

---

## M E M O R A N D U M

---

**DATE:** January 6, 2006  
**TO:** City Council Members  
**FROM:** Russell Weeks  
**RE:** Legislative Items  
**CC:** Cindy Gust-Jenson, Rocky Fluhart, Ed Rutan, Lynn Pace

---

This memorandum contains attached items and two brief synopses of various items involving the 2006 session of the Utah Legislature.

The first attachment is a list of bills prepared by the City Attorney's Office. The list is divided into topics and then into bills that have been filed already at the Legislature.

The next attachments are three resolutions adopted by the Utah League of Cities & Towns at the League's statewide meeting in September. The resolutions state the League's position on restructuring the state's tax system, redevelopment matters and eliminating the sale of alcoholic beverages to minors.

The following items are the legislative priorities of the Wasatch Front Regional Council and the Salt Lake County Council of Governments.

### **WASATCH FRONT REGIONAL COUNCIL**

The Wasatch Front Regional Council has four priorities for the legislative session, according to Regional Council Public Affairs Director Sam Klemm.

- If sales tax on food is repealed, the Regional Council would like municipalities and transit agencies – such as the Utah Transit Authority – held harmless.
- The Regional Council would oppose any attempt to cut the one-half cent transit sales tax to a quarter cent and make up the loss by legislative appropriation. It should be noted that sales tax increases for UTA are determined by people voting in a general election within UTA's service area.
- The Regional Council supports Governor Jon Huntsman's proposal to appropriate \$40 million in on-going revenue and \$80 million in one-time revenue for transportation projects. It also supports a proposed \$83 million appropriation to finish transportation projects originally identified for funding from the Centennial Highway Fund.
- The Regional Council supports a bill sponsored by Orem Rep. Bradley Daw that would allow the Regional Council to continue to use demographic data from the Division of Work Force Services. According to Mr. Klemm the Regional Council uses the data for its population growth model forecasts, but the federal Bureau of Labor Statistics has notified the Division of Work Force Services that the Regional Council does not meet federal

standards to use the data. The amendment to Utah law would clear up the issue, Mr. Klemm said.

The Regional Council has hired Rob Jolley as a legislative consultant for its issues, he said.

### **SALT LAKE COUNTY COUNCIL OF GOVERNMENTS**

The Salt Lake County Council of Governments has roughly a half-dozen legislative priorities, according to COG Executive Secretary Ed Blaney.

- COG opposes any bill that would take away or change the presumption of the authority of municipalities to zone property within their jurisdictions.
- COG opposes any bill that would take away the authority of any municipality's residents from choosing the municipality's form of government.
- COG supports the provision of adequate resources to operate human services programs.
- COG would support a bill that would continue allow the public to seek referenda on issues but that also would require a higher threshold of petition signatures before a referendum could be held.
- COG could support a repeal of the sales tax on food – if the repeal would not diminish municipalities' revenue. COG also supports tying property tax increases to the Consumer Price Index.
- COG supports increasing funding to build and maintain transportation systems.
- COG opposes any bill that would limit any municipality's right to hire professional consultants to petition the federal government on behalf of a municipality.

## **Issues for the 2006 Legislative Session**

### **January 6, 2006**

---

#### **Taxes**

1. Removal of Sales Tax on Food and Increase in Local Option Tax
2. Single Rate Sales Tax (State-wide or County-wide)
3. Changes to Truth in Taxation Ad Requirements
4. Elimination of 1983 Sales Tax Hold-Harmless Provisions
5. Inflation Adjustment to Property Tax
6. RDA Reform Proposal

#### **Water**

7. Water Reuse
8. Water Basin Management Plans
9. Changes to Standard for Damages Against Irrigation Companies

#### **Transportation**

10. Jurisdictional Transfer of Roads
11. Local Funding Participation of Freeway Interchanges
12. Transit System Funding Equalization
13. Acquiring Federal Funds for Transportation Projects

#### **Land-Use**

14. Impact Fees
15. LUDMA Technical Rewrite
16. Change in Land-Use Presumption

#### **Police Issues**

17. Concealed and Loaded Firearms in Autos
18. Alcoholic Beverage Amendments - Eliminating Alcohol Sales to Youth
19. Hate Crimes Legislation

