

**MINUTES OF THE
GOVERNMENT COMPETITION AND PRIVATIZATION SUBCOMMITTEE**

Thursday, October 25, 2007 – 9:00 a.m. – Room W125 House Building

Members Present:

Sen. Howard A. Stephenson, Senate Chair
Rep. Craig A. Frank, House Chair
Sen. Brent H. Goodfellow
Sen. Wayne L. Niederhauser
Rep. Tim M. Cosgrove
Rep. Carl W. Duckworth
Rep. Michael T. Morley
Rep. Mark W. Walker

Members Absent:

Rep. Kevin S. Garn

Staff Present:

Mr. Leif G. Elder, Research 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. Subcommittee Business

Chair Stephenson called the meeting to order at 9:26 a.m. He excused Rep. Garn from the meeting.

MOTION: Sen. Niederhauser moved to approve the minutes of the September 26, 2007 meeting. The motion passed unanimously with Rep. Morley and Rep. Walker absent for the vote.

Sen. Stephenson noted that the agenda had been revised within the 24 hour notice period and that it is important for public comment to be made on the added agenda item.

2. Local Government Feasability and Economic Impact Studies

Sen. Jenkins discussed 2008 General Session draft legislation, "Local Government Fiscal and Economic Impact Studies," which was mailed prior to the meeting. He clarified that he is still working on this legislation and that it is not currently ready to have action taken on it.

Mr. Lincoln Shurtz, Director of Legislative Affairs, ULCT (Utah League of Cities and Towns), discussed concerns with the bill and indicated that ULCT is willing to work with Sen. Jenkins on possible options.

3. Consider Legislative Proposals

Ms. Owen discussed 2008 General Session draft legislation, "Government Competition and Privatization Act," "Charges for Private Use of Public Facilities," and "Inventory and Review," which were mailed prior to the meeting.

The following members of the Board (Utah Privatization Policy Board) introduced themselves:

Mr. James Kesler, Vice Chair; Mr. Ted Boyer, member; Mr. Steven Wrigley, member; Ms. Tanya Henrie, member; and Mr. Doug Richins, State Chief Procurement Officer and Secretary of the Board.

A. Proposal to Create a Government Competition and Privatization Act

Mr. Roger Tew, ULCT, explained that although members of ULCT have not taken a position on the bills being discussed at the meeting, it was his feeling that the members would have serious concerns with the bills. He also discussed possible violations of the "ripper clause" of the Utah Constitution.

Mr. Arie Van De Graaff, UAC (Utah Association of Counties), explained that members of UAC have not seen the legislation being discussed. Mr. Van De Graaff said UAC members would probably have the same concerns that Mr. Tew raised. He also voiced concerns that the business representatives of the proposed commission might not have a municipality's best interest in mind. Mr. Van De Graaff said that while he supports the idea of increased authority to the Board, this proposal for a new commission goes too far. Mr. Van De Graaff noted that UAC would be meeting November 14, 15, and 16, 2007, and that the legislators are welcome to attend the meetings.

Mr. Shurtz answered questions of the Subcommittee related to charter cities.

Mr. Royce Van Tassell, Vice President, Utah Taxpayers Association, discussed the need for legislation.

Mr. Kesler said that it is frustrating for him that the Board can only suggest changes in areas that the Board studied. He spoke in support of a commission with more authority than the current Board.

Mr. Boyer explained that the Board has a limited charter, but that the Board has fulfilled that charter. He explained that he does not have a problem with the Board being advisory in nature and that he cannot recall an incident where the Board made a recommendation that was not followed. He said he believes the Legislature has the role of deciding what is privatized and what is not and recommended keeping the current system.

Mr. Wrigley suggested that if the commission proposal is adopted, there should be representatives of state employees sitting on that commission.

Ms. Henrie said businesses look to see if a local government is friendly to them before locating there, and that if government is competing in that industry, that business is likely to not locate their business in that area.

B. Local Government Accounting for Competitive Activities

Ms. Owen discussed 2008 General Session draft legislation, "Accounting for Competitive Activities of Local Entities," which was mailed prior to the meeting.

Mr. Shurtz distributed and discussed "Survey of Local Government Finances."

Mr. Van De Graaff voiced concerns that the legislation would be burdensome to local governments.

Mr. Jesse Harris, citizen from White City, voiced concerns with the legislation.

Chair Stephenson recessed for lunch at 12:03 p.m.

Chair Stephenson reconvened the meeting at 1:02 p.m.

4. Waste Disposal by a Private Company

Ms. Emily Brown, Associate General Counsel, Legislative Research and General Counsel, distributed and discussed 2008 General Session draft legislation, "Anti-flow Control Amendments."

Mr. Shurtz said ULCT has not had a chance to review the bill yet, but voiced concerns that the bill could hinder a municipality's authority to control solid waste management in its jurisdiction.

Mr. LeGrand Bitter, Director, Association (Utah Association of Special Districts), asked if the bill would allow government entities to keep waste from coming to their facilities or is the purpose of the bill to control the flow of waste management. He said the Association would like to be involved in further discussions of this issue.

5. Interlocal Cooperative Agencies Providing Telecommunication Services

Ms. Owen distributed and discussed "Legislative Proposal: Restrictions on Activities Related to Title 10, Chapter 18, Municipal Cable Television and Public Telecommunications Services Act." She discussed three proposals that would restrict certain activities permitted under Title 10, Chapter 18, including: (1) prohibiting new nonpledging members, (2) prohibiting adding new members until the "build-out" is complete, and (3) requiring a vote by registered voters to add new members.

Mr. David Shaw, General Counsel, UTOPIA and Mr. Roger Tew, representing UTOPIA, spoke in opposition to the proposals.

6. Other Items / Adjourn

The next subcommittee meeting was scheduled for Wednesday, November 7, 2007 at 9:00 a.m.

MOTION: Rep. Walker moved to adjourn the meeting. The motion passed unanimously with Sen. Goodfellow and Sen. Niederhauser absent for the vote.

Chair Stephenson adjourned the meeting at 1:46 p.m.