

# ARIZONA STATE SENATE

45TH LEGISLATURE  
SECOND REGULAR SESSION

## MINUTES OF COMMITTEE ON NATURAL RESOURCES, AGRICULTURE AND ENVIRONMENT

**DATE:** February 14, 2002      **TIME:** 8:30 a.m.      **ROOM:** SHR 1

**CHAIRMAN:** Senator Herb Guenther      **VICE CHAIRMAN:** Senator Darden Hamilton

**ANALYST:** Kerri Morey      **COMMITTEE SECRETARY:** Debbie Kennedy

**INTERNS:** Jocelyn Winz  
Adam Van Buskirk

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### ATTENDANCE

### BILLS

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<u>Committee Members</u>	<u>Pr</u>	<u>Ab</u>	<u>Ex</u>	<u>Bill Number</u>	<u>Disposition</u>
Senator Arzberger	X			HB 2022	DP
Senator Brown	X			SB 1083	DPA
Senator Bundgaard	X			SB 1167	HELD
Senator Jarrett		X		SB 1187	DP
Senator Richardson	X			SB 1250	HELD
Senator Smith	X			SB 1345	DP
Senator Hamilton, Vice-Chairman	X			SB 1349	DP
Senator Guenther, Chairman		X		SB 1350	DP
				SB 1351	DPA/SE
				SB 1274	HELD
				SB 1283	DISCUSSION ONLY
				SB 1338	DISCUSSION ONLY
				SB 1344	HELD
				SB 1353	DISCUSSION ONLY
				SB 1355	HELD
				SB 1357	DISCUSSION ONLY
				SB 1360	DISCUSSION ONLY
				SB 1365	DISCUSSION ONLY
				SB 1367	DISCUSSION ONLY
				SB 1368	DISCUSSION ONLY
				SB 1369	DISCUSSION ONLY
				SB 1370	DISCUSSION ONLY

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### GOVERNOR'S APPOINTMENTS

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## **Tape 1, Side A**

Vice-Chairman Hamilton called the meeting to order at 8:45 a.m., and attendance was noted. For additional attendees, see sign-in sheet (Attachment A).

### **CONSIDERATION OF BILLS**

#### **SB 1365 - hauling horses; two-tier vehicles – DISCUSSION ONLY**

**Sean Laux, Research Analyst**, explained that the bill prohibits the transportation of equines in two-tiered vehicles or trailers and codifies the language in both Title 3 and Title 28 to allow enforcement of this act by the Arizona Department of Agriculture (ADA) and the Department of Public Safety (DPS).

Senator Hamilton asked if there was a problem that led to the creation of this bill. Mr. Laux stated that the state of California recently banned the slaughter of equines, the nearest slaughter facility is in Texas and there are concerns about the treatment of horses being transported across the interstate through Arizona in cattle trailers. There is a federal law pertaining to this issue, but it will not go into effect for five more years.

**Scott Honeycutt, Honeycutt Rodeo Company**, spoke in opposition to the bill. They have been in business for over 27 years and haul horses on two-tier trailers and have never had a problem. It is a matter of how you take care of your animals.

**Roy Honeycutt, Honeycutt Rodeo Company**, spoke in opposition to the bill. He stated that this bill is just trying to legislate common sense. He stated that single trailers are generally seven feet wide. Their trailers are eight feet wide. The use of two-tier trailers is much more economical.

In response to Senator Smith, Mr. Honeycutt stated that they haul 20 horses at the minimum. The single level trailers could haul up to 30 animals because they are 50 feet long.

**Jerry Honeycutt, Honeycutt Rodeo Company**, spoke in opposition to the bill. He stated that all trailers are different and therefore they haul different amounts of animals. He stated that two-tier vehicles can haul two different kinds of animals.

**Bas Aja, Director, Government Relations, Arizona Cattlemen's Association**, spoke in opposition to the bill. He stated that these trailers have removable decks based on the size of animals being transported.

In response to Senator Hamilton stating that there be an amendment, Senator Arzberger commented that an amendment would not solve the problem of this bill.

Mr. Aja stated that the Federal Humane Slaughter Act deals with production units. However, it does not regulate the commercial transportation of livestock amongst livestock facilities. It does

address issues related to slaughter. He further stated that the wording of this bill is not the same as the federal law that will be in effect in five years.

