

**MINUTES OF THE  
ADMINISTRATIVE RULES REVIEW COMMITTEE**  
Wednesday, January 31, 2007 – 12:15 p.m. – Room W110 House Building

**Members Present:**

Sen. Howard A. Stephenson, Senate Chair  
Sen. Mark B. Madsen  
Sen. Michael G. Waddoups  
Rep. James R. Gowans  
Rep. Kory M. Holdaway  
Rep. Carol Spackman Moss  
Rep. Merlynn T. Newbold

**Members Excused:**

Sen. Mike Dmitrich  
Sen. Ed Mayne

**Staff Present:**

Mr. Arthur L. Hunsaker, Policy Analyst  
Ms. Susan Creager Allred, Associate General Counsel  
Ms. Tracey Fredman, 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 Stephenson called the meeting to order at 12:21 p.m.

**2. State Board of Education Rules Governing Student Transfers**

Sen. Stephenson introduced the issue.

Mr. Randy Smith, spokesperson, DavisParents.org, distributed and reviewed "Rules Governing the Open Enrollment/Open School Statutes (53A-2-207 - 209 and 213)," and responded to questions from the Committee.

Ms. Patti Harrington, Utah State Superintendent of Public Education, acknowledged that the board rule needs to be corrected.

**MOTION:** Sen. Madsen moved to recommend that the Legislature sunset R277-437. The motion passed unanimously.

**3. State Agency Timely Adoption of Administrative Rules**

Staff distributed 2007 General Session H.B. 327, "State Agency Timely Adoption of Administrative Rules."

Representative David Clark discussed the provisions in the bill, which include agency submission of any rules required by statute within 180 days of the effective date of the statute.

Mr. Ken Hansen, Director, Division (Division of Administrative Rules), commented that the Division sends out a quarterly newsletter which provides updated information on rules that must be written. Sen. Stephenson asked Mr. Hansen to consider other ways of reminding agencies of the timing requirements of H.B. 327 and to report back to the Committee.

Rep. Holdaway suggested attaching an administrative rule note to bills that will alert the Division of bills requiring rulemaking if passed. Sen. Stephenson asked that this be reviewed during the 2007 interim.

**MOTION:** Rep. Newbold moved that the Committee adopt H.B. 327, "State Agency Timely Adoption of Administrative Rules" as a committee bill. The motion passed unanimously.

**4. Payment of Sales Tax at State Liquor Stores**

Staff distributed "Section 59-12-104. Exemptions."

Ms. Melva Sine, President, Utah Restaurant Association, discussed the difficulties encountered by restaurant owners in their attempt to comply with the statute regarding sales tax on liquor.

Mr. Dennis Kellen, Operations Director, Department of Alcoholic Beverage Control, distributed "Department of Alcoholic Beverage Control Price Changes for Tax Exempt Sales" and "Pre Sales Tax Price Changes for Tax Exempt Sales."

Mr. Ken Wynn, Director, Department of Alcoholic Beverage Control, reviewed the handouts and responded to questions from the Committee.

Ms. D'Arcy Dixon Pignaneli, Commissioner, Utah State Tax Commission, said the wholesale tax law needs to be followed.

Mr. Rodney G. Marrelli, Executive Director, Commission, suggested that a statutory change to include the liquor tax as part of the base could make compliance easier.

Mr. Larry Lunt, Chairman, Alcoholic Beverage Control Commission, spoke in support of a statutory change.

**MOTION:** Rep. Newbold moved that the Committee support a change in pricing structures by the Alcoholic Beverage Control Commission that would allow for wholesale purchases without tax to industries that will resell the product. The motion passed unanimously.

## **5. Adjourn**

**MOTION:** Rep. Holdaway moved to adjourn the meeting. The motion passed unanimously.

Chair Stephenson adjourned the meeting at 2:39 p.m.