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Utah Legislative Update: May 2017

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The Utah Legislature Takes the Show on the Road

April is generally a fairly quiet month for the Utah Legislature. By the end of March, the annual General Session has concluded and the Governor has completed his work signing or vetoing bills. Barring a veto-override session, which is rare when one party controls the Legislature and Governor's Office, most legislators enjoy a chance to catch up on their day jobs, family obligations, and have a break from public policy. This year, however, the Legislature moved its annual field trip from August to April. After loading into buses at the State Capitol, the Legislature toured Central Utah (Millard, Beaver, Sevier, Iron, Piute, and Garfield counties) over the course of two days and were even joined at different stops by the Governor and Lt. Governor.

The field trip stops included two rural public schools, Southern Utah University, Bryce Canyon National Park, Gunnison State Prison, the Circle 4 hog farm and several energy production operations. Firm client, Intermountain Power Agency, and its power plant near Delta, Utah was included as a tour location. Legislators donned hard hats and safety glasses for an up-close look at the coal-fired power plant and the operations that provide the power to our homes and favorite electronic devices. Following the tour, legislators received a short briefing on the plant's operational metrics, the challenges facing coal power plants nationally, and plans for new natural gas units to be built in the near future. Afterwards, the legislators picked up their sack lunches to board the buses and continue their explorations.

The old adage that a picture is worth a thousand words is likely apt when it comes to the value of these field trips. From a lobbying perspective, I can speak volumes about the vast operations of the power plant, the regulations that threaten to make coal uneconomic, the jobs and tax dollars the plant provides, but the tour created a visual experience that words, no matter how eloquent, could ever convey about the plant's overwhelming size, remoteness, and the heat from those coal furnaces!

Tax Reform in an Election Year?

During the legislative session, legislative leadership flirted with the idea of a comprehensive tax reform package that would include sales tax, individual and corporate income tax, and property tax components. The concepts in the package weren't introduced until the second half of the session which, with Utah's short annual session, made it difficult for rank and file members to get comfortable with, in time for final passage. Now that the Legislature is in its interim committee study phase, the Revenue &

Taxation Interim Committee has been authorized to add three additional hearing days to its normal meeting schedule in order to study the components in the tax reform package and come back with recommendations for the next session.

One big question on the minds of many political watchers is whether the Utah Legislature will have the political courage to pass a big tax reform package in an election year (2018). Under the 2017 session proposal, some taxes went up, others had exemptions phased out, some went down, and still others were frozen for a certain time period. Whether you were a winner or a loser under the proposal depended on a variety of factors that required a total review of an individual's or company's total tax portfolio.

The H&H State and Local Tax team along with the Government Affairs team will be following the interim committee hearings, offering expert analysis to the committee, and reporting back to clients as the meetings progress and a realistic package comes together.

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