Senator Hamilton announced that the following bills would be held:

**SB 1250 - watercraft; towing companies; notice – HELD**

**SB 1274 - state land; leases and improvements – HELD**

**S.B. 1167- sanitary regulations – HELD**

**SB 1344 - governor's water management commission amendments – HELD**

**SB 1355 - governor's water commission; withdrawal assessments – HELD**

**SB 1353 - Arizona agricultural heritage act – DISCUSSION ONLY**

**Kerri Morey, Research Analyst**, explained that the bill creates a 15-member Arizona Agricultural Heritage Commission to award grants to state agencies, political subdivisions and non-profit conservation groups for the purchase of agricultural easements. The bill stipulates that these members are eligible to receive compensation and they are also eligible for reimbursement for travel and other related expenses. The bill requires the Commission to administer the Agricultural Heritage Fund for the purpose of promoting the use of agricultural easements to conserve agricultural land as open space and habitat for native species in this State. The bill allows the Commission to contract with any person for the expenditure of money. It also requires the Department of Agriculture to provide meeting space and staff support to the board and it establishes the fund consisting of gifts, grants and donations. Fund expenditures are exempt from the procurement code. The bill also requires that agricultural easements purchased by the Commission be acquired in perpetuity or for a renewable term of at least 25 years.

In response to Senator Smith, Ms. Morey stated there are no other agencies carrying out these provisions. She stated that Commission members are allowed to receive \$30 a day for compensation and travel expenses. These monies come from the fund.

**Sarah Young Teskey, Young's Farm**, presented a handout entitled "'Young's Farm bill' gives local farmers reprieve" (Attachment B). She stated that the bill gave farmers a ten-year reprieve from the Arizona Department of Water Resources (ADWR) taking water that they could use for development. This act is a very important first step to address the loss of some of their farmland. She strongly supports this bill.

**Lori Faeth, Director of Government Relations, The Nature Conservancy of Arizona**, spoke in support of the bill. This bill is similar to last year's bill but addresses the Governor's veto concerns. The key is to compensate willing landowners for restricting the future use of their land. It will provide economic help to ranchers and other large landowners who are struggling financially to maintain their ranches. This program has been successful in some eastern states and others.

**Richard Sims, Museum Director in Prescott, representing himself**, presented a handout entitled "The Future of Farming in Central Arizona" (Attachment C). He spoke in support of the bill and his testimony came directly from the handout.

**Bas Aja, Director of Government Relations, Arizona Cattlemen's Association**, stated the Association is neutral to the bill.

Senator Guenther announced the following individual was present in support of the bill: **Molly Greene, Lobbyist, Salt River Project (SRP)** .

## **APPROVAL OF MINUTES**

**Senator Hamilton moved the Natural Resources, Agriculture and Environment minutes from January 31, 2002 be approved as distributed. The motion CARRIED by a voice vote.**

## **HB 2022 - water; best management practices; agriculture – DO PASS**

Ms. Morey stated that the 1980 Groundwater Management Act sets up a progressive series of requirements for groundwater management in areas of the State where groundwater supplies are diminishing faster than they are being replenished. Currently, when the ADWR issues a new management plan, the Department must establish new water duties and calculate a new maximum groundwater allotment for each farm. The Groundwater Code currently provides ADWR with some discretion for calculating the water duties. In the second management plan, ADWR adopted an irrigation efficiency standard of 85 percent for calculating the water duty. This bill sets up an irrigation efficiency standard of 80 percent for calculating water duty for agricultural groundwater users who participate in the base program. The bill additionally requires the Director of ADWR to establish a voluntary Best Management Practices program for agricultural groundwater users. This program requires the groundwater user to implement agricultural conservation practices and participation in the program is in lieu of complying with the water duties and the maximum groundwater allotment of the base program.

Senator Hamilton announced the following individuals were present in support of the bill: **Jim Hartdegen, Lobbyist, Individuals with Disabilities Education Act (IDEA); Bob McCain, Lobbyist, Arizona Municipal Water Users Association (AMWUA); Henry Evans, Lobbyist, Buckeye, Cotero-Mranna and Buckeye Irrigation District; Henry Giclas, Vice President, Science & Technology Affairs, Western Growers Association; Molly Greene, Lobbyist, SRP; Robert Lynchu, Attorney, IDEA; Barbara Dolan, Legislative Liaison, Arizona DOA; and Joe Sigg, Lobbyist, Arizona Farm Bureau.**

Senator Hamilton announced the following individual was present but neutral on the bill: **Susan Charlton, Attorney, Metro Water District.**

**Senator Smith moved H.B. 2022 be returned with a DO PASS recommendation. The motion CARRIED by a roll call vote of 6-0-2 (Attachment 1).**

### **SB 1083 - water development block grant – DO PASS AMENDED**

Ms. Morey explained that the bill establishes the water development block grant fund program within the ADWR to assist cities and towns with the development of new water resources and enhancing existing water resources. In order to qualify for grants, cities must own and operate their own water system, rely solely on pumped groundwater, have a comprehensive resources plan and demonstrate a limited supply of both water and funds for resource development.

