

MINUTES OF PUBLIC POLICY FORUM

February 19, 2016, 3:30 – 5:00 p.m.

Co-chair Gary Goodrich and Mark McBride

Held at Utah State Capitol, Training Room 70

Those in attendance: Rep. Steve Handy, Rep. Mike Schultz, Mark McBride of LANDESK, Mark Griffin of Overstock.com, Tara Thue of AT&T, Spencer Jones of eBay Inc., Ron Hilton of Proximal Systems Corporation, Brent Peterson of Comcast, Bryan Benard of Holland & Hart LLP, Tami Goetz of STEM Action Center, Ben Hart and Vatsala Kaul of GOED, James Campbell of Rocky Mountain Power, David Copeland of Seago Strategies & Consulting, Jim Jones of Moreton & Company, Al Landon of Eccles School of Business, Steve Maccagno of ANKRD, Jarod R. Marrott of Kirton McConkie, Gary Thorup of Durham Jones & Pinegar, Chris Wight of Snow, Christensen & Martineau, Jeff and Paul Rogers of Paul Rogers and Associates, Jonathan Jackson and Richard Nelson of the UTC.

Mark McBride conducted the meeting.

Welcome and Brief Introductions – Richard Nelson, President and CEO, UTC

Minutes – *The motion was made and seconded to approve the minutes from February 12, 2016 as presented. The motion passed unanimously.*

- **HB242 Alternative Energy Producer Amendments** – Rep. Steve Handy presented.
 - Fiscal Note is \$1.8M.
 - Bill modifies the existing sales and use tax exemption for the purchase of electricity produced from new alternative energy sources by commercial and industrial users so that the exemption will apply to the full tariff rate as adopted by the Public Service Commission.
 - Despite the passage of Sen. Madsen’s perceived landmark SB 12 in 2012, companies located in Utah have been unable to attain their renewable goals. This inability to access sufficient alternative energy acts as a disincentive to both new companies looking to locate or re-locate in Utah and to existing Utah companies that are interested in expanding their Utah operations.
HB 242 is intended to incentivize the development of additional alternative energy sources.

A motion was made and seconded to SUPPORT this bill.

- **HB358 Student Privacy Amendments** – Rep. Jacob Anderegg
 - UTC is deeply concerned and would be more supportive if Rep. Anderegg will turn it in to something other states have adopted.
 - Jeff Rogers went through many iterations of draft in previous sessions.

A motion was made and seconded for UTC to NOT SUPPORT without significant changes made.

- **SB178 Economic Development Revisions** – Sen. Curt Bramble
 - Our statute is out of compliance with what NAICS code allows for.
 - We want to be out in front to help recruit data centers to state.
 - Need to bring statute up to date. Comparatively to other states, Utah has fallen behind and can’t compete with other states. Ben Hart with GOED requests a High Priority Support.
 - Incentives are post performance based.

*A motion was made and seconded to have **HIGH PRIORITY SUPPORT** for this bill.*

- **STEM Action Center Executive Appropriation**

- In 2013, the Governor recommended \$3M, UTC went and got \$10M for STEM Action Center.
- In 2014, the Governor recommended \$3M, UTC went and got \$20M for STEM Action Center.
- In 2016, the STEM Action Center Board asked for \$15M ongoing, the Governor recommended \$3M one-time.
- In 2016, UTC along with industry leaders are requesting \$15M ongoing funds to SUSTAIN the STEM Action Center.

*A motion was made and seconded to move from Support to **HIGH PRIORITY SUPPORT**.*

- **HB380 Utah Communications Authority Amendments** – Rep. Brad Dee
- **SB193 Utah Communications Authority Act Amendments** – Sen. Wayne Harper
 - This bill amends the Utah Communications Authority Act and is important to the Telecom community: AT&T, CenturyLink etc.
 - Bill addresses 911 fees, \$1,000s paid by businesses.
 - Expecting another bill to “pop-up” in Senate.

A motion was made and seconded to MONITOR and express concern for these bills.

- **HB241 Computer Abuse & Data Recovery Act** – Sen. Rebecca Chavez-Houck
 - Jeff Rogers believes this is a good bill, but we can add to it. 99% of it benefits industry. We are working with Sen. Chavez-Houck to address concerns and tighten up language.
 - Jeff Rogers suggested we continue to MONITOR this bill.
- **SB93 Computer Science Initiative for Public Schools** – Presented by Tami Goetz, Executive Director, STEM Action Center
 - Wants to model it after the Utah Aerospace Pathway Program.
 - Tami Goetz said Adobe, LANDESK, and Hill AFB want to invest in a vital workforce pathways program. They have never seen so much industry excitement on any initiative.
 - Fiscal Note is \$770,000.

A motion was made and seconded to SUPPORT this bill.

- **HB251 Post-Employment Restrictions Amendments** – Presented by Rep. Schultz and Bryan Benard, Partner, Holland & Hart
 - Priority bill of Speaker Hughes.
 - Concerned about trade secrets going out the door to competitors.
 - Rep. Schultz wants to make sure business protects trade secrets, but have something that doesn’t handcuff employee. Believes it prevents free market from working and is the reason why startups are at lowest point—which is holding back economic growth.
 - Bill will not effect sale of business - proposed amendments will not address sale of business.
 - Overstock believes the bill will cause a net job loss and believes the bill doesn’t solve a problem, but is in search of a problem. Overstock is troubled with definition of “goodwill” between trade secrets. Goodwill is the “sticky point.” It is hard to enforce non-competes in UT.
 - Holland & Hart – a majority of their clients are not in favor of bill.
 - **Rep. Schultz welcomes dialogue from industry as they work on modifications.**
 - **UTC created Task Force to study impact of HB251 on industry and give input to sponsor to make it better.**

A motion was made and seconded to MONITOR AND EXPRESS CONCERNS.

The meeting adjourned at 5:28 p.m.