

1 **REPORTING TO APPROPRIATION**

2 **COMMITTEES**

3 2010 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Ron Bigelow**

6 Senate Sponsor: Lyle W. Hillyard

7
8 **LONG TITLE**

9 **General Description:**

10 This bill modifies provisions related to reporting to the Executive Appropriations
11 Committee or an appropriations subcommittee designated by the Executive
12 Appropriations Committee to provide for more reports being made to appropriations
13 subcommittees or interim committees.

14 **Highlighted Provisions:**

- 15 This bill:
- 16 ▶ modifies reporting requirements; and
 - 17 ▶ makes technical changes.

18 **Monies Appropriated in this Bill:**

19 None

20 **Other Special Clauses:**

21 None

22 **Utah Code Sections Affected:**

23 **AMENDS:**

- 24 **11-38-304**, as last amended by Laws of Utah 2009, Chapter 368
25 **26-1-38**, as enacted by Laws of Utah 2009, Chapter 87
26 **26-18-3**, as last amended by Laws of Utah 2008, Chapters 62 and 382
27 **26-47-103**, as last amended by Laws of Utah 2008, Chapter 382
28 **53-2-406**, as enacted by Laws of Utah 2007, Chapter 328
29 **53-10-606**, as enacted by Laws of Utah 2004, Chapter 313

- 30 **53B-17-804**, as last amended by Laws of Utah 2009, Chapter 85
- 31 **59-5-102**, as last amended by Laws of Utah 2007, Chapter 104
- 32 **62A-4a-207**, as last amended by Laws of Utah 2009, Chapter 32
- 33 **63M-1-1206**, as last amended by Laws of Utah 2008, Chapter 18 and renumbered and
- 34 amended by Laws of Utah 2008, Chapter 382
- 35 **63M-1-1901**, as renumbered and amended by Laws of Utah 2008, Chapter 382
- 36 **63M-1-2408**, as last amended by Laws of Utah 2009, Chapter 183
- 37 **63M-2-302**, as last amended by Laws of Utah 2009, Chapter 242
- 38 **63M-11-204**, as renumbered and amended by Laws of Utah 2008, Chapter 382

40 *Be it enacted by the Legislature of the state of Utah:*

41 Section 1. Section **11-38-304** is amended to read:

42 **11-38-304. Commission to report annually.**

43 The commission shall submit an annual report to the [~~Executive Appropriations~~
44 ~~Committee of the Legislature~~] Executive Offices and Criminal Justice Appropriations
45 Subcommittee:

- 46 (1) specifying the amount of each disbursement from the program;
- 47 (2) identifying the recipient of each disbursement and describing the project for which
- 48 money was disbursed; and
- 49 (3) detailing the conditions, if any, placed by the commission on disbursements from
- 50 the program.

51 Section 2. Section **26-1-38** is amended to read:

52 **26-1-38. Local health emergency assistance program.**

- 53 (1) As used in this section:
- 54 (a) "Local health department" has the same meaning as defined in Section 26A-1-102.
- 55 (b) "Local health emergency" means an unusual event or series of events causing or
- 56 resulting in a substantial risk or substantial potential risk to the health of a significant portion
- 57 of the population within the boundary of a local health department.

58 (c) "Program" means the local health emergency assistance program that the
59 department is required to establish under this section.

60 (d) "Program fund" means money that the Legislature appropriates to the department
61 for use in the program and other money otherwise made available for use in the program.

62 (2) The department shall establish, to the extent of funds appropriated by the
63 Legislature or otherwise made available to the program fund, a local health emergency
64 assistance program.

65 (3) Under the program, the department shall:

66 (a) provide a method for a local health department to seek reimbursement from the
67 program fund for local health department expenses incurred in responding to a local health
68 emergency;

69 (b) require matching funds from any local health department seeking reimbursement
70 from the program fund;

71 (c) establish a method for apportioning money in the program fund to multiple local
72 health departments when the total amount of concurrent requests for reimbursement by
73 multiple local health departments exceeds the balance in the program fund; and

74 (d) establish by rule other provisions that the department considers necessary or
75 advisable to implement the program.

76 (4) Each September the department shall:

77 (a) submit to the Health and Human Services Interim Committee of the Legislature a
78 written report summarizing program activity, including:

79 (i) a description of the requests for reimbursement from local health departments
80 during the preceding 12 months;

81 (ii) the amount of each reimbursement made from the program fund to local health
82 departments; and

83 (iii) the current balance of the program fund; and

84 (b) submit a copy of the report required under Subsection (4)(a) to the [appropriations
85 subcommittee designated by the Executive Appropriations Committee of the Legislature]

86 Health and Human Services Appropriations Subcommittee.

87 (5) (a) (i) Subject to Subsection (5)(a)(ii), the department shall use money in the
88 program fund exclusively for purposes of the program.

89 (ii) The department may use money in the program fund to cover its costs of
90 administering the program.

91 (b) Money that the Legislature appropriates to the program fund is nonlapsing.

92 (c) Any interest earned on money in the program fund shall be deposited to the
93 General Fund.

94 Section 3. Section **26-18-3** is amended to read:

95 **26-18-3. Administration of Medicaid program by department -- Reporting to the**
96 **Legislature -- Disciplinary measures and sanctions -- Funds collected -- Eligibility**
97 **standards.**

98 (1) The department shall be the single state agency responsible for the administration
99 of the Medicaid program in connection with the United States Department of Health and
100 Human Services pursuant to Title XIX of the Social Security Act.

101 (2) (a) The department shall implement the Medicaid program through administrative
102 rules in conformity with this chapter, Title 63G, Chapter 3, Utah Administrative Rulemaking
103 Act, the requirements of Title XIX, and applicable federal regulations.

