

**MINUTES OF THE
BUSINESS AND LABOR INTERIM COMMITTEE**

Wednesday, September 20, 2006 – 2:00 p.m. – Room W125 House Building

Members Present:

Sen. Scott K. Jenkins, Senate Chair
Rep. Stephen D. Clark, House Chair
Sen. Thomas V. Hatch
Sen. John W. Hickman
Sen. Michael G. Waddoups
Rep. J. Stuart Adams
Rep. Jackie Biskupski
Rep. David Clark
Rep. Carl W. Duckworth
Rep. James A. Dunnigan
Rep. Ben C. Ferry
Rep. Craig A. Frank
Rep. Neil A. Hansen

Rep. Todd E. Kiser
Rep. Michael T. Morley
Rep. Curtis Oda
Rep. Gordon E. Snow
Rep. Scott L. Wyatt

Members Absent:

Sen. Gene Davis
Sen. Ed Mayne

Staff Present:

Ms. Allison Morgan, Policy Analyst
Ms. Patricia Owen, Associate General Counsel
Ms. Phalin L. Flowers, Legislative Secretary

Note: A list of others present, a copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov.

1. Committee Business

Chair Jenkins called the meeting to order at 2:09 p.m.

MOTION: Sen. Hickman moved to approve the minutes of the July 19, 2006 meeting. The motion passed unanimously with Sen. Waddoups, Rep. Biskupski, Rep. Dunnigan, Rep. Hansen, Rep. Kiser, and Rep. Oda absent for the vote.

Ms. Morgan noted "Esthetic Use of Lasers for Hair Removal," which was prepared by the Division of Occupational and Professional Licensing and included in the mailing packet.

2. Sunset Review: Utah Code Ann., Title 13, Chapter 16, Motor Fuel Marketing Act

Mr. Mark Shurtleff, Utah Attorney General, addressed the Committee regarding the Motor Fuel Marketing Act (Act). He felt that the Act is harmful to the consumer and recommended that it be allowed to sunset.

Mr. Tony Patterson, Office of the Attorney General, distributed and discussed "Motor Fuel Marketing Act: Recommendation of the Attorney General's Office." He explained that he believes the Act could be considered unconstitutional and that there are issues with enforcing the Act. He stated that there is a very small chance of a fuel monopoly in Utah and recommended that the Act be allowed to sunset.

Ms. Owen distributed and discussed "Motor Fuel Marketing Act." She explained the history and requirements of the Act, what other states have similarly done with this issue, and what options the Legislature has regarding the Act.

Mr. John Hill, Executive Director, Utah Petroleum Marketers and Retailers Association, and Mr. Gary Thorup, representing the Utah Petroleum Marketers and Retailers Association, spoke in favor of extending the Act. They indicated support for the Act and they believe that the Act protects consumers by protecting

competition. Mr. Thorup distributed and discussed a study by three professors titled "Do state motor fuel sales-below-cost laws lower prices?"

Mr. Jim Olsen, Utah Food Industry Association and Utah Retail Merchants Association, explained that some members of the Utah Food Industry Association and the Utah Retail Merchants Association support the Act and would like it to remain in statute and some members would like the Act to be allowed to Sunset. He also discussed the history of the Act.

Mr. Lee Peacock, President, Utah Petroleum Association, said that his organization will remain neutral on this issue. He explained that the Act pertains to marketers of motor fuel more than producers.

Ms. Roylane Fairclough, AAA of Utah, said that free enterprise encourages competition and competition lowers prices. She spoke in favor of extending the Act.

Mr. Mark Walker, Vice President, Walker Oil, said competition is good for the consumer. He spoke in favor of extending the Act.

MOTION: Rep. Ferry moved to reauthorize the Motor Fuel Marketing Act for 10 years. The motion failed with Sen. Jenkins, Rep. Adams, Rep. D. Clark, Rep. S. Clark, Rep. Duckworth, Rep. Ferry, Rep. Frank, Rep. Morley, and Rep. Snow voting in favor and Sen. Waddoups, Rep. Biskupski, Rep. Dunnigan, Rep. Hansen, Rep. Kiser, and Rep. Oda absent for the vote.

MOTION: Rep. Adams moved to reauthorize the Motor Fuel Marketing Act for five years. The motion passed with Rep. Wyatt voting in opposition and Sen. Waddoups, Rep. Biskupski, Rep. Dunnigan, Rep. Hansen, Rep. Kiser, and Rep. Oda absent for the vote.

3. Draft Legislation: Impact of Administrative Rules on Small Businesses

Rep. Clark distributed and discussed 2007 General Session draft legislation, "Impact of Administrative Rules on Small Businesses."

Mr. Jim Henderson, U.S. Small Business Administration, distributed and discussed "Jim Henderson, Region VIII Advocate, U.S. Small Business Administration before the Business and Labor Interim Committee" and "State Regulatory Flexibility Model Legislation Initiative." He spoke about the Federal Regulatory Flexibility Act and how it helps economic development by removing regulatory burdens from small businesses.

MOTION: Sen. Hickman moved to change line 83 of 2007 General Session draft legislation, "Impact of Administrative Rules on Small Businesses" from "50 persons" to "100 persons". The motion passed unanimously with Sen. Waddoups, Rep. Adams, Rep. Biskupski, Rep. Dunnigan, Rep. Ferry, Rep. Frank, Rep. Hansen, and Rep. Kiser absent for the vote.

MOTION: Rep. S. Clark moved to favorably recommend 2007 General Session draft legislation, "Impact of Administrative Rules on Small Businesses," as amended, as a committee bill. The motion passed unanimously with Sen. Waddoups, Rep. Adams, Rep. Biskupski, Rep. Dunnigan, Rep. Ferry, Rep. Frank, Rep. Hansen, and Rep. Kiser absent for the vote.

4. Draft Legislation: Sunrise Process

Ms. Owen distributed and discussed "Sunrise Review Process: Current and Proposed," 2007 General Session draft legislation, "Occupational and Professional Licensure Review Committee," and "Occupational and Professional Licensure Review Committee Application."

The Committee directed staff to draft an alternative approach of creating an Occupational and Professional Licensure Review Committee review note on a bill that regulates a new occupation or profession.

5. Other Items / Adjourn

MOTION: Sen. Hickman moved to adjourn the meeting. The motion passed unanimously with Sen. Waddoups, Rep. Adams, Rep. Biskupski, Rep. Dunnigan, Rep. Ferry, Rep. Frank, Rep. Hansen, Rep. Kiser, and Rep. Snow absent for the vote.

Chair Jenkins adjourned the meeting at 4:26 p.m.