**Ray Schum, Mayor, Town of Payson**, testified in support of the bill. He stated that the bill will take care of their water needs.

Senator Hamilton announced the following individuals were present in support of the bill: **Dick Wolfe, Vice Mayor, Town of Payson and Mary Moreno, Executive Director, Southern Gila County Economic Development Corporation.**

Ms. Morey further explained that the amendment allows fund monies to additionally be used to recharge treated effluent and makes technical and clarifying changes.

**Senator Brown moved S.B. 1083 be returned with a DO PASS recommendation.**

**Senator Brown moved the seven-line Brown amendment dated 2/11/02, 11:25 a.m. be ADOPTED (Attachment D).**

**Senator Brown moved S.B. 1083 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED by a roll call vote of 6-0-2 (Attachment 2).**

### **SB 1187 - water quality fund transfers; repeal – DO PASS**

**Adam Van Buskirk, Intern**, explained that the bill restores \$15 million of corporate income tax funding to the Water Quality Assurance Revolving Fund (WQARF) in FY 2002-2003. The Arizona Department of Environmental Quality (ADEQ) uses this fund to clean up toxic contamination in soil and groundwater.

Senator Hamilton announced the following individuals were present in support of the bill: **James Tunnell, Manager, Public Affairs, Arizona Chamber of Commerce; Tom Suriano, Manager, Remediation, Motorola; Molly Greene, Lobbyist, SRP; Lyn White, Manager Government Relations, Phelps Dodge; Brent Frazier, Government Affairs Director, Arizona Association of Industries; Judith Allen, President, Arizona Association of Industries; Charlie Stevens, Legislative Counsel, Western States Petroleum Association; Susan Charlton, Attorney, Metro Water District; Mark Bare, Manager, State Government Relations, Motorola; Michelle**

Covel, Lobbyist, National Federation of Independent Businesses; and Steve Olson, Government Relations Director, City of Scottsdale.

**Senator Smith moved S.B. 1187 be returned with a DO PASS recommendation.  
The motion CARRIED by a roll call vote of 5-0-3 (Attachment 3).**

**SB 1345 - trapping licenses; technical correction – DO PASS**

Jocelyn Winz, Intern, explained that current statute stipulates that a person applying for a trapping license must first successfully complete a trapping education course conducted or approved by the Arizona Game and Fish Department. This bill makes technical and clarifying changes to the statute.

**Senator Smith moved S.B. 1345 be returned with a DO PASS recommendation.  
The motion CARRIED by a roll call vote of 6-0-2 (Attachment 4).**

**SB 1349 - water; technical correction – DO PASS**

Ms. Winz explained that current statute stipulates that the waters of all sources, flowing in streams, canyons, ravines or underground channels, belong to the public. This bill makes clarifying changes to this statute.

**Senator Smith moved S.B. 1349 be returned with a DO PASS recommendation.  
The motion CARRIED by a roll call vote of 6-0-2 (Attachment 5).**

**Tape 1, Side B**

**SB 1350 - agriculture; dairy products; technical correction – DO PASS**

Ms. Winz stated that current statutes relating to dairy product standards are based on federal regulations. This bill updates several references to the federal code of regulations regarding dairy product standards.

**Senator Smith moved S.B. 1350 be returned with a DO PASS recommendation.  
The motion CARRIED by a roll call vote of 6-0-2 (Attachment 6).**

**SB 1351- fire districts; technical correction – DO PASS AMENDED/STRIKE EVERYTHING**

Ms. Morey explained that the bill makes technical corrections to laws regarding the reimbursement of fire districts. The strike everything amendment limits the types of county- permitted sources that the ADEQ must regulate if the U.S. Environmental Protection Agency (EPA) disapproves a county's Title V permitting program. The amendment also clarifies that a county is required to resume jurisdiction over Title V sources if the EPA subsequently approves their Title V program.

In response to Senator Smith, Ms. Morey stated that the amendment is clarifying that if a county's Title V permit program is disapproved by the EPA, only those sources would revert back to ADEQ for their jurisdiction.