104 (b) The rules adopted under Subsection (2)(a) shall include, in addition to other rules
105 necessary to implement the program:

106 (i) the standards used by the department for determining eligibility for Medicaid
107 services;

108 (ii) the services and benefits to be covered by the Medicaid program; and

109 (iii) reimbursement methodologies for providers under the Medicaid program.

110 (3) (a) The department shall, in accordance with Subsection (3)(b), report to [~~either the~~
111 ~~Legislative Executive Appropriations Committee or the Legislative]~~ the Health and Human
112 Services Appropriations Subcommittee when the department:

113 (i) implements a change in the Medicaid State Plan;

114 (ii) initiates a new Medicaid waiver;

115 (iii) initiates an amendment to an existing Medicaid waiver; or

116 (iv) initiates a rate change that requires public notice under state or federal law.

117 (b) The report required by Subsection (3)(a) shall:

118 (i) be submitted to the [~~Legislature's Executive Appropriations Committee or the~~

119 ~~legislative~~] Health and Human Services Appropriations Subcommittee prior to the department

120 implementing the proposed change; and

121 (ii) shall include:

122 (A) a description of the department's current practice or policy that the department is

123 proposing to change;

124 (B) an explanation of why the department is proposing the change;

125 (C) the proposed change in services or reimbursement, including a description of the

126 effect of the change;

127 (D) the effect of an increase or decrease in services or benefits on individuals and

128 families;

129 (E) the degree to which any proposed cut may result in cost-shifting to more expensive

130 services in health or human service programs; and

131 (F) the fiscal impact of the proposed change, including:

132 (I) the effect of the proposed change on current or future appropriations from the

133 Legislature to the department;

134 (II) the effect the proposed change may have on federal matching dollars received by

135 the state Medicaid program;

136 (III) any cost shifting or cost savings within the department's budget that may result

137 from the proposed change; and

138 (IV) identification of the funds that will be used for the proposed change, including

139 any transfer of funds within the department's budget.

140 (4) Any rules adopted by the department under Subsection (2) are subject to review

141 and reauthorization by the Legislature in accordance with Section 63G-3-502.

142 (5) The department may, in its discretion, contract with the Department of Human
143 Services or other qualified agencies for services in connection with the administration of the
144 Medicaid program, including:

- 145 (a) the determination of the eligibility of individuals for the program;
- 146 (b) recovery of overpayments; and
- 147 (c) consistent with Section 26-20-13, and to the extent permitted by law and quality
148 control services, enforcement of fraud and abuse laws.

149 (6) The department shall provide, by rule, disciplinary measures and sanctions for
150 Medicaid providers who fail to comply with the rules and procedures of the program, provided
151 that sanctions imposed administratively may not extend beyond:

- 152 (a) termination from the program;
- 153 (b) recovery of claim reimbursements incorrectly paid; and
- 154 (c) those specified in Section 1919 of Title XIX of the federal Social Security Act.

155 (7) Funds collected as a result of a sanction imposed under Section 1919 of Title XIX
156 of the federal Social Security Act shall be deposited in the General Fund as nonlapsing
157 dedicated credits to be used by the division in accordance with the requirements of Section
158 1919 of Title XIX of the federal Social Security Act.

159 (8) (a) In determining whether an applicant or recipient is eligible for a service or
160 benefit under this part or Chapter 40, Utah Children's Health Insurance Act, the department
161 shall, if Subsection (8)(b) is satisfied, exclude from consideration one passenger vehicle
162 designated by the applicant or recipient.

163 (b) Before Subsection (8)(a) may be applied:

164 (i) the federal government must:

165 (A) determine that Subsection (8)(a) may be implemented within the state's existing
166 public assistance-related waivers as of January 1, 1999;

167 (B) extend a waiver to the state permitting the implementation of Subsection (8)(a); or

168 (C) determine that the state's waivers that permit dual eligibility determinations for
169 cash assistance and Medicaid are no longer valid; and

170 (ii) the department must determine that Subsection (8)(a) can be implemented within
171 existing funding.

172 (9) (a) For purposes of this Subsection (9):

173 (i) "aged, blind, or disabled" shall be defined by administrative rule; and

174 (ii) "spend down" means an amount of income in excess of the allowable income
175 standard that must be paid in cash to the department or incurred through the medical services
176 not paid by Medicaid.

177 (b) In determining whether an applicant or recipient who is aged, blind, or disabled is
178 eligible for a service or benefit under this chapter, the department shall use 100% of the
179 federal poverty level as:

180 (i) the allowable income standard for eligibility for services or benefits; and

181 (ii) the allowable income standard for eligibility as a result of spend down.

182 Section 4. Section **26-47-103** is amended to read:

183 **26-47-103. Department to award grants for assistance to persons with bleeding**
184 **disorders.**

185 (1) For purposes of this section:

186 (a) "Hemophilia services" means a program for medical care, including the costs of
187 blood transfusions, and the use of blood derivatives and blood clotting factors.

188 (b) "Person with a bleeding disorder" means a person:

189 (i) who is medically diagnosed with hemophilia or a bleeding disorder;

190 (ii) who is not eligible for Medicaid or the Children's Health Insurance Program; and

191 (iii) who has either:

192 (A) insurance coverage that excludes coverage for hemophilia services;

193 (B) exceeded the person's insurance plan's annual maximum benefits;

194 (C) exceeded the person's annual or lifetime maximum benefits payable under Title

195 31A, Chapter 29, Comprehensive Health Insurance Pool Act; or

196 (D) insurance coverage available under either private health insurance, Title 31A,

197 Chapter 29, Comprehensive Health Insurance Pool Act, Utah mini COBRA coverage under

198 Section 31A-22-722, or federal COBRA coverage, but the premiums for that coverage are
199 greater than a percentage of the person's annual adjusted gross income as established by the
200 department by administrative rule.

