

Utah League of Cities and Towns
Legislative Policy Committee Minutes – February 4, 2019, 12:00 p.m.
Utah State Capitol, Senate Building Room 210 (and Zoom webcast)

1. Welcome, introductions, logistics, and adoption of January 7, 2019 minutes, ULCT 1st Vice President Mike Mendenhall.
2. ULCT communications efforts
 - a. City videos on growth and housing affordability– ULCT Director of Communications and Training Susan Wood reported that 29 cities have worked with the League to create videos on what their community is doing to address growth and housing affordability. Susan encouraged more cities to share their stories—the League will be posting one video each day of the legislative session. Susan recapped the video *Utah Communities Prepare for Growth* that the League showed at Local Official’s Day. The video, a virtual tour of many Utah cities, features ULCT’s Past President Beth Holbrook, Herriman City Council Member Nicole Martin, and Heber City Mayor Kelleen Potter and gives an overview of what an estimated 140 Utah cities are doing to update their general plans to prepare for growth. The video reached 1,117 people on Facebook. St. George’s video on growth and housing affordability reached 1,552 people on Facebook with 260 engagements. ULCT Executive Director Cameron Diehl commented on St. George’s success and attributed it to local leaders sharing the video with their legislators and communities. Cameron stated that these efforts are important so that cities can inform legislators on their efforts to plan and prepare for growth.
 - b. Cities Work Podcast: Susan informed members of the new *Cities Work* Podcast that will be recorded on Fridays and shared on Facebook and with the Friday Facts email.
 - c. Op-Eds: Susan updated members on ULCT *Utah Policy* and *Salt Lake Tribune* op-eds. These op-eds have been reaching thousands of people.
3. Legislative items:
 - a. Week 1 recap– ULCT Director of Government Relations Rachel Otto updated members on current bill tracking. ULCT is tracking 211 bills and supports 73, seeks to amend 13, is neutral on 54, and is opposed to 12. Rachel reiterated the five questions the League asks when evaluating bills: (1) What is the problem the bill is trying to solve? (2) Is the problem best addressed at the local level or the state level? (3) Is the bill a one-size-fits-all approach? (4) Does the bill restrict mayors and councils from letting cities and counties work? (5) Does the bill create an unfunded mandate or harm city or county budgets? Rachel listed some of the bills the League was tracking throughout the week, which include HB 59 Government enterprise; HB 64 Lobbyist expenditures; HB 228 Towing; HB 119 Referenda; HB 60 DFCM amendments; HB 69 Legal notice; HB 96 Nighttime construction; HB 143 Water conservation; HB 154 Mental health for first responders; HB 162 Underground facilities; HB 164 Local boards and councils; HB 179 Road closures; SB 25 Records committees; SB 26 Government

nonprofits; SB 35 Affordable housing; SB 44 Street legal ATVs; SB 52 Secondary metering; and SB 90 Political signs.

- b. UPDATE: SB 34, Affordable Housing Modifications – Rachel discussed SB 34, Affordable Housing Modifications, which the ULCT membership voted to support in December of 2018. This bill emphasizes the transportation and land use nexus strengthened through last year’s HB 259 and SB 136. At this point, the bill outlines 22 different menu options that cities can choose from when developing the moderate-income housing element of their general plan. Cities will be required to report their moderate-income housing plan to DWS annually and DWS will verify compliance to UDOT in order for cities to qualify for TIF funds. Wasatch Front Regional Council Executive Director Andrew Gruber commented on SB 34 to clarify that the bill does not require cities to build affordable housing, but rather requires cities to think about and plan for housing in their community through a menu of options that allow cities to be flexible in meeting their community’s needs. Rachel stated that the bill may be amended to tie class B & C road funds to moderate-income housing plans instead of TIF funding. Rachel informed members that this issue will likely continue to arise as the bill moves forward and will require member engagement to ensure that this bill is used as a housing tool for proactive city planning, tying funds to TIF and not to class B & C road funds.
- c. UPDATE: HB 164, Local Boards and Councils Structure Amendments – ULCT Policy Advisor John Hinskey provided an update on HB 164, Local Boards and Councils Structure Amendments. HB 164 will impact 10 cities and Representative Stenquist would like to hear from them. ULCT will send a poll to set up conversations. (Impacted cities: Cottonwood Heights, Herriman, Holladay, Midvale, Millcreek, Murray, Riverton, Salt Lake City, South Jordan, and Taylorsville.)
- d. UPDATE: Retirement – firefighter shortfall– John discussed firefighter retirement funding through the Insurance Premium Tax of 2.25% that is paid on insurance with health insurance exempted. Statute allocates money from the Insurance Premium Tax for firefighter retirement, firefighter training, and volunteer firefighter life insurance. The funds have not been getting to the retirement funds for firefighters. United Fire Authority Chief Dan Petersen and his lobbyists, David and Ashley Spatafore, have been working with people from the insurance industry to research this issue. HB 5, Retirement and Independent Entities Base Budget, proposes a one-time appropriation of \$17 million to address the firefighter retirement shortfall and provides ongoing appropriations of \$12 million. Representative Brad Last is going to sponsor a bill that will adjust the statute to clarify where these funds are to go so we do not experience firefighter retirement shortfall again.
- e. UPDATE: SB 129, Public Safety and Firefighter Tier II Retirement – John discussed the disparity between police officers hired before 2011 that are Tier I employees and police officers hired after 2011 that are Tier II employees. Tier I employees can retire after 20 years with 50% of their salary. Tier II employees can retire after 25 years with 37.5% of their salary. This disparity has been an ongoing issue. Three legislators Senator Harper, Representative Perry, and