Senator Hamilton announced the following individuals were present in support of the bill: **Sally Bender, Assistant Director, County Supervisors Association; Steven Peplau, Division Manager, Maricopa County; Jim Buster, Legislative Liaison, ADEQ; and Al Brown, Director, Maricopa County Environmental Department.**

**Senator Smith moved S.B. 1351 be returned with a DO PASS recommendation.**

**Senator Smith moved the strike everything amendment dated 2/12/02 8:57 a.m. be ADOPTED (Attachment E).**

**Senator Smith moved S.B. 1351 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED by a roll call vote of 6-0-2 (Attachment 7).**

### **SB 1357 - self-funded councils and boards; investments – DISCUSSION ONLY**

Ms. Winz stated that the Arizona Iceberg Lettuce Research Council, the Arizona Grain Research and Promotion Council, the Cotton Research and Protection Council, and the Arizona Beef Council are all self-funded councils established for the purpose of researching, studying and promoting their respective products. The monies are collected from fees assessed on producers and currently are deposited in the councils' accounts and funds, or with the State Treasurer. The monies in the funds are currently invested and divested, upon notice from the Councils, by the State Treasurer. In addition, the state lake improvement fund was established to fund projects relating to recreational boating sites. Currently the monies in the fund are administered by the State Parks Board and upon notice by the Board, invested and divested by the State Treasurer. This bill authorizes these councils and the Arizona State Parks Board relative to the state lake improvement fund to administer, rather than the State Treasurer, and invest the monies in their accounts and funds.

Senator Hamilton announced the following individual was present in support of the bill: **Jay Ziemann, Lobbyist, Arizona State Parks.**

**Shelly Tunis, Attorney, Yuma Vegetable Shippers Association,** stated that 99 percent of iceberg lettuce is grown in Arizona in the Yuma area. The Iceberg Lettuce Council was created in 1989 and iceberg lettuce producers voted to tax themselves in order to fund research projects. They have been funding these projects for over 12 years and they would like to ensure that the funds are raised for research actually go to research projects. This bill will help by allowing the council members to make investments.

In response to Senator Smith, Ms. Tunis stated that there is an assessment on each carton of iceberg lettuce that is produced in the State. This is where the funds come from to supply the money for research.

### **SB 1360 - cotton research council; powers – DISCUSSION ONLY**

Mr. Van Buskirk stated that this bill expands the powers of the Cotton Research Council to award grants and authorize research programs on aflatoxin control and cottonseed breeding. The bill also exempts some cotton council projects from the Arizona Procurement Code, prohibitions on competition with private enterprise and the competitive solicitation of grants.

**Rick Lavis, Executive Vice President, Arizona Cotton Growers Association**, spoke in support of the bill. He stated that in 1984, the Arizona Cotton Research Protection Council Act was passed by the Legislature to create a funding source for dealing with pest eradication and to provide research funds. This bill changes the requirement of an annual audit to every three years to save money. Their goal is also to eliminate aflatoxin.

### **SB 1367 - obtaining game license by fraud – DISCUSSION ONLY**

Mr. Van Buskirk stated that according to current statute, obtaining a hunting, fishing or trapping license by fraud is a class 3 misdemeanor. This bill makes obtaining or applying for a license by fraud a class 2 misdemeanor. The bill also allows the Game and Fish Commission to suspend or revoke a person's license for fraudulently applying for or obtaining a license.

**Hays Gilstrap, Commissioner, Arizona Game and Fish Commission**, stated that this bill will give them the opportunity to punish the persons who should be punished for obtaining a license in a fraudulent manner.

### **SB 1368 - navigable stream adjudication commission; continuation – DISCUSSION ONLY**

Ms. Winz stated that as a result of the ruling by the Arizona Court of Appeals in February 2001 the Arizona Navigable Stream Adjudication Commission (ANSAC) must reassess those water courses deemed non-navigable prior to the ruling. This bill delays the termination of ANSAC until June 30, 2006 allowing ANSAC two additional years to complete their water course navigability assessments.

**Sandy Bahr, Conservation Director, Sierra Club**, spoke in opposition to the bill. She stated that it sends the wrong message to the Commission. The State first asserted its rights to the stream beds in Arizona 17 years ago. There has been a lot of foot dragging and every year the stream beds continue to be degraded by various activities. Sand and gravel are removed from the stream beds.

**Earl Eisenhower, Stream Commission Chairman**, spoke in support of the bill. He stated that the problem is due to the budget constraints. He stated that the job will not be able to be completed by 2004 so there needs to be an extension. He further stated that there are over 100,000 land titles in the State that are clouded.

