum of issues that arise in the area of construction services. Industry representatives argue that there needs to be a more focused and specialized division with a policy making board.

Committee Action

The Committee considered legislation that would create a Division of Construction Services and a Construction Services Commission as its policy making board.

The Committee also considered legislation that would enact the Utah Construction Contracts Prompt Payment Act. The legislation outlines several requirements related to construction projects including requiring progress payments on certain construction contracts, requiring prompt payment by the owner upon completion of work, and requiring prompt payment by the contractor to subcontractors and suppliers.

The Committee considered these issues at its July and November 2001 meetings and recommended legislation "Utah Construction Contracts Prompt Payment Act."

OTHER STUDIES

Business Recruiting

The Committee studied issues related to national business recruiting in Utah including an update on the Utah Technology Alliance (formerly the Utah Silicon Valley Alliance) and industry-specific recruiting programs. The Department of Community and Economic Development and the Economic Development Corporation of Utah provided information to the Committee on their activities in this area as well as how efforts are coordinated between the two organizations. The Committee considered this issue at its September meeting but did not recommend legislation.

Mobile Home Parks

In response to several pieces of legislation introduced during the 2001 General Session and three Master Study Resolution items, the Committee studied issues related to mobile home parks. The Committee's study included

BUSINESS AND LABOR INTERIM COMMITTEE

receiving input from mobile home park owners and residents regarding (1) procedures for mobile home park rulemaking, (2) change of use of property in mobile home parks by park owners, and (3) arbitration and mediation alternatives for addressing issues in mobile home parks. The Committee considered this issue at its May 2001 meeting but did not recommend legislation.

OCCUPATIONAL AND PROFESSIONAL LICENSURE REVIEW COMMITTEE

Membership

Sen. David L. Gladwell, Senate Chair
Rep. Glenn L. Way, House Chair
Sen. Gene Davis
Sen. John L. Valentine
Rep. Carl W. Duckworth
Rep. Thomas V. Hatch
Mr. Brian Allen
Mr. Phil Hancock
Mr. Reed Mackley
Mr. Stan Nielson
Mr. Bert Smith
Mr. Noel Williams

Staff

Ms. Mary Catherine Perry, Research Analyst
Mr. Keith M. Woodwell, Associate General Counsel
Ms. Cassandra Bauman, Legislative Secretary

Background

During the 1999 General Session, the legislature created the Occupational and Professional Licensure Review Committee to review applications from occupational groups seeking statutory regulation through formal licensure. The Committee meets on an as-needed basis to review applications as they are submitted to the Legislature. After holding a public hearing and receiving public testimony, the Committee votes to recommend or not recommend licensure for the occupation or profession under consideration.

Committee Action

The Committee reviewed applications from two groups seeking licensure: professional geologists and professional direct-entry midwives.

The Committee voted to recommend licensure of direct-entry midwives. A motion to not recommend licensure of geologists failed on a tie vote and the Committee took no further action.

The Committee discussed this issue at its October and November 2001 meetings.

EDUCATION INTERIM COMMITTEE**Membership**

Sen. Howard A. Stephenson, Senate Chair
Rep. Marda Dillree, House Chair
Sen. D. Chris Buttars
Sen. Karen Hale
Sen. David H. Steele
Sen. Alicia L. Suazo (as of 9/12/01)
Sen. Pete Suazo (passed away 8/20/01)
Sen. Michael G. Waddoups
Sen. Bill Wright
Rep. Jeff Alexander
Rep. Duane E. Bourdeaux
Rep. Afton B. Bradshaw
Rep. Judy Ann Buffmire
Rep. Margaret Dayton
Rep. James A. Ferrin
Rep. James R. Gowans
Rep. Bradley T. Johnson
Rep. Merlynn T. Newbold
Rep. Loraine T. Pace
Rep. J. Morgan Philpot
Rep. LaWanna Shurtliff
Rep. Matt Throckmorton
Rep. A. Lamont Tyler

Staff

Ms. Constance C. Steffen, Research Analyst
Mr. Dee S Larsen, Associate General Counsel
Ms. Wendy Bangerter, Legislative Secretary

COMMITTEE OVERVIEW

The Committee provides oversight of and recommends policy relating to the state systems of public and higher education. In 2001, much of the Committee's time was spent in preparation for the 2001 First Special Session, during which the Legislature considered and passed a bill creating the Utah College of Applied Technology within the state system of higher education.

ANNUAL REPORTS TO THE LEGISLATURE**Background**

As provided by law, the Legislature annually receives nearly three dozen education reports. Typically, when a new educational program is created, a reporting requirement is inserted in the law to enable the Legislature to monitor the effectiveness of the program. Many of the reports are required to be made annually, so, over time, the number of reporting requirements in the law multiplies.

Committee Action

The Committee reviewed the statutorily required annual education reports to the Legislature to determine which reports should be eliminated.

The Committee considered this issue at its September and November, 2001 meetings and recommended legislation "Annual Reports Given to the Legislature."

APPLIED TECHNOLOGY EDUCATION**Background**

In the 2001 General Session, legislation was introduced to change the structure and governance of the applied technology education system. The legislation did not pass.

Committee Action

The Committee reviewed and received testimony on proposed legislation to create within the state system of higher education the UCAT (Utah College of Applied Technology). Within UCAT are 10 regional applied technology colleges whose function is to provide applied technology education at no cost to secondary students within a regional college's jurisdiction and at low cost to adult students. In addition to preparing students for specific employment in business and industry, UCAT is authorized to offer a competency-based associate of applied technology degree that may be transferred to other institutions of higher education.

The Committee considered this issue at its April, May, and June 2001 meetings but did not recommend legislation. The Legislature passed H.B. 1003, "Applied Technology Education Governance," in the 2001 First Special Session.

EDUCATION INTERIM COMMITTEE

HEALTH INSURANCE FOR SCHOOL DISTRICT EMPLOYEES

Background

Increases in legislative appropriations for public education often do not result in proportionate increases in teachers' salaries. One reason is because rising health insurance costs are consuming a greater portion of school districts' budgets.

Local school boards contract with PEHP (Public Employees Health Plan), a mutual insurance association for educators, or private companies to provide health insurance for their employees. Legislation was introduced in the 2001 General Session to modify PEHP by including school district employees in the state employee risk pool. The proposal was intended to lower health insurance costs of school districts by allowing them to spread their health cost risks over a much larger pool of participants. Committee staff presented background information on trends in health insurance costs, the PEHP risk pools, and advantages and disadvantages of mandatory risk pooling. Although some school district employees testified in favor of including all school employees in the PEHP state employee risk pool, most teachers and administrators supported local control in selecting a health insurance provider.

Committee Action

The Committee considered this issue at its July 2001 meeting but did not recommend legislation.

NEEDS OF ENGLISH LANGUAGE LEARNERS

Background

The primary language of more than 40,000 Utah public school students is a language other than English. Many schools are unable to provide adequate services to students who have limited proficiency in speaking, reading, or writing English. Legislation enacted in the 2001 General Session directed the State Board of Education to form a committee to study the needs of English language learners. The State Office of Education summarized for the Committee an evaluation of services for English language learners in Utah school districts conducted by the U.S. Department of Education, Office of Civil Rights.

The Office identified deficiencies in nine school districts. The deficiencies cited include:

- an inadequately trained staff
- the over representation of English language learners in special education programs
- the under representation of English language learners in gifted and talented programs
- the inability to demonstrate that the program for English language learners is based on sound teaching strategies
- the absence of a system for tracking the academic accomplishments of current and former English language learners

The State Board of Education's committee that was organized to study the needs of English language learners recommended the following:

- develop an Alternative Language Services Master Plan for the state
- allocate \$4 million to develop and implement the plan and \$2 million to train teachers on strategies for educating English language learners
- move Alternative Language Services funding from the Special Populations Block Grant and reestablish it as a categorical line item
- evaluate the effectiveness of teacher preparation programs in preparing teachers to meet the educational needs of English language learners
- continue the work of the English language learners study committee

Committee Action

The Committee considered this issue at its October and November 2001 meetings but did not recommend legislation.

OTHER STUDIES

Computers for Schools Program

Utah Correctional Industries refurbishes computers donated by state agencies and businesses and sells them to public schools. Although existing law requires the Computers for Schools program to be self-supporting, the program is operating at a loss. School districts generally prefer to purchase new computers rather than paying the

full cost of a refurbished computer. Utah Correctional Industries notified the Committee that unless it receives an appropriation to subsidize the cost of equipment and supplies necessary to refurbish donated computers, the Computers for Schools program will be terminated. The Committee considered this issue at its September 2001 meeting and directed staff to send a letter to the Office of Planning and Budget, Office of the Legislative Fiscal Analyst, and Public Education Appropriations Subcommittee requesting that the program be continued.

Impact of School Closures on School Choice

Due to declining enrollment, the Salt Lake City School District Board of Education decided to close three elementary schools. Schools targeted for closure had a high number of school-choice students. These are students whose parents have elected to enroll them in a school other than their neighborhood school. Many of the parents of school-choice students were fearful that closing the three elementary schools would seriously limit opportunities for school choice in the Salt Lake City School District. The Committee considered this issue at its May 2001 meeting but did not recommend legislation.

School Uniforms

Utah law allows local school boards or principals to require public school students to wear uniforms if a majority of parents and guardians of students voting in an election vote in favor of students wearing uniforms. The law also provides that a principal shall exempt a student from wearing a uniform upon request of the student's parent or guardian.

A school principal urged the Committee to remove the exemption from wearing school uniforms. She explained that students were pressuring their parents to ask for the exemption, and the benefits of having a school uniform policy is diminished when many students are exempt from wearing uniforms. The Committee considered this issue at its September 2001 meeting and recommended legislation "School Uniform Amendments."

Standardized Accounting

In 1996 and 2000, the Office of the Legislative Auditor

General audited textbook expenditures of school districts. In each audit, the auditors found that some school districts were not able to determine how they spent supplemental appropriations for textbooks. The auditors recommended that accounting practices of school districts be standardized so that each district can account for supplemental funds appropriated by the Legislature.

In response to the auditors' recommendations, the State Office of Education and school districts developed new reporting and accounting procedures so that complete and comparable data on the expenditure of school funds may be obtained. The State Office of Education noted that, if the Legislature so desires, schools can provide more detailed accounting and reporting of how school funds are spent; however, more detailed accounting may be more costly. The Committee considered this issue at its November 2001 meeting but did not recommend legislation.

Textbook Needs

Legislation enacted in the 2001 General Session requires the State Board of Education to design and implement a statewide plan to provide for an adequate supply of textbooks for public school students. In accordance with the legislation, the State Office of Education developed a model to estimate the amount of money needed for textbooks annually. The State Office of Education estimates that school districts statewide will need \$22 - \$25 million annually for an adequate supply of textbooks. Historically, school districts' textbook spending has averaged less than \$15 million annually, which means an additional \$7 - \$10 million would be needed each year. The Committee considered this issue at its November 2001 meeting but did not recommend legislation.

ENHANCEMENT OF PUBLIC EDUCATION TASK FORCE

Membership

Sen. Howard A. Stephenson, Senate Chair

Rep. Matt Throckmorton, House Chair

Sen. David L. Gladwell

Sen. Paula F. Julander

EDUCATION INTERIM COMMITTEE

Sen. Millie M. Peterson
Sen. Carlene M. Walker
Sen. Bill Wright
Rep. Margaret Dayton
Rep. Marda Dillree
Rep. Bradley T. Johnson
Rep. Patricia W. Jones
Rep. Karen W. Morgan
Rep. Gordon E. Snow
Ms. Janet A. Cannon
Ms. Joyce W. Richards

Staff

Ms. Constance C. Steffen, Research Analyst
Mr. Dee S Larsen, Associate General Counsel
Ms. Wendy Bangerter, Legislative Secretary

Background

Legislation was enacted in the 2001 General Session creating the Enhancement of Public Education Task Force, which over a 2-year period has the duty to review and make recommendations on:

- the ability of schools and school districts to comply with legislative and State Board of Education mandates
- the purpose, function, roles, responsibilities, and operational costs of the State Office of Education
- the ability of the State Office of Education to enforce state laws and State Board of Education rules and to verify how school districts use state and federal monies
- any other matter the Task Force identifies to be important to enhance the state's public education system

The focus of the Task Force in its first year was to examine the ability of school districts and schools to comply with mandates in state law and State Board of Education rules. Local school board members, school administrators, teachers, and the State Board and Office of Education were requested to identify mandates that should be modified or eliminated. During the eight meetings held by the Task Force, members of the education community presented their suggestions to the Task Force.

Mandates that were targeted for elimination were those which are inadequately funded, time-consuming to administer, or otherwise not cost-effective.

Committee Action

The Task Force was also asked to consider removing requirements related to former categorical funding programs that are now consolidated into block grants. Among the mandates the Task Force decided to eliminate are:

- requirements to submit plans or applications to the State Board of Education to access money for educational technology, school nurses, alternative middle schools, career ladders, extended year programs, and the Incentives for Excellence matching fund program
- reporting of high school extracurricular activities that occur during the normal school day
- requirements to prepare SEPs (Student Education Plans) and SEOPs (Student Education/Occupation Plans)
- requirements pertaining to the planning, design, and construction of school buildings

The Task Force determined the state core curriculum should be modified so that it is aligned with tests administered under U-PASS (Utah Performance Assessment System for Students).

The Task Force recommended the following legislation:

- "State Board of Education Rules and Reports"
- "Repeal of Education Mandates and Programs"
- "Student Education Plans"
- "Core Curriculum Amendments"

STRATEGIC PLANNING FOR PUBLIC AND HIGHER EDUCATION COMMITTEE

Membership

Sen. David H. Steele, Senate Chair
Rep. David L. Hogue, House Chair
Sen. Millie M. Peterson
Sen. Howard A. Stephenson

Rep. Patrice M. Arent
Rep. Marda Dillree
Mr. Kim Burningham
Ms. Aileen Clyde
Ms. Maria Farrington
Mr. Jan Ferré
Mr. Val A. Finlayson
Ms. Cecelia Foxley
Dr. Joyce Gray
Dr. David M. Greene
Ms. Sal Jansson
Mr. Richard Kendall
Ms. Mary Kay Kirkland
Mr. Steven O. Laing
Dr. Anthony Morgan
Ms. Dolores Riley
Mr. Stephen Ronnenkamp
Ms. Phyllis Sorensen
Mr. Paul Sybrowsky

Staff

Ms. Constance C. Steffen, Research Analyst
Mr. James L. Wilson, Associate General Counsel
Ms. Wendy Bangerter, Legislative Secretary

Background

For more than 10 years, the Strategic Planning for Public and Higher Education Committee has continued to develop or review strategic plans for the state systems of public and higher education. The Committee also identifies issues of critical concern not addressed in each system's strategic plan.

In 2001, the Committee examined the adequacy of adult education programs in the state. Both public agencies and the private sector provide education and training for adults. State agencies that have a role in adult education include the State Office of Education, state colleges and universities, and the Department of Workforce Services.

Committee Action

The Committee addressed various concerns related to adult education, including a lack of coordination among agencies responsible for adult education and inadequate services for adults who do not speak English.

The Committee made suggestions for a resolution to be introduced in the next General Session designating a week in 2002 as "Adult Lifelong Learning and Literacy Week."

Following an explanation by the State Office of Education on how U-PASS (Utah Performance Assessment System for Students) may affect adult students, the Committee supported a proposal to accept the GED (General Educational Development) Test as an alternative to the Basic Skills Competency Test.

The Committee considered these issues at its June and September 2001 meetings but did not recommend legislation.

GOVERNMENT OPERATIONS INTERIM COMMITTEE

GOVERNMENT OPERATIONS INTERIM COMMITTEE

Membership

Sen. John W. Hickman, Senate Chair
Rep. Craig W. Buttars, House Chair
Sen. Ron Allen
Sen. Lyle W. Hillyard
President Al Mansell
Sen. Millie M. Peterson
Rep. Eli H. Anderson
Rep. Ron Bigelow
Rep. DeMar Bud Bowman
Rep. Don E. Bush
Rep. Neil A. Hansen
Rep. Neal B. Hendrickson
Rep. Peggy Wallace
Rep. Bradley A. Winn

Staff

Mr. John Q. Cannon, Research Analyst
Mr. John L. Fellows, Associate General Counsel
Ms. Alicia M. Laughlin, Legislative Secretary

COMMITTEE OVERVIEW

The Government Operations Interim Committee considers a broad range of issues, including elections, campaign finance, ethics, personnel, boards and commissions, and administrative services. The Committee considers policy questions with statewide implications, receives testimony from concerned groups and state agencies, and makes recommendations to the Legislature. While not all of the issues mentioned above were directly studied during the Interim, many of these issues are still expected to be debated, and legislation impacting these areas will probably be introduced during the 2002 General Session.

The Committee has legislative responsibility for several departments and agencies of state government, including Governor, Lieutenant Governor, Attorney General, Utah State Auditor, Utah State Treasurer, Governor's Office of Planning and Budget, Department of Administrative Services, and the Department of Human Resource

Management. The Committee also has primary responsibility for the following titles of the *Utah Code*: Title 20A, Election Code; Title 36, Legislature; Title 63, State Affairs in General; Title 63A, Administrative Services; and Title 67, State Officers and Employees.

BOARDS AND COMMISSIONS

Background

There are approximately 400 boards and commissions in Utah, including several types of boards with differing authority. Included in this number are approximately 160 policy boards, 160 advisory boards, 65 licensing boards, and 12 nominating committees. Policy boards set state policy while advisory boards make recommendations to policy makers. Licensing boards have an advisory role and manage occupational licensing in the state. Nominating committees nominate individuals for various volunteer and full-time positions in state government.

Committee Action

The Committee reviewed a number of boards and commissions, examining the purposes, costs, and possible elimination or consolidation of certain boards and commissions, with a focus on advisory boards. The Committee also studied the issue of advise and consent as it relates to boards and commissions.

The Committee considered these issues at its May, July, September, October, and November 2001 meetings and recommended the following legislation: "Repeal of Investment Advisory Committee," "Repeal of National Guard Advisory Board," "Repeal of Health Benefit Plan Committee," "Repeal of Environmental Quality Coordinating Committee," "Repeal of State Advisory Planning Committee," "Repeal of Utah Occupational Safety and Health Advisory Council," "Repeal of Human Resource Advisory Committee," "Repeal of Medical Examiner Committee," "Repeal of Local Government Information Technology Review Committee," "Utah Substance Abuse and Antiviolence Coordinating Council Amendments," and "Revisions to Senate Advise and Consent Powers."