Representative Dunnigan, brought together eight entities representing law enforcement to discuss the issue. The bill proposes a one-time appropriation of \$5.3 million to cover both the state and local costs needed to increase Tier II employee retirement benefits. However, ongoing funding from the state would only be \$3 million per year and local entities would have to make up the difference. The League will be following this topic throughout the session.

f. ACTION: Community Reinvestment Agency bills –

Rachel Otto and Utah Redevelopment Association President Matt Dahl presented an overview of Community Reinvestment Agency (CRA) bills. Matt outlined the four categories CRA bills fall into: (1) relationships with the taxing entity committees; (2) the relationship between housing and economic development; (3) the myth of the \$200 million in housing funds that are out there—it was indicated that CRAs are holding on to housing funds, but the vast majority of funds are earmarked for housing projects; and (4) miscellaneous items.

i. HB 70 (Rep. Coleman)

1. Allows creation of an Economic Development Area (EDA); EDA can receive increment through an interlocal agreement; requires the creation of 50 jobs at 150% of county AMI; does not require housing allocation
2. URA opposes this bill because it requires a new housing plan that is separate from what is already required in the general plan. Rural communities are happy to get 20 jobs and the 50 jobs requirement would not be functional for those communities.
3. ULCT recommended position is opposing this bill.

ii. SB 56 (Sen. Henderson)

1. This bill requires each to county create a database for the CRAs within that county to file their annual report.
2. URA is concerned that counties will operate their databases in a different way and numbers may be incongruent throughout the state. Additionally, this will be an expensive mandate. URA proposed a central location for one database with Governor's Office of Economic Development.
3. ULCT recommended position is amending this bill.

iii. SB 98 (Sen. Harper)

1. This bill limits administrative fee collection to the community that creates a project area, limits reporting requirements, and does not require housing allocation for certain projects in nonresidential areas.
2. URA has not taken a position on this bill.
3. ULCT voted to oppose Representative Coleman's CRA bill last year that removed the 10% housing allocation set aside in an EDA. ULCT eventually got to neutral last year.
4. ULCT recommended position is to amend this bill.

iv. SB 77 (Sen. Bramble)

1. This bill clarifies definitions on how tax increment is calculated and addresses changes to tax rates within project areas and the

bill that created a Towing Advisory Board a few years ago. The League has two representatives on the Board, Mark Stratford from Ogden City and Brian Jones from Provo City. The Board came to consensus on concepts but this bill ignores one concept and expands another with preemptions. Mark commented that this bill puts a burden on local police forces.

- h. ACTION: Ratify staff positions – Members ratified staff positions with one motion to amend: members voted to change staff position on HB 185 from “support” to “amend.” Staff positions are ratified as follows:
 - i. HB 70, oppose
 - ii. HB 56, amend
 - iii. SB 98, amend
 - iv. SB 77, amend
 - v. HB 245, no position
 - vi. HB 185, amend
 - vii. HB 228, oppose
 - viii. Retirement appropriations for firefighters, support
 - ix. Transportation Land Use Connection appropriations, support
 - x. Indigent Defense Commission, support

4. Adjourn