201 (2) (a) Within appropriations specified by the Legislature for this purpose, the
202 department shall make grants to public and nonprofit entities who assist persons with bleeding
203 disorders with the cost of obtaining hemophilia services or the cost of insurance premiums for
204 coverage of hemophilia services.

205 (b) Applicants for grants under this section:

206 (i) must be submitted to the department in writing; and

207 (ii) must comply with Subsection (3).

208 (3) Applications for grants under this section shall include:

209 (a) a statement of specific, measurable objectives, and the methods to be used to
210 assess the achievement of those objectives;

211 (b) a description of the personnel responsible for carrying out the activities of the grant
212 along with a statement justifying the use of any grant funds for the personnel;

213 (c) letters and other forms of evidence showing that efforts have been made to secure
214 financial and professional assistance and support for the services to be provided under the
215 grant;

216 (d) a list of services to be provided by the applicant;

217 (e) the schedule of fees to be charged by the applicant; and

218 (f) other provisions as determined by the department.

219 (4) The department may accept grants, gifts, and donations of money or property for
220 use by the grant program.

221 (5) (a) The department shall establish rules in accordance with Title 63G, Chapter 3,
222 Utah Administrative Rulemaking Act, governing the application form, process, and criteria it
223 will use in awarding grants under this section.

224 (b) The department shall ~~report~~ submit an annual report on the implementation of the
225 grant program:

226 (i) by no later than November 1; and
227 (ii) to the Health and Human Services Interim Committee and [~~to the Legislative~~
228 ~~Executive Appropriations Committee by November 1, 2006, and every year thereafter on the~~
229 ~~implementation of the grant program]~~ the Health and Human Services Appropriations
230 Subcommittee.

231 Section 5. Section **53-2-406** is amended to read:

232 **53-2-406. Reporting.**

233 By no later than December 31 of each year, the division shall provide a written report
234 to the governor and the [~~Legislature's Executive Appropriations Committee]~~ Executive Offices
235 and Criminal Justice Appropriations Subcommittee of:

- 236 (1) the division's activities under this part;
- 237 (2) monies expended in accordance with this part; and
- 238 (3) the balances in the disaster recovery fund.

239 Section 6. Section **53-10-606** is amended to read:

240 **53-10-606. Committee to report annually.**

241 (1) The committee shall submit an annual report to the [~~Executive Appropriations~~
242 ~~Committee of the Legislature]~~ Executive Offices and Criminal Justice Appropriations
243 Subcommittee, which shall include:

- 244 (a) the total aggregate surcharge collected by local entities and the state in the last
245 fiscal year under Sections 69-2-5 and 69-2-5.6;
- 246 (b) the amount of each disbursement from the fund;
- 247 (c) the recipient of each disbursement and describing the project for which money was
248 disbursed;
- 249 (d) the conditions, if any, placed by the committee on disbursements from the fund;
- 250 (e) the planned expenditures from the fund for the next fiscal year;
- 251 (f) the amount of any unexpended funds carried forward;
- 252 (g) a cost study to guide the Legislature towards necessary adjustments of both the
253 Statewide Unified E-911 Emergency Service Fund and the monthly emergency services

254 telephone charge imposed under Section 69-2-5; and

255 (h) a progress report of local government implementation of wireless and land-based
256 E-911 services including:

257 (i) a fund balance or balance sheet from each agency maintaining its own emergency
258 telephone service fund;

259 (ii) a report from each public safety answering point of annual call activity separating
260 wireless and land-based 911 call volumes; and

261 (iii) other relevant justification for ongoing support from the Statewide Unified E-911
262 Emergency Service Fund.

263 (2) (a) The committee may request information from a local entity as necessary to
264 prepare the report required by this section.

265 (b) A local entity imposing a levy under Section 69-2-5 or receiving a grant under
266 Section 53-10-605 shall provide the information requested pursuant to Subsection (2)(a).

267 Section 7. Section **53B-17-804** is amended to read:

268 **53B-17-804. Reporting.**

269 (1) (a) The board, through the director and the board chair, shall provide by no later
270 than July 1 of each year, a written report to:

271 (i) the president of the university; and

272 (ii) the Business and Labor Interim Committee.

273 (b) The report required by this Subsection (1) shall:

274 (i) summarize the center's activities and accomplishments in the immediate proceeding
275 calendar year; and

276 (ii) provide information and the board's advice and recommendations on how the state,
277 university, and the center can:

278 (A) improve workplace health and safety; and

279 (B) contribute to economic growth and development in Utah and the surrounding
280 region.

281 (2) (a) If the center receives in a fiscal year monies from the Eddie P. Mayne

282 Workplace Safety and Occupational Health Funding Program provided for in Section
283 34A-2-701, the center shall provide a written report:

- 284 (i) by no later than the August 15 following the fiscal year;
- 285 (ii) to the Office of the Legislative Fiscal Analyst;
- 286 (iii) for review by the [~~one or more appropriations subcommittees designated by the~~
287 ~~Executive Appropriations Committee~~] Higher Education Appropriations Subcommittee;

288 (iv) that accounts for the expenditure of monies received in the fiscal year by the
289 center from the Eddie P. Mayne Workplace Safety and Occupational Health Funding Program
290 including impact on workplace safety in Utah; and

291 (v) that includes a preliminary statement as to monies the center will request from the
292 Eddie P. Mayne Workplace Safety and Occupational Health Funding Program for the fiscal
293 year following the day on which the report is provided.

294 (b) A report provided under this Subsection (2) meets the reporting requirements
295 under Subsection 34A-2-701(5)(b)(i)(B).