GOVERNMENT OPERATIONS INTERIM COMMITTEE

ELECTION LAW

Background

The Elections Office, county clerks, advocates for persons with disabilities, and other interested parties presented testimony to the Committee concerning possible changes to the election code. The discussion included the following election law issues: provisional ballots, certification and testing of voting equipment, overseas and military voting, and voting for persons with disabilities.

Committee Action

The Committee considered legislation that would allow voters to vote a provisional ballot, change requirements for overseas and military voters, and require voting equipment in the state to be certified.

The Committee considered these issues at its May, July, and November 2001 meetings and recommended the following legislation: "Provisional Ballot," "Certification and Testing of Voting Equipment," and "Overseas and Military Voters Amendments."

OTHER STUDIES

Campaign Finance, Ethics, and Lobbyist Disclosure

The Committee reviewed and discussed current Utah law and legislative rules governing campaign finance, ethics, and lobbyist disclosure. The Committee considered these issues at its May 2001 meeting but did not recommend legislation.

Campaign Fund Checkoff Monies

The Committee discussed the issue of distributing monies to political parties from the checkoff on Utah state income tax forms. The issue focused on the existing practices of distributing these monies and on the requirements of the statute. The Committee considered this issue at its July and October 2001 meetings and recommended legislation "Election Campaign Fund Checkoff Amendments."

Debt Collection

The Committee discussed the statutory responsibilities and powers of the Office of State Debt Collection and

heard a proposal to modify its powers. The Committee considered this issue at its November 2001 meeting but did not recommend legislation.

One-Stop Shopping for Commercial Vehicle Registration

The Committee heard reports and discussed efforts to modify commercial vehicle registration in the state, particularly concerning efforts to create a "one-stop shopping" concept. The Committee received reports on this issue from the Department of Transportation, State Tax Commission, Utah Trucking Association, and others. The Committee considered this issue at its June, July, September, and November 2001 meetings but did not recommend legislation.

Performance Audit of the Utah Veterans' Nursing Home Transfer

The Committee heard a report concerning the transfer of the Utah Veterans' Nursing Home from the Utah Department of Health to the Utah National Guard and the needs associated with this transfer. The Committee considered this issue at its September 2001 meeting but did not recommend legislation.

Seismic Safety

The Committee heard a progress report from the Utah Seismic Safety Commission concerning its activities and other issues relating to earthquake safety in the state. The Committee considered this issue at its April 2001 meeting but did not recommend legislation.

HEALTH AND HUMAN SERVICES INTERIM COMMITTEE

HEALTH AND HUMAN SERVICES INTERIM COMMITTEE

Membership

Sen. Terry R. Spencer, Senate Chair
Rep. Carl R. Saunders, House Chair
Sen. D. Edgar Allen
Sen. Peter C. Knudson
Rep. Patrice M. Arent
Rep. Trisha S. Beck
Rep. Glenn A. Donnelson
Rep. Wayne A. Harper
Rep. Bryan D. Holladay
Rep. Patricia W. Jones
Rep. David Litvack
Rep. Rebecca D. Lockhart
Rep. Carol Spackman Moss
Rep. Paul Ray
Rep. Jack A. Seitz
Rep. Mike Thompson
Rep. Glenn L. Way

Staff

Mr. Mark D. Andrews, Research Analyst
Ms. Catherine J. Dupont, Associate General Counsel
Mr. Paul W. Hess, Associate General Counsel
Ms. Sandra Wissa, Legislative Secretary

COMMITTEE OVERVIEW

The Health and Human Services Interim Committee considers a wide range of issues. In addition to dealing with public health issues like smoking, immunizations, and AIDS testing, the Committee considers topics related to mental health, aging, child abuse, substance abuse, health insurance, health facility and occupational licensing, adoption, abortion, sex offenses, and family law. The Committee provides oversight to many of the programs carried out by the Department of Health and the Department of Human Services.

ADULT PROTECTIVE SERVICES

Background

The Division of Aging and Adult Services within the Department of Human Services has been working on an update of the adult protective services statutes. This project has mirrored attempts in other states to ensure appropriate policies are in place to deal with the concerns of an aging population.

Committee Action

The Committee considered draft legislation reflecting the recommendations of the Division.

The Committee considered this issue at its June, September, and November 2001 meetings and recommended legislation "Adult Protective Services Amendments."

GENETIC DISCRIMINATION

Background

Numerous states have adopted legislation regulating the acquisition or use of genetic information. The Utah Legislature has considered genetics legislation during three of the four most recent general sessions.

Committee Action

The Committee considered a proposal to require informed consent prior to obtaining a genetic test and to limit the use of genetic information by health insurers.

The Committee considered this issue at its July, October, and November 2001 meetings and recommended legislation "Genetic Privacy and Discrimination."

OTHER STUDIES

DUI Treatment

The Committee considered draft legislation that would expand the duties of local substance abuse authorities to include services to people convicted of driving under the influence and authorize the use of proceeds from DUI penalties to fund those services. The Committee

HEALTH AND HUMAN SERVICES INTERIM COMMITTEE

considered this issue at its November 2001 meeting and recommended legislation "Local Substance Abuse Authority Amendments."

Emergency Medical Services

The Committee considered a proposal to modify the recently recodified Emergency Medical Services Systems Act. The proposal was designed to address concerns raised by municipalities wanting to provide ambulance service to newly annexed areas already covered by an exclusive provider license. The Committee considered this issue at its May 2001 meeting but did not recommend legislation.

Long-Term Professional Development Programs for Disability Services

The Committee considered draft legislation that would appropriate monies to the Center for Persons with Disabilities at Utah State University for long-term training of supported employment personnel, interpreters for the deaf, and behavior support specialists. The Committee considered this issue at its May 2001 meeting but did not recommend legislation.

Reports to Interim Committee

The Committee considered whether to modify or eliminate reporting requirements associated with the more than 30 reports submitted periodically or on a one-time basis to the Committee. The Committee considered this issue at its April and July 2001 meetings and recommended legislation "Reports to Health and Human Services."

Sexual Violence Victim Assistance Programs

The Committee considered a proposal to increase funding for sexual violence victim assistance programs. The Committee considered this issue at its June 2001 meeting and recommended legislation "Appropriation for Sexual Violence Victim Assistance Programs."

ACCESS TO HEALTH CARE COVERAGE TASK FORCE

Membership

Sen. Peter C. Knudson, Senate Chair
Rep. Rebecca D. Lockhart, House Chair
Sen. D. Chris Butters
Sen. Paula F. Julander
Rep. Trisha S. Beck
Rep. James A. Ferrin
Rep. David Litvack
Rep. J. Morgan Philpot
Mr. Rod L. Betit
Mr. Merwin U. Stewart

Staff

Ms. Jami Moberger, Research Analyst
Ms. Catherine J. Dupont, Associate General Counsel
Ms. Jennifer Markham, Legislative Secretary

Background

During the 2001 General Session, the Legislature created the Access to Health Care Coverage Task Force to make recommendations for improving access to health insurance and basic medical services.

The Task Force recommended that the Legislature:

- (1) continue monitoring the use of a federal grant by the Department of Health to extend coverage for health care to the uninsured
- (2) monitor the status of a Department of Health proposal to seek a Medicaid waiver allowing primary care coverage of adults who do not currently qualify for Medicaid
- (3) reauthorize the Task Force

Committee Action

The Committee considered this issue at its November 2001 meeting and recommended legislation "Access to Health Care and Coverage Task Force."

HEALTH AND HUMAN SERVICES INTERIM COMMITTEE

CHILD WELFARE LEGISLATIVE OVERSIGHT PANEL

Membership

Sen. Dan R. Eastman, Senate Chair
Rep. Matt Throckmorton, House Chair
Sen. Gene Davis
Rep. Trisha Beck
Rep. Jack Seitz

Staff

Mr. Mark D. Andrews, Research Analyst
Mr. Paul W. Hess, Associate General Counsel
Ms. Cassandra Bauman, Legislative Secretary

Background

The Child Welfare Legislative Oversight Panel is a permanent oversight body created to study and recommend improvements to the state's system for responding to allegations of child abuse and neglect. The Panel develops and reviews recommendations and reports annually to the Health and Human Services Interim Committee.

During the 2001 General Session, the Legislature gave the Panel a special charge to study parents' rights in child welfare proceedings and child welfare workers' individual liability for job related decisions. The Panel reported on its work and presented draft legislation to the Committee addressing the following issues:

- (1) exceptions to the requirement to obtain a warrant prior to placing a child in the protective custody of the state
- (2) the role of the Attorney General in enforcing child welfare laws
- (3) the conditions for terminating a person's parental rights
- (4) immunity provisions for child welfare workers

Committee Action

The Committee considered this issue at its November 2001 meeting and recommended legislation "Immunity from Liability in Child Welfare Investigations."

PHYSICAL ACTIVITY AND NUTRITION SUBCOMMITTEE

Membership

Sen. Peter C. Knudson, Chair
Rep. Patricia W. Jones, Vice Chair
Rep. Bryan D. Holladay
Rep. Carol Spackman Moss
Rep. Mike Thompson

Staff

Mr. Mark D. Andrews, Research Analyst
Mr. Paul W. Hess, Associate General Counsel
Ms. Sandra Wissa, Legislative Secretary

Background

In response to state and national concern about the increasing prevalence of obesity, the Health and Human Services Interim Committee created a Subcommittee to consider the impact of poor nutrition and physical inactivity on the health and academic performance of school-aged children.

The Subcommittee recommended the following draft legislation to the Committee:

- (1) "Nutritional Foods in School," which regulates vending machine offerings in secondary schools
- (2) "Physical Fitness in Public Schools," which requires that schools provide a minimum of 90 minutes per week of structured physical education

Committee Action

The Committee considered this issue at its September and November 2001 meetings but did not recommend legislation.

TOBACCO SUBCOMMITTEE

Membership

Rep. Carl R. Saunders, Chair
Sen. D. Edgar Allen, Vice Chair
Rep. Trisha S. Beck

HEALTH AND HUMAN SERVICES INTERIM COMMITTEE

Rep. Rebecca D. Lockhart
Rep. Paul Ray

Staff

Mr. Mark D. Andrews, Research Analyst
Ms. Catherine J. Dupont, Associate General Counsel
Ms. Sandra Wssa, Legislative Secretary

Contraband Amendments," "Technical Amendments to Tobacco Settlement Trust Fund," "Tobacco Amendments," "Underage Possession of Tobacco Amendments," and "Use of Tobacco Settlement Interest Proceeds."

Background

Following a legislative session during which several significant pieces of tobacco legislation were considered, the Committee created the Tobacco Subcommittee to develop recommendations for improving state laws that address tobacco use, prevention, and cessation.

The Subcommittee recommended the following legislation:

- (1) "Cigarette Tax Stamp and Contraband Amendments," which imposes additional tobacco reporting requirements
- (2) "Minor's Exposure to Second Hand Smoke," which regulates smoking in motor vehicles
- (3) "Technical Amendments to Tobacco Settlement Trust Fund," which conforms statutory provisions to the Utah Constitution
- (4) "Use of Tobacco Settlement Interest Proceeds," which designates the use of unearmarked interest proceeds from the Tobacco Settlement Trust Fund
- (5) "Public School Survey Amendments," which modifies the provisions for obtaining parental permission prior to administering student surveys

Committee Action

The Committee considered the recommendations of the Subcommittee and reviewed other proposed tobacco legislation, including:

- (1) "Tobacco Amendments," which repeals the limit on the amount of tobacco settlement monies that may be used to prevent sales of tobacco to underage persons
- (2) "Underage Possession of Tobacco Amendments," which modifies the minimum penalty for underage possession of tobacco

The Committee considered these issues at its September, October, and November 2001 meetings and recommended legislation "Cigarette Tax Stamp and

INFORMATION TECHNOLOGY COMMISSION

Membership

Sen. David H. Steele, Chair
Rep. Richard M. Siddoway, Chair
Sen. Karen Hale
Sen. Scott K. Jenkins
Rep. Brent H. Goodfellow
Rep. Paul Ray
Mr. Daniel J. Becker
Mr. Joel J. Campbell (as of 7/18/01)
Mr. Ronald L. Fox
Mr. Cameron V. Francis
Mr. Peter R. Genereaux
Ms. Nancy CW Gibbs
Mr. Robert W. Hood
Mr. Garth Howard
Mr. Stephen F. Mecham
Mr. Leon Miller
Dr. Bonnie Morgan
Mr. Jerold G. Oldroyd
Mr. David A. Packer
Dr. Michael Petersen (through 6/30/01)
Dr. Phillip Windley
Dr. Gary S. Wixom (as of 7/01/01)

Staff

Mr. Richard C. North, Research Analyst
Mr. Robert H. Rees, Associate General Counsel
Ms. Junie G. Anderson, Legislative Secretary

COMMITTEE OVERVIEW

The Information Technology Commission was established in 1994 by the Utah Legislature to develop and coordinate information technology policy and budgets. The Commission has authority to study information technology issues and practices in all areas of state government including the legislative, executive, and judicial branches, as well as the education community.

The Commission reviews and studies information technology issues that affect the public and private sectors in Utah. Because information technology is an area of dynamic change without precedence or existing practices

to follow, the Commission has often been a pioneer in exploring the issues and, in the case of digital signatures, creating model legislation for other states and countries to follow.

Commission membership provides representation from state and local government, the private sector, and the business community. The private sector, public, and local government members may serve two 4-year terms. The members represent the interests of information technology providers, suppliers, and users.

CHIEF INFORMATION OFFICER

Background

The CIO (Chief Information Officer) is statutorily designated as the coordinator for the development and implementation of information technology in the State. In addition to the CIO, the Information Technology and Strategy Policy Committee and the Information Technology Executive Committee are statutorily required to review and approve information technology policy proposals. The CIO is proposing to eliminate those two bodies and vest all information technology acquisition approval in the CIO's office.

Committee Action

The Information Technology Commission heard testimony and received reports from the CIO.

The Commission considered this issue at its October 2001 meeting but did not recommend legislation.

DIGITAL BARRIERS

Background

In 1999, the Legislature began an ongoing project to review each agency's statutes to determine whether changes in the law were necessary for the use of new communication technologies. Each year since then, the Commission has reviewed four to six agencies and recommended statutory changes that would allow the agencies to use new communication technologies. In

INFORMATION TECHNOLOGY COMMISSION

2001, the Commission studied the Departments of Agriculture and Transportation.

Committee Action

The Information Technology Commission heard testimony and received reports from relevant agency directors.

The Commission considered this issue at its September and October 2001 meetings and approved legislation "Electronic Government Services Amendments - Agriculture," and Electronic Government Services - Transportation."

improved. The Information Technology Commission heard testimony and received reports from UEN and several of its subscribers.

Committee Action

The Commission considered this issue at its June and November 2001 meetings but did not recommend legislation.

INFORMATION SHARING - PRIVACY

Background

The State of Utah is proposing the development of a smart website that would enable users to more quickly browse and find the information they are seeking. In order to accomplish that goal, certain personal information is necessary to expedite the process.

Under existing law, certain personal information may be considered public and would have to be shared with any entity requesting access. Privacy surveys have indicated that the public is reluctant to give out personal information that will be openly shared. As a result, the State is proposing that personal information provided for the purpose of smart browsing be classified as private and not open to public inspection.

Committee Action

The Commission considered this issue at its September 2001 meeting and directed staff to prepare legislation "Private Records Amendments."

UTAH EDUCATION NETWORK

Background

The UEN (Utah Education Network) is a statutorily-authorized entity that provides specialized telecommunication services and programs to higher education and public education communities. The issue before the Commission is about the relationship between UEN and its subscribers, and how that connection may be

JUDICIAL RULES REVIEW COMMITTEE

Membership

Sen. Terry R. Spencer, Senate Chair
Rep. Greg J. Curtis, House Chair
Sen. Gene Davis (as of 9/28/01)
Sen. L. Steven Poulton
Sen. Pete Suazo (passed away 8/20/01)
Rep. Scott Daniels
Rep. Stephen H. Urquhart

Staff

Mr. Jerry D. Howe, Research Analyst
Ms. Esther D. Chelsea-McCarty, Associate General Counsel
Ms. Glenda S. Whitney, Legislative Secretary

COMMITTEE OVERVIEW

Article VIII, Section 4 of the *Utah Constitution* provides rulemaking authority to the Utah Supreme Court to adopt rules and manage the appellate process and rules of procedure and evidence. Article VIII, Section 12 of the *Utah Constitution* provides rulemaking authority to the Judicial Council for the administration of the courts. By a two-thirds vote, the Legislature may amend the rules of procedure and evidence promulgated by the Supreme Court. However, the Legislature has no constitutional authority to amend Judicial Council rules in the Code of Judicial Administration.

In the 1993 General Session, the Legislature enacted S.B. 11, "Judicial Rules Review Committee," which created a legislative forum to resolve conflicts between statutes developed by the Legislature and rules developed by the courts. Because it is often difficult to clearly distinguish between substantive and procedural aspects of the law, this legislative committee fulfills an important duty by fostering better communication and preventing infringement on the respective powers of the judiciary and the Legislature.

The Supreme Court has created six advisory committees representing civil procedure, criminal

procedure, evidence, juvenile procedure, appellate procedure, and professional conduct. These advisory committees formulate proposed rules or amendments to rules in their respective areas. The Judicial Rules Review Committee reviews and comments on the proposed rules or amendments to rules in these six areas as well as the Rules of Judicial Administration, which are promulgated by the Judicial Council. The Committee's primary focus is to identify whether these rules are substantive or procedural in nature and whether they conflict with statute.

2001 ACTIVITIES

Background

The Committee focused on the ongoing work of the Supreme Court's civil, criminal, appellate, juvenile procedure, and professional and judicial conduct advisory committees. Draft rules served as the source for committee discussion and action.

Committee Action

The Committee monitored potential changes and offered recommendations to the courts on certain rules.

The Committee considered these issues at its June 2001 meeting but did not recommend legislation.

