



**Kate Bradshaw**

Director of Government Affairs  
801.799.5711  
Salt Lake City  
kabradshaw@hollandhart.com

## 2016 Utah Legislative Session - March 1

### Insight — March 1, 2016

Each session as legislation is introduced, I keep track of my favorite “head scratcher” bill. Given the makeup of our Utah Legislature, I’m never disappointed in my options for the annual head scratcher bill of the year.

With only 2 weeks remaining in the session, **HB 413 Falconry Amendments by Rep. Jeremy Peterson** is the head scratcher leading candidate. Like me, you might have thought the sport of falconry included requirements for a castle in the Scottish Highlands, a net worth above \$1 billion, and a lifetime subscription to “Horse and Hound” magazine. Apparently, I’m mistaken in this belief and there are active falconers here in Utah. Applications and licensing for falconry are administered at the State level, but some counties have had their feathers ruffled and are trying to bar these licensed falconers from keeping their birds within their county’s boundaries. This bill clarifies that a county can’t limit the keeping of a raptor by a state-licensed falconer. This bill is awaiting a committee hearing and I’m looking forward to the testimony provided by our fine, feathered friends on this important topic.

For a list of other bills that have caught my attention, please [click here](#).

Each year at the beginning of Week 5 of the session, the State’s economists give updated budget projections that will be used as the final guide in forming the State’s budget. The projections provide some interesting perspective on the relative health of Utah’s economy. In December the Education Fund (comprised of income tax collections) was projected to grow \$532 million over last year’s budget. The new estimates came in even higher at \$575 million. This growth is fantastic for a variety of reasons and it tells us that more people are employed and making money. This also means that both public and higher education will likely see increases in teacher pay, classroom size reduction, supply budgets, and technology upgrades. These items are above and beyond what is already appropriated in the base budgets for public and higher education.

The General Fund (GF) estimates also shed light on some very interesting and different aspects of our economy. The GF projections for December were \$28 million and the new February estimates are a negative \$25 million. The major components of the GF are sales taxes and severance taxes (which are taxes paid on natural resources extractions like oil and minerals). Though Utahns are making more money, they aren’t buying items or they are buying items in venues that don’t collect sales tax. For instance, purchases made online often don’t have the sales tax collected like at brick and mortar retailers, even though it is still owed. The State is missing an estimated \$190-\$300 million of sales taxes that are due, but

have not been collected, as less than 1% of Utahns report use tax (sales tax for items purchased online) on their annual income tax returns. With the very low price per barrel of oil and resulting slump in Utah extraction activity, the natural resources tax projections are much lower than a year ago. These two factors have combined to drive down the GF and make budgeting particularly difficult for the programs (transportation, law enforcement, Medicaid, Environmental Quality, etc.) that rely on those funds.

Things will move very quickly in the final 2 weeks of the legislative session. Please reach me on my mobile or email if you have questions on any bills advancing through the legislative process.

---

*This publication is designed to provide general information on pertinent legal topics. The statements made are provided for educational purposes only. They do not constitute legal or financial advice nor do they necessarily reflect the views of Holland & Hart LLP or any of its attorneys other than the author(s). This publication is not intended to create an attorney-client relationship between you and Holland & Hart LLP. Substantive changes in the law subsequent to the date of this publication might affect the analysis or commentary. Similarly, the analysis may differ depending on the jurisdiction or circumstances. If you have specific questions as to the application of the law to your activities, you should seek the advice of your legal counsel.*