

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

Wednesday, October 20, 2010 – 2:00 p.m. – Room 210 Senate Building

**Members Present:**

Sen. John L. Valentine, Senate Chair  
Rep. James A. Dunnigan, House Chair  
Sen. Gene Davis  
Sen. Daniel R. Liljenquist  
Sen. Karen Mayne  
Sen. Wayne L. Niederhauser  
Rep. Jackie Biskupski  
Rep. Jack R. Draxler  
Rep. Susan Duckworth  
Rep. Gage Froerer  
Rep. Stephen G. Handy  
Rep. Neil A. Hansen  
Rep. Brian S. King  
Rep. Todd E. Kiser

Rep. David Litvack  
Rep. Michael T. Morley  
Rep. C. Brent Wallis

**Members Absent:**

Rep. Francis D. Gibson  
Rep. Steven R. Mascaro  
Rep. Patrick Painter

**Staff Present:**

Mr. Bryant R. Howe, Assistant Director  
Ms. Patricia Owen, Associate General Counsel  
Ms. Amanda K. Majers, 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 Dunnigan called the meeting to order at 2:25 p.m.

**MOTION:** Rep. Litvack moved to approve the minutes of the September 15, 2010 meeting. The motion passed unanimously, with Sen. Liljenquist, Sen. Niederhauser, Rep. Froerer, and Rep. Morley absent for the vote.

Mr. Howe distributed and discussed "Utah Labor Commission and Workers' Compensation Advisory Council Report on Workers' Compensation Death Benefits for Surviving Spouses."

**2. Working Group on Worker Classification**

Sen. Mayne discussed 2011 General Session draft legislation, "Worker Classification Coordinated Enforcement" (2011FL-0050/005), which was distributed to the Committee prior to the meeting. She explained the legislation creates a council to review worker classification issues. Sen. Mayne answered questions from the Committee.

**MOTION:** Sen. Valentine moved to adopt 2011 General Session draft legislation, "Worker Classification Coordinated Enforcement" (2011FL-0050/005), as a committee bill. The motion passed unanimously, with Sen. Liljenquist, Sen. Niederhauser, Rep. Froerer, and Rep. Morley absent for the vote.

**3. Business Entity Mergers**

Chair Dunnigan turned the chair over to Sen. Valentine.

Rep. Dunnigan discussed 2011 General Session draft legislation, "Business Entity Mergers" (2011FL-0341/004), which was distributed to the Committee prior to the meeting. He also distributed and discussed "Relative Utah Statutes on Business Entity Mergers." Rep. Dunnigan stated that the draft legislation clarifies whether a corporation may merge with other business entities.

Ms. Kathy Berg, Director, Division of Corporations and Uniform Commercial Code, Department of Commerce, stated that the draft legislation would permit mergers between corporations and other business entities. Ms. Berg answered questions from the Committee.

**MOTION:** Rep. Litvack moved to adopt 2011 General Session draft legislation, "Business Entity Mergers" (2011FL-341/004), as a committee bill. The motion passed unanimously, with Sen. Liljenquist, Sen. Niederhauser, Rep. Kiser, and Rep. Morley absent for the vote.

Chair Valentine returned the chair to Rep. Dunnigan.

#### **4. Shareholder Action Without Meeting**

Sen. Benjamin M. McAdams distributed and discussed 2011 General Session draft legislation, "Shareholder Action Without Meeting" (2011FL-0038/015). Sen. McAdams explained the purpose of the draft legislation is to update notice provisions related to shareholder actions without a meeting.

Mr. Samuel P. Gardiner, attorney, Dorsey & Whitney LLP, stated current statutes require shareholders, when taking an action by written consent that is not signed by all shareholders, to give ten days' notice of an action before the action may take effect. He explained only three other states have a similar ten day waiting period, which he believes creates difficulty for corporations in completing business transactions.

Sen. McAdams answered questions from the Committee.

**MOTION:** Rep. Litvack moved to amend 2011 General Session draft legislation, "Shareholder Action Without Meeting" (2011FL-0038/015) by reinserting the language beginning on line 124 and ending on line 125 "the first shareholder delivers to the corporation a writing upon which the action is taken pursuant to Subsection (1)" and deleting the new language on lines 126 and 127. The motion passed unanimously, with Sen. Liljenquist and Sen. Niederhauser absent for the vote.

Sen. McAdams said that he would continue to confer with interested parties regarding the draft legislation and seek to appear before the committee at a future meeting.

#### **5. Fire Prevention and Fireworks Act Amendments**

Chair Dunnigan turned the chair over to Sen. Valentine.

Rep. Dunnigan discussed 2011 General Session draft legislation, "Fire Prevention and Fireworks Act Amendments" (2011FL-0276/004), which was distributed to the Committee prior to the meeting. He also distributed and discussed a handout titled, "Fire Prevention and Fireworks Act Amendments." Rep. Dunnigan explained that the draft legislation will identify as illegal the fireworks that are fire or injury hazards and will permit fireworks that have a stable trajectory, have a stable base, and are cold while descending to the ground. He also stated the draft legislation clarifies when fireworks may be sold and used.

