

**MINUTES OF THE  
BUSINESS AND LABOR INTERIM COMMITTEE**  
Wednesday, November 14, 2012 – 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. David P. Hinkins  
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. Dixon M. Pitcher  
Rep. Larry B. Wiley

**Members Absent:**

Sen. Curtis S. Bramble  
Sen. Kevin T. Van Tassell  
Rep. Melvin R. Brown  
Rep. Eric K. Hutchings  
Rep. Michael T. Morley  
Rep. Jennifer M. Seelig  
Rep. Brad R. Wilson

**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](http://www.le.utah.gov).

**1. Committee Business**

Chair Valentine called the meeting to order at 2:34 p.m.

Rep. Kiser recognized students from the American Preparatory Academy who were in the audience.

**MOTION:** Sen. Davis moved to approve the minutes of the October 17, 2012, meeting. The motion passed unanimously with Sen. Hinkins and Rep. Ipson absent for the vote.

Chair Valentine recognized Rep. Kiser, Rep. Doughty, and Rep. Morley who will be leaving legislative office. Rep. Kiser expressed appreciation for the nonpartisanship of the staff and their loyalty to the legislative process. Rep. Doughty thanked the members of the committee for the honor of serving.

Rep. Dunnigan gave a report from the Health System Reform Task Force and said that the task force will meet on December 4, 2012, to discuss the new regulations coming from the federal government in regards to health reform.

**2. Exemption from Licensure for Hair Braiding**

Rep. Dunnigan gave an overview of the changes to draft legislation "Cosmetology and Hair Braiding" (2013FL-0197/018), which was distributed in the mailing packet. He said that the bill allows for all styles of natural hair braiding to be performed without a license.

Ms. Candace Daly, Utah Beauty School Association, spoke in favor of the draft legislation and thanked the committee for discussing the issue. She expressed regret on behalf of Ms. Brenda Scharman, Utah Beauty School Owners Association, owner, Cameo College of Essential Beauty, who was unable to attend the meeting.

**MOTION:** Rep. Bird moved to adopt draft legislation "Cosmetology and Hair Braiding" as a committee bill. The motion passed unanimously with Sen. Hinkins absent for the vote.

### 3. Sunset Review: Hearing Instrument Specialist Licensing Act

Rep. Derek Brown distributed and reviewed draft legislation "Hearing Instrument Specialist Licensing Act" (2013FL-0239/008). He stated that the draft legislation modifies the requirements for obtaining a license as a hearing instrument specialist and a hearing instrument intern by removing prerequisite hours of practice.

Mr. Robert Heygster, Chairman, Hearing Instrument Specialist Licensing Board, spoke in favor of the draft legislation and said that if this state adopts a learning-oriented approach to the licensure process, it would be an improvement to the existing system of solely counting hours.

**MOTION:** Rep. Derek Brown moved to adopt draft legislation "Hearing Instrument Specialist Licensing Act" as a committee bill. The motion passed unanimously with Sen. Hinkins absent for the vote.

### 4. Division of Occupational and Professional Licensing Amendments

Mr. Mark Steinagel, Director, Division of Occupational and Professional Licensing, distributed and discussed the changes made to draft legislation "Professional Licensing Revisions" (2013FL-0369/008). He said that the changes were made to reduce unnecessary and redundant regulation.

**MOTION:** Chair Valentine moved to adopt draft legislation "Professional Licensing Revisions" as a committee bill. The motion passed unanimously with Sen. Hinkins absent for the vote.

### 5. Insurance Amendments

Mr. Neal Gooch, Commissioner, Insurance Department, gave an overview of draft legislation "Insurance Law Amendments" (2013FL-0306/009), which was distributed in the supplemental mailing packet.

Rep. Dunnigan highlighted changes made in the draft legislation.

Rep. Bird distributed "Interim Committee Amendments, Insurance Law Amendments - November 13, 2012, 1:23 p.m." and "Interim Committee Amendments, Insurance Law Amendments - November 13, 2012, 1:37 p.m."