296 Section 8. Section **59-5-102** is amended to read:

297 **59-5-102. Severance tax -- Rate -- Computation -- Annual exemption -- Tax**
298 **credit -- Tax rate reduction -- Study by Tax Review Commission.**

299 (1) Each person owning an interest, working interest, royalty interest, payments out of
300 production, or any other interest, in oil or gas produced from a well in the state, or in the
301 proceeds of the production, shall pay to the state a severance tax on the basis of the value
302 determined under Section 59-5-103.1 of the oil or gas:

- 303 (a) produced; and
- 304 (b) (i) saved;
- 305 (ii) sold; or
- 306 (iii) transported from the field where the substance was produced.

307 (2) (a) Subject to Subsection (2)(d), the severance tax rate for oil is as follows:

- 308 (i) 3% of the value of the oil up to and including the first \$13 per barrel for oil; and
- 309 (ii) 5% of the value of the oil from \$13.01 and above per barrel for oil.

- 310 (b) Subject to Subsection (2)(d), the severance tax rate for natural gas is as follows:
- 311 (i) 3% of the value of the natural gas up to and including the first \$1.50 per MCF for
- 312 gas; and
- 313 (ii) 5% of the value of the natural gas from \$1.51 and above per MCF for gas.
- 314 (c) Subject to Subsection (2)(d), the severance tax rate for natural gas liquids is 4% of
- 315 the value of the natural gas liquids.
- 316 (d) (i) On or before December 15, 2004, the Office of the Legislative Fiscal Analyst
- 317 and the Governor's Office of Planning and Budget shall prepare a revenue forecast estimating
- 318 the amount of revenues that:
- 319 (A) would be generated by the taxes imposed by this part for the calendar year
- 320 beginning on January 1, 2004 had 2004 General Session S.B. 191 not taken effect; and
- 321 (B) will be generated by the taxes imposed by this part for the calendar year beginning
- 322 on January 1, 2004.
- 323 (ii) Effective on January 1, 2005, the tax rates described in Subsections (2)(a) through
- 324 (c) shall be:
- 325 (A) increased as provided in Subsection (2)(d)(iii) if the amount of revenues estimated
- 326 under Subsection (2)(d)(i)(B) is less than the amount of revenues estimated under Subsection
- 327 (2)(d)(i)(A); or
- 328 (B) decreased as provided in Subsection (2)(d)(iii) if the amount of revenues estimated
- 329 under Subsection (2)(d)(i)(B) is greater than the amount of revenues estimated under
- 330 Subsection (2)(d)(i)(A).
- 331 (iii) For purposes of Subsection (2)(d)(ii):
- 332 (A) subject to Subsection (2)(d)(iv)(B):
- 333 (I) if an increase is required under Subsection (2)(d)(ii)(A), the total increase in the tax
- 334 rates shall be by the amount necessary to generate for the calendar year beginning on January
- 335 1, 2005 revenues equal to the amount by which the revenues estimated under Subsection
- 336 (2)(d)(i)(A) exceed the revenues estimated under Subsection (2)(d)(i)(B); or
- 337 (II) if a decrease is required under Subsection (2)(d)(ii)(B), the total decrease in the tax

338 rates shall be by the amount necessary to reduce for the calendar year beginning on January 1,
339 2005 revenues equal to the amount by which the revenues estimated under Subsection
340 (2)(d)(i)(B) exceed the revenues estimated under Subsection (2)(d)(i)(A); and

341 (B) an increase or decrease in each tax rate under Subsection (2)(d)(ii) shall be in
342 proportion to the amount of revenues generated by each tax rate under this part for the
343 calendar year beginning on January 1, 2003.

344 (iv) (A) The commission shall calculate any tax rate increase or decrease required by
345 Subsection (2)(d)(ii) using the best information available to the commission.

346 (B) If the tax rates described in Subsections (2)(a) through (c) are increased or
347 decreased as provided in this Subsection (2)(d), the commission shall mail a notice to each
348 person required to file a return under this part stating the tax rate in effect on January 1, 2005
349 as a result of the increase or decrease.

350 ~~[(v) The Office of the Legislative Fiscal Analyst and the Governor's Office of Planning~~
351 ~~and Budget shall report the estimates prepared in the revenue forecast required by Subsection~~
352 ~~(2)(d)(i) to the:]~~

353 ~~[(A) commission on or before December 15, 2004; and]~~

354 ~~[(B) Executive Appropriations Committee on or before January 31, 2005.]~~

355 (3) If oil or gas is shipped outside the state:

356 (a) the shipment constitutes a sale; and

357 (b) the oil or gas is subject to the tax imposed by this section.

358 (4) (a) Except as provided in Subsection (4)(b), if the oil or gas is stockpiled, the tax is
359 not imposed until the oil or gas is:

360 (i) sold;

361 (ii) transported; or

362 (iii) delivered.

363 (b) Notwithstanding Subsection (4)(a), if oil or gas is stockpiled for more than two
364 years, the oil or gas is subject to the tax imposed by this section.

365 (5) A tax is not imposed under this section upon:

366 (a) stripper wells, unless the exemption prevents the severance tax from being treated
367 as a deduction for federal tax purposes;

368 (b) the first 12 months of production for wildcat wells started after January 1, 1990; or

369 (c) the first six months of production for development wells started after January 1,
370 1990.

371 (6) (a) Subject to Subsections (6)(b) and (c), a working interest owner who pays for all
372 or part of the expenses of a recompletion or workover may claim a nonrefundable tax credit
373 equal to 20% of the amount paid.

374 (b) The tax credit under Subsection (6)(a) for each recompletion or workover may not
375 exceed \$30,000 per well during each calendar year.

376 (c) If any amount of tax credit a taxpayer is allowed under this Subsection (6) exceeds
377 the taxpayer's tax liability under this part for the calendar year for which the taxpayer claims
378 the tax credit, the amount of tax credit exceeding the taxpayer's tax liability for the calendar
379 year may be carried forward for the next three calendar years.

380 (7) A 50% reduction in the tax rate is imposed upon the incremental production
381 achieved from an enhanced recovery project.

