

Utah League of Cities and Towns
Legislative Policy Committee Minutes – December 10, 2018, 12:00 p.m.
Utah Local Governments Trust (and Zoom webcast)

1. Welcome, introductions, logistics, and adoption of October 15, 2018 minutes
 - a. ULCT 1st Vice President Mike Mendenhall welcomed the committee. The committee approved the minutes from the October 15th meeting.

2. Legislative issues
 - a. Legislative preview and one-page issue sheets - ULCT Director of Government Relations, Rachel Otto, explained the legislative tools that ULCT is developing for the 2019 legislative session. She introduced the 2019 local government legislative guide and issue-specific one-pagers utilizing the 3 ULCT policy pillars of respect, collaboration, and outcomes. To supplement these materials, ULCT is producing explanatory videos as well. Otto proceeded to explain ULCT's threefold outreach strategy on growth and housing issues. The first goal is to educate policymakers and the public about housing. To this end, ULCT has produced the "map to the gap" handout and has partnered with Utah Foundation to study local land use trends. The second objective is to highlight the proactive steps that Utah cities have already undertaken. The final objective is to defend those proactive steps.
 - b. Local option sales tax distribution formula - ULCT Senior Policy Advisor Roger Tew briefed the LPC on the Governor's 2020 budget proposal and the implications for the sales tax base. He began by summarizing the history of the current formula, that it was designed to achieve a rough balance between the interests of cities with retail centers and cities with smaller retail capacity. Cities compromised and developed the formula before bringing it to the legislature. In 1983 the legislature raised the sales tax rate slightly as an incentive for cities to use the 50/50 formula. Tew stated that in a 1991 decision, the Utah Supreme Court confirmed the local option tax revenue belongs to local governments. Unless new money is added to the formula, any changes are just "re-slicing the pie". He emphasized that any change to the formula needs to come from cities and that cities must hold together. Tew added that the Governor's budget proposal expands the sales tax base and that could potentially mean more sales tax revenue is available to local governments.
 - c. Firefighter retirement shortfall - Cameron Diehl updated the committee on the firefighter retirement funding shortfall. Over the last couple of years cities have not been receiving funds from the insurance premium tax. ULCT has been working to identify both the cause of the problem and possible solutions. Diehl noted that ULCT may pursue a one-time re-appropriation of the funds

- d. Land Use Task Force legislation - Rachel Otto explained the Land Use Task Force legislation to the LPC. The first consensus bill modifies the attorney's fees provision in section 13-43-206 so that when the Property Rights Ombudsman issues an opinion and the parties litigate, the prevailing party can collect attorney's fees and costs if the court decision is consistent with the OPR opinion. The second bill updates subdivision code in LUDMA. This includes changes to private infrastructure bonding requirements. Otto mentioned that the LUDMA bill may also include the modifications to boundary line agreements from last year's SB 215. Regarding other land use issues, Otto said that the League expects bills on sprinkler requirements, food trucks, energy code, and possibly building inspectors.
- e. Commission on Housing Affordability draft bill - Rachel Otto briefed the LPC on the Commission on Housing Affordability bill. She explained that ULCT and other stakeholders are still working on the draft. The bill will continue to be modified and debated through the 2019 session. The draft, as it's written currently:
 - i. Adds to the foundation laid with SB 136 and HB 259 by strengthening the land use/transportation nexus and specifies strategies to consider in the Moderate Income Housing (MIH) plan,
 - ii. Defines "major transit investment corridor" and requires cities to correlate the transportation element with population projects and the proposed land use elements of their general plans,
 - iii. Requires cities to also consider the regional transportation plan developed by the MPO (or the long-range plan by UDOT if the city is not in an MPO area),
 - iv. Adds specific elements that cities must consider in their plans, based on resolution 2018-004 and the October LPC survey,
 - v. Requires cities to select two of the following items and incorporate them into their MIH plans:
 - 1. Items already in state law:
 - a. Rezone for densities to assure production of MIH,
 - b. Facilitate rehabilitation or expansion of infrastructure to encourage construction of MIH,
 - c. Encourage rehabilitation of uninhabitable stock into MIH,
 - d. Consider subsidies to waive construction-related fees, and
 - e. Consider UHC, DWS, and AOG programs.
 - 2. Proposed to additional items:
 - a. Create/allow/reduce regulations for accessory dwelling units (ADUs),
 - b. Allow for housing in commercial and mixed-use zones,