JUDICIARY INTERIM COMMITTEE**Membership**

Sen. David L. Gladwell, Senate Chair
Rep. Glenn L. Way, House Chair
Sen. D. Edgar Allen
Sen. Millie M. Peterson
Sen. Terry R. Spencer
Sen. Michael G. Waddoups
Rep. Patrice M. Arent
Rep. Chad E. Bennion
Rep. Ron Bigelow
Rep. Katherine M. Bryson
Rep. Greg J. Curtis
Rep. Scott Daniels
Rep. James A. Ferrin
Rep. Ben C. Ferry
Rep. Neal B. Hendrickson
Rep. Eric K Hutchings
Rep. Mike Thompson
Rep. A. Lamont Tyler
Rep. David Ure

Staff

Mr. Jerry D. Howe, Research Analyst
Ms. Esther Chelsea-McCarty, Associate General Counsel
Ms. Glenda S. Whitney, Legislative Secretary

COMMITTEE OVERVIEW

The Judiciary Interim Committee serves as an important link for the three branches of state government in considering issues pertaining to the substantive rights of litigants and the administration of justice. The Committee oversees policy aspects of Utah's justice system, including the structure and administration of the courts.

The Committee's scope of policy oversight includes the jurisdictional powers associated with Utah's Justice Court, Juvenile Court, District Court, Court of Appeals, and Supreme Court. The Committee also has statutory oversight of certain programs delegated by the legislature to the Judicial Council, including Mandatory Education Course for Divorcing Parents, Alternative Dispute Resolution, and the Judicial Nominating Commissions.

PARENT TIME AMENDMENTS**Background**

Among the most difficult decisions a court makes include involving custody and enforcement of court ordered visitation. During the course of the Committee's review of divorce laws, it heard testimony that the parent time statutes have facilitated adequate visitation schedules being included in divorce decrees but that the enforcement of the court ordered visitation is still problematic. Indeed, many people testified before the Committee that they had spent substantial amounts of time and money obtaining a divorce decree that requires a specific visitation schedule that is virtually unenforceable because no sanctions are imposed for the wrongful denial of visitation. The Committee acknowledge the frustration people must feel when they are wrongfully denied court ordered visitation, but it was more concerned about the testimony it received regarding the difficulty people are experiencing in getting a court to enforce court ordered visitation schedules.

Committee Action

The Committee discussed this issue at its May, September, October, and November 2001 meetings and recommended legislation "Parent-time Amendments."

RELEASE OF CUSTODIAL AND NONCUSTODIAL PARENT'S ADDRESS, AND OFFICE OF RECOVERY SERVICES AMENDMENTS**Background**

It has been the policy of the Office of Recovery Services not to release the address of a divorced parent to the former spouse. This policy is based on reasonable assumptions, the Committee acknowledged that this policy has contributed to the ability of one parent to effectively deny the other court ordered visitation. The concern is that a parent moves, then intentionally fails to provide a forwarding address to the noncustodial parent, and then relies on the Office of Recovery Services to collect and forward any child support payments while the new address is kept confidential. Also of concern is the situation in which a person applies for services using false

JUDICIARY INTERIM COMMITTEE

information. The Committee thought that those who apply for services should be required to attest to the truthfulness of the information contained in the application. In an attempt to remain in compliance with federal law, protect the custodial parent's rights, and yet prevent the policies of the Office of Recovery Services from being used as a shield from following a court order, the Committee decided to amend state law on two levels: the first was to allow the Office of Recovery Services to release information under certain conditions, and the second was to require people applying for child support services to attest to the truthfulness of the information contained in their application.

Committee Action

The Committee discussed these issues at its May, September, October, and November 2001 meetings and recommended legislation "Release of Custodial or Noncustodial Parent's Address," and "Office of Recovery Services Amendments."

OTHER STUDIES

Hate Crimes

A crime committed against persons because the perpetrator holds extreme bias or hate is often referred to as a "hate crime." Hate crime legislation has received some discussion and debate in the Utah Legislature. In response to a Court of Appeals ruling that the current hate crime statute is unworkable, the Committee considered legislation to address the concerns of the court. The Committee considered alternatives to the statute, including several amendments and the statute's repeal. The issue was sufficiently divisive that neither a proposed amendment nor a repeal of the statute received a majority vote. The Committee considered this issue at its July and October 2001 meetings.

Judgment Lien Amendments

The Legislature passed H.B. 305, "Judgment Lien Amendments," 2001 General Session, with a delayed effective date of July 1, 2002. The bill requires that a judgment be recorded in the Office of the County Recorder before it can become a lien. Currently, judgments become liens when they are entered by the

court, but the issue is that there is no simple and effective way to search court records. The Office of the Court Administrator reported on its progress of creating a searchable computer program to overcome these concerns. The Committee considered this issue at its June 2001 meeting.

LAW ENFORCEMENT AND CRIMINAL JUSTICE INTERIM COMMITTEE

LAW ENFORCEMENT AND CRIMINAL JUSTICE INTERIM COMMITTEE

Membership

Sen. D. Chris Butters, Senate Chair
Rep. DeMar "Bud" Bowman, House Chair
Sen. Gene Davis
Sen. John W. Hickman
Sen. Alicia L. Suazo (as of 9/12/01)
Sen. Pete Suazo (passed away 8/20/01)
Sen. John L. Valentine
Rep. Douglas C. Aagard
Rep. Trisha S. Beck
Rep. Duane E. Bourdeaux
Rep. Patricia W. Jones
Rep. David Litvack (as of 10/24/01)
Rep. Rebecca D. Lockhart
Rep. Ty McCartney (through 10/24/01)
Rep. Loraine T. Pace
Rep. Brent D. Parker
Rep. Paul Ray
Rep. Jack A. Seitz
Rep. Matt Throckmorton

Staff

Ms. Chyleen A. Arbon, Research Analyst
Ms. Susan Creager Allred, Associate General Counsel
Ms. Alicia Laughlin, Legislative Secretary

COMMITTEE OVERVIEW

The Law Enforcement and Criminal Justice Interim Committee was established in 1997 to study issues related to law enforcement, criminal law, illegal drug activity, weapons, corrections, public safety, and the criminal justice system. In studying these issues, the Committee attempts to maintain a balance between public safety, victim rights, and offender accountability and rehabilitation.

The Committee's statutory oversight in this area includes law enforcement agencies, the courts, the Department of Public Safety, the Department of Corrections, the Division of Youth Corrections, the Utah Board of Pardons and Parole, the Youth Parole Authority, the Commission on

Criminal and Juvenile Justice, the Utah Sentencing Commission, the Utah Substance Abuse and Anti-Violence Coordinating Council, and Crime Victim Reparations.

The Committee's focus has been on increasing the efficiency and effectiveness of law enforcement agencies, the use of correctional and judicial resources, and crime prevention, as well as the reduction of drug-related crime and gun-related violence.

DCFS MANAGEMENT INFORMATION SYSTEM

Background

The Committee received information from a number of citizens who have experienced difficulties with the process of having been substantiated for a claim of child abuse by DCFS (Division of Child and Family Services). Substantiation includes placing the person's name on an agency list and could potentially prevent a person from working around children if the offense is serious enough. The statute governing this process has been revised every year for the past several years. Because of these various ad hoc revisions, legislators and citizens are unable to easily understand the current process.

Committee Action

The Committee considered legislation that makes several technical changes to make the statute easier to use and understand. The draft legislation also changes the process of substantiation of a claim of child abuse in order to provide more protection for those accused. The enhanced protection is provided by requiring that a finding of substantiation be determined by a preponderance of evidence by a committee of at least three division employees and by requiring the division to provide a greater opportunity for an appellate hearing before an administrative law judge before information about an alleged perpetrator can be included in the LIS (Licensing Information System). The bill also clarifies procedures for removing a person's name from the LIS if that person is vindicated by a court.

The Committee considered this issue at its June, September, October, and November 2001 meetings and

LAW ENFORCEMENT AND CRIMINAL JUSTICE INTERIM COMMITTEE

recommended legislation "DCFS Management Information System Amendments."

METHAMPHETAMINE PREVENTION AND TREATMENT

Background

Legislative staff, law enforcement officers, Division of Child and Family Services employees, and prevention and treatment specialists from the executive branch testified to the Committee regarding the magnitude of the methamphetamine problem in Utah and potential solutions.

The information presented indicated that women with dependent children abuse methamphetamine at a higher rate than any other target population. The federal government and other states have examined this issue and have determined that the solution requires a three-pronged approach: prevention, law enforcement, and treatment.

The information presented also indicated that Utah has done well to facilitate the most effective law enforcement response; however, the State lacks sufficient treatment resources. The Division of Substance Abuse recommended to: (1) develop four pilot projects statewide to provide treatment to women and their dependent children; (2) continue to develop treatment programs that require close collaboration between law enforcement and treatment such as drug courts, drug boards, and community-based treatment; and (3) expand the private provider market for substance abuse treatment.

Committee Action

The Committee considered this issue at its May, September, and October 2001 meetings but did not recommend legislation.

TRANSFER OF YOUTH SERVICES OVERSIGHT

Background

Currently, the Youth Services Programs are implemented by the Division of Child and Family Services. Youth who receive services in these types of programs are runaways or ungovernable. Legislation considered by the Committee

would transfer oversight of Youth Services Programs from the Division of Child and Family Services to DYC (Division of Youth Corrections); both divisions operate under the Department of Human Services. Both divisions and the department agree that the Youth Services Programs will receive more attention under DYC, and the transfer will complete the comprehensive continuum of services provided by DYC.

Opposition to the draft legislation comes from the Administrative Office of the Courts and legislators who are concerned that when Youth Services Programs are forced to compete for money with 24-hour secure care facility within DYC, funding for Youth Services Programs, which focus on prevention and early intervention, will be affected by the more urgent needs of housing serious youth offenders in secure care.

Committee Action

The Committee considered this issue at its June, September, and October 2001 meetings and recommended legislation "Transfer of Youth Services Oversight."

OTHER STUDIES

Law Enforcement Database Integration

The Committee studied the feasibility of and efficiencies gained by enabling state and local law enforcement agencies to share criminal justice information. However, in light of the current budget shortfall and the anticipated \$800,000 fiscal note attached to this project, the sponsor of the bill informed the Committee that he will hold the draft legislation. However, he encouraged the Committee to study the issue next year. The Committee considered this issue at its July and October 2001 meetings but did not recommend legislation.

Prohibiting Intimacy with Youth Receiving State Services

In the 2001 General Session, S.B. 4, "Prohibiting of Intimacy With Person in Custody," created criminal penalties for a correctional officer, law enforcement officer, or a probation and parole officer who engages in sexual conduct with an inmate, a person under arrest, or a

LAW ENFORCEMENT AND CRIMINAL JUSTICE INTERIM COMMITTEE

probationer or parolee. This year, the Committee considered legislation that would create similar penalties for employees of the Department of Human Services or employees of the juvenile court who engage in sexual conduct with a youth who is receiving state services. The Committee considered this issue at its September and October 2001 meetings and recommended legislation "Prohibiting Intimacy with Youth Receiving State Services."

Sex Offender Treatment

The Committee received information from the Department of Corrections, the Board of Pardons and Parole, and citizens regarding the inadequate amount of sex offender treatment offered at the prison. Currently, there are 959 sex offenders on the waiting list for treatment. However, of those offenders who have received treatment before release, only one offender has been returned to prison for a new sex offense or other crime. The Committee considered this issue at its October and November 2001 meetings and recommended that a request for a \$250,000 appropriation be submitted for sex offender treatment.

LEGISLATIVE PROCESS COMMITTEE**Membership**

Sen. Leonard M. Blackham, Senate Chair
Rep. Ron Bigelow, House Chair
Sen. D. Edgar Allen
Sen. Terry R. Spencer
Rep. Patrice M. Arent
Rep. Ben C. Ferry
Rep. Brent H. Goodfellow
Rep. Bradley T. Johnson

Staff

Mr. Stewart E. Smith, Managing Research Analyst
Mr. John L. Fellows, Associate General Counsel
Ms. Glenda S. Whitney, Legislative Secretary

COMMITTEE OVERVIEW

The Legislative Process Committee was created in 1991 and given responsibility for reviewing all legislative procedures, including (1) preparing the budget; (2) requesting, preparing, prefilling, and prioritizing legislation; (3) examining the role of standing and interim committees; (4) improving the rules governing floor actions; and (5) recommending alternative measures to meet the constitutional requirements for Utah's legislative process. The Committee recommends changes in these procedures to the Legislative Management Committee.

In previous years, the eight member Legislative Process Committee was increased by four members from the community at large as it conducted its annual in-depth budget review of a state government agency. Resulting from the passage of legislation recommended by the Legislative Process Committee in the 2001 General Session, the 2001 Interim was the first where this in-depth budget review was not conducted by the Legislative Process Committee. The responsibility for conducting these reviews now rests with the Joint Executive Appropriations Committee. It assigns a review to an appropriate appropriations subcommittee that can recommend reductions or deletions to the budget of the agency and report its recommendations back to the Joint Executive Appropriations Committee.

COMMITTEE NOTES ON BILLS**Background**

Legislative Joint Rule 4.22 requires the Director of the Office of Legislative Research and General Counsel to note on any bill passed out of an interim committee, whether the bill is passed out with or without the committee's recommendation. This committee note must be printed on the bill. In 1993, the Office of Legislative Research and General Counsel sought clarification from the Research and General Counsel Subcommittee on which committees should be considered "interim committees." The subcommittee suggested that since task forces often report to another interim committee, and some other committees and commissions may have non-legislative members, that only "traditional interim committees" with third-Wednesday meetings should have committee notes on their bills.

Of the 33 committees meeting during the 2001 Interim with membership appointed by legislative leadership, only 13 are authorized to have a committee note placed on a bill. Of the remaining 20 committees not currently authorized to have a committee note on their bills, 9 have some non-legislative members, and 11 have all legislative members. The Committee discussed the following issues: (1) clarity of which committees may place a note on a bill, (2) fairness in the criteria used to select the committees, and (3) committee advocacy shown by some committees for the programs and agencies they review.

As the Committee discussed which committees appointed by legislative leadership should be authorized to place committee notes on bills, the following options were discussed: (1) all committees or all joint committees on which legislators serve, whether or not non-legislative members also serve; (2) only joint committees on which there are only legislative members; (3) only those "traditional" third-Wednesday interim committees; or (4) a specified list of committees, commissions, and task forces. The Legislative Process Committee favored notes on the bills of all interim committees with legislative members appointed by legislative leadership. Committees with mixed legislative and non-legislative membership would

LEGISLATIVE PROCESS COMMITTEE

show the vote of the legislative members of that committee.

Committee Action

The Committee considered this issue at its June, August, and October 2001 meetings and recommended legislation "Rules Resolution - Committee Notes on Bills."

INITIATING LEGISLATIVE SPECIAL SESSIONS

Background

Thirty-one states have granted their legislatures the power to call themselves into special session without the consent of the governor. Utah is 1 of 19 states where only the governor may call a legislative special session. Of the 19 state legislatures without this power, 4 have year-round or no-limit annual general sessions, and 7 others may add items to a governor's call for a special session. Constitutional language authorizing legislative powers to call special sessions varies but is often similar to the following:

" . . . the legislature may be convened. . . by the presiding officers of both houses upon written petition of a majority of the elected members of each house. The form of the petition shall be provided by law." (*Louisiana Constitution* Art III, Sec. 2. B. Extraordinary Session)

Committee Action

The Committee considered this issue at its October 2001 meeting, and by motion supported the concept of a constitutional amendment permitting the Legislature to call itself into special session.

LEGISLATIVE COMPENSATION

Background

The Utah Legislative Compensation Commission is required by law to submit a report on legislative salary by January 2 of each even year. *Utah Constitution*, Article VI, Section 9, limits the Commission to issues concerning the salaries of members of the Legislature and directs the Legislature to provide by law for the expenses of its members. Retirement and insurance are another part of the total compensation package provided for by the

Legislature. The recommendations of the Commission take effect automatically beginning with the 2003 General Session, unless the amounts recommended to the Legislature during the 2002 General Session are reduced or rejected. The Commission is recommending that the salary be increased from \$120 to \$130 per day for each calendar day while in legislative session or other authorized meetings. The Commission also proposed that the Legislature amend statute and constitution to provide the Commission with authority to make recommendations on the entire legislative compensation package, including expense reimbursements and benefits. The Commission recommended that the laws be amended to provide that the Commission may recommend an annual salary, daily salary, or a combination of the two. The Commission requested to meet informally with the Legislative Process Committee to discuss issues related to compensation.

Committee Action

The Legislative Process Committee studied issues relating to changing the daily salary to an annual salary with an additional daily amount for authorized meetings. The Committee also looked at alternatives and formulas for compensating a legislator for legislative related expenses not covered in the current compensation package, particularly those whose constituents are located in multi-county areas or a great distance from where they live.

The Committee considered this issue at its June, August, and October 2001 meetings and requested legislation to authorize the Legislative Compensation Commission to make recommendations on the entire legislative compensation package including expense reimbursements and benefits.

WAYS AND MEANS COMMITTEE

Background

Utah's legislative budgetary process is very similar to the process that most states use. During the session, appropriations subcommittees review each agency's budgetary request and the recommendations of the Fiscal Analyst and give their recommendations to the Joint Executive Appropriations Committee. The Joint Executive Appropriations Committee makes the final budget

decisions that lead to the drafting of appropriations bills. Six states have single budget committees that carry out the work that the Joint Executive Appropriations Committee and the appropriation subcommittees perform in Utah.

Each process has its advantages. The appropriation subcommittees allow all legislators to participate in the budgetary hearing process. Subcommittees allow the Legislature to examine different areas of the budget in more depth than might otherwise be possible during Utah's 45 calendar-day session. The single budgetary committee also has strengths. Unlike the small subcommittee format, where a senator's absence can pose a problem, a single committee has enough senators that a single absence is not a problem. In addition, a single budgetary committee allows a group of legislators to consider the budget in breadth, comparing and analyzing simultaneously the concerns of all state agencies and other interested groups.

Committee Action

The Committee considered this issue at its May and June 2001 meetings but did not recommend legislation.

OTHER STUDIES

Indexing Appropriations Acts

The Legislative Process Committee asked for tools to make the contents of the appropriations acts more accessible. Sometimes, for instance, it is difficult to find the appropriation items that were prioritized in caucus or to find other projects and programs of interest. The Legislative Fiscal Analyst reported to the Committee a willingness to provide a table of contents and to cross-reference material as needed. He also demonstrated the tools of Adobe Acrobat for searching appropriations bills as soon as they are available through the legislative bill browser or the Internet. The Committee took no action on this item.