#### **General Government**

20. Tourism Funding (Prohibiting the Use of Tourism Funds for Municipal Recreation Programs)
21. Required City Manager Form of Government
22. GRAMA Taskforce Recommendations
23. Standardizing Building Permits
24. Eminent Domain (Water, RDA's, Prevailing Parties Attorney's Fees)
25. Changes to Workers Compensation Coverage for Firefighters and Drug Task Force Members
26. Changes to Governmental Immunity Limits
27. Funding Mechanisms for Sports Districts and Arts Districts
28. Changes to Open Meetings Law Requirements

| House/Senate | Number | Bill Title   | Sponsor     | Category       |
|--------------|--------|--|-------------|----------------|
| House        |        | Expenditures for Tourism, Rec, and Convention Facilities | Adams       | Tax            |
| House        |        | Sales Tax Amendments                                     | Harper      | Tax            |
| House        |        | ZAP Amendments   | Houge       | Tax            |
| House        |        | Municipal Franchise Tax on Natural Gas                   | Hughes      | Tax            |
| House        |        | Sales Tax on Food  | Newbold     | Tax            |
| House        |        | Revisions to Sales Tax Distribution                      | Wyatt       | Tax            |
| Senate       |        | Local Option Sales Tax Distribution Amendments           | Bell        | Tax            |
| Senate       |        | Property Tax Inflation Adjustment                        | Bell        | Tax            |
| Senate       |        | Sales and Use Tax -- Single Rate/County                  | Bell        | Tax            |
| Senate       |        | Sales Tax -- Distribution of Local Option Sales Tax      | Bell        | Tax            |
| Senate       |        | Siting Criteria for Multi-Community Treatment Facilities | Waddoups    | Land-Use       |
| House        |        | Township Amendments                                      | Christensen | Land-Use       |
| House        |        | Density Credit for Land Donated to Schools               | Cox         | Land-Use       |
| House        |        | Charter School Construction Amendments                   | Ferrin      | Land-Use       |
| House        |        | Water Reuse Requirements                                 | Ferry       | Water          |
| House        |        | Election and Referendum Procedures                       | Houge       | General        |
| House        |        | Water Law Amendments                                     | Houge       | Water          |
| House        |        | Groundwater Management                                   | Ure         | Water          |
| House        |        | Groundwater Management Plans                             | Ure         | Water          |
| House        |        | Water Company Amendments                                 | Ure         | Water          |
| House        |        | Water Issues Taskforce                                   | Ure         | Water          |
| Senate       |        | Amendments to City/County Land Use                       | Bell        | Land-Use       |
| Senate       |        | Charter School Amendments                                | Stephenson  | Land-Use       |
| Senate       |        | Governmental Immunity Limits                             | Stephenson  | General        |
| Senate       |        | Jail Funding Amendments                                  | Thomas      | General        |
| Senate       |        | Utah Attorneys Fee Recovery                              | Thomas      | General        |
| House        |        | Amendments to Sales Tax Diversion for Water              | Clark       | Water          |
| House        |        | Eminent Domain Requirements                              | Ure         | General        |
| House        |        | Resolution Restricting Eminent Domain                    | Dougall     | Land-Use       |
| Senate       |        | Eminent Domain Amendments                                | Stephenson  | Land-Use       |
| House        |        | Access and Fee Amendments to Gov. Records                | Agaard      | General        |
| House        |        | Amendments to Government Records Access and Management   | Agaard      | General        |
| House        |        | Inherent Risk in Rec Activities on Local Gov. Property   | Bowman      | General        |
| House        |        | Public Safety Retirement Revisions                       | Clark       | Retirement     |
| House        |        | Economic Development Incentives                          | Dee         | Econ Develop   |
| House        |        | Local Government Amendments                              | Dee         | General        |
| House        |        | Revision to Open and Public meetings Law                 | Donnelson   | General        |
| House        |        | Limitation on Political Subdivision Lobbying             | Dougall     | Transportation |
| House        |        | Open Meetings Law  | Harper      | General        |
| House        |        | Construction of Mountain View                            | Houge       | Transportation |

