

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

Wednesday, June 18, 2014 – 2:00 p.m. – Room 210 Senate Building

Members Present:

Sen. Curtis S. Bramble, Senate Chair
Sen. Gene Davis
Sen. Deidre M. Henderson
Sen. Karen Mayne
Rep. Jacob L. Anderegg
Rep. Johnny Anderson
Rep. Jim Bird
Rep. Susan Duckworth
Rep. Justin L. Fawson
Rep. Gage Froerer
Rep. Eric K. Hutchings
Rep. Dana L. Layton
Rep. Dixon M. Pitcher
Rep. Marc K. Roberts

Rep. Jon E. Stanard
Rep. Mark A. Wheatley
Rep. Larry B. Wiley
Rep. Brad R. Wilson

Members Absent:

Rep. James A. Dunnigan, House Chair
Sen. J. Stuart Adams
Sen. John L. Valentine
Rep. Mike K. McKell

Staff Present:

Mr. Bryant Howe, Assistant Director
Ms. Patricia Owen, Associate General Counsel
Ms. Kristen C. Ricks, Legislative Secretary

Note: A list of other 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 Bramble called the meeting to order at 2:54 p.m. Rep. McKell and Rep. Dunnigan were excused from the meeting.

MOTION: Rep. Stanard moved to approve the minutes of the May 21, 2014, meeting. The motion passed unanimously with Sen. Davis, Sen. Mayne, Rep. Anderegg, Rep. Anderson, and Rep. Froerer absent for the vote.

Mr. Howe referred the committee to "Uniform Building Code Commission Letter," which was distributed in the meeting and discussed the adoption of an energy code. He said the letter was distributed in accordance with 2013 General Session H.B. 202, "Energy Conservation Code Amendments." He said that with this letter now being sent to the committee, the bill will take effect on July 1, 2014.

2. Regulation of the Title and Escrow Industry

Ms. Owen provided background information to the committee regarding regulation of the title and escrow industry. She reviewed the main points from the title and escrow regulation discussion held during the May 21, 2014, committee meeting.

Mr. Peter Stevens, attorney, Jones Waldo, distributed and discussed "Title Regulation Comments by Richard Peter Stevens." He summarized the testimony he provided during the May 21, 2014, committee meeting and provided follow-up answers to questions. He discussed 2013 General Session H.B. 256, "Reauthorization of Administrative Rules." He said that his clients want transparency and predictability in the law. He voiced support of legislation that is equitable to all market participants.

He outlined changes his clients would like to see in the regulation of the title and escrow industry. He concluded that appropriate regulation would help to create clear standards and predictability of industry functions and would promote stability within the industry. He responded to questions from the committee.

Chair Bramble reminded the committee that this issue was referred to the committee by the Administrative Rules Review Committee because the committee believed that the Title and Escrow Commission had exceeded its statutory authority in its proposed rules.

Rep. R. Curt Webb, provided background to the title and escrow administrative rules referenced in 2013, which prompted H.B. 256, "Reauthorization of Administrative Rules."

Mr. Sean Monson, attorney, Bennett Tueller, suggested there are two areas of improvement the committee should consider in relation to title and escrow: (1) specify where liability lies in regard to escrow activities, and (2) specify how escrows should be conducted. He said there are inconsistencies in Utah case law that should be addressed to protect consumers. He responded to questions from the committee.

Mr. Jens Nielson, owner, Wasatch Land and Title, told the committee his company's computer systems were hacked resulting in a significant financial loss. Despite taking precautions, he said, they did not have enough cyber protection. He suggested title companies be required to have a rider for theft, along with their error and omission, and proposed establishing a per-closing fee to cover the costs of cyber attacks and other thefts.

Mr. Todd Kiser, Commissioner, Insurance Department, discussed regulation of escrow. He said he is willing to work with all parties to come up with a solution that would work well with everyone.

MOTION: Sen. Henderson moved that the committee open a bill file on regulation of the title and escrow industry. The motion passed unanimously with Sen. Davis, Rep. Anderegg, Rep. Bird, Rep. Froerer, Rep. Hutchings, and Rep. Wilson absent for the vote.

3. Sunset Review: Comparison Tables

Mr. Howe gave an introduction of the sunset process. He discussed "Sunset Review Process" and "Legislative Oversight and Sunset Act." He pointed out key provisions regarding the consideration of program reauthorizations.

Mr. Kiser discussed "2013 Annual Private Passenger Automobile & Homeowners Insurance Comparison Tables," which provides comparison tables of homeowners insurance and automobile insurance for consumers. He stated that since September 2013, 1,402 different people viewed the website containing the comparison tables. He suggested the committee eliminate the sunset review so the department can continue to provide this information annually to consumers.

MOTION: Rep. Duckworth moved that the committee open a bill file to remove the sunset provision related to the comparison tables. The motion passed unanimously with Sen. Davis, Rep. Bird, Rep. Froerer, Rep. Layton, Rep. Pitcher, and Rep. Wilson absent for the vote.

4. Sunset Review: Comprehensive Health Insurance Pool

Ms. Tomi Ossanna, Executive Director, Utah Comprehensive Health Insurance Pool, distributed and discussed "HIPUtah Sunset Fact Sheet." She said the Health Insurance Pool program (HIPUtah) is no longer needed because of the federal Affordable Care Act. She described the transitional steps HIPUtah has made for its enrollees to merge into the federal marketplace. She said HIPUtah developed categories of activities with a timeline of completion as they prepared to meet the sunset date. It was HIPUtah's

recommendation, she said, that the committee take no action on the sunset date. She responded to questions from the committee.

The committee commended Ms. Ossanna for her service.

5. Other Items / Adjourn

MOTION: Rep. Roberts moved to adjourn the meeting. The motion passed unanimously with Sen. Davis, Rep. Anderegg, Rep. Bird, Rep. Froerer, Rep. Layton, Rep. Pitcher, and Rep. Wilson absent for the vote.

Chair Bramble adjourned the meeting at 4:21 p.m.