

**MINUTES OF THE
BUSINESS AND LABOR INTERIM COMMITTEE**
Wednesday, June 15, 2011 – 10:00 a.m. – Room 210 Senate Building

Members Present:

Sen. John L. Valentine, Senate Chair
Rep. James A. Dunnigan, House Chair
Sen. Curtis S. Bramble
Sen. Gene Davis
Sen. David P. Hinkins
Sen. Daniel R. Liljenquist
Sen. Karen Mayne
Sen. Kevin T. Van Tassell
Rep. Jim Bird
Rep. Derek E. Brown
Rep. Melvin R. Brown
Rep. Susan Duckworth
Rep. Gage Froerer
Rep. Don L. Ipson
Rep. Todd E. Kiser

Rep. Bradley G. Last
Rep. Michael T. Morley
Rep. Dixon M. Pitcher
Rep. Jennifer M. Seelig
Rep. Larry B. Wiley
Rep. Brad R. Wilson

Members Absent:

Rep. Francis D. Gibson
Rep. Eric K. Hutchings

Staff Present:

Mr. Bryant R. Howe, Assistant Director
Ms. Patricia Owen, Associate General Counsel
Ms. Joy L. Miller, 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 Valentine called the meeting to order at 10:20 a.m.

MOTION: Sen. Davis moved to approve the minutes of the May 18, 2011 meeting. The motion passed unanimously. Rep. M. Brown, Rep. Dunnigan, Rep. Ipson, Rep. Kiser, Rep. Pitcher, and Rep. Seelig were absent for the vote.

2. Building Code Amendments - Energy Efficiency

Sen. Bramble discussed the history of the Legislature being the entity that adopts state construction codes and the role of the Committee in that process. He said by having the issue on the agenda, it puts the public on notice that the Legislature will be addressing modifications to the State Construction Code.

Rep. Fred C. Cox expressed his concern with certain energy provisions of the State Construction Code as currently adopted. He suggested that the Legislature review the International Energy Conservation Code and adopt its most current version with amendments that are appropriate to Utah. He encouraged that a consensus be reached through all parties involved.

Mr. Taz Biesinger, Utah Home Builders Association (HBA), expressed support for energy efficient buildings and the concept of taking advantage of all new technologies. He said HBA has been part of a group that spent two years studying the issue and it was determined that the costs were too significant for the benefits received. He offered the resources and assets of the HBA to participate with the Legislature in the process.

Chair Valentine noted that the Committee has been invited to tour a weatherization center and the Helmets to Hardhats organization next month. By a show of hands it was indicated that there was enough interest by the committee members to visit these sites.

3. Sunset Review - Posting Notices on Residential Property of Trustee's Sales of Residential Property

Rep. Wayne Harper explained that the state law was modified to conform to the existing federal requirements. He discussed the notice requirements that require providing notice to renters when the place that they are renting or leasing may be sold through the foreclosure process.

Mr. Howe referred the Committee to Utah Code Section 57-1-25, which was included in the mailing packet. He noted the subsections within Section 57-1-25 that are scheduled for sunset on December 31, 2012.

Mr. Paul Smith, Utah Apartment Association, expressed support for the reauthorization of these subsections of the code.

Mr. Drew Martinez, Community Action Partnership of Utah, recommended extending the sunset review to December 31, 2014 to comply with federal law.

Mr. Howard Headlee, President, Utah Bankers Association, stated that the notice when warranted is still relevant. He recommended extending the provision.

MOTION: Rep. Dunnigan moved to extend the provisions to December 31, 2014. The motion passed unanimously. Sen. Bramble and Sen. Mayne were absent for the vote.

Chair Valentine turned the chair over to Rep. Dunnigan.

4. Alcoholic Beverage Control Act Amendments

Sen. Valentine discussed 2012 General Session draft legislation, "Alcoholic Beverage Control Act Amendments" (2012FL-0084/012), which was distributed to the Committee. He discussed the changes that have been made to the bill since it was adopted in the May 18, 2011 meeting.

Mr. Earl Dorius, Department of Alcoholic Beverage Control (DABC), explained that when there is a sale of a business, the Alcoholic Beverage Control Commission typically grants the license to the new buyer. However, the new buyer must apply for the license.

MOTION: Sen. Valentine moved to adopt 2012 General Session draft legislation, "Alcoholic Beverage Control Act Amendments," as a committee bill, which would supercede the bill adopted at the last meeting. The motion passed unanimously. Sen. Bramble, Sen. Liljenquist, and Rep. M. Brown were absent for the vote.

Chair Dunnigan returned the chair to Sen. Valentine.

5. Alcoholic Beverage Control Act Fees

Mr. Dorius said that in 2003, some of the DABC's license fees were put on a sliding scale. He stated that the only retail license with a sliding scale renewal fee is the full service restaurant license. He proposed to eliminate the sliding scale fee because it creates problems for online renewals. He stated that a standardized fee is much easier to administer. He said DABC is recommending a standardized renewal fee of \$1,430 for full service restaurant licenses. Mr. Dorius responded to questions from the Committee.

Chair Valentine indicated that the Committee would revisit the issue in the future and invite public comment at that time.

MOTION: Sen. Davis moved to proceed to the next item on the agenda. The motion passed unanimously. Sen. Bramble, Sen. Liljenquist, and Rep. M. Brown were absent for the vote.

6. Report from the Office of the Legislative Auditor General: "A Review of DABC Actions Regarding a \$300,000 Loss from a Package Agency"

Mr. Brian Dean and Mr. Rick Coleman, Office of the Legislative Auditor General, reviewed the findings of the audit. Mr. Dean stated that the review found that DABC exercised poor management and oversight and contributed to state losses. He explained that the Eden Package Agency was allowed to continue operating despite increasing unpaid charges. Mr. Dean pointed out that the Eden Package Agency was never current on its payments, yet the DABC continued to ship them liquor. He noted the DABC violated its own rules by not auditing this package agency sooner. He outlined the recommendations of the audit.

Mr. John Freeman, Deputy Director, DABC, acknowledged that mistakes were made by DABC regarding supervision of the Eden Package Agency. He indicated that DABC has now assigned all package agency operations to the department audit manager and his staff. He noted that background checks on all package agencies and all required audits are up to date. Mr. Freeman explained that the losses at the Eden Package Agency were reimbursed 100% at cost by Risk Management.

7. Other Items / Adjourn

MOTION: Rep. Wilson moved to adjourn. The motion passed unanimously. Sen. Bramble, Sen. Liljenquist, Rep. M. Brown, and Rep. Wiley were absent for the vote.

Chair Valentine adjourned the meeting at 12:10 p.m.