382 (8) The taxes imposed by this section are:

383 (a) in addition to all other taxes provided by law; and

384 (b) delinquent, unless otherwise deferred, on June 1 next succeeding the calendar year
385 when the oil or gas is:

386 (i) produced; and

387 (ii) (A) saved;

388 (B) sold; or

389 (C) transported from the field.

390 (9) With respect to the tax imposed by this section on each owner of oil or gas or in
391 the proceeds of the production of those substances produced in the state, each owner is liable
392 for the tax in proportion to the owner's interest in the production or in the proceeds of the
393 production.

394 (10) The tax imposed by this section shall be reported and paid by each producer that
395 takes oil or gas in kind pursuant to agreement on behalf of the producer and on behalf of each
396 owner entitled to participate in the oil or gas sold by the producer or transported by the
397 producer from the field where the oil or gas is produced.

398 (11) Each producer shall deduct the tax imposed by this section from the amounts due
399 to other owners for the production or the proceeds of the production.

400 ~~[(12) (a) The Tax Review Commission shall review the tax provided for in this part on~~
401 ~~or before the October 2008 interim meeting.]~~

402 ~~[(b) The Tax Review Commission shall address in its review the following statutory~~
403 ~~provisions:]~~

404 ~~[(i) the severance tax rate structure provided for in this section;]~~

405 ~~[(ii) the exemptions provided for in Subsection (5);]~~

406 ~~[(iii) the tax credit provided for in Subsection (6), including:]~~

407 ~~[(A) the cost of the tax credit;]~~

408 ~~[(B) the purpose and effectiveness of the tax credit; and]~~

409 ~~[(C) whether the tax credit benefits the state;]~~

410 ~~[(iv) the tax rate reduction provided for in Subsection (7);]~~

411 ~~[(v) other statutory provisions or issues as determined by the Tax Review~~
412 ~~Commission; and]~~

413 ~~[(vi) whether the statutory provisions the Tax Review Commission reviews under this~~
414 ~~Subsection (12) should be:]~~

415 ~~[(A) continued;]~~

416 ~~[(B) modified; or]~~

417 ~~[(C) repealed.]~~

418 ~~[(c) The Tax Review Commission shall report its findings and recommendations~~
419 ~~regarding the tax provided for in this part to the Revenue and Taxation Interim Committee on~~
420 ~~or before the November 2008 interim meeting.]~~

421 ~~[(d) (i)]~~ (12) (a) The Tax Review Commission shall review the applicability of the tax

422 provided for in this chapter to coal-to-liquids, oil shale, and tar sands technology on or before
423 the October 2011 interim meeting.

424 ~~[(ii)]~~ (b) The Tax Review Commission shall address in its review the cost and benefit
425 of not applying the tax provided for in this chapter to coal-to-liquids, oil shale, and tar sands
426 technology.

427 ~~[(iii)]~~ (c) The Tax Review Commission shall report its findings and recommendations
428 under ~~[Subsections (12)(d)(i) and (ii)]~~ this Subsection (12) to the Revenue and Taxation
429 Interim Committee on or before the November 2011 interim meeting.

430 ~~[(13) (a) The commission shall during the 2004 interim:]~~

431 ~~[(i) subject to Subsection (13)(b), conduct a study of the effective tax burden for the~~
432 ~~taxes imposed by this part per barrel of oil or MCF of gas for the time period beginning on~~
433 ~~January 1, 1984 and ending on September 30, 2004;]~~

434 ~~[(ii) study whether the effective tax burden studied under Subsection (13)(a)(i) has~~
435 ~~increased or decreased;]~~

436 ~~[(iii) receive input from the oil and gas industry in conducting the study required by~~
437 ~~Subsections (13)(a)(i) and (ii);]~~

438 ~~[(iv) make findings and recommendations regarding whether any provision of this part~~
439 ~~should be amended, including:]~~

440 ~~[(A) whether any tax rate under this part should be amended;]~~

441 ~~[(B) whether a minimum value of oil or gas should be established by statute;]~~

442 ~~[(C) whether a limit should be established by statute on the amount of processing costs~~
443 ~~that may be deducted under Section 59-5-103.1; and]~~

444 ~~[(D) whether a limit other than the limit established in Section 59-5-103.1 should be~~
445 ~~established by statute on the amount of transportation costs that may be deducted under~~
446 ~~Section 59-5-103.1; and]~~

447 ~~[(v) report the findings and recommendations required by Subsection (13)(a)(iv) on or~~
448 ~~before the October 2004 interim meeting to:]~~

449 ~~[(A) the Revenue and Taxation Interim Committee; and]~~

450 ~~[(B) the Utah Tax Review Commission.]~~
451 ~~[(b) In conducting the study required by Subsections (13)(a)(i) and (ii), the~~
452 ~~commission shall take into account factors including:]~~
453 ~~[(i) the production volume of oil and gas;]~~
454 ~~[(ii) the sales price of oil and gas; and]~~
455 ~~[(iii) the revenues raised by the taxes imposed by this part for the time period~~
456 ~~described in Subsection (13)(a)(i).]~~

457 Section 9. Section **62A-4a-207** is amended to read:

458 **62A-4a-207. Legislative Oversight Panel -- Responsibilities.**

459 (1) (a) There is created the Child Welfare Legislative Oversight Panel composed of the
460 following members:

461 (i) two members of the Senate, one from the majority party and one from the minority
462 party, appointed by the president of the Senate; and

463 (ii) three members of the House of Representatives, two from the majority party and
464 one from the minority party, appointed by the speaker of the House of Representatives.

465 (b) Members of the panel shall serve for two-year terms, or until their successors are
466 appointed.

467 (c) A vacancy exists whenever a member ceases to be a member of the Legislature, or
468 when a member resigns from the panel. Vacancies shall be filled by the appointing authority,
469 and the replacement shall fill the unexpired term.