**MOTION:** Rep. Bird moved to amend draft legislation "Insurance Law Amendments" (2013FL-0306/009) with the amendment dated November 13, 2012, 1:37 p.m:

- *Page 46, Lines 1414 through 1418:*

1414           (4) In connection with a replacement transaction the producer shall leave with the  
1415   applicant   {at the time an application for a new policy or contract is completed} by  
no later than at the time of policy or contract delivery the original or a  
1416   copy of all printed sales material. With respect to electronically presented sales material, it

shall be  
1417 provided to the policy or contract holder in printed form no later than at the time of policy or  
1418 contract delivery.

Committee discussion followed. The motion passed unanimously with Sen. Davis, Sen. Hinkins, and Rep. Ipson absent for the vote.

**MOTION:** Rep. Bird moved to amend draft legislation "Insurance Law Amendments" (2013FL-0306/009) with the amendment dated November 13, 2012, 1:23 p.m.:

Page 45, Line 1393 through Page 46, Line 1407

1393       (2) ~~{(a)}~~ If an applicant for life insurance or an annuity answers "yes" to the question  
1394 regarding replacement, discontinuance, or change of an existing policy or contract referred to in  
1395 Subsection (1), the producer shall present to **, and leave with,** the applicant, not later than at  
1396 the time of taking  
1396 the application, the notice regarding replacements in the form adopted by the commissioner by  
1397 rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, or  
1398 other substantially similar document filed with the commissioner. However, a filing is not  
1399 required when an amendment to the notice is limited to the omission of a reference not  
1400 applicable to the product being sold or replaced. {  
1401 —(b) The notice described in Subsection (2)(a) shall be signed by both the applicant  
1402 and  
1402 the producer attesting that the notice has been read aloud by the producer or that the  
1403 applicant  
1403 did not wish the notice to be read aloud, in which case the producer need not have read  
1404 the  
1404 notice aloud, and left with the applicant.—} With respect to an electronically completed  
1405 application and notice, the producer is not required to leave a copy of the electronically  
1406 completed notice with the applicant.  
1407       (3) (a) The notice described in Subsection (2) ~~{(a)}~~ shall:

Committee discussion followed. The motion passed unanimously with Sen. Hinkins and Rep. Ipson absent for the vote.

**MOTION:** Rep. Bird moved to adopt as a committee bill draft legislation "Insurance Law Amendments" (2013FL-0306/009) as amended. The motion passed unanimously with Sen. Hinkins and Rep. Ipson absent for the vote.

Chair Valentine turned the chair over to Rep. Dunnigan.

## **6. Alcoholic Beverage Control Act and Master Licenses**

Sen. Valentine gave an overview of draft legislation "Alcoholic Beverage Control Act and Master Licenses" (2013FL-0062/003), which was distributed in the mailing packet. He explained that the bill addresses the issue of how to attract and retain national restaurant chains to Utah. Sen. Valentine responded to questions from the committee by saying that the master license is an option but not mandatory for anyone who meets all of the statute requirements, regardless of whether they are local or national.

Ms. Beckie Adams, student, American Preparatory Academy, asked whether Utah would profit or if a master license company from another state would profit from obtaining a master license. Sen. Valentine responded by saying that the master licensee who owns the restaurant chain would profit from the restaurants.

Ms. Melva Sine, President, Utah Restaurant Association, spoke in favor of the legislation and said that it will bring corporate-level training to a new level and make sure training is adequate.

Committee discussion followed.

## **7. Recommendations of the Utah State Fire Prevention Board**

Mr. Howe gave an overview of draft legislation "State Fire Code Act Amendments" (2013FL-0322/004), which was distributed in the mailing packet.

Mr. Ted Black, Chair, Utah Fire Prevention Board, discussed draft legislation "State Fire Code Act Amendments" (2013FL-0322/004) and spoke about the problems with putting solar panels on commercial buildings.

Mr. Ingolf de Jonk, President, National Systems Contractors Association, discussed the importance of an emergency voice/alarm communication system and said that people should receive voice instructions in addition to a warning notification.

Chair Dunnigan turned the chair back to Sen. Valentine.