Legislative Review Notes

Legislative review notes are commonly called "constitutional notes." The Legislative Management Committee referred a study to the Legislative Process

Committee regarding the process of revising legislative review notes when the note might change after an amendment or substitution of a bill. The Committee recommended that the bill drafter use judgement on when to replace a note after an amendment or substitution. The Committee considered this issue at its June 2001 meeting.

Staff Role in Compiling Appropriations Acts

In response to a question regarding appropriation amounts or intent language being inserted in an appropriation bill without appropriate legislative leadership direction, the Legislative Process Committee invited the Office of the Legislative Fiscal Analyst to review the process with the Committee. In Utah and most other states, staff may make recommendations, but adding language or funding is strictly the prerogative of the committee or body responsible for the budget. Legislative Joint Rule 3.02 clearly requires "all proposed items of expenditure" to be submitted to one of the subcommittees for consideration and recommendation. The Joint Executive Appropriations Committee ". . .may make any further adjustments necessary to balance the budget; and complete all decisions necessary to draft the final appropriations bill." All these decisions require a majority vote. Professional staff ethics also require that the role of an elected policy maker never be encroached upon by their staff. The Committee considered this issue at its August 2001 meeting.

NATURAL RESOURCES, AGRICULTURE, AND ENVIRONMENT INTERIM COMMITTEE

NATURAL RESOURCES, AGRICULTURE, AND ENVIRONMENT INTERIM COMMITTEE

Membership

Sen. Parley G. Hellewell, Senate Chair

Rep. Bradley T. Johnson, House Chair

Sen. Leonard M. Blackham

Sen. Mike Dmitrich

Sen. Bill Wright

Rep. Eli H. Anderson

Rep. Roger E. Barrus

Rep. Jackie Biskupski

Rep. Craig W. Buttars

Rep. David N. Cox

Rep. Margaret Dayton

Rep. Glenn A. Donnelson

Rep. Fred J. Fife III

Rep. James R. Gowans

Rep. Thomas V. Hatch

Rep. Darin G. Peterson

Rep. Michael R. Styler

Rep. Stephen H. Urquhart

Staff

Mr. J Brian Allred, Research Analyst

Ms. Jeanenne B. Larsen, Associate General Counsel

Ms. Joy Miller, Legislative Secretary

COMMITTEE OVERVIEW

The work of the Committee extends over a wide variety of topics. Under the broad subject of natural resources, the Committee deals with water rights, water development, wildlife, mining, forestry, parks, and recreation. Within the field of agriculture, the Committee is concerned with promoting agricultural production, preventing disease among domesticated animals, and insuring a wholesome food supply. Environmental issues include air quality, water quality, solid and hazardous waste disposal, and radioactive waste.

Much of the Committee's efforts involve coping with rapid growth and urbanization of the state's population. A top priority has been to assure that the state has ample water supplies. Maintaining and improving the quality of the

state's water is as critical as developing adequate water supplies.

Wildlife is another natural resource affected by growth. Land development has diminished wildlife habitat and increased competition for the use of the remaining habitat. Wildlife interests and agricultural interests are frequently vying for use of the same land. Accommodating these competing interests and addressing the growing population's increased demand for recreational opportunities present significant challenges to the Committee.

The Committee oversees three state departments: the Department of Natural Resources, the Department of Agriculture and Food, and the Department of Environmental Quality.

MUTUAL WATER COMPANY CHANGE APPLICATIONS

Background

Until the early 1990s, the state engineer routinely considered applications filed by water share owners to change the purpose of use, place of use, or point of diversion of the water represented by their water shares. The East Jordan Canal Company filed suit against the state engineer, arguing that the state engineer may not consider a change application filed by one of the company's shareholders, because it is the company, not the shareholder, that owns the water rights. The Utah Supreme Court agreed with the East Jordan Canal Company, and since the court's decision, the state engineer has refused to consider a shareholder's application without the consent of the water corporation.

Mutual Water Company shareholders have been thwarted in selling their water shares to developers or cities for municipal and industrial use, which has much greater value than agricultural use—the water's existing use. Water corporations are concerned that if too much water is transferred out of the area, the viability of the corporation could be threatened.

NATURAL RESOURCES, AGRICULTURE, AND ENVIRONMENT INTERIM COMMITTEE

The Executive Committee on Water Rights, representing the Department of Natural Resources, water conservancy districts, and other water interests, studied this issue and presented draft legislation to the Committee in its November 2001 meeting.

Committee Action

The Committee considered this issue at its November 2001 meeting and recommended legislation "Mutual Water Company Change Applications."

PARTIAL FORFEITURE OF WATER RIGHTS

Background

Under Utah law if a water right holder fails to use the water for a period of 5 years and within that period does not apply for an extension of time to use the water, the water right is forfeited and reverts back to the public. If the water right holder uses part of the right, there is some question as to whether the partial use preserves the entire water right or just the portion used.

Committee Action

The Committee considered this issue at its November 2001 meeting and recommended legislation "Forfeited Water Right Allocation" and "Water Forfeiture Amendments."

UTAH STATE FAIRPARK STUDY

Background

S.B. 253, "Utah State Fairpark Study," 2001 General Session created a committee to study the use of land and facilities at the Utah State Fairpark. The committee issued requests for proposals regarding: (1) utilization of the current fairpark location for further development, year-round use, and production of an enhanced historic annual fair; and (2) the development of an enhanced annual state fair on property owned by a developer or on another site to be identified by the proposal.

The study committee is repealed on January 1, 2002. The study committee would have to be extended in order to evaluate the one proposal that had been received.

Committee Action

The Committee considered this issue at its November 2001 meeting but did not recommend legislation.

OTHER STUDIES

Cricket and Grasshopper Infestation

The Utah Department of Agriculture reported that in 2001 1.5 million acres of range and farm land in Utah were infested with crickets and grasshoppers, with estimated crop damage set at more than \$25 million. The Department indicated that Bureau of Land Management lands were sprayed but that Forest Service lands were not. The crickets and grasshoppers invaded farms, yards, gardens, homes, and water systems raising human health and safety concerns.

The Commissioner of Agriculture appointed a decision and action committee under authority of the Utah Insect Infestation Emergency Act. This committee, representing 15 agencies and groups, helped to coordinate federal, state, local, and private resources and encouraged all owners or managers of infested lands to control grasshoppers and crickets on their own land.

The Committee considered this issue at its June and July 2001 meetings, sent a letter to federal officials requesting help in addressing the problem, and requested federal funds to prepare for early action of control infestation in 2002.

Department of Natural Resources/School and Institutional Trust Lands Memorandum of Understanding

The 2001 Appropriations Act required that the Department of Natural Resources and the School and Institutional Trust Lands Administration join together in reaching a Memorandum of Understanding detailing: (1) areas of mutual benefit arising from resolution of conflicts in respective mission statements and statutory requirements, and (2) conflict of mission statement and statutory requirements that cannot be resolved by mutual agreement.

NATURAL RESOURCES, AGRICULTURE, AND ENVIRONMENT INTERIM COMMITTEE

The Committee considered the report of the Department of Natural Resources and the School and Institutional Trust Lands Administration in its October 2001 meeting but did not recommend legislation.

Sunset Review - Radiation Control Act

Title 19, Chapter 13, Radiation Control Act, *Utah Code Annotated 1953*, is repealed on July 1, 2002. The Department of Environmental Quality requested that the Committee recommend reauthorization of the act.

The Committee considered this issue in its November 2001 meeting and recommended reauthorization of the act.

IMPLEMENTATION OF WATER FLUORIDATION TASK FORCE

Membership

Sen. L. Steven Poulton, Chair

Rep. A. Lamont Tyler, Chair

Sen. D. Edgar Allen

Sen. Parley G. Hellewell

Rep. David L. Hogue

Rep. Ty McCartney

Mr. Scott Anderson

Mr. Richard Bay

Mr. Brent Bradford

Mr. Kevin Brown

Mr. Tage Flint

Mr. Dick Melton

Ms. Patti Pavey (as of 8/29/01)

Dr. Anthony Tidwell

Dr. Kathryn N. Vedder (resigned 7/20/01)

Mr. Philip Wright

Staff

Mr. Arthur L. Hunsaker, Research Analyst

Ms. Cherylann S. Felt, Associate General Counsel

Ms. Alicia M. Laughlin, Legislative Secretary

Background

Section 19-4-111(1), *Utah Code Annotated 1953*, states in part: "Notwithstanding any other provision of law, public

water supplies, whether state, county, municipal, or district, shall not have fluorine or any of its derivatives or compounds added to them without the approval of a majority of voters in an election in the area affected."

Guided by the statutory framework emphasizing local choice, the 2001 Legislature passed S.B. 206, "Task Force on Implementation of Water Fluoridation."

Subsection 2(1) of the bill charged the Task Force with reviewing and making recommendations regarding:

(a) statewide standards for the fluoridation of public water supplies, including standards for treated water and well water and safety standards for the public and the operators of the water system

(b) the cost of fluoridating public water supplies

(c) funding sources for the fluoridation of public water supplies

(d) liability issues associated with the fluoridation of public water supplies, including governmental immunity

(e) possible exemptions from a countywide fluoridation mandate, including functionally separate systems and systems which cross county lines

(f) variances for standards, if any, for different types of sources and seasonal variations

(g) monitoring, compliance, and enforcement issues

(h) the regulatory process for the review and approval of fluoridation construction or equipment installation

(i) definition of chemical standards, including the NSF approval process

(j) clarifying the relationships between the state Department of Environmental Quality, the state Department of Health, the county Boards of Health, and the operators of the public water systems

(k) regulatory authorization for the Drinking Water Board to regulate fluoridation of public water systems

Staff research indicated that 11 states regulate fluoridation in statute, administrative rule, or both. The most common element among these regulations is a state-mandated concentration level, most commonly set from 0.8 to 1.2 milligrams per liter, for dental purposes. Fluoride is also one of many chemicals whose concentration in public water supplies must not exceed a federally mandated maximum contaminant level,

NATURAL RESOURCES, AGRICULTURE, AND ENVIRONMENT INTERIM COMMITTEE

currently set at 4.0 milligrams per liter, to protect the public health.

Four additional states, including Utah, permit fluoridation only after a vote of the affected citizens, while two others permit a local government or local board of health to fluoridate unless voters petition for a referendum and reject fluoridation. The remaining 33 states have no specific fluoride regulations.

Committee Action

The Task Force reviewed the statutory charge in its enabling legislation and passed the following motions:

- local health departments representing counties, municipalities, or districts that have adopted fluoridation should determine implementation rules in consultation with the Department of Health and the Department of Environmental Quality
- the Task Force shall not address issues related to statewide fluoridation standards in its final report to the Natural Resources, Agriculture, and Environment Interim Committee
- chemicals used in fluoridation should meet the National Sanitation Foundation's standards for safe drinking water
- legislation shall be prepared to allow a public water system whose entire water inventory is fluoridated to supply water (under certain circumstances) to a residence or business in an adjacent municipality or county that has not approved fluoridation
- legislation shall be prepared to grant a waiver to a public water system that supplies water from its fluoridated inventory to a municipality or county that has not approved fluoridation if it is due to a short-term emergency and the public water system ceases to provide fluoridated water in a time consistent with repair times following best industrial practice

The Task Force considered these issues at its July, August, September, and November 2001 meetings, and its final report was presented to the Natural Resources, Agriculture, and Environment Interim Committee November 14, 2001 by the task force chairs. Draft bills, "Fluoridation of Public Water Systems in an Emergency," and "Access to Fluoridated Water," were approved by the Natural

Resources, Agriculture, and Environment Interim Committee.

STATE WATER DEVELOPMENT COMMISSION

Membership

Sen. Leonard M. Blackham, Chair
Rep. David Ure, Chair
Sen. Mike Dmitrich
Sen. Peter C. Knudson
Sen. Millie M. Peterson
Rep. Craig W. Buttars
Rep. James R. Gowans
Rep. Wayne A. Harper
Rep. Bradley T. Johnson
Rep. Brad King
Mr. Larry Anhder
Mr. Tom Christensen
Mr. Don Christiansen
Ms. Kathleen Clarke
Mr. Ivan Flint
Mr. Chris Fullmer
Ms. Natalie Gochmour
Mr. Irvin Haws
Mr. Dallin W. Jensen
Mr. Darrell H. Mensel
Ms. Dianne Nielson
Mr. Cary Peterson
Mr. Dale Pierson
Mr. Paul Riley
Mr. Ron Thompson
Mr. Thorpe Waddingham

Staff

Mr. J Brian Allred, Research Analyst
Ms. Jeanenne B. Larsen, Associate General Counsel
Ms. Joy Miller, Legislative Secretary

COMMITTEE OVERVIEW

The State Water Development Commission was created to determine the state's role in the protection, conservation, and development of the state's water resources. It is to consider and make recommendations

NATURAL RESOURCES, AGRICULTURE, AND ENVIRONMENT INTERIM COMMITTEE

to the Legislature and Governor regarding: (1) how the water needs of the state's growing municipal and industrial sectors will be met, (2) what the impact of federal regulations and legislation will be on the ability of the state to manage and develop its compacted water rights, (3) how the state will fund water projects, (4) whether the state should become an owner and operator of water projects, (5) how the state will encourage the implementation of water conservation programs, and (6) other water issues of statewide importance.

Background

(See background discussion under Natural Resources, Agriculture, and Environment Interim Committee studies on Partial Forfeiture of Water Rights and Mutual Water Company Change Applications.)

The Executive Committee on Water Rights representing the Department of Natural Resources, water conservancy districts, and other water interests, was formed to study two main issues: (1) partial forfeiture of water rights when a portion of that water right is not put to beneficial use, and (2) the ability of stockholders in irrigation companies to file change applications on shares of stock without the permission of the company. The Committee reported to the Commission and presented three draft bills addressing these issues.

Committee Action

The Commission considered this issue at its October 2001 meeting but did not recommend legislation.

OLYMPIC COORDINATION COMMITTEE

OLYMPIC COORDINATION COMMITTEE

Membership

Sen. Beverly Ann Evans, Senate Chair
Rep. David Ure, House Chair
Sen. Ron Allen
Sen. Karen Hale
President Al Mansell
Sen. John L. Valentine
Rep. Duane E. Bourdeaux
Rep. David N. Cox
Rep. Neil A. Hansen
Rep. Neal B. Hendrickson
Rep. Joseph G. Murray
Rep. A. Lamont Tyler

Staff

Mr. J Brian Allred, Research Analyst
Mr. Keith M. Woodwell, Associate General Counsel
Ms. Joy Miller, Legislative Secretary

COMMITTEE OVERVIEW

The Olympic Coordination Committee has broad authority to review and make recommendations to the Legislative Management Committee on any issue that relates to the Olympics, including the state's involvement in hosting the Olympics, the coordination of state and local governments in hosting the Olympics, the interests of athletes served by Olympic-related state programs or facilities, the state's role as a creditor and a secured party in relationship to the Olympics and the Organizing Committee, and the impact of the Olympics on the state after the Olympic games have concluded.

SALT LAKE OLYMPIC ORGANIZING COMMITTEE BUDGET AND RISK ANALYSIS

Background

SLOC (Salt Lake Olympic Organizing Committee) presented information on its preparations for the Olympic Winter Games of 2002. SLOC members reviewed budget projections and explained its assessment of operational and revenue risks. They also reported that estimated reserve funds are adequate to address anticipated risks,

and that SLOC has also allocated some reserve funds to address unforeseen risks.

Committee Action

The Committee considered this issue in its May and October 2001 meetings but did not recommend legislation.

SALT LAKE OLYMPIC ORGANIZING COMMITTEE TRANSITION AND DISSOLUTION

Background

SLOC revenues and obligations extend into 2005. Previous Olympic committees have experienced lawsuits that extended well beyond games' end. SLOC presented information on post-Olympic transition and dissolution of the Committee, focusing on the critical period immediately following the Olympics.

Committee Action

The Committee considered this issue in its October 2001 meeting and requested that SLOC prepare a report on its plans to structure and fund dissolution through 2004.

OTHER STUDIES

Annual Report of the State Olympic Officer

The State Olympic Officer is required to annually report on: (1) Olympic related services or property to be provided by state agencies, (2) estimated budgetary impact on state agencies providing services or property, (3) estimated economic costs and benefits of the Olympics, and (4) recommendations regarding payment for state services and potential ways to mitigate impact on state and local agency budgets. The Committee heard this report in its November 2001 meeting.

Department of Community and Economic Development Use of Appropriations for Olympic-Related Promotion and Development

DCED (Department of Community and Economic Development) has received appropriations from both General Fund and sales and use tax diversion revenues that are to be used for Olympic-related promotion and development. DCED reported on the use of appropriated

OLYMPIC COORDINATION COMMITTEE

funds by the Division of Travel Development and the Division of Business Development. The Committee studied this issue in its October 2001 meeting.

Funding of Soldier Hollow in Wasatch Mountain State Park

Soldier Hollow in Wasatch Mountain State Park is the site of the 2002 Olympic biathlon and cross-country competition. It is the only venue owned by the State of Utah. The Division of Parks and Recreation and the Soldier Hollow Legacy Foundation discussed ways to provide post-Olympic funding for Soldier Hollow. The Committee considered this issue in its November 2001 meeting.

Utah Olympic Public Safety Command

The Utah Olympic Public Safety Command updated the Committee on its efforts to provide security for the 2002 Olympic Winter Games. The Committee considered this issue in its May, October, and November 2001 meetings.

POLITICAL SUBDIVISIONS INTERIM COMMITTEE

POLITICAL SUBDIVISIONS INTERIM COMMITTEE

Membership

Sen. Carlene M. Walker, Senate Chair
Rep. David L. Hogue, House Chair
Sen. Beverly Ann Evans
Sen. David L. Gladwell
Sen. Paula F. Julander
Rep. Stephen D. Clark
Rep. David N. Cox
Rep. Scott Daniels
Rep. Fred J. Fife III
Rep. Kory M. Holdaway
Rep. Joseph G. Murray
Rep. Darin G. Peterson
Rep. Richard M. Siddoway
Rep. Max W. Young

Staff

Mr. Joseph T. Wade, Research Analyst
Mr. Keith M. Woodwell, Associate General Counsel
Ms. Joy Miller, Legislative Secretary

COMMITTEE OVERVIEW

Prior to 1997, the State and Local Affairs Interim Committee considered issues relating to both state and local government affairs. In 1997, the Legislature split the committee into two committees: the Government Operations Interim Committee and the Political Subdivisions Interim Committee. The Government Operations Interim Committee deals with state-related issues, while the Political Subdivisions Interim Committee deals with local government-related issues.