470 (2) The president of the Senate shall designate one of the senators appointed to the
471 panel under Subsection (1) as the Senate chair of the panel. The speaker of the House of
472 Representatives shall designate one of the representatives appointed to the panel under
473 Subsection (1) as the House chair of the panel.

474 (3) The panel shall follow the interim committee rules established by the Legislature.

475 (4) The panel shall:

476 (a) examine and observe the process and execution of laws governing the child welfare
477 system by the executive branch and the judicial branch;

478 (b) upon request, receive testimony from the public, the juvenile court, and from all
479 state agencies involved with the child welfare system, including the division, other offices and
480 agencies within the department, the attorney general's office, the Office of Guardian Ad Litem,
481 and school districts;

482 (c) before October 1 of each year, receive reports from the division, the attorney
483 general, and the judicial branch identifying the cases not in compliance with the time limits
484 established in Section 78A-6-309, regarding pretrial and adjudication hearings, Section
485 78A-6-312, regarding dispositional hearings and reunification services, and Section
486 78A-6-314, regarding permanency hearings and petitions for termination, and the reasons for
487 the noncompliance;

488 (d) receive recommendations from, and make recommendations to the governor, the
489 Legislature, the attorney general, the division, the Office of Guardian Ad Litem, the juvenile
490 court, and the public;

491 (e) (i) receive reports from the executive branch and the judicial branch on budgetary
492 issues impacting the child welfare system; and

493 (ii) recommend, as the panel considers advisable, budgetary proposals to the Health
494 and Human Services Appropriations Subcommittee[;] and the Executive Offices and Criminal
495 Justice Appropriations Subcommittee[~~and the Executive Appropriations Committee~~], which
496 recommendation should be made before December 1 of each year;

497 (f) study and recommend proposed changes to laws governing the child welfare
498 system;

499 (g) study actions the state can take to preserve, unify, and strengthen the child's family
500 ties whenever possible in the child's best interest, including recognizing the constitutional
501 rights and claims of parents whenever those family ties are severed or infringed;

502 (h) perform such other duties related to the oversight of the child welfare system as the
503 panel considers appropriate; and

504 (i) annually report the panel's findings and recommendations to the president of the
505 Senate, the speaker of the House of Representatives, the Health and Human Services Interim

506 Committee, and the Judiciary Interim Committee.

507 (5) (a) The panel has authority to review and discuss individual cases.

508 (b) When an individual case is discussed, the panel's meeting may be closed pursuant
509 to Title 52, Chapter 4, Open and Public Meetings Act.

510 (c) When discussing an individual case, the panel shall make reasonable efforts to
511 identify and consider the concerns of all parties to the case.

512 (6) (a) The panel has authority to make recommendations to the Legislature, the
513 governor, the Board of Juvenile Court Judges, the division, and any other statutorily created
514 entity related to the policies and procedures of the child welfare system. The panel does not
515 have authority to make recommendations to the court, the division, or any other public or
516 private entity regarding the disposition of any individual case.

517 (b) The panel may hold public hearings, as it considers advisable, in various locations
518 within the state in order to afford all interested persons an opportunity to appear and present
519 their views regarding the child welfare system in this state.

520 (7) (a) All records of the panel regarding individual cases shall be classified private,
521 and may be disclosed only in accordance with federal law and the provisions of Title 63G,
522 Chapter 2, Government Records Access and Management Act.

523 (b) The panel shall have access to all of the division's records, including those
524 regarding individual cases. In accordance with Title 63G, Chapter 2, Government Records
525 Access and Management Act, all documents and information received by the panel shall
526 maintain the same classification that was designated by the division.

527 (8) In order to accomplish its oversight functions, the panel has:

528 (a) all powers granted to legislative interim committees in Section 36-12-11; and

529 (b) legislative subpoena powers under Title 36, Chapter 14, Legislative Subpoena
530 Powers.

531 (9) Members of the panel shall receive salary and expenses in accordance with Section
532 36-2-2.

533 (10) (a) The Office of Legislative Research and General Counsel shall provide staff

534 support to the panel.

535 (b) The panel is authorized to employ additional professional assistance and other staff
536 members as it considers necessary and appropriate.

537 Section 10. Section **63M-1-1206** is amended to read:

538 **63M-1-1206. Board duties and powers.**

539 (1) The board shall:

540 (a) establish criteria and procedures for the allocation and issuance of contingent tax
541 credits to designated investors by means of certificates issued by the board, provided that a
542 contingent tax credit may not be issued unless the Utah fund of funds:

543 (i) first agrees to treat the amount of the tax credit redeemed by the state as a loan
544 from the state to the Utah fund of funds; and

545 (ii) agrees to repay the loan upon terms and conditions established by the board;

546 (b) establish criteria and procedures for assessing the likelihood of future certificate
547 redemptions by designated investors, including:

548 (i) criteria and procedures for evaluating the value of investments made by the Utah
549 fund of funds; and

550 (ii) the returns from the Utah fund of funds;

551 (c) establish criteria and procedures for registering and redeeming contingent tax
552 credits by designated investors holding certificates issued by the board;

553 (d) establish a target rate of return or range of returns on venture capital investments of
554 the Utah fund of funds;

555 (e) establish criteria and procedures governing commitments obtained by the board
556 from designated purchasers including:

557 (i) entering into commitments with designated purchasers; and

558 (ii) drawing on commitments to redeem certificates from designated investors;

559 (f) have power to:

560 (i) expend funds;

561 (ii) invest funds;

562 (iii) issue debt and borrow funds;
563 (iv) enter into contracts;
564 (v) insure against loss; and
565 (vi) perform any other act necessary to carry out its purpose; and
566 (g) make, amend, and repeal rules for the conduct of its affairs, consistent with this
567 part and in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

568 (2) (a) All rules made by the board under Subsection (1)(g) are subject to review by
569 the Legislative Management Committee:

570 (i) whenever made, modified, or repealed; and

571 (ii) in each even-numbered year.

