

**MINUTES OF THE
BUSINESS AND LABOR INTERIM COMMITTEE**
Wednesday, May 16, 2012 – 2:00 p.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. Kevin T. Van Tassell
Sen. Todd Weiler
Rep. Jim Bird
Rep. Derek E. Brown
Rep. Brian Doughty
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. Melvin R. Brown
Rep. Eric K. Hutchings

Staff Present:

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

MOTION: Sen. Van Tassell moved to approve the minutes of the November 16, 2011 meeting. The motion passed unanimously with Sen. Bramble, Sen. Davis, Rep. Bird, and Rep. Seelig absent for the vote.

2. Review of Study Items for the 2012 Interim

Mr. Howe reviewed the study items for the 2012 Interim that was included in the mailing packet.

Rep. Kiser proposed that the committee study the item that addresses the ability of a minor to purchase a DVD that is not rated.

Mr. Howe reviewed 2012 General Session S.J.R. 7, "Joint Rules Resolution on Priority Status for Bills." He said this resolution allows an interim committee by a majority vote to give priority status to a request for legislation.

Rep. Dunnigan relinquished the Chair to Sen. Valentine.

Committee discussion followed.

MOTION: Chair Valentine moved to authorize staff to open and prioritize a bill file under committee sponsorship to reduce the number of executive branch agency reports that are submitted to the committee. The motion passed unanimously with Sen. Bramble, Sen. Davis, Rep. Bird, and Rep. Seelig absent for the vote.

3. Quotas Applied to Limited Service Restaurant Licenses and Full Service Restaurant Licenses

Chair Valentine distributed and introduced "License Quotas, Number of Licenses Issued, and Number of Available Licenses for Selected Retail Licenses" and "Summary Highlights of State Imposed Alcoholic Beverage License Quota Systems in Utah and the Western States."

Mr. Howe gave an overview of "Summary Highlights of State Imposed Alcoholic Beverage License Quota Systems in Utah and the Western States" and "License Quotas, Number of Licenses Issued, and Number of Available Licenses for Selected Retail Licenses."

Committee discussion followed.

Ms. Catherine Lake, attorney, Stoel Rives, referred the committee to a Legislative Auditor General audit from October 2010 and also urged the committee to recognize that the club license encompasses several different types of licenses including dining clubs which require a certain ratio of food sales to sales of alcohol.

Mr. Steve Bogden, Managing Director, Coldwell Bank, said that allowing fine dining restaurants into the state will provide thousands of jobs and bring in millions of dollars in revenue.

Mr. Mark Bouchard, Senior Managing Director, CB Richard Ellis, commented that with regards to the appropriate number of liquor licenses for restaurants, it is important to balance public safety and market demand for more licenses.

Chair Valentine said that it is his intent to discuss this issue again at the next committee meeting.

4. Process for Transferring an Alcoholic Beverage Retail License

Ms. Owen distributed and presented "Title 32B, Chapter 8a, Transfer of Retail License Act." She stated that this act takes effect on July 1, 2012 and governs the transfer of certain retail licenses issued by the Department of Alcoholic Beverage Control.

Ms. Lake said that the time constraints in state law are not practical and that price caps are necessary. She responded to questions from the committee stating that any rational business professional would want to hold on to an asset worth hundreds of thousands of dollars rather than retire it to the state with no benefit to themselves.

Mr. Bouchard commented that commoditization will no longer allow a small business owner to enter the market. He responded to questions from the committee and said that the benefit to having a single license for a business with multiple locations would be the opportunity to consider the quality of the licensor.

Mr. Bogden said that it is important to realize that large businesses come into the state looking to acquire multiple licenses over a period of time, otherwise they will expand elsewhere and the state loses those economic development opportunities.

Committee discussion followed.

Ms. Francine Giani, Director, Department of Alcoholic Beverage Control (DABC), responded to questions from the committee and said that the DABC, under the direction of the Alcohol Beverage Control Commission, is in the process of implementing Title 32B, Chapter 8a, Transfer of Retail License Act.

5. Implementation of 2012 General Session S.B. 40 "Cosmetic Medical Procedures"

Chair Valentine introduced 2012 General Session S.B. 40 "Cosmetic Medical Procedures," which was included in the mailing packet, and explained that, among other things, the bill prohibits a facility that performs a cosmetic medical procedure from advertising or presenting itself as a "medical spa," or using a similar term, unless the facility has one or more specified licensed health care professionals on the premises.

Ms. Candace Daley, Utah Beauty School Association, distributed and discussed "Implementation of 2012 General Session S.B. 40 Cosmetic Medical Procedures." She expressed concern about truth in advertising and urged the committee to consider modifying the legislation to clarify the guidelines.

Ms. Brenda Scharman, Utah Beauty School Association, said they want to make sure they are compliant when advertising what programs are offered in schools.

MOTION: Rep. Wilson moved to open and prioritize a committee bill file to modify 2012 General Session S.B. 40 "Cosmetic Medical Procedures." The motion passed unanimously with Sen. Bramble, Sen. Davis, Sen. Van Tassell, Rep. Bird, Rep. Brown, Rep. Ipson, Rep. Last, and Rep. Wiley absent for the vote.

6. Sunset Review: Industrial Accident Restricted Account and Earmark of Certain Premium Tax Revenues to the Account

Ms. Owen distributed and gave an overview of "Basics of Statute: Industrial Accident Restricted Account."

Ms. Sherre Hayashi, Commissioner, Utah Labor Commission, distributed and discussed "Sunset Review: Industrial Accidents Restricted Account." She said that the restricted account is a positive, clear and transparent account and urged the committee to renew it. She responded to questions from the committee.

Chair Valentine stated that he intends to open a bill file under his own name to reauthorize the Industrial Accidents Restricted Account for 5 years.

7. Sunset Review: Worker Classification Coordinated Enforcement Council

Sen. Mayne discussed the accomplishments of the Worker Classification Coordinated Enforcement Council.

Mr. Alan Hennebold, Deputy Commissioner, Utah Labor Commission, said that bringing these agencies together has created an early warning line that detects mis-classifications. He responded to questions from the committee stating that a three year extension would be preferable.

MOTION: Sen. Davis moved to open and prioritize a bill file under committee sponsorship to reauthorize the Worker Classification Coordinated Enforcement Council for ten years.

SUBSTITUTE MOTION: Rep. Dunnigan moved to open and prioritize a bill file under committee sponsorship to reauthorize the Worker Classification Coordinated Enforcement Council for three years. The substitute motion passed unanimously with Sen. Bramble, Sen. Van Tassell, Rep. Bird, Rep. Froerer, Rep. Ipson, Rep. Last, and Rep. Wiley absent for the vote.

8. Other Items / Adjourn

MOTION: Rep. Pitcher moved to adjourn the meeting. The motion passed unanimously with Sen. Bramble, Sen. Davis, Sen. Van Tassell, Rep. Froerer, Rep. Ipson, Rep. Last, Rep. Morley, Rep. Wiley, and Rep. Wilson absent for the vote.

Chair Valentine adjourned the meeting at 4:29 p.m.