The Political Subdivisions Interim Committee has primary jurisdiction over political subdivisions of the state which include: cities, counties, dependent and independent special districts, and entities created by interlocal agreements. Although school districts are technically political subdivisions of the state, the Education Interim Committee has primary jurisdiction over school districts. The Political Subdivisions Interim Committee has statutory responsibility for: Title 10, Cities and Towns; Title 11,

Cities, Counties, and Local Taxing Units; Title 17, Counties; Title 17A, Special Districts; and Title 17B, Limited Purpose Local Government Entities.

RESIDENTIAL LOTS DIVIDED BY COUNTY BOUNDARY LINE

Background

Current state statute allows municipalities to cross county boundaries. Currently three municipalities in Utah cross a county boundary: Draper (Salt Lake and Utah counties), Green River (Emery and Grand counties), and Park City (Summit and Wasatch counties). State statute gives a municipality the responsibility and authority to approve subdivision plats within its boundaries in order to govern land use development.

In the 2001 Interim, the Political Subdivisions Interim Committee became aware of a municipality approving plats in which individual residential lots are divided by the county boundary. About 40 lots are divided in already approved plats. About 34 additional lots will be divided by plats not yet approved. The Committee also became aware that this situation creates problems which affect most county services, authority, responsibilities, and jurisdiction.

Some of the problems, such as determining which county provides services or has jurisdiction, could be resolved by interlocal agreements between the affected counties, cities, or districts. However, some other problems, particularly real and personal property tax assessment, cannot be remedied without a constitutional amendment.

It appears that the cleanest solution would be to change the county boundary. However, the Utah Constitution and the Utah Code make changing the county boundary a burdensome alternative. *Utah Constitution*, Article XI, Section 3 states:

"No territory shall be stricken from any county unless a majority of the voters living in such territory, as well as of the county to which it is to be annexed, shall vote therefor, and then only under such conditions as may be prescribed by general law."

POLITICAL SUBDIVISIONS INTERIM COMMITTEE

Under current state statute, county boundaries can be changed by either of two methods: a vote of all the electors in both counties or a three-step process involving: (1) a concurrent resolution of the state legislature and the governor, (2) a feasibility study, and (3) a popular election in which all the voters in the annexing county are permitted to vote, but in the other county only the residents within the territory to be annexed are permitted to vote.

Committee Action

The Committee considered this issue at its July, August, September, and October 2001 meetings and recommended legislation "Prohibiting Residential Lots from Crossing County Lines" and "Voter Residence Where Lot is Divided by County Boundary Line."

OTHER STUDIES

Associations of Governments

The Committee reviewed a legislative audit on Utah's seven AOG (associations of governments). The AOG came about in Utah as a result of a federal emphasis on regionalization in the 1960s and 1970s. Operating budgets for the seven AOG totaled over \$28 million in fiscal year 2000. The AOG fill an important service delivery function at the local and regional level within Utah. The Committee considered this issue at its October 2001 meeting, passed a motion requesting the AOG to report annually to the Committee, but did not recommend legislation.

Municipal and County Land Use Requirements

Utah statute charges municipalities and counties with developing ordinances and managing land use within their jurisdictions. However, certain entities are exempt from local subdivision and zoning requirements. The Committee received information and testimony on the question of whether a type of entity, particularly school districts and the School and Institutional Trust Lands Administration, should remain exempt from municipal and county land use requirements. The Committee considered this issue at its April, May, and June 2001 meetings but did not recommend legislation.

Municipalities' Plans for Moderate Income Housing

In 1996, the Legislature passed H.B. 295, "Providing Affordable Housing," which required all municipalities and counties to create plans for affordable housing. In 1998, amendments to the statute required an annual report on progress in obtaining moderate income housing. The Committee received testimony evaluating how the current law is functioning and proposed ways to make it more effective. The Committee considered this issue at its November 2001 meeting and recommended legislation "Municipal Plan for Moderate Income Housing."

Quality Growth

H.B. 119, "Quality Growth Act of 1999," which passed in the 1999 General Session, created the Quality Growth Commission. The Commission is charged with grappling with quality growth issues. The Commission discussed quality growth issues including: a review of its mission and accomplishments, its working draft "Utah's Guiding Principles for Quality Growth," how to achieve a net gain of private land, administration of the LeRay McAllister Land Conservation Fund, allocation of planning grants among local governments, and draft legislation regarding quality growth areas. The Committee considered this topic at its April, May, June, September, and October 2001 meetings but did not recommend legislation.

Redevelopment Agencies

In the 2001 General Session, the Legislature passed H.B. 7, "Recodification and Amendments of Redevelopment Agencies Statutes." The Committee received testimony that additional amendments are needed to make minor changes and technical corrections throughout the act. The Committee considered this issue at its November 2001 meeting and recommended legislation "Revisions to Redevelopment Agency Laws."

School Impact Fees

In the 1995 General Session, the Legislature passed H.B. 32, "School Impact Fees," which prohibited the collection of school impact fees. In the 1995 First Special Session, the Legislature passed S.B. 4, "Impact Fees," which clarified local government imposition of impact fees by establishing procedures and requirements for the analysis, imposition, and challenging of impact fees (but

POLITICAL SUBDIVISIONS INTERIM COMMITTEE

did not change H.B. 32). The Committee reviewed the history of school impact fees and the rationale behind passage of H.B. 32. The Committee considered this issue at its July and August 2001 meetings but did not recommend legislation.

Technical Draft Legislation

The Committee was presented with draft legislation making minor technical corrections. The Committee considered this issue at its November 2001 meeting and recommended legislation "Technical Corrections to County Code" and "Technical Corrections to Municipal Code."

SPECIAL DISTRICTS SUBCOMMITTEE

Membership

Sen. David L. Gladwell, Chair
Rep. David N. Cox
Rep. Scott Daniels
Rep. David L. Hogue
Rep. Joseph G. Murray

Staff

Mr. Joseph T. Wade, Research Analyst
Mr. Keith M. Woodwell, Associate General Counsel
Ms. Joy Miller, Legislative Secretary

Background

In 1990, at the recommendation of a 2-year legislative study committee on special districts, relevant statutory provisions which were scattered throughout the Utah Code were moved into a new Title 17A, Special Districts; however, the provisions were not modified. Currently, there are 26 different types of special districts (14 independent, 11 dependent, and 1 other) in approximately 769 sections of the Utah Code. Independent special districts receive about 11 percent of total property tax revenues in the state, while cities receive about 15 percent and counties receive about 21 percent.

In 1997, a Special Districts Subcommittee of the Political Subdivisions Interim Committee developed uniform special district creation procedures as the first step in recodifying

the code. The Legislature passed this uniform creation process. In 1999, the Special Districts Subcommittee continued its recodification by updating and standardizing statutes relating to the special districts' governing bodies, which resulted in the Legislature passing S.B. 173, "Special District and Local District Governing Body Issues," in the 2000 General Session. In 2000, the Special Districts Subcommittee developed uniform provisions relating to annexation and dissolution for certain independent special districts.

During the 2001 Interim, the Special Districts Subcommittee focused its efforts on both standardizing provisions relating to withdrawal and reviewing bonding for irrigation districts. The Subcommittee discussed these issues at its August 22, September 18, October 16, and November 6, 2001 meetings.

Committee Action

The Political Subdivisions Interim Committee recreated the Special Districts Subcommittee and considered special district issues at its April, May, June, and November 2001 meetings and recommended legislation "Uniform Withdrawal Procedures for Special Districts" and "Bonding Authority for Irrigation Districts."

PUBLIC UTILITIES AND TECHNOLOGY INTERIM COMMITTEE

PUBLIC UTILITIES AND TECHNOLOGY INTERIM COMMITTEE

Membership

Sen. Leonard M. Blackham, Senate Chair
Rep. John E. Swallow, House Chair
Sen. Mike Dmitrich
Sen. Scott K. Jenkins
Sen. John L. Valentine
Rep. Douglas C. Aagard
Rep. Sheryl L. Allen
Rep. Ralph Becker
Rep. Chad E. Bennion
Rep. Gary F. Cox (through 7/31/01)
Rep. Kevin S. Garn
Rep. Brent H. Goodfellow
Rep. Eric K. Hutchings (as of 8/1/01)
Rep. Ty McCartney
Rep. Gordon E. Snow
Rep. Martin R. Stephens
Rep. Michael R. Styler
Rep. David Ure
Rep. Stephen H. Urquhart

Staff

Mr. Richard C. North, Research Analyst
Mr. Robert H. Rees, Associate General Counsel
Ms. Junie G. Anderson, Legislative Secretary

COMMITTEE OVERVIEW

Since the early 1990s, the deregulation of public utilities has been studied across the United States to determine whether lower costs, more choices, and greater efficiencies would result. After extensive reviews of the regulatory environment, policy makers on federal and state levels have established standing committees to provide ongoing review and monitoring.

In January 1997, the Utah House of Representatives created the Public Utilities and Technology Standing Committee to review legislation on regulated public utilities such as telecommunications and energy. The Legislature

created the Public Utilities and Technology Interim Committee to continue the review of utility deregulation during the 1997 Interim.

CLEAN COAL TECHNOLOGY

Background

Coal is the primary fuel source for the generation of electricity in Utah and the United States. Given the abundance of Utah coal and the need for additional power generation, the development of clean coal technology would provide Utah its power.

Committee Action

The Committee received testimony and reports from interested parties and concluded that there is great need for the development of clean coal technology.

The Committee considered this issue at its October and November 2001 meetings and recommended legislation "Resolution Encouraging Research and Development Grants for Clean Coal Alternatives."

ELECTRIC POWER FACILITIES

Background

At issue is who may own an electric power facility. Certain types of power facilities may be jointly owned by public entities such as cities and towns.

Committee Action

The Committee received testimony and reports from interested parties and concluded that Utah's power needs to justify the modification of ownership to include other public entities.

The Committee considered this issue at its October and November 2001 meetings and recommended legislation "Electric Power Facilities Amendments."

PUBLIC UTILITIES AND TECHNOLOGY INTERIM COMMITTEE

ELECTRONIC GOVERNMENT SERVICES AMENDMENTS - AGRICULTURE

Background

The Utah Legislature has an ongoing information technology project focused on reviewing all state agency statutes for the purpose of broadening its authority to use electronic communications in addition to paper-based processes.

Committee Action

The Committee received testimony and concluded the Department of Agriculture needed certain statutory changes in order to use electronic communication processes.

The Committee considered this issue at its November 2001 meeting and recommended legislation "Electronic Government Services Amendments - Agriculture."

ELECTRONIC GOVERNMENT SERVICES AMENDMENTS - TRANSPORTATION

Background

The Utah Legislature has an ongoing information technology project focused on reviewing all state agency statutes for the purpose of broadening its authority to use electronic communications in addition to paper-based processes.

Committee Action

The Committee received testimony and concluded the Department of Transportation needed certain statutory changes in order to use electronic communication processes.

The Committee considered this issue at its November 2001 meeting and recommended legislation "Electronic Government Services Amendments - Transportation."

INTERMOUNTAIN POWER PROJECT

Background

Certain interlocal cooperation agencies, such as the

Interstate Power Agency, enter into agreements with public entities in other states to own and operate generation facilities. Because of the need to expand Utah's power generation facilities, the Interlocal Cooperation Act required changes to allow for the creation of energy service agencies which will provide for additional project capacity.

Committee Action

The Committee received testimony and concluded the interlocal cooperation agency statutes needed certain changes in order to allow for additional electric power project capacity.

The Committee considered this issue at its October and November 2001 meetings and recommended legislation "Interlocal Cooperation Act Amendments."

NET METERING OF ELECTRICITY

Background

Net metering is a process where residential and small business owners sell excess electricity they generate back to the local regulated power provider. Nationwide, 33 states have authorized net metering and Utah is the only western state that has not adopted this process.

Committee Action

The Committee received testimony and reports from interested parties and concluded Utah's power needs justify the creation of a state-authorized net metering program.

The Committee considered this issue at its April, May, June, July, and September 2001 meetings and recommended legislation "Net Metering of Electricity."

PROTECTION OF COMMERCIAL SENSITIVE ENERGY INFORMATION

Background

Certain types of public entities, such as interlocal cooperation agencies that sell power, are requesting that sensitive information used in negotiating contracts be

PUBLIC UTILITIES AND TECHNOLOGY INTERIM COMMITTEE

protected. Otherwise, their competitors would always be able to under-bid the public power entity.

Committee Action

The Committee received testimony and reports from interested parties and concluded that certain commercially sensitive information should be classified as private.

The Committee considered this issue at its November 2001 meeting and recommended legislation "Protection Of Commercially Sensitive Energy Information Amendments."

RECORD CLASSIFICATION

Background

In order to promote smart web use, the state would like to allow state website users to provide certain personal data without that information being made public. Changing the record status of certain information requires amending the existing records classification law.

Committee Action

The Committee received testimony and reports from interested parties and concluded that certain personal information should be classified as private.

The Committee considered this issue at its November 2001 meeting and recommended legislation "Private Records Amendments."

TAX CREDIT FOR ENERGY EFFICIENT SYSTEMS

Background

This issue involved review of an existing individual tax credit for energy efficient systems that unintentionally lapsed on January 1, 2001.

Committee Action

The Committee received testimony and reports from interested parties and concluded that the tax credit should be extended for another 5 years.

The Committee considered this issue at its June 2001 meeting and recommended legislation for the July Special

Session, "Individual Income Tax and Corporate Franchise and Income Tax - Renewable Energy Systems Tax Credits, H. B. 1005." The legislation passed and was signed by the Governor.

UNIVERSAL SERVICE FUND ACCESS

Background

At issue is whether municipally owned telephone systems may access the Universal Service Fund for telephones. The fund is designed to provide monies for rural telephone companies to lower the costs of providing service. Because the Public Service Commission is prohibited from regulating municipally provided services, it is necessary for the Legislature to approve the change.

Committee Action

The Committee received testimony and reports from interested parties and concluded that under certain conditions and for a limited time period access to the Universal Service Fund was justified.

The Committee considered this issue at its September, October, and November 2001 meetings and recommended legislation "Municipal Telephone Utility Amendments."

ENERGY POLICY TASK FORCE

Membership

Sen. Leonard M. Blackham, Senate Chair
Rep. Thomas Hatch, House Chair
Sen. Mike Dmitrich
Sen. Dan R. Eastman
Sen. Ed P. Mayne
Sen. David H. Steele
Rep. Sheryl L. Allen
Rep. Ralph Becker
Rep. Judy Ann Buffmire
Rep. Kevin S. Garn
Rep. Jack A. Seitz
Rep. David Ure

PUBLIC UTILITIES AND TECHNOLOGY INTERIM COMMITTEE

Staff

Ms. Chyleen A. Arbon, Research Analyst
Ms. Patricia Owen, Associate General Counsel
Ms. Jennifer Markham, Legislative Secretary

Background

In the 2001 General Session, H.B. 244, "Modifying the Electric Deregulation and Customer Choice Task Force," changed the name and focus of the Electric Deregulation and Customer Choice Task Force, which was created in 1997. The newly created Energy Policy Task Force was charged with studying: (1) the energy needs of the State; (2) federal and other states' efforts to address energy needs; (3) potential Utah, federal, and other states' conservation or demand-side management activities; and (4) potential ways the State could develop, facilitate, or promote the generation, exploration, or transportation of new energy to serve the needs of the State. The Task Force was also charged with recommending legislation to ensure that the energy needs of the State are met.

The Task force considered the following study items: (1) transmission issues in the Western Grid, (2) transmission-related activities of the Governor and the Western Governors' Association, (3) the Governor's state energy policy, (4) interstate allocation of PacifiCorp's costs in the past, present, and future, (5) the effects of federal efforts to address the electricity crisis in California and the West, (6) PacifiCorp's proposal to reorganize its corporate structure, and (7) the issues raised by the current configuration of service territories. The Task Force is authorized through November 30, 2002.

Committee Action

The Task Force sent a letter to the chairs of the Commerce and Revenue Appropriations Subcommittee asking them to review the adequacy of funding for state electricity-related regulatory activities in light of the number and significance of recent filings, especially PacifiCorp's application to reorganize its corporate structure. The Task Force also recommended that the chairs of the Energy Policy Task Force monitor the appropriations process regarding this issue. The Task Force sent a letter to FERC (Federal Energy Regulatory Commission) outlining the problems UAMPS (Utah

Association of Municipal Power Suppliers) raised regarding the effect of FERC's actions on Utah.

The Task Force considered these issues at its May, July, September, October, and November 2001 meetings but did not recommend legislation.