572 (b) Subsection (2)(a) does not preclude the legislative Administrative Rules Review
573 Committee from reviewing and taking appropriate action on any rule made, amended, or
574 repealed by the board.

575 (3) (a) The criteria and procedures established by the board for the allocation and
576 issuance of contingent tax credits shall:

577 (i) include the contingencies that must be met for a certificate and its related tax
578 credits to be:

579 (A) issued by the board;

580 (B) transferred by a designated investor; and

581 (C) redeemed by a designated investor in order to receive a contingent tax credit; and

582 (ii) tie the contingencies for redemption of certificates to:

583 (A) the targeted rates of return and scheduled redemptions of equity interests

584 purchased by designated investors in the Utah fund of funds; and

585 (B) the scheduled principal and interest payments payable to designated investors that
586 have made loans or other debt obligations to the Utah fund of funds.

587 (b) The board may not issue contingent tax credits under this part prior to July 1,
588 2004.

589 (4) (a) The board may charge a placement fee to the Utah fund of funds for the

590 issuance of a certificate and related contingent tax credit to a designated investor.

591 (b) The fee shall:

592 (i) be charged only to pay for reasonable and necessary costs of the board; and

593 (ii) not exceed .5% of the private investment of the designated investor.

594 (5) The board's criteria and procedures for redeeming certificates:

595 (a) shall give priority to the redemption amount from the available funds in the
596 redemption reserve; and

597 (b) to the extent there are insufficient funds in the redemption reserve to redeem
598 certificates, shall grant the board the option to redeem certificates:

599 (i) by certifying a contingent tax credit to the designated investor; or

600 (ii) by making demand on designated purchasers consistent with the requirements of
601 Section 63M-1-1221.

602 (6) (a) The board shall, in consultation with the corporation, publish an annual report
603 of the activities conducted by the Utah fund of funds, and [~~present~~] submit the report to the
604 governor and the [~~Executive Appropriations Committee of the Legislature~~] Economic
605 Development and Revenue Appropriations Subcommittee.

606 (b) The annual report shall:

607 (i) include a copy of the audit of the Utah fund of funds and a valuation of the assets
608 of the Utah fund of funds;

609 (ii) review the progress of the investment fund allocation manager in implementing its
610 investment plan; and

611 (iii) describe any redemption or transfer of a certificate issued under this part.

612 (c) The annual report may not identify any specific designated investor who has
613 redeemed or transferred a certificate.

614 (d) (i) Beginning July 1, 2006, and thereafter every two years, the board shall publish
615 a progress report which shall evaluate the progress of the state in accomplishing the purposes
616 stated in Section 63M-1-1202.

617 (ii) The board shall give a copy of the report to the Legislature.

618 Section 11. Section **63M-1-1901** is amended to read:

619 **63M-1-1901. Military installation projects for economic development -- Funding**
620 **-- Criteria -- Dispersal -- Report.**

621 (1) The Legislature recognizes that significant growth in the state's economy can be
622 achieved by state and local support of the continuing expansion and development of federal
623 military installations throughout the state.

624 (2) The office, through its director, may receive and distribute legislative
625 appropriations and public and private grants and donations for military installation projects
626 that:

627 (a) have a strong probability of increasing the growth and development of a military
628 facility within the state, thereby providing significant economic benefits to the state;

629 (b) will provide a significant number of new jobs within the state that should remain
630 within the state for a period of several years; and

631 (c) involve a partnership between the military and private industry or local government
632 or the military and private industry and local government.

633 (3) (a) The director may distribute monies under this section to:

634 (i) a regional or statewide nonprofit economic development organization; or

635 (ii) a federal military partnership that has the mission of promoting the economic
636 growth of a military installation.

637 (b) The director shall make a distribution under this section upon:

638 (i) receipt of an application on a form prescribed by the office that lists:

639 (A) the particulars of the proposed use of the monies requested, such as needed
640 equipment purchases and anticipated training costs;

641 (B) the estimated number of new jobs that will be created by the proposed project;

642 (C) pending contracts related to the project that are to be finalized from funding
643 anticipated under this section; and

644 (D) a projected date on which the applicant shall provide the director with a report on
645 the implementation and performance of the project, including the creation of new jobs; and

646 (ii) a determination by the director that the project satisfies the requirements listed in
647 Subsection (2).

648 (c) (i) The office shall monitor the activities of a recipient of monies under this section
649 to ensure that there is compliance with the terms and conditions imposed on the recipient
650 under this part.

651 (ii) The office shall ~~[make]~~ submit an annual report to the ~~[Legislature's]~~ Workforce
652 Services and Community and Economic Development Interim Committee and the ~~[Executive~~
653 ~~Appropriations Committee]~~ Economic Development and Revenue Appropriations
654 Subcommittee on the use and impact of the monies distributed under this section, with the first
655 report to occur not later than September 1, 2005.

656 ~~[(4) For the fiscal year ending June 30, 2005, the director may disperse an amount not~~
657 ~~to exceed \$5,000,000 for projects referred to under this section.]~~

658 Section 12. Section **63M-1-2408** is amended to read:

659 **63M-1-2408. Transition clause -- Renegotiation of agreements -- Payment of**
660 **partial rebates.**

661 (1) As used in this section, "partial rebate" means an agreement between the office and
662 a business entity under which the state agrees to pay back to the business entity a portion of
663 new state revenues generated by a business entity's new commercial project.

664 (2) (a) Unless modified or renegotiated as provided in Subsection (2)(b), the Division
665 of Finance shall make partial rebate payments due under agreements entered into by the office
666 before May 5, 2008 as provided in this section.