|        |   |            |                |
|--------|---|------------|----------------|
| House  | Lobbyist Amendments   | Houge      | General        |
| House  | Government Boundary Changes                                 | Holdaway   | General        |
| House  | GRAMA Records Committee Appeal                              | Moss       | General        |
| House  | Public Safety Vehicles -- Marking Lights                    | Murray     | General        |
| House  | Workers Compensation Coverage for Firefighters              | Murray     | General        |
| House  | Ambulance Fee Amendments                                    | Ray        | General        |
| House  | Additional State Retirement Benefit                         | Shurtliff  | Retirement     |
| House  | Utility Improvement Districts (Park City Issue)             | Ure        | General        |
| House  | Economic Development Sunset Modify                          | Wallace    | Econ Develop   |
| House  | Regulation of Construction Industry                         | Wiley      | General        |
| Senate | Public Safety and Firefighter                               | Evans      | General        |
| Senate | Open and Public Meetings                                    | Hellewell  | General        |
| Senate | Election Code   | Hellewell  | General        |
| Senate | Electronic Meeting Amendments                               | Hillyard   | General        |
| Senate | Authorization of Toll Roads                                 | Killpack   | Transportation |
| Senate | Alcohol Beverage Amendments                                 | Knudson    | Tax            |
| Senate | GRAMA Appeals   | Thomas     | General        |
| Senate | Highway Transfer Amendments                                 | Walker     | Transportation |
| House  | Natural Gas Utilities -- Management and Conservation        | Allen      | Utility        |
| House  | Joint Resolution Modifying Exemption for Government Owned   | Dougall    | Tax            |
| House  | Property Tax Exemption for Business Personal Property       | Dougall    | Tax            |
| House  | Resolution Regarding Property Tax on Personal Property      | Dougall    | Tax            |
| House  | Property Tax Relief for Utah Citizens                       | Houge      | Tax            |
| House  | Resolution Limiting Property Tax on Primary Residence       | Houge      | Tax            |
| House  | Property Tax Revisions                                      | Newbold    | Tax            |
| House  | Notice Requirement for Budget Transfers from a Utility Fund | Tilton     | Tax            |
| Senate | Multi-channel Video or Audio Service Tax -- Tax Credit      | Goodfellow | Tax            |
| Senate | Resolution on Property Tax for Certain Personal Property    | Hickman    | Tax            |
| Senate | Privatization of Government Functions Taskforce             | Stephenson | General        |
| Senate | Property Tax -- Defining Intangible Property                | Stephenson | Tax            |
| Senate | Sales and Use- Manufacturing Exemption                      | Stephenson | Tax            |
| Senate | Sales and Use - Exemption of Business Inputs                | Stephenson | Tax            |

**Resolution: 2005-001**

**2005 Utah League of Cities and Towns Resolution – 2006 Tax Reform Package**

Resolution submitted by the ULCT Tax Team in support of legislation implementing the Utah League of Cities and Towns 2006 Tax Reform Package

We, the members of the Utah League of Cities and Towns, find the following:

- *The municipal tax structure should be rooted in the principles of fairness, consistency, predictability, stability, sustainability, efficiency, flexibility, and effectiveness.*
- *A one-size tax structure does not fit all municipal situations.*
- *Portions of the current tax structure are obsolete and no longer represent the current economy.*
- *As demographics and economics change municipal services must reflect those changes.*
- *Municipalities' dependence on sales tax revenue creates a situation where day to day needs cannot be met when this revenue decreases unless other services or revenue sources are adjusted.*

The purpose of the 2006 Tax Reform Package is to bring additional fairness, consistency and sustainability to the municipal revenue sources that are used to provide the services that citizens have come to expect from their local governments.

The 2006 Tax Reform Package will:

- (1) Maintain the current 50/50 distribution formula for the municipal sales tax.
- (2) Convert the current 1983 local options sales tax hold-harmless from one of an on-going formula to a dollar-figure based on the most recent budget year, where the hold-harmless is phased out naturally.
- (3) Amend Truth-in-Taxation to allow for a CPI adjustment without going through that process.
- (4) Amend Truth-In-Taxation to make the newspaper ad more informative and less inflammatory.

