

**MINUTES OF THE
WORKFORCE SERVICES AND COMMUNITY
AND ECONOMIC DEVELOPMENT INTERIM COMMITTEE**
Wednesday, October 15, 2008 – 9:00 a.m. – Room C250 State Capitol

Members Present:

Sen. Mark B. Madsen, Senate Chair
Rep. Steven R. Mascaró, House Chair
Sen. Allen M. Christensen
Sen. Fred J. Fife
Sen. Patricia W. Jones
Rep. James A. Dunnigan
Rep. Janice M. Fisher
Rep. Christopher N. Herrod
Rep. Gordon E. Snow

Members Absent:

Sen. Dan R. Eastman
Rep. Karen W. Morgan

Staff Present:

Mr. Arthur L. Hunsaker, Policy Analyst
Mr. James L. Wilson, Associate General Counsel
Ms. Glenda S. Whitney, 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 Madsen called the meeting to order at 9:14 a.m. Rep. Morgan was excused from attending the meeting.

MOTION: Rep. Mascaró moved to approve the minutes of the September 17, 2008 meeting. The motion passed unanimously with Sen. Fife, Rep. Dunnigan, and Rep. Snow absent for the vote.

2. Draft Legislation, "Financial Incentives for Motion Picture Productions"

Mr. Wilson distributed 2009 General Session draft legislation, "Financial Incentives for Motion Picture Productions."

Sen. Lyle W. Hillyard, sponsor, said the proposed legislation is a good model that provides refundable tax credit and cash rebate incentives for the motion picture industry. He noted that the bill enacts additional statutes related to the process and criteria for granting economic incentives to motion picture companies for new state-approved productions. He asked that it be a Workforce and Community and Economic Development Interim Committee bill.

Mr. Jason Perry, Executive Director, Governor's Office of Economic Development (GOED), reviewed the changes to the bill and said the bill provides for motion picture incentives not to exceed 20 percent of the dollars left in the state by a motion picture company for in-state production of television series, made-for-television movies, and motion pictures, including feature films and independent films.

Mr. Derek Miller, Managing Director of Corporate Incentives, GOED, reviewed the various financial incentives offered in the bill, including the motion picture incentive fund, the cash rebate incentives, and refundable tax credit incentives.

Mr. Wilson noted that the incentives in the draft legislation are subject to periodic review by the Utah Tax Review Commission.

Mr. Trevor Albert, Film Producer, said Utah is a great place to make films. He spoke in support of the bill and indicated that the incentives are needed by those who work in the film industry.

Mr. Marshall Moore, Director, Utah Film Commission, distributed and reviewed a handout, "Utah Film Commission." He discussed working on television series produced in Utah.

Ms. Leigh Von Der Esch, Managing Director, Office of Tourism, discussed the impact of tourism promotion in Utah through film productions made in the state. She indicated that a film is a bill board for the state in that it is used to promote a place and has a significant economic impact for Utah.

Dr. Paul Sagers, Principal, East High School, discussed the positive impact and advantages on the filming of "High School Musical Senior Year" at East High School. He reviewed the revenue and enhancements for East High School because of the filming of High School Musical at East High.

MOTION: Sen. Christensen moved to adopt 2009 General Session draft legislation, "Financial Incentives for Motion Picture Productions," as a committee bill. The motion passed unanimously.

Rep. Mascaro indicated that he would like to cosponsor the bill in the House.

Sen. Madsen turned the chair over to Rep. Mascaro.

3. Annual Report: Department of Workforce Services (DWS)

Ms. Kristen Cox, Executive Director, DWS, distributed and discussed DWS's annual report: "DWS Eligibility Customer Service Initiatives 2008-2009," "Fabrication / Welder Skill-set Pyramid," and "Innovation Employee Success Customer Service Prevention Competitiveness."

Mr. Kevin Burt, Eligibility Supervisor, DWS, reviewed the handout, "DWS Eligibility Customer Service Initiatives 2008-2009" and explained the application and eligibility process.

Ms. Karen Silver, Salt Lake Community Action Program, noted barriers in the areas of child care, the hardships created by the 36-month lifetime limit on cash assistance, and transportation issues in rural areas.

Ms. Mary Shumway, Educational Director, Utah State Office of Education, discussed the state office's partnership with DWS.

Rep. Mascaro turned the chair over to Sen. Madsen.

4. Annual Report: Office of Child Care

Ms. Lynette Rasmussen, Director, Office of Child Care, DWS, referred to the handout that was distributed by Ms. Cox, "Innovation Employee Success Customer Service Prevention Competitiveness."

Ms. Rasmussen reviewed the report from the handout, "Office of Work and Family Life."

5. Report: Unemployment Trust Fund and Preliminary 2009 Tax Rates

Mr. Bill Starks, Director, Unemployment Insurance, DWS, distributed handouts and reviewed the report: "Unemployment Benefits Paid," "UI Tax Rate Calculations and Explanations," and "Utah 2009 UI Tax Rate Distribution for Experience Rated Employers."

The following handouts of the report were distributed in the committee mailing packet: "UI Trust Fund Reserve Factor and Social Cost Calculation," "Higher Joblessness Placing Pressure on State UI Trust Funds," and "Average Employer Unemployment Insurance Tax Rates."

6. Other Items / Adjourn

The Committee received the following written reports: "Olene Walker Housing Loan Fund Annual Report to the Utah State Legislature 2008" and "Governor's Office of Economic Development Annual Report 2008." Also distributed was a handout titled "News Release - Law enforcement data support cause to end chronic homelessness."

Chair Madsen adjourned the meeting at 11:48 a.m.