## **8. Recommendations of the Uniform Building Code Commission**

Mr. Justin Naser, Chairman, Uniform Building Code Commission, distributed "Hydro-mechanical Grease Interceptors - Opposition to Salt Lake City Amendment," "Proposed Salt Lake City Amendment," "Standard PDI-G 101 - The Plumbing and Drainage Institute," the email "Installation of Grease Interceptors," and the letters "Salt Lake Valley Health Dept. Inquire - Plumbing and Drainage Institute" and "Salt Lake Valley Health Department." Mr. Naser reviewed draft legislation "Construction Code Amendments" (2013FL-0417/003), which was distributed in the mailing packet. He said that the changes were made to simplify and clarify the amendment. Mr. Naser responded to questions from the committee by saying that the legislation is to educate owners on repairs needed.

Mr. Scott Marsell, Chairman, Architectural Advisory Committee, distributed a letter from Mr. Jim McClintic, President, Utah Chapter International Code Council.

Mr. Ron McArther, McArthur Homes, said that draft legislation "Energy Construction Amendments" (2013FL-0416/003), which was distributed in the mailing packet, addresses the most necessary issues and is a good start.

Mr. Roger Evans, Chairman, Utah Seismic Safety Commission, stated that the engineer's report should be reported with the property, because the owner of the property needs to know about the condition of the parapets.

Chair Valentine turned the chair over to Rep. Dunnigan.

Mr. Taz Biesinger, Executive Vice President, Utah Home Builders Association, said that there were still a few minor details to work out and hoped that the committee would not pass draft legislation "Energy Construction Amendments" yet.

Mr. Mitch Richardson, Vice President, Utah Home Performance Association, stated that this draft legislation is a small step toward building better homes and encouraged the adoption of the draft legislation.

Ms. Ann O'Connell, League of Women Voters, encouraged the committee to go forward with the draft legislation.

#### **9. Workers' Compensation Coordination of Benefits Amendments**

Sen. Karen Mayne gave an overview of draft legislation "Workers' Compensation Coordination of Benefits Amendments" (2013FL-0032/017), which was distributed in the supplemental mailing packet. She explained the issue and said that when a worker is hurt on the job, doctors have been reluctant to order tests, because they know the patient is on workers' compensation.

Mr. Dennis Lloyd, Workers' Compensation Fund, expressed appreciation for Sen. Mayne's efforts to assist injured workers and said that the legislation is a very good approach. He responded to questions from the committee by saying that the bill would require a workers' compensation insurance carrier to reimburse the injured worker for the co-pays and deductibles that the worker paid pursuant to their health insurance contract.

Mr. Frank Pignanelli, Regence Blue Cross Blue Shield, spoke in favor of the legislation and said that injured workers and the providers should not suffer while the claims to be paid are pending. He responded to questions from the committee by stating that Regence does not ask for a claw-back provision.

Mr. Richard Burke, Utah Association of Justice, said that the Utah Association of Justice is in support of draft legislation "Workers' Compensation Coordination of Benefits Amendments." He stated that it allows injured workers to get the medical treatment they need so they can get back to work.

Chair Dunnigan turned the chair back to Sen. Valentine.

#### **10. Rulemaking by the Title and Escrow Commission Required Under 2011 General Session H.B. 19 to Define "Minimum Mandatory Search"**

Mr. Cortlund Ashton, Title and Escrow Commission, reviewed with the committee the efforts of the commission to define minimum mandatory search. He said that the commission decided that the original proposed rule needed revisions, so it was allowed to lapse. He stated that the commission will meet the following week to further review what changes are needed.

Mr. Gooch said that the Utah Insurance Department cooperates with the commission on all rulemaking and that it is done under the rulemaking act.

Mr. Rodney Newman, Chief Executive Officer, Metro National Title, said that he does not understand the necessity for the rule and that the state should not do anything to make it more difficult for someone in our state who is trying to do business in other states.

**11. Other Items / Adjourn**

**MOTION:** Rep. Ipson moved to adjourn the meeting. The motion passed unanimously with Sen. Davis, Sen. Hinkins, and Rep. Pitcher absent for the vote.

Chair Valentine adjourned the meeting at 4:36 p.m.