

**MINUTES OF THE  
POLITICAL SUBDIVISIONS INTERIM COMMITTEE**  
Wednesday, October 18, 2006 – 2:00 p.m. – W025 House Building

**Members Present:**

Rep. Brad L. Dee, House Chair  
Sen. Fred J. Fife  
Sen. Wayne L. Niederhauser  
Rep. David N. Cox  
Rep. Julie Fisher  
Rep. Kerry W. Gibson  
Rep. Ann W. Hardy  
Rep. Brad King  
Rep. M. Susan Lawrence  
Rep. Karen W. Morgan  
Rep. Peggy Wallace  
Rep. Larry B. Wiley

**Members Absent:**

Sen. Carlene M. Walker, Senate Chair  
Pres. John L. Valentine  
Rep. Joseph G. Murray

**Staff Present:**

Mr. Joseph T. Wade, Policy Analyst  
Mr. Robert H. Rees, Associate General Counsel  
Ms. Wendy L. Bangerter, 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](http://www.le.utah.gov).

**1. Committee Business**

Chair Brad Dee called the meeting to order at 2:20 p.m.

**2. Report on Inspection of School Construction**

Rep. Larry Wiley explained that an ad hoc workgroup was formed in May to explore claims that school districts were not submitting required reports to municipalities regarding the inspection of school construction.

Ms. Jodi Hoffman, Utah League of Cities and Towns, distributed three documents: 1) "Oversight of School Inspections," 2) "Ad Hoc School Inspection Task Force Statutory Recommendations," and 3) paper copies of her power point presentation. She reviewed those items discussed by the ad hoc workgroup and reported that the contention has been resolved with a unanimous recommendation from the workgroup. She reviewed some rule amendments recommended by the ad hoc workgroup. She also reviewed statutory recommendations.

Rep. Wiley requested that staff draft a bill for the committee's November meeting that would implement the statutory recommendations from the ad hoc workgroup.

Chair Dee expressed appreciation to the ad hoc committee members for their efforts in behalf of the school children, the districts, and the league.

**3. Status Report of the Special Districts Subcommittee**

Mr. Robert H. Rees, Associate General Counsel, briefly explained 2007 General Session draft legislation, "Special and Local Districts Amendments," and explained the purpose of the bill, which is to continue the rewrite/recodification of Title 17A, Special Districts. He gave a general overview of the draft.

Chair Dee explained there would be further changes to the bill before the 2007 General Session, but would recommend it be adopted now as a committee bill.

Mr. Mark Anderson, General Counsel to the Utah Association of Special Districts, expressed appreciation to the subcommittee members, the participants, and especially Mr. Rees for the time and effort put into this project.

**MOTION:** Rep. Wallace moved to adopt "Special and Local Districts Amendments," as a committee bill, recognizing that this draft is a work in progress and that further changes will be made to the bill before its introduction in the 2007 General Session. The motion passed unanimously.

#### **4. Municipal Disconnection**

Rep. David Hogue explained the challenges relating to municipal disconnection. He referred to current statute, Title 10, Chapter 2, Part 5, included in the previously distributed packet.

Mr. Dale Gardner, Bluffdale City Attorney, explained the process of municipal disconnection and the ambiguity in the municipal disconnection and annexation laws. The questions being raised are whether property owners and developers are going to be allowed to annex property into another city because they like the services and taxing structure better, and who controls adjoining municipal boundaries? He said the issue is being brought before the Utah Supreme Court. He distributed and reviewed a map and current statute.

Rep. Hogue requested that the Legislature stay informed of these issues.

#### **5. Distribution Formula for the Local Option Sales and Use Tax**

Rep. Scott Wyatt distributed and reviewed 2007 General Session draft legislation, "Local Option Distribution Formula for the Distribution of the Local Option Sales and Use Tax." The bill would amend the Local Sales and Use Tax Act to provide certain qualifying counties and municipalities options relating to the distribution of revenue from this local sales and use tax. His proposal would provide a mechanism to allow the geographical area of the county to change the sales tax formula. He noted that the bill limits the counties that could participate. He said that it would be put to a vote of the public and would create balance between small and large counties. He feels the change would result in better planning and tax policies in the future and would not exclude higher paying jobs.

Mr. Roger Tew, Utah League of Cities and Towns, stated the league's and a majority of the cities' strong feeling that changes in the 50/50 formula should not be made. He reminded the Committee that the Redevelopment Agency law was rewritten last year and stated it would be a mistake to assume that sales tax distribution is the only incentive. He expressed concern that this bill would force cities to enter into interlocal cooperative agreements against their desire to do so.

Mr. John Hiskey, Sandy City, spoke against the bill, commenting that the issue is much more complex and goes deeper than has been discussed.

Committee discussion followed.

Rep. Wyatt reminded the Committee that this bill does not apply to larger cities, that it is good policy, and that the proponents would like the opportunity to try it.

**MOTION:** Rep. Cox moved to adopt "Local Option Distribution Formula for the Distribution of the Local Option Sales and Use Tax" as a committee bill. The motion failed with Rep. Cox, Rep. Dee, Rep. Fisher, Rep. Gibson, and Rep. Wallace voting in favor of the motion. Sen. Fife, Sen. Niederhauser, Rep. Hardy, Rep. Lawrence, Rep. Morgan, and Rep. Wiley voted in opposition. Rep. King was absent for the vote.

#### **6. Other Items / Adjourn**

**MOTION:** Rep. Wallace moved to adjourn the meeting. The motion passed unanimously. Rep. King was absent for the vote.

Chair Dee adjourned the meeting at 4:00 p.m.