QUASI-GOVERNMENTAL ENTITIES COMMITTEE

QUASI-GOVERNMENTAL ENTITIES COMMITTEE

Membership

Sen. Beverly Evans, Senate Chair
 Rep. Ron Bigelow, House Chair
 Sen. Ron Allen
 Sen. Paula F. Julander
 President Al Mansell
 Sen. John L. Valentine
 Rep. Eli H. Anderson
 Rep. Trisha Beck
 Rep. Judy Ann Buffmire
 Rep. Don E. Bush
 Rep. Mike Morley
 Rep. A. Lamont Tyler
 Rep. David Ure

Staff

Mr. Benjamin N. Christensen, Research Analyst
 Mr. Dee S Larsen, Associate General Counsel
 Ms. Joy Miller, Legislative Secretary

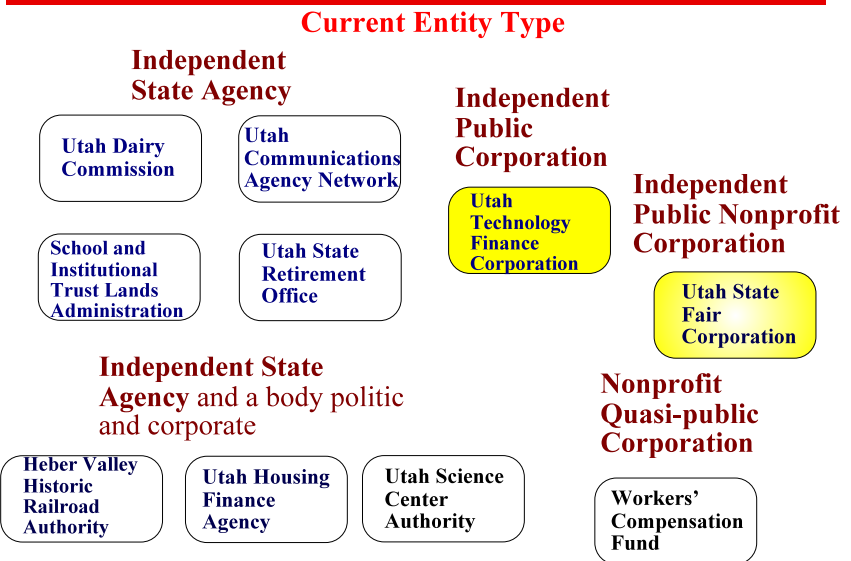
The Committee has responsibility to: (1) determine which entities should be treated as quasi-governmental entities; (2) determine the extent to which consistency in the statutes for each quasi-governmental entity should be provided; (3) determine from which provisions of the code, if any, each quasi-governmental entity should be exempt; (4) determine whether or not the State should receive services from or provide services to each quasi-governmental entity; (5) request and hear reports from each quasi-governmental entity; (6) review the annual audits of each quasi-governmental entity; (7) follow statutory guidelines in reviewing a proposal to create a new quasi-governmental entity; (8) recommend the appropriate method of changing the organizational status of any entity; (9) study entities created by interlocal agreement to determine if they should be subject to the Quasi-governmental Entities Act; (10) meet at least twice during the interim; and (11) report annually to the Legislative Management Committee.

The Quasi-governmental Entities chart shows the

COMMITTEE OVERVIEW

The Quasi-governmental Entities Committee is a statutorily created interim committee of the Legislature. It was created by H.B. 118, "Quasi-governmental Entities Amendments," which passed during the 2000 General Session. The bill expanded the scope of the former Retirement Committee to include oversight of other quasi-governmental entities. The Committee is composed of five senators and nine representatives (see Section 63-95-201 *Utah Code Annotated 1953*). By legislative rule, the Senate members constitute the Quasi-governmental Entities Senate Standing Committee and the House members constitute the Quasi-governmental Entities House Standing Committee (see *Rules of the Fifty-Fourth Legislature*, SR-24.05 and HR-24.05). The members of the Committee are also the members of the Quasi-governmental Entities Subcommittee of the Joint Appropriations Committee (see *Rules of the Fifty-Fourth Legislature*, JR.3.02). The Committee is required to comply with the rules of legislative interim committees.

Quasi-governmental Entities



classification of the statutorily created quasi-governmental entities by type.

During the 2001 General Session, the Legislature passed H.B. 28, "Independent Entities Act," which provides additional regulations for independent entities and corporations. The bill outlines a process for the

QUASI-GOVERNMENTAL ENTITIES COMMITTEE

Committee to review independent entities and determine whether they should be repealed, made a state agency, privatized, made an independent state agency, or made an independent corporation. H.B. 28 took effect July 1, 2002 and created the Legislative Independent Entities Committee, which replaces the Quasi-governmental Entities Committee and will perform its duties and additional responsibilities as indicated in the bill.

RETIREMENT SYSTEMS DIFFERENCES

Background

The Utah State Retirement Systems consists of six different systems that include a total membership of 146,142 as of December 31, 2001. The systems and percent of total membership of each system are as follows:

- Non-contributory 82%
- Contributory 9%
- Public Safety 7%
- Firefighters 1.7%
- Governors and Legislators 0.3%
- Judges 0.1%

Each system is currently different because:

- each system is separate and self-contained
- each system has different benefits (although many benefits are similar)
- benefit costs may be different from one system to another because of actuarial differences
- some systems have unique funding sources (i.e. fire fighters have a fire insurance premium tax and judges have court fines used to fund their systems)
- each system was developed independently over time

Funding for the retirement systems has been (six-year average 1995 -2001) as follows:

- investment income 65.8%
- employer contributions 26.5%
- transfers from systems 4.9%
- member contributions 2.3%
- court fees and fire insurance premium tax 0.5%

Based on actuarial projections a contribution rate is calculated each year and approved by the Retirement

Board. The contribution rate is the percent of eligible employee salary that the employer is required to pay into the retirement fund each year. This contribution is required to keep retirement systems funded on an actuarially sound basis.

Committee Action

The Committee heard presentation from staff and representatives of the Utah State Retirement Office.

The Committee considered this issue at its May 2002 meeting.

OTHER STUDIES

Retirement Contribution Rates

In addition to the salary paid to public employees, a percent of the salary is required to be placed in the retirement fund for each eligible employee. This contribution is required to keep retirement systems funded on an actuarially sound basis. The contribution rate has been 10.4 percent of salary in the Public Employees Noncontributory System for the past few years. For fiscal year 2004, the Retirement Board has recommended a contribution rate increase to 11.7 percent. This increase may be difficult to fund in light of the current economic conditions.

The Committee considered this issue at its October 2002 meeting.

Recurring Retirement Issues

Because of fiscal constraints, many retirement issues are not addressed and proponents attempt to gather support for their issue each year. This year's list of reoccurring issues includes:

- **Workers' Compensation for Occupational Diseases of Firefighters**

H.B. 174 "Worker's Compensation - Fire Department Employees" (2002 General Session) would provide a presumption that certain specified occupational diseases are employment-related if contracted by a firefighter.

QUASI-GOVERNMENTAL ENTITIES COMMITTEE

- **Deferred Retirement Option**
S.B. 223 "Deferred Retirement Option Program" (2001 General Session) would allow employees in any system to retire, stay in place for up to 60 months, and a portion of the normal employer's retirement contribution would be deposited into an account for the employee with a payout elected by the employee after termination.
 - **Conversion Window into the Public Employees' Noncontributory Retirement System**
H.B. 186 "State Retirement Conversion Window" (2002 General Session) would provide a six-month window to allow members of the Public Employees' Contributory Retirement System to change to the Noncontributory system.
 - **Public Safety Retirement System COLA**
H.B. 97 "Retirement Cost-of-living Adjustment for Public Safety" (2002 General Session) would increase the maximum cost-of-living adjustment from 2.5 percent to 4 percent for members of the Public Safety Retirement System.
 - **Two Percent Retirement Allowance**
H.B. 268 "Additional State Retirement Benefits" (2002 General Session) would increase the retirement benefit allowance for years of service rendered prior to July 1, 1967 from 1.25 percent to 2 percent.
 - **Retirement Board Membership**
S.B. 155 "Retirement Board Membership" (2001 General Session) was introduced but did not pass. The bill would add two members to the seven member Utah State Retirement Board, including an employee or officer of a county or municipality and a retired member.
 - **Retirement Benefits Cost of Living Adjustments (Compound COLA)**
All retirement systems provide for an annual cost-of-living adjustment based on the original retirement allowance except the Judges' systems which is based on the retiree's previous year's retirement allowance.
 - **Retirement Multiplier Increase**
The formula for calculating retirement benefits for the two largest retirement systems is 2% times the years of service. Increasing the rate to 2.5% times the years of service has been proposed.
 - **Unused Sick Leave Allocation Upon Retirement**
Upon retirement, each employee has 480 hours of accumulated sick leave deducted regardless of whether a health insurance benefit is received and other employees get a health insurance benefit regardless of whether they had any accumulated sick leave upon retirement. Any remaining sick leave may be used to pay for health insurance coverage at the rate of eight hours of sick leave for one month of coverage for each person. Having eight hours of sick leave pay for one month of coverage for both a retiree and spouse has been proposed.
 - **Health Care Options for Retirees**
Allowing the option to change coverage annually and to allow a retiree and spouse to independently choose their level of coverage has been proposed.
- The committee sent two letters to retirement interest groups asking that they present prioritized proposals of any retirement-related legislation that they plan to pursue during the 2003 General Session.
- The Committee heard the presentations at its October meeting but did not recommend legislation.

Name Change - Quasi-governmental Entities Committee

The official name of the Committee is the Legislative Quasi-governmental Entities Committee. On July 1, 2002, the official name is also the Legislative Independent Entities Committee under H.B. 28 "Independent Entities Act," which passed during the 2001 General Session. Legislative Independent Entities Committee is to perform all of the duties of Legislative

QUASI-GOVERNMENTAL ENTITIES COMMITTEE

Quasi-governmental Entities Committee but the latter committee was not repealed in the statute. In addition, some members of the committee urged a reemphasis of attention to retirement issues. A proposal was made to change the name of the Committee to the "Retirement and Independent Entities Committee," which requires legislation and legislative rule changes.

The Committee considered this issue at its October 2002 meeting and recommended legislation "Retirement and Independent Entities Committee Amendments," "Joint Resolution - Rules Revisions Renaming an Appropriations Subcommittee," "Senate Rules Resolution - Standing Committee Revisions," "House Rules Resolution - Standing Committee Revisions."

REVENUE AND TAXATION INTERIM COMMITTEE

REVENUE AND TAXATION INTERIM COMMITTEE

Membership

Sen. Curtis S. Bramble, Senate Chair

Rep. Wayne A. Harper, House Chair

Sen. Ron Allen

Sen. Lyle W. Hillyard

Sen. Howard A. Stephenson

Rep. Ralph Becker

Rep. Afton B. Bradshaw

Rep. Judy Ann Buffmire

Rep. David Clark

Rep. Kevin S. Garn

Rep. Bryan D. Holladay

Rep. Carol Spackman Moss

Rep. LaWanna Shurtliff

Rep. Gordon E. Snow

Rep. John E. Swallow

Rep. Ty McCartney

Staff

Mr. Bryant R. Howe, Research Analyst

Ms. Rebecca L. Rockwell, Associate General Counsel

Ms. Sandra Wissa, Legislative Secretary

COMMITTEE OVERVIEW

The Revenue and Taxation Interim Committee studies a wide range of policy questions and reviews potential legislation affecting the structure and administration of Utah's state and local tax systems. These studies range from establishing new policy to implementing existing policy.

In addition to its regular policymaking emphasis, the Committee makes a special effort to focus on its revenue responsibility. The Committee regularly receives detailed updates from the Utah State Tax Commission on the collection of taxes and other revenues.

Since 1984, the Committee has received significant input from the Utah Tax Review Commission which is an independent study group. This body consists of legislators, tax practitioners, academics, and citizen

representatives and has made periodic reports to the Committee, usually at the direction of the Legislature or the Governor.

HIGHER EDUCATION SAVINGS ACT

Background

In 1996, the Utah Legislature created the Utah Educational Savings Plans Trust. The purpose of this program is to encourage savings for higher education expenses. Contributions up to a certain amount (\$1,365 for 2001 tax year) made to an account can be deducted when computing state taxable income. There are currently about 10,500 accounts with total assets exceeding \$60 million.

Committee Action

The Committee considered this issue at its November 2001 meeting and recommended legislation "Higher Education Savings Incentive Program Amendments."

IMPLEMENTATION OF THE FARMLAND ASSESSMENT ACT

Background

Utah's constitution requires that the "Legislature shall provide . . . a uniform and equal rate of assessment on all tangible personal property in the state according to its value in money . . ." This means that for purposes of the property tax, all property must be valued based on fair market value. However, the constitution does make some exceptions to this general rule. One exception is that "land used for agricultural purposes . . . may be assessed according to its value for agricultural use without regard to the value it may have for other purposes." Under the Farmland Assessment Act, certain farm and ranch property is valued for its use for agricultural purposes. However, if the land is ever taken out of agricultural use, a "rollback" tax must be paid. The rollback tax is the difference between the property taxes owed on the property if it had been valued at fair market value and its value for agricultural purposes for the previous 5 years.

Committee Action

The Committee received testimony from county assessors

REVENUE AND TAXATION INTERIM COMMITTEE

and citizens regarding the administration of the Farmland Assessment Act. These witnesses told the Committee that several aspects of the Farmland Assessment Act, particularly related to its "rollback" provisions, need to be modified. These provisions included clarifying when the rollback tax is applied, notification regarding sale of land assessed under the act, and who is responsible for paying the rollback assessment.

The Committee also received testimony that the time should be increased during which taxpayers may appeal the fair market value given to property valued for agricultural purposes.

The Committee considered this issue at its May and November 2001 meetings but did not recommend legislation.

INDIVIDUAL INCOME AND CORPORATE FRANCHISE AND INCOME TAX CREDITS

Background

Utah's individual income and corporate franchise and income tax systems both allow for credits for a wide variety of purposes. For example, persons who restore an historically significant residence may be eligible for a tax credit equal to a certain amount of the restoration costs. Other tax credits are available for activities such as hiring persons who are disabled, conducting research and development activities, and for purchasing motor vehicles powered by alternative fuels.

While some credits are popular with taxpayers, other credits are rarely or never claimed. This is especially true with some corporate franchise and income tax credits.

Committee Action

The Committee reviewed the credits that are available under Utah's individual income tax and corporate franchise and income taxes. It received information regarding the number and dollar amounts of credits that have been claimed for the last several years.

The Committee considered this issue at its November 2001 meeting and recommended legislation "Individual Income and Corporate Franchise and Income Tax Credits."

INDIVIDUAL INCOME TAX - BRACKET ADJUSTMENTS

Background

Utah's individual income tax imposes graduated tax rates on state taxable income ranging from 2.3 percent to 7 percent. For example, married taxpayers filing a joint return pay a tax of 2.3 percent on their first \$1,726 of state taxable income and a 3.3 percent tax on their next \$1,724 of state taxable income. This rate increases to 7 percent on state taxable income greater than \$8,626.

The state individual income tax brackets were originally adopted by the Legislature in 1973 and were adjusted during the 2001 General Session.

Committee Action

The Committee considered legislation to index individual income tax brackets to compensate for the effects of inflation or deflation.

The Committee considered this issue at its September and November 2001 meetings and recommended legislation "Individual Income Tax - Bracket Adjustments."

MARRIAGE TAX PENALTIES

Background

Under the individual income tax system, a "marriage penalty" occurs when married taxpayers pay more in taxes than two similarly situated single taxpayers.

The "marriage tax" penalty has traditionally been associated with the federal individual income tax system. However, one aspect of the Utah individual income tax also results in what some view as a "marriage penalty."

Utah's individual income tax system provides for a personal retirement exemption of \$7,500 for taxpayers age 65 or over and a limited deduction of retirement income for

REVENUE AND TAXATION INTERIM COMMITTEE

taxpayers under age 65. This exemption and deduction are phased out for taxpayers with incomes over a certain amount. It is in this phase out provision where the marriage penalty occurs. Under current law, the exemption and deduction begin to phase out at \$25,000 for single taxpayers, \$16,000 for married taxpayers filing separately, and \$32,000 for married taxpayers filing jointly, heads of households, and surviving spouses.

Committee Action

The Committee considered this issue at its September and November 2001 meetings and recommended legislation "Individual Income Tax Personal Retirement Exemption and Deduction for Retirement Income - Eliminating Marriage Tax Penalties."

SALES AND USE TAX - TAXABILITY OF PARTS AND LABOR

Background

Utah's sales and use tax system provides that the purchase or lease of certain items of tangible personal property are exempt from the sales and use tax. There are over 50 exemptions to the sales and use tax. While the purchase of these items is exempt, current state law is not clear whether repair parts and labor used to repair these items are subject to the tax. Generally, the cost to repair and install tangible personal property is subject to the sales tax. However, different practices have evolved over time regarding the taxability of the repair of tangible personal property that is exempt from the sales tax.

Committee Action

The Committee received testimony from the Utah State Tax Commission regarding its policies and practices in administering these exemptions. The Committee was told that over time certain inconsistent practices by different tax commissions had been adopted and that legislation to clarify this issue was needed.

The Committee considered this issue at its October and November 2001 meetings and recommended legislation "Sales and Use Tax - Taxability of Parts and Labor."

STATE EARNED INCOME TAX CREDIT

Background

Under the federal income tax system, certain taxpayers may receive a refundable EITC (earned income tax credit). This credit benefits low and moderate income families with children. For the 2000 tax year, the maximum credit is \$3,888 for families with two or more children, \$2,353 for families with one child, and \$353 for certain very low income families with no children.

Proponents of the federal EITC argue that the credit acts as a strong incentive to work and to partially compensate for the regressive effects of federal payroll taxes used to pay for Social Security and Medicare.

Some critics of the federal EITC allege that the program suffers from high levels of taxpayer non-compliance. Much of this non-compliance is attributed to non-custodial parents inappropriately claiming a child to receive the credit. Critics also claim that because a high percentage of returns where the EITC is claimed are prepared by paid preparers whose fee is based on the amount of refund that a taxpayer receives, there is an increased likelihood of abuse.

Some states also have a state EITC. Most state credits are tied to a certain percentage of the federal credit and may or may not be refundable.

Committee Action

The Committee studied whether Utah should adopt a state earned income credit.

The Committee considered this issue at its September and November 2001 meetings and recommended legislation "Individual Income Tax - State Earned Income Tax Credit."

OTHER STUDIES

Removal of Certain Individual Income Tax Contribution "Checkoff" Items from the Tax Return

Under the Utah individual income tax, a taxpayer may make contributions to programs such as non-game

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wildlife, public education, and programs to help the homeless. In order to ensure that these checkoff programs are being used by taxpayers, state law provides that if a checkoff program receives less than \$30,000 in donations for 3 consecutive years, it is to be removed from the individual income tax form, and the Utah State Tax Commission must cease accepting contributions.

The Committee received a report from the Utah State Tax Commission accounting for the contributions made to each checkoff program during the 1998, 1999, and 2000 taxable years. The commission reported that the checkoff program for higher education libraries and library equipment had failed to collect the required minimum in donations and would be discontinued from the individual income tax form beginning with the 2002 tax year.

Tax Relief for Members of the Utah National Guard and Reserve Members of the Armed Forces Mobilized for Active Duty

Many Utahns serve their country as part-time members of a reserve unit in one of the branches of the armed forces or as a member of the Utah National Guard. When mobilized for active duty, these Utahns leave their regular full-time employment. This often results in a significant reduction in income. Operation Enduring Freedom, the nation's war against terrorism, may require the full-time mobilization of many reserve and national guard personnel. For example, some members of the Utah National Guard have already been mobilized to provide enhanced security at the Salt Lake International Airport.