667 (b) By January 1, 2009, the office shall:

668 (i) contact each business entity with whom the office entered into an agreement under
669 former Section 63M-1-1304 or 63M-1-1704; and

670 (ii) subject to the limits established in Subsection 63M-1-2404(3)(b), seek to modify
671 those agreements for the sole purpose of providing the incentives in the form of tax credits
672 under this part rather than partial rebates.

673 (c) The office shall:

674 (i) for each modified agreement granting tax credits, follow the procedures and
675 requirements of Section 63M-1-2405; and

676 (ii) for each agreement that still requires the state to pay partial rebates to the business
677 entity, follow the procedures and requirements of this section[~~;~~ and].

678 [~~(iii) provide a report to the Executive Appropriations Committee and the Legislative
679 Fiscal Analyst by December 1, 2008, about the progress of its efforts to modify agreements
680 reached before May 5, 2008.~~]

681 (3) (a) There is created a restricted account in the General Fund known as the
682 Economic Incentive Restricted Account.

683 (b) The account shall consist of monies transferred into the account by the Division of
684 Finance from the General Fund as provided in this section.

685 (c) The Division of Finance shall make payments from the account as required by this
686 section.

687 (4) (a) Each business entity seeking a partial rebate shall follow the procedures and
688 requirements of this Subsection (4) to obtain a partial rebate.

689 (b) Within 90 days of the end of each calendar year, a business entity seeking a partial
690 rebate shall:

691 (i) provide the office with documentation of the new state revenues that the business
692 entity generated during the preceding calendar year; and

693 (ii) ensure that the documentation includes:

694 (A) the types of taxes and corresponding amounts of taxes paid directly to the State
695 Tax Commission; and

696 (B) the sales taxes paid to Utah vendors and suppliers that were indirectly paid to the
697 State Tax Commission.

698 (c) The office shall:

699 (i) audit or review the documentation for accuracy;

700 (ii) based upon its analysis of the documentation, determine the amount of partial
701 rebates that the business entity earned under the agreement; and

702 (iii) submit to the Division of Finance:

703 (A) a request for payment of partial rebates to the business entity;

704 (B) the name and address of the payee; and

705 (C) any other information requested by the Division of Finance.

706 (5) Upon receipt of a request for payment of partial rebates from the office, the

707 Division of Finance shall:

708 (a) transfer from the General Fund to the restricted account the amount contained in

709 the request for payment of partial rebates after reducing the amount transferred by any

710 unencumbered balances in the restricted account; and

711 (b) notwithstanding Subsections 51-5-3(23)(b) and 63J-1-104(3)(b), after receiving a

712 request for payment of partial rebates and making the transfer required by Subsection (5)(a),

713 the Division of Finance shall pay the partial rebates from the account.

714 Section 13. Section **63M-2-302** is amended to read:

715 **63M-2-302. Governing authority powers.**

716 (1) The governing authority shall:

717 (a) ensure that funds appropriated and received for research and development at the

718 research universities and for the technology outreach program are used appropriately,

719 effectively, and efficiently in accordance with the intent of the Legislature;

720 (b) in cooperation with the universities' administrations, expand key research at the

721 two research universities;

722 (c) enhance technology transfer and commercialization of research and technologies

723 developed at the research universities to create high-quality jobs and new industries in the

724 private sector in Utah;

725 (d) review state and local economic development plans and appropriations to ensure

726 that the project and appropriations do not duplicate existing or planned programs;

727 (e) establish economic development objectives for the project;

728 (f) by following the procedures and requirements of Title 63G, Chapter 3, Utah

729 Administrative Rulemaking Act, make rules for allocating monies appropriated to it for

730 research teams and for the commercialization of new technology between Utah State
731 University and the University of Utah;

732 (g) verify that the project is being enhanced by research grants and that it is meeting
733 the governing authority's economic development objectives;

734 (h) monitor all research plans that are part of the project at the research universities to
735 determine that appropriations are being spent in accordance with legislative intent and to
736 maximize the benefit and return to the state;

737 (i) develop methods and incentives to encourage investment in and contributions to
738 the project from the private sector; and

739 (j) annually report and make recommendations to:

740 (i) the governor; and
741 ~~[(ii) the Executive Appropriations Committee; and]~~
742 ~~[(iii)]~~ (ii) the Economic Development and Revenue Appropriations Subcommittee.

743 (2) The governing authority may:

744 (a) in addition to monies received by it from the Legislature, receive contributions
745 from any source in the form of money, property, labor, or other things of value for the project;

746 (b) subject to any restrictions imposed by the donation, appropriations, or bond
747 authorizations, allocate monies received by it among the research universities, technology
748 outreach program, and technology transfer offices to support commercialization and
749 technology transfer to the private sector; or

750 (c) enter into agreements necessary to obtain private equity investment in the project.

751 (3) All money appropriated to the governing authority is nonlapsing.

752 (4) The governing authority shall report to the Economic Development and Revenue
753 Appropriations Subcommittee and to the Legislative Executive Appropriations Committee by
754 November 1 of each year on its activities, including:

755 (a) the achievement of the objectives and duties provided under this part;

756 (b) its annual expenditure of funds; and

757 (c) nonlapsing balances retained by the governing authority.

758 Section 14. Section **63M-11-204** is amended to read:

759 **63M-11-204. Annual report by the commission.**

760 (1) The commission shall annually prepare and publish a report directed to the:

761 (a) governor; and

762 (b) [~~Executive Appropriations Committee of the Legislature~~] Health and Human
763 Services Interim Committee.

764 (2) The report described in Subsection (1) shall:

765 (a) describe how the commission fulfilled its statutory purposes and duties during the
766 year; and

767 (b) contain recommendations on how the state should act to address issues relating to
768 the aging population.