Now, therefore, be it resolved that we, the members of the Utah League of Cities and Towns, recommend the following:

Support the 2006 ULCT Tax Reform package as proposed by the ULCT Tax Team and as outlined in the attached document (See attachment).

**Resolution: 2005-002**

**2005 Utah League of Cities and Towns Resolution – Community Development and Renewal Act Concepts**

Resolution submitted by the ULCT Tax Team and ULCT RDA Subcommittee in support of legislation implementing the Utah Community Development and Renewal Act concepts .

We, the members of the Utah League of Cities and Towns, find the following:

- *Economic development takes collaboration from all levels of government (state, city, county, school, service districts) – Together We Make It Happen!!*
- *Economic development to the State equals “value-added” jobs, and we must craft tools that will assist in achieving Utah’s economic development goals.*
- *Community Development is more than “value-added” jobs, we must also craft tools that will assist in our community development goals.*
- *There is a distinction between development and redevelopment, and those two activities must be treated differently.*
- *Quality of Life and Good Infrastructure are crucial in the economic development equation.*

The purpose of the Community Development and Renewal Act is to align the economic development goals of local government with the economic development goals of the state, effectively address the existence of blight in Utah’s communities, and provide community development tools for general municipal development.

The Community Development and Renewal Act would:

- (1) Provide tax increment financing for economic development, redevelopment and community development projects with defined standards, in each situation, as to how tax increment is attained and used.
- (2) Provide tools under the redevelopment concept for the assemblage of properties in order to remove blight and redevelop the area.
- (3) Redefine the statutory definition of blight to limit the current use of RDA’s to areas where physical blight is present.
- (4) Implement a “necessary and appropriate” analysis to any EDA or RDA project to ensure that tax increment financing is being use only in situations where without tax assistance the project would not occur.
- (5) Create a “Community Development” tool to allow municipalities to utilize the municipal portion of the sales and property tax as deemed appropriate by that municipality’s governing body and allow for tax increment financing on an “opt-in” basis.

Now, therefore, be it resolved that we, the members of the Utah League of Cities and Towns, recommend the following:

Support legislation proposed by the ULCT Tax Team and ULCT RDA Subcommittee to implement the Community Development and Renewal Act concepts as outlined in the attached document (See attachment).

**Resolution 2005-003**

**2005 Utah League of Cities and Towns Resolutions – Eliminate Alcohol Sales to Youth Program**

Resolution submitted by the Salt Lake Valley Conference of Mayors in support of legislation implementing a statewide E.A.S.Y. (Eliminate Alcohol Sales to Youth) Program.

We, the members of the Utah League of Cities and Towns, find the following:

- New research shows alcohol affects a teen brain differently than a mature adult brain. Yet few parents or youth realize that alcohol can damage and interfere with critical brain development during teen years - development that is critical to becoming a mature, thoughtful, responsible adult.
- The American Medical Association advises that “damage from alcohol at this time can be long term and irreversible.
- Research also shows that 40% of those who start drinking before the age of 15 will become alcohol dependent. Unfortunately, research also shows that the average age a person takes their first drink in Utah is 12.3 years old, with many starting younger.
- Cedar City, Springville City, and Utah County adopted similar programs and found dramatic improvements in the first year of the program.

The purpose of the E.A.S.Y. program is to limit youth access to alcohol at grocery and convenience stores by:

- (1) Requiring mandatory and standardized retailer employee training;
- (2) Providing funds to local law enforcement to conduct alcohol compliance checks; and
- (3) Providing standardized administrative penalties for sales to minors (current criminal penalties would not be affected).

Now, therefore, be it resolved that we, the members of the Utah League of Cities and Towns, recommend the following:

Support legislation proposed by the Utah Department of Alcoholic Beverage Control to implement a statewide E.A.S.Y. (Eliminate Alcohol Sales to Youth) Program (see attached).