The Committee considered ways to provide state tax relief for certain reserve military and national guard personnel who are mobilized for active duty. One option would be to exempt the income from full-time military service from the state individual income tax. Another option would be to exempt any combat pay received by a taxpayer.

GOVERNMENT REVENUE AND TAX SYSTEM TASK FORCE

Membership

Sen. John L. Valentine, Senate Chair

Rep. Greg J. Curtis, House Chair

Sen. Ron Allen

Sen. Curtis S. Bramble

Sen. Gene Davis

Sen. Scott K. Jenkins

Rep. Eli H. Anderson

Rep. Chad E. Bennion

Rep. Cindy Beshear

Rep. Judy Ann Buffnire

Rep. Craig W. Buttars

Rep. Kevin S. Garn

Staff

Mr. O. William Asplund, Assistant Director

Mr. Bryant R. Howe, Research Analyst

Ms. Rebecca L. Rockwell, Associate General Counsel

Ms. Sandra Wissa, Legislative Secretary

Background

The Government Revenue and Tax System Tax Force was created in the 2001 General Session by H.B. 86 for a 2-year period. This 12 member Committee was formed to study the tax system of the state and its political subdivisions and to identify the short- and long-term impacts of any proposed changes to taxes or fees that future tax policy might dictate.

Committee Action

The Task Force took a broad look at the funding of local government. Presentations were made by the Utah Association of Counties, the Utah League of Cities and Towns, the Society of School Superintendents and the Association of Special Districts. The Task Force also devoted its October meeting, at the request of Envision Utah, to examining development issues that are driven by current tax policy. Many local officials and representatives of development organizations were invited to participate at its October meeting.

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The purpose of the 2001 Interim's study effort was to identify the most important funding issues facing local governments. Issues dealing with the property tax, the sales and use tax and the role of local government in the provision of services were compiled and will serve as the basis for next year's efforts to propose legislation to improve or modify the current local funding system. The Committee studied this issue at its May, June, July, August, September, October, and November 2001 meetings, but did not recommend legislation.

TAX REVIEW COMMISSION

Membership

Mr. Gary Cornia, Chair
Mr. M. Keith Prescott, Co-chair
Sen. Lyle W. Hillyard
Sen. Millie M. Peterson
Rep. Judy Ann Buffmire
Rep. Greg J. Curtis
Mr. Lawrence R. Barusch (as of 8/01/01)
Mr. Mark K. Buchi (as of 9/01/01)
Ms. Anne Clark
Mr. David J. Crapo
Ms. Kathleen Howell (as of 9/01/01)
Commissioner Bruce Johnson
Mr. Bruce Jones (as of 8/01/01)
Ms. Dorothy P. Owen

Staff

Mr. Bryant Howe, Research Analyst
Mr. O. William Asplund, Assistant Director
Ms. Rebecca L. Rockwell, Associate General Counsel
Ms. Sandra Wissa, Legislative Secretary

Background

The TRC (Utah Tax Review Commission) is a committee established by law to provide an ongoing review of the tax laws of Utah and to recommend changes on specific tax issues and tax policy. Members include legislators and private citizens. A member of the Utah State Tax Commission serves as an ex-officio member.

This year the TRC focused its attention on the following issues: (1) recent changes to the federal individual income tax system, (2) state earned income tax credits, (3) Utah's cooperation with multi-state efforts to simplify the administration of the sales and use tax, (4) reviewing selected sales and use tax exemptions, (5) whether the state individual income tax brackets should be indexed for inflation, (6) whether a process should be established to review and recommend proposed new sales and use tax exemptions before they are considered by the Legislature, and (7) reviewing proposed changes to the tax article of the Utah Constitution.

The TRC is required by law to review each sales and use tax exemption every 8 years. The TRC reviewed the following two sales and use tax exemptions: (1) exclusions to the exemption for sales made to or by religious or charitable organizations found in Subsection 59-12-104 (8)(b) *Utah Code Annotated 1953*, and (2) amounts paid for admission relating to the Olympic Winter Games of 2002 found in Subsection 56-10-104 (51) *Utah Code Annotated 1953*. With regard to the exemption for Olympic ticket sales found in Subsection (51), the TRC found that the exemption is only effective until June 20, 2002. Therefore, no further action regarding this exemption was required. Also, the TRC took no action regarding the exclusion to the exemption found in Subsection (8)(b) because it is also exclusively related to the Winter Olympic Games. Upon advice from the Utah State Tax Commission, the TRC noted that the language of these two exemptions should remain in the Utah Code for the next several years for administration and auditing purposes.

Related to its review of current sales and use tax exemptions, the TRC also considered whether formal reviews should be conducted of proposed new sales and use tax exemptions before they are adopted by the Legislature. For example, the state of New Jersey has a citizen and legislative commission that reviews all proposed sales and use tax exemptions.

REVENUE AND TAXATION INTERIM COMMITTEE

Committee Action

The TRC adopted a policy that it will convey to the Governor, Legislature, and media an estimate of the revenue effects of all current sales and use tax exemptions. This estimate is currently developed by the Utah State Tax Commission. The TRC also requested that the Utah State Tax Commission advise them regarding any changes to State law that are needed to improve the Tax Commission's ability to make them estimates.

The TRC also spent considerable time considering whether Utah should establish a state EITC (earned income tax credit). The TRC reviewed state EITCs offered by other states, administration issues, and what the possible revenue effects would be if Utah were to enact a state EITC. The TRC also reviewed the Individual Income Tax Policy recommendation by the Utah Tax Recodification Commission and adopted by the Legislature in 1990.

Committee Action

The TRC adopted a motion supporting the concept of a state EITC and to index for inflation the state individual income tax brackets but did not recommend legislation.

TELECOMMUNICATIONS TAX POLICY SUBCOMMITTEE

Membership

Sen. Curtis S. Bramble, Chair
Rep. Wayne A. Harper, Chair
Sen. Ron Allen
Rep. Judy Ann Buffmire
Rep. David Clark

Staff

Mr. Bryant Howe, Research Analyst
Ms. Rebecca L. Rockwell, Associate General Counsel
Ms. Sandra Wissa, Legislative Secretary

Background

Utah municipalities impose franchise fees and taxes on telecommunications companies and other utilities that operate within their municipal boundaries. Utah law limits these taxes and fees to 6 percent of a certain portion of the company's revenues. Some municipalities also impose a \$1 per month per line tax on wireless telecommunication services. Local governments also impose fees to operate emergency 9-1-1 communications systems. Taxes and fees are also imposed by state government. For example, in addition to the taxes paid by all firms, telecommunications companies must also pay fees for poison control, communication systems for the deaf, universal service, and lifeline service. The imposition of these various taxes and fees have resulted in a system that some argue is overly burdensome and complex.

Committee Action

The Subcommittee received extensive testimony from state and local government officials and from several telecommunications companies. Local governments stressed that the public has the right to receive compensation for use of public right-of-ways. Also, local governments must have reliable revenue sources to provide essential public services, such as police and fire protection. Municipal officials reported on efforts to create a database of every address in the state. This database would be used to determine the tax entity where the address is located and what taxes the company should collect from that customer.

Among other things, industry officials encouraged the Subcommittee to find ways to simplify the administration of the tax system and to consider granting a sales and use tax exemption for purchase of equipment by telecommunications companies. They also expressed concern that the unitary method of assessment for property tax purposes employed by the Utah State Tax Commission results in higher unit values for companies than are appropriate, often resulting in lengthy and costly appeal proceedings.

The Subcommittee also reviewed the requirements that states must follow to comply with the federal Mobile

REVENUE AND TAXATION INTERIM COMMITTEE

Telecommunications Sourcing Act enacted by Congress in 2000.

The Subcommittee considered, but did not recommend, legislation "State Compliance with Federal Mobile Telecommunications Sourcing Act."

TRANSPORTATION INTERIM COMMITTEE

TRANSPORTATION INTERIM COMMITTEE

Membership

- Sen. David H. Steele, Senate Chair
- Rep. Joseph G. Murray, House Chair
- Sen. Dan R. Eastman
- Sen. Karen Hale
- Sen. Peter C. Knudson
- Sen. Ed P. Mayne
- Sen. Carlene M. Walker
- Rep. Gerry A. Adair
- Rep. Don E. Bush
- Rep. Stephen D. Clark
- Rep. Marda Dillree
- Rep. Neil A. Hansen
- Rep. David L. Hogue
- Rep. Kory M. Holdaway
- Rep. Brad King
- Rep. Karen W. Morgan
- Rep. Max W. Young

Staff

- Mr. Benjamin N. Christensen, Research Analyst
- Ms. Cherylann S. Felt, Associate General Counsel
- Ms. Junie G. Anderson, Legislative Secretary

COMMITTEE OVERVIEW

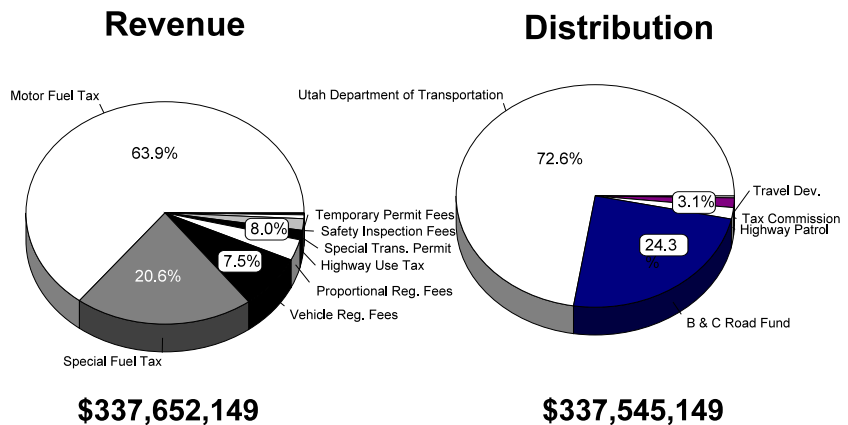
The Transportation Interim Committee has responsibility for issues relating to the safe and efficient movement of people and property within the State. The Committee has oversight responsibility for UDOT (Utah Department of Transportation), the Driver License Division of the Department of Public Safety, and the Motor Vehicle and Motor Vehicle Enforcement Divisions of the Utah State Tax Commission. In addition, the Committee hears periodic

reports by UTA (Utah Transit Authority) relating to mass transit issues.

UDOT provides transportation-related services in the form of construction and maintenance of state highways. UDOT also regulates motor carriers for safety, size, and weight compliance. The Utah Constitution requires that the proceeds of any tax or fee related to the operation of a motor vehicle on a highway, excluding collection costs and driver education administration, be used for highway purposes (see Article XIII, Section 13, *Utah Constitution*). Highway user-related taxes and fees are deposited in the Transportation Fund. Motor fuel and special fuel taxes make up approximately 85 percent of the revenue of the Transportation Fund. A maximum of \$10.6 million may be appropriated from the fund to other agencies for tax collection costs and law enforcement (see Section 72-2-103, *Utah Code Annotated 1953*). Of the amount remaining in the Transportation Fund, 25 percent is appropriated to counties and municipalities for local roads using a formula based on weighted road mileage and population (see Sections 72-2-107 and 72-2-108, *Utah Code Annotated 1953*). The remaining 75 percent is appropriated to UDOT for state highway construction and maintenance.

Transportation Fund Revenue and Distribution

Five Year Average - Fiscal Years 1997 - 2001



Source: Annual Statistical Summary, Program Development, Utah Department of Transportation, December 1997-2001
 Note: Driver license revenues are not included because they are dedicated to fund that division.

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The Centennial Highway Fund, created in 1996, consists of appropriations made by the Legislature, a portion of the motor vehicle registration fees, voluntary contributions, and revenues generated by a 1/64 percent sales and use tax rate. This fund must be used for construction, major reconstruction, or major renovation to state and federal highways (see Section 72-2-118, *Utah Code Annotated 1953*). The fund was used for the I-15 reconstruction in Salt Lake County and is being used for other previously unfunded state highway projects throughout the State.

Driver licensing is provided by the Driver License Division of the Department of Public Safety (see Title 53, Chapter 3, *Uniform Driver License Act, Utah Code Annotated 1953*). Registration and licensing of motor vehicles are provided by the Motor Vehicle Division of the Tax Commission (see Title 41, Chapter 1a, *Motor Vehicle Act, Utah Code Annotated 1953*). The Motor Vehicle Enforcement Division of the Tax Commission regulates motor vehicle dealers and enforces vehicle theft statutes (see Title 41, Chapter 3, *Motor Vehicle Business Regulation Act, Utah Code Annotated 1953*).

UTA provides public mass transit services within local political subdivisions that include 70 to 80 percent of the State's population. UTA is a special district formed by municipalities and counties by a vote of the people authorizing a 1/4 percent sales tax dedicated to the district (see Section 59-12-501, *Utah Code Annotated 1953*). On November 7, 2000, voters in Salt Lake, Davis, and Weber Counties approved an additional 1/4 percent sales tax increase to fund light rail extensions, expanded bus service, and commuter rail. Beginning April 1, 2001, the total sales tax rate for transit is 1/2 percent in those counties. In Salt Lake County, 25 percent of the additional 1/4 percent sales tax must be used for improvements to I-15 (see Section 59-12-502, *Utah Code Annotated 1953*).

ADMINISTRATIVE TRAFFIC PROCEEDINGS

Background

S.B. 240, "Decriminalization of Traffic Offenses," which passed during the 2000 General Session, allows Salt Lake City and West Valley City to continue to use civil penalties and administrative traffic proceedings for 2 years. These

proceedings are allowed only for class C misdemeanor and infraction traffic offenses. Traffic offenses that are class B misdemeanors, including DUI, reckless driving, and traffic offenses that occur in conjunction with other criminal violations, remain under normal criminal proceedings in district courts. The bill required Salt Lake City and West Valley City to pay the State the estimated fine revenue that would be due to the State if the traffic offenses were heard in a district court. All other local governments were prohibited from using this type of system. Court filing fees, surcharges, and driver points were not changed with an administrative traffic proceeding. The bill also established the Decriminalization of Traffic Offenses Task Force, which met during the 2000 Interim to study and make recommendations on the decriminalization of traffic offenses.

The Task Force recommended that:

- No additional action should be taken as of October 2000 on the decriminalization of traffic offenses. However, before a decision is made, Salt Lake City and West Valley City should be allowed to continue their administrative traffic proceedings, as provided in current law, in order to more fully test and evaluate their systems.
- The Legislative Management Committee assign a group of legislators during the 2001 Interim to address the issues associated with the decriminalization of traffic offenses, and to review the draft legislation that was prepared, but not adopted by the Task Force.

The Legislative Management Committee assigned the Transportation Interim Committee to study these issues.

Committee Action

The Committee heard testimony from representatives of West Valley City and Salt Lake City indicating that administrative traffic proceedings have worked extremely well. They recommended that the system be allowed to continue in their respective municipalities and be expanded to other municipalities and counties. Both

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municipalities have applied for justice courts of their own. When a justice court is granted, fine revenues previously split 50/50 with the State for cases considered in a district court will be paid exclusively to the local government. The Committee requested that legislation be drafted to allow municipalities and counties served by justice courts to use administrative traffic proceedings. A representative from the Utah Justice Court Judges Association and from the Administrative Office of the Courts expressed opposition to allowing administrative traffic proceedings.

The Committee considered this issue at its July, September, and November 2001 meetings and recommended legislation "Traffic Offense Adjudication."

appropriations, Transportation Fund contributions, bonding, and federal funding are the primary revenue sources for the Centennial Highway Fund. I-15 reconstruction, other statewide construction projects, and bonding interest and costs have been the primary expenditures from the fund. As shown in the Centennial Highway Fund chart of the \$1.033 billion borrowed for the fund, as of July 1, 2001, \$33.8 million in principal has been paid back.

Adjustments to the Centennial Highway Funding Plan in both funding and projects will be needed as new projects are added, revenues come in less than expected, and project costs escalate. Additional funds will also be

I-15 RECONSTRUCTION AND HIGHWAY FUNDING

Background

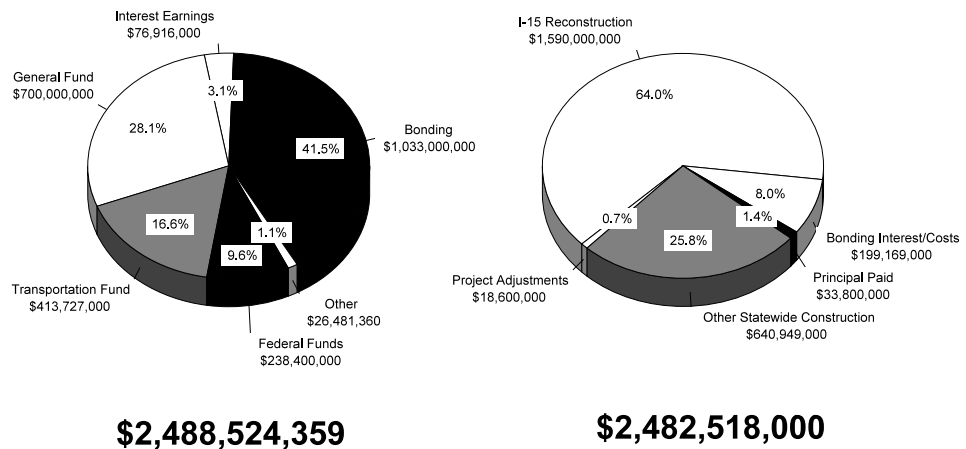
On July 15, 2001, 51 months after UDOT issued the notice to proceed with the I-15 reconstruction design/build project (April 15, 1997), the last orange cones were removed and the project was declared substantially complete 3 months ahead of schedule.

On March 26, 1997, Wasatch Constructors was awarded a bid for the project to demolish, design, and reconstruct I-15 in Salt Lake County from 600 North to 10800 South. The total project cost was \$1.27 billion, which is \$32 million under budget. The mainline traffic and all interchanges were opened May 14, 2001, 5 months ahead of the contract schedule.