Mr. Ron Morris, State Fire Marshal, discussed the difficulty in enforcing current statutes governing fireworks. He stated that the draft legislation will improve enforcement by clearly stating the fireworks that will now be illegal rather than listing the numerous fireworks that are legal. Mr. Morris explained that the draft legislation legalizes fireworks that, when ignited, are hot while ascending, but are cold while descending.

Rep. Dunnigan and Mr. Morris answered questions from the Committee.

**MOTION:** Rep. Kiser moved to amend 2011 General Session draft legislation, "Fire Prevention and Fireworks Act Amendments" (2011FL-0276/004) on line 186 by changing "19" to "26." The motion passed unanimously, with Sen. Liljenquist absent for the vote.

**MOTION:** Rep. Kiser moved to adopt 2011 General Session draft legislation, "Fire Prevention and Fireworks Act Amendments" (2011FL-0276/004), as a committee bill. The motion passed unanimously, with Sen. Liljenquist absent for the vote.

Chair Valentine returned the chair to Rep. Dunnigan.

## **6. Proposed Substantive Changes to the State Fire Code**

Mr. Ted Black, Chair, Fire Prevention Board, discussed "State Fire Code Adoption Act - Fire Prevention Board Proposed Amendments to the Business & Labor Interim Committee, July 13, 2010," which was distributed to the Committee prior to the meeting. Mr. Black answered questions from the Committee.

Mr. Taz Biesinger, Home Builders Association of Utah (UtahHBA), explained his concern that the decision to require fire sprinklers in homes needs to be studied further before it becomes law.

**MOTION:** Sen. Davis moved to direct staff to draft legislation to adopt the proposed substantive changes to the State Fire Code in the report titled, "State Fire Code Adoption Act - Fire Prevention Board Proposed Amendments to the Business & Labor Interim Committee, July 13, 2010." The motion passed unanimously, with Sen. Liljenquist and Rep. Froerer absent for the vote.

## **7. Review of Adoption Procedures for State Construction Code and the State Fire Code**

Ms. Owen presented "Technical Issue: Process for Adopting State Construction Code and State Fire Code."

Chair Dunnigan directed staff to prepare draft legislation combining the codification of the State Construction Code and the State Fire Code with the proposed substantive amendments to the State Fire Code.

## **8. Proposed Substantive Changes to the State Construction Code**

Mr. Gil Gonzales, Chair, Uniform Building Code Commission, discussed "Report on Proposed Construction Code Amendments Recommended by the Uniform Building Code Commission," which was distributed to the Committee prior to the meeting. Mr. Gonzales answered questions from the Committee.

Mr. Biesinger stated the UtahHBA supports the adoption of the amendments for log homes related to the 2009 International Energy Conservation Code energy provisions for the International Residential Code (2009 IECC amendments), but clarified that the amendments would only be applicable if the Committee decides to move forward with the 2009 IECC amendments. He also stated the UtahHBA supports building homes that are energy efficient, but spoke against adopting the 2009 IECC amendments.

Ms. Carol Hunter, Vice-President of Energy Efficiency Programs, Rocky Mountain Power, discussed energy efficiency procedures taken by Rocky Mountain Power and spoke in favor of adopting the 2009 IECC amendments.

Mr. Kevin Emerson, Senior Regulatory and Policy Associate, Utah Clean Energy, encouraged the Committee to support the recommended Construction Code Amendments. He emphasized the cost savings and energy savings derived from adopting the 2009 IECC amendments and answered questions from the Committee.

Mr. Orsen Beck, Salt Lake County Inspector, said that studies conducted by the Department of Energy and others concerning the 2009 IECC amendments show that the code standards may reduce energy consumption between 10 and 20 percent. He spoke concerning general provisions of the 2009 IECC amendments and indicated that he is in favor of adopting the 2009 IECC amendments. Mr. Beck answered questions from the Committee.

Mr. Barry McKay, General Manager, Questar Gas, stated that over the last four years Questar has aggressively pursued efficiency measures and spoke in favor of adopting the 2009 IECC amendments.

Mr. Tyler Jarvis, Energy Inspectors, spoke concerning the difference between the 2006 and 2009 IECC provisions.

Mr. Mitch Richardson, Survey and Testing Services Inc., explained that testing ducts would increase energy efficiency and spoke in favor of the 2009 IECC amendments.

Mr. Dave Nichols, International Code Counsel, spoke concerning whether federal stimulus dollars would be lost if the 2009 IECC amendments were not adopted. Mr. Nichols answered questions from the Committee.

Mr. Ron McArthur, home builder, spoke against adopting the 2009 IECC amendments stating that doing so will increase the price of new housing thereby decreasing its availability.

**MOTION:** Rep. Morley moved to include in the bill codifying the State Construction Code and the State Fire Code proposed amendments numbered 1 and 2 in the document titled, "Report on Proposed Construction Code Amendments Recommended by the Uniform Building Code Commission." The motion passed unanimously, with Sen. Davis, Sen. Valentine, Rep. Draxler, Rep. Froerer, and Rep. Hansen absent for the vote.

## **9. Other Items / Adjourn**

**MOTION:** Rep. Morley moved to adjourn the meeting. The motion passed unanimously, with Rep. Draxler, Rep. Hansen, Rep. Froerer, and Sen. Valentine absent for the vote.

Chair Dunnigan adjourned the meeting at 5:05 p.m.