During the 1997 General Session, the Legislature began a 10-year finance plan for the I-15 reconstruction project and other Centennial Highway Fund projects. General Fund

Centennial Highway Fund

Fiscal Years 1997 - 2002



Prepared by the Office of Legislative Research and General Counsel, October 2001, from data provided by the Office of the Legislative Fiscal Analyst.

needed to maintain new facilities that add capacity to the State's transportation system.

Transportation Fund revenues have been flat and less than expected in recent months. This affects the State Pavement Preservation Program and requires funding shifts and delays to the projects on the STIP (Statewide Transportation Improvement Program). Several other

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major highway projects are needed and are not funded by the Centennial Highway Fund or the Transportation Fund including:

- I-15 reconstruction from 10600 South in Sandy to the Orem University Parkway—approximate cost \$900 million
- I-80 reconstruction from State Street to Parley's Canyon—approximate cost \$900 million
- SR-201 (2100 South Freeway) from the Jordan River to the Bangerter Highway—approximate cost \$100 million
- I-15 reconstruction from 600 North in Salt Lake City to Centerville—approximate cost \$838 million
- U.S. 89 in Davis and Weber County (Mountain Road)—approximately cost \$210 million

In addition, major funding is needed for projects including (1) a beltway in Washington County, (2) SR-10 in Emery County, (3) U.S. 6 between Spanish Fork and Green River, (4) East/West routes and routes parallel to I-15 in Utah County, (5) SR-36 in Tooele County, and (6) 5600 West in Salt Lake County.

Committee Action

The Committee heard reports on (1) the reconstruction of I-15, (2) the Legacy Parkway, (3) other needed major highway reconstruction projects, (4) the Statewide Transportation Improvement Program, and (5) highway funding. UDOT expressed a need for additional Department flexibility through line item consolidation.

The Committee considered these issues at its April, May, June, July, and October 2001 meetings but did not recommend legislation.

MOTORBOAT DRIVER LICENSING AND BOATING UNDER THE INFLUENCE

Background

During the 2001 General Session, H.B. 141, "Motorboat Driver Licensing Requirements," was debated but failed to pass. The bill addressed two key issues:

- How should a motorboat be defined, and who should be authorized to drive one?
- To what extent should motorboat and motor vehicle

driver sanctions (including DUI penalties) be merged?

Under current law, boating under the influence is prohibited in any vessel, and driving under the influence is a completely separate offense. Anyone can drive a motorboat, sailboat, or watercraft without a license except for:

- a motorboat or sailboat—a person under 16 must be accompanied by a person at least 18 years of age
- a personal watercraft—a person under 12 is prohibited from driving a personal watercraft, a person 12 to 17 must complete a boating safety course, and a person 12 to 15 must be under direct supervision of a person at least 18 years of age

Committee Action

The Committee reviewed the legislation that passed the House of Representatives during the 2001 General Session and received a written analysis of 11 policy issues within the bill, showing how the bill addresses each policy issue, and what the current law is, related to each issue. Testimony was also heard from the Division of State Parks and Recreation and the public.

The Committee considered this issue at its April and July 2001 meetings and recommended legislation "Motorboat Driver Licensing and Boating Under the Influence Provisions."

OTHER STUDIES

"511" Traveler Information Service

During the 2001 General Session, the Legislature passed H.B. 202, "511 Communications System," which requires the Department to implement the "511" traveler information service in the State. The Department is designated the State's lead agency and is required to coordinate with other entities. When fully implemented, by dialing "511" travelers nationwide will be able to obtain real-time, voice-activated information on road, weather, and traffic conditions, as well as transit service disruptions information that is tailored to the needs of the

traveler. A basic level of service is expected to be available December 18, 2001.

The Committee heard a report on this system at its September 2001 meeting but did not recommend legislation.

Annual State Highway System Changes

Under Section 72-4-102, *Utah Code Annotated 1953*, UDOT annually submits to the Transportation Interim Committee a list of highways that the Transportation Commission recommends be added or deleted from the state highway system. All recommendations must be based on minimum qualifying standards established by the Commission. This list, along with any fiscal recommendations is reviewed by the Committee before being submitted to the Legislature.

The 2001 recommendations include:

- realigning SR-68 by connecting 500 South with U.S. 89 in Bountiful and transferring a nine-block section on 2nd West between 400 North and 500 South to Bountiful City, which provides a net loss of .66 miles;
- redesignating SR-131 between 2nd West and I-15 in Bountiful to part of SR-106
- adding SR-223, the old Utah Winter Sports Park Road in Summit County, which adds 3.726 miles (this road will be returned to the county following the Olympics)
- realigning SR-226 by transferring the old Snow Basin Ski Resort access road from SR-39 to Weber County, and adding the newly built Snow Basin access road, which provides a net loss of 4.08 miles
- deleting SR-272 and transferring it to Farmington City, which provides a net loss of .98 miles; and
- deleting SR-283, a loop around the College of Eastern Utah, and transferring it to Price City, which provides a net loss of 1.33 miles

The net decrease to the state highway system is 3.35 miles.

The Committee considered this issue at its November 2001 meeting and recommended legislation "Master State Highway Amendments."

Commuter Rail and Light Rail Update

S.B. 1, "Appropriations Act," which passed during the 2000 General Session, included intent language directing UTA to develop a proposal for a commuter rail project, pursue federal funding, and begin negotiations for right-of-way acquisition. Negotiations with Union Pacific Railroad have resulted in a general agreement that a new dedicated track within the existing Union Pacific rights-of-way is needed so that commuter rail operations do not interfere with freight operations in the mainline corridors. Negotiations between Union Pacific Railroad and UTA are nearing completion with a document signing expected by the end of 2001. The cost of constructing and equipping a commuter rail system is estimated to be between \$200 and \$300 million and annual operating cost is expected to be between \$10 and \$15 million. The environmental process and preliminary engineering are expected to take place over the next 2 to 3 years. Construction could begin in 2005 with completion in 2007.

On June 26, 2000, UTA began construction on a 2.5 mile light rail extension from downtown Main Street along 400 South to the Rice-Eccles football stadium at the University of Utah. The cost of this project is \$118.5 million. UTA has a full funding agreement with the federal government for 80 percent federal funding of the project by the Federal Transit Administration. Construction is scheduled to be completed within budget by early December 2001 and operation is planned to begin December 15, 2001, 10 months ahead of schedule. Ten new light rail vehicles will be added as part of the additional service. Federal approval and funding to continue the project 1.5 miles to the University of Utah Medical Center is expected in the spring of 2002.

The Committee heard an update on this issue at its June 2001 meeting but did not recommend legislation.

Digital Driver Licenses

During the 1999 General Session, the Legislature passed H.B. 278, "Driver License Fees," which increased driver license fees by \$5 and increased driver

TRANSPORTATION INTERIM COMMITTEE

license extension fees and the fee for an identification card by \$3 beginning July 1, 1999. Approximately \$2.5 million in annual additional revenues have been generated from the increase. In the same year, \$100,000 was appropriated to the Driver License Division for digitized driver licenses (see S.B. 1 "Supplemental Appropriations Act" Item 12). The primary purpose for this funding was to upgrade driver licenses to a digital driver license. The Division originally issued a request for proposal for a digitized photo system for driver licenses and identification cards in the fall of 1997 and awarded a contract to Polaroid in the fall of 1998. A number of factors delayed implementation until September 19, 2001, when the first digital driver licenses began to be issued in one of the Driver License Division offices. By December 4, 2001, all offices will be exclusively issuing digital driver licenses and identification cards. With this system, a color digital photo is taken and kept on file. A bar code on the license will contain the same information as is recorded on the front of the license. Upon issuance, an applicant will take home a temporary paper license, and the digital license will be mailed within 7 to 10 days. The digital photos will be available as a tool for law enforcement to prevent identity fraud.

The Committee heard a report on this system at its June 2001 meeting but did not recommend legislation.

Governor's Council on Driving Under the Influence Report

The Committee heard a report on legislation recommended by the Governor's Council on Driving Under the Influence at its October meeting and recommended the following legislation:

- "Blood and Breath Alcohol Testing"
- "Court Records of Driving Under the Influence Cases"
- "Multiple Driving Under the Influence Offenses"
- "Amendments to Driving Under the Influence"
- "Alcoholic Beverage Service - Warning Required"

Legacy Parkway Update

In March 1991, a study of the North I-15 Corridor recommended construction of the West Davis Highway (now Legacy Parkway) from I-215 to Farmington. The Final EIS for this 14-mile project was completed in July 2000, and

approval was received from the Federal Highway Administration and the U.S. Army Corps of Engineers in October 2000 and February 2001, respectively. UDOT gave the design/build contractor (Fluor-Daniel) a notice to proceed in February 2001 and a second notice to proceed in June 2001 after a federal judge ruled in favor of the Department in a case related to environmental issues. The case is under appeal. The project will provide two lanes in each direction, including a pedestrian/equestrian/bike path the entire length of the parkway, and a 2,098 acre nature preserve designed to preserve wetlands, buffer development, and ensure a habitat for wildlife. The cost of the project is \$451 million and is expected to be completed in the fall of 2004.

Olympic Transportation

Utah will host the 2002 Winter Olympic Games February 8 through 24. During that time, an estimated 3,500 athletes and officials, 12,000 media representatives, and 1 million spectators and other visitors will come to Utah. In preparation for this event, several federal, state, and local transportation agencies have been working together to ensure that people can get to the events and that the public has the information needed to make good transportation choices during Olympic events. Approximately \$35.5 million in additional federal funds has been spent on highway projects and \$92.5 million on Transit projects, which includes \$31.5 million on park and ride facilities to be readied for the games. Approximately 900 buses and 29 light rail vehicles will be borrowed for the games. Venue access plans and maps have been developed to guide spectators to each venue and a "Know Before You Go" media campaign has been developed to provide detailed Olympic transportation information to spectators, commuters, businesses, and commercial motor carriers.

The Committee heard a report on the transportation preparations that have been made for the Olympics at its September 2001 meeting but did not recommend legislation.

Other Legislation

The Committee held hearings on other transportation

legislation at its November meeting and recommended the following legislation:

- "Organ Donation Checkoff"
- "Driver License Reporting"
- "Child Restraint Violations"

Unregistered Passenger Vehicles in Utah—A Performance Audit

The Committee heard a report on the legislative audit of "Unregistered Passenger Vehicles in Utah." The audit found that the State may lose \$4.5 million each year because of improperly registered vehicles. Three options to increase registration compliance were evaluated including replating, enlarging decals, and increasing penalties and enforcement. The audit found that replating was an expensive and ineffective option and recommended that:

- the Legislature:
 - eliminate vehicle-to-vehicle plate transfers
 - eliminate the county designation requirement
 - review fines and penalties of late renewals
 - require proof of registration in order to pay the fine
 - clarify and simplify registration laws to make it easier for law enforcement offices to enforce the existing laws
- the Motor Vehicles Division issue larger decals
- the Utah Highway Patrol:
 - issue citations for expired registrations
 - train officers to detect illegally registered vehicles
- the Courts review data systems and train staff to enter all of the information for each offense, including the Utah Code reference.

The Committee heard this issue at its October and November 2001 meetings and recommended legislation "License Plate Requirements" and "Motor Vehicle Registration Amendments."

UTAH TOMORROW STRATEGIC PLANNING COMMITTEE

UTAH TOMORROW STRATEGIC PLANNING COMMITTEE

Membership

Sen. Beverly Evans, Chair
Rep. Afton B. Bradshaw, Chair
Sen. Paula F. Julander
Sen. Bill Wright
Rep. Patricia W. Jones
Rep. A. Lamont Tyler
Mr. Daniel J. Becker
Commissioner Kenneth A. Bischoff
Mayor Christopher C. Blake
Mr. Kim R. Burningham
Ms. Kathleen Clarke
Mr. Gene Moser
Dr. Dianne Nielson
Mr. Con Rowley

Staff

Ms. Chyleen A. Arbon, Research Analyst
Mr. Paul W. Hess, Associate General Counsel
Ms. Cassandra Bauman, Legislative Secretary

COMMITTEE OVERVIEW

The Utah Tomorrow Strategic Planning Committee, established by the Legislature in 1990, directs an ongoing and comprehensive strategic planning process to enable Utahns to focus on and achieve a single set of goals for the future. During the 1990 Interim, the Committee developed a vision statement describing where Utahns would like the State to be in 20 years and focused the broad goals of the vision statement into specific, measurable objectives. The first draft of these goals was created by ten task forces whose total participation included more than 350 citizens.

In subsequent years, the Committee continued to refine the vision statement, goals, and performance measures in a cooperative effort with state agencies and departments. The Committee has also strengthened ties with different branches and levels of government in implementing the goals of Utah Tomorrow. The Legislature, Governor's Office, executive branch agencies, judicial branch, and local

governments combined their efforts to refine the goals and measures.

The Committee continues to emphasize performance measurement and data collection in cooperation with the Governor's Office of Planning and Budget. Executive departments and local governments play a key role in the implementation of statewide strategic goals—their involvement is critical to its success.

WHAT WILL TOMORROW BRING FOR UTAH TOMORROW

Background

Advice on how to improve the Utah Tomorrow Report and increase its impact was sought during the 2001 Interim. The following recommendations were made to the Committee: (1) include productivity numbers in the report, (2) create a synthesized grading system within the report, (3) raise the political risk for people who do not support Utah Tomorrow, and (4) coordinate with other agencies and organizations that have been involved in strategic planning.

Committee Action

The Committee discussed the importance of involving the public, the Legislature, and other agencies in the strategic planning process. The Committee also discussed the important role the media could play in distributing information and heightening awareness of the report and suggested having the Office of the Legislative Fiscal Analyst take a more active role in the planning process.

The Committee discussed this issue at its July 2001 meeting and recommended publishing the Utah Tomorrow Report every other year, instead of every year.

WORKFORCE SERVICES AND COMMUNITY AND ECONOMIC DEVELOPMENT INTERIM COMMITTEE

WORKFORCE SERVICES AND COMMUNITY AND ECONOMIC DEVELOPMENT INTERIM COMMITTEE

Membership

Sen. Beverly Ann Evans, Senate Chair
Rep. Richard M. Siddoway, House Chair
Sen. Scott K. Jenkins
Sen. Paula F. Julander
President Al Mansell
Sen. L. Steven Poulton
Rep. Jeff Alexander
Rep. Sheryl L. Allen
Rep. Cindy Beshear
Rep. Carl W. Duckworth
Rep. Brent H. Goodfellow
Rep. David Litvak
Rep. Merlynn T. Newbold
Rep. J. Morgan Philpot
Rep. Carl R. Saunders
Speaker Martin R. Stephens
Rep. Peggy Wallace
Rep. Bradley A. Winn

Staff

Ms. Jami Mombberger, Research Analyst
Mr. James L. Wilson, Associate General Counsel
Ms. Jennifer Markham, Legislative Secretary

COMMITTEE OVERVIEW

The Utah State Legislature created the Department of Workforce Services in 1997 in order to make the welfare and job training programs of the state more efficient. The following programs were consolidated into the new department: Quality Control and the Office of Family Support from the Department of Human Services, the Department of Employment Security, Job Training and the Office of Child Care from the Department of Community and Economic Development, and the Turning Point Program from the State Office of Education.

During the 2001 Interim, the Committee purview expanded to include the Department of Community and Economic

Development. The change allows the Committee to comprehensively address business development programs and opportunities, as well as other issues facing Utah's workforce.

CHILD CARE AUDIT

Background

The OCC (Office of Child Care) was created in 1990 to carry out long-term planning and coordinate statewide child care issues. In response to a legislative audit conducted by the Office of the Legislative Auditor General, the Committee studied issues raised by the audit and community stakeholders related to the OCC, including clarifying (1) the role and membership of the Child Care Advisory Committee, (2) the child care target age, (3) the trust fund responsibility, and (4) providing an accountability mechanism for the OCC.

Committee Action

The Committee studied these issues at its September, October, and November 2001 meetings and recommended legislation "Child Care Amendments."

DEPARTMENT OF WORKFORCE SERVICES—SUBPOENA POWER

Background

In 2001, the federal Food and Nutrition Service imposed a \$2.2 million sanction against the DWS (Department of Workforce Services) for a low food stamp payment accuracy rate. By reinvesting the \$2.2 million sanction the DWS avoids paying the money to the federal government and has an opportunity to improve its current program. However, the reinvestment must show an improvement in the accuracy rate and an increase in the investigation of food stamp fraud. In order to adequately investigate fraud, the DWS requested the ability to increase the subpoena power beyond that granted to its unemployment insurance division to cover other supportive service programs.

WORKFORCE SERVICES AND COMMUNITY AND ECONOMIC DEVELOPMENT INTERIM COMMITTEE

Committee Action

The Committee studied this issue at its October 2001 meeting and recommended legislation "Workforce Services Amendments."

TOURISM PROMOTION FUNDING IN UTAH

Background

Tourism is a multibillion dollar enterprise in Utah, and the promotion of tourism is necessary to maintain tourism tax revenues. Funding available for promoting tourism in Utah for fiscal year 2000 was \$51.2 million. The sources for this funding were as follows (1) \$17.5 million from the TRT (Transient Room Tax), (2) \$20 million from restaurant tax (part of the TRCC—Tourism, Recreation, Cultural and Convention tax), (3) \$8.9 million from car rental (also part of the TRCC), and (4) \$4.8 million from the General Fund. The \$4.8 million from the General Fund is allocated to UTC (Utah Travel Council) for its operation and to promote Utah as a travel destination. The other monies are returned to the county that imposed the tax for tourism promotion on a more localized level.

Counties are allowed to spend one-third of the TRT revenues on county infrastructure and capital improvements while the remaining two-thirds must be spent on direct tourism promotion. The TRCC does not have the same proportional restrictions on revenue spending.

In response to a legislative audit conducted by the Office of the Legislative Auditor General, the Committee studied issues including (1) county expenditures of tourism promotion dollars; (2) whether to impose proportional spending restrictions on TRCC revenues, similar to the TRT restrictions; (3) information that impacts tourism dollars in Utah; (4) funding the performance marketing fund; and (5) coordinated efforts of tourism promotion between the State, local government entities, and the private sector.

Committee Action

The Committee considered these issues at its June, July, October, and November 2001 meetings and recommended legislation "Tourism Amendments."

OTHER STUDIES

Access to Financial Information

The Committee studied the possibility of allowing DWS increased access to private financial records for individuals receiving services from DWS. The Committee considered this issue at its October and November 2001 meetings but did not recommend legislation.