Senator Hamilton announced the following individuals were present in support of the bill: **George Mehnert, Director, Stream Commission; Thomas Vogt, Research Analyst, Stream**

**Commission; Kenneth Rozen, Legislative Liaison, Arizona State Land Department; Lyn White, Manager Government Relations, Phelps Dodge; and Joe Sigg, Lobbyist, Arizona Farm Bureau.**

**Molly Greene, SRP**, spoke in support of the bill. She wanted to emphasize the importance of the Commission's work.

In response to Senator Richardson, Ms. Greene stated that a significant amount of work has been done, but the Commission needs to continue its work. She stated that the Commission will be able to do their work in the required amount of time.

### **SB 1369 - abandoned property on state lands – DISCUSSION ONLY**

Mr. Van Buskirk stated that the bill gives the State Land Department the authority to sell or dispose of personal property abandoned on State lands. The bill also gives procedures for dealing with damaged or valueless improvements on State lands.

**Bas Aja, Director, Government Relations, Arizona Cattlemen's Association**, testified as neutral to the bill. The bill deals with all lessees and all situations similarly, and every situation is not similar. The intention of the bill is to deal with the commercial arena.

**Kenneth Rozen, Legislative Liaison, Arizona State Land Department**, stated that the bill is to establish a consistent process whereby the Land Department may dispose of personal property in a way that is fair to the parties involved. It also includes a provision with improvements that are derelict. The bill is designed to ensure that the previous occupants of State trust land do not have their property removed improperly. If the Department determines that personal property is essentially valueless, the Department may dispose of it.

### **SB 1370 - fishing tournament penalties; repeal – DISCUSSION ONLY**

Mr. Van Buskirk stated that in 1999, the Legislature repealed the requirement that fishing tournaments obtain permits from the Game and Fish Department. However, the penalty for holding an approved fishing contest remains in statute. This bill will remove this penalty from statute.

Senator Hamilton announced the following individual was present in support of the bill: **Hays Gilstrap, Commissioner, Arizona Game and Fish Department.**

### **SB 1283 - rabies quarantine; procedures- DISCUSSION ONLY**

Ms. Winz stated that each county Board of Health is responsible for making recommendations on rules for the protection and preservation of public health. Current statute stipulates that each county's Board of Health is responsible for declaring rabies quarantine areas within their areas of jurisdiction. This bill places the authority to declare a rabies quarantine with the County Board of Supervisors.

In response to Senator Smith, Ms. Winz stated that currently the County Board of Health declares a quarantine.

**Angela Sinner, County Supervisors Association**, spoke in support of the bill. It would be good public health policy for the elected officials to have the responsibility to declare a rabies quarantine.

**Sally Bender, Assistant Director, County Supervisors Association**, stated that the language that Mr. Aja would like to amend is actually existing statute. She agrees with his recommendation.

**Jerry Flannery, Assistant County Manager, Coconino County**, stated that this bill is to simplify the process. This bill will have an amendment for some clarification.

### **SB 1338 - underground storage tanks – DISCUSSION ONLY**

Ms. Morey stated that this bill eliminates the requirement that ADEQ's clean up efforts conform to the underground storage tank preapproved costs and actions. The bill requires ADEQ to review whether clean up costs are within preapproved limits. The bill also eliminates some of the corrective action requirements, including to assure the protection of public health welfare and the environment, to provide for the control, management and clean up of leaks to allow the maximum beneficial use of the State's soil and water.

**Sandy Bahr, Conservation Director, Sierra Club**, spoke in opposition to the bill. She stated that the industry is willing to address their concerns with the bill.

**Jim Buster, Legislative Liaison, ADEQ**, stated that they are concerned about the effects on the SAF program and hopefully it can be worked out.

**John Pearce, Attorney, Arizona Petroleum Marketers Association**, stated that this bill is intended to increase efficiency in a process regarding the financial review of claims submitted on this underground storage tank program without sacrificing the standards of ADEQ. The bill is not intended to remove any obligation ADEQ has to the environment. They would be happy to participate in an amendment to strike the language Ms. Bahr would like removed.

Senator Hamilton announced the following individual was present in support of the bill: **Dan Kelley, Designated Lobbyist, Voluntary Environmental Remediators Alliance**. Senator Hamilton stated that Mr. Kelley had commented that this bill is an absolutely essential modification of existing ADEQ statutes. The ADEQ is currently experiencing a tremendous backlog of work and this bill will serve to greatly reduce that.

There being no further business, the meeting adjourned at 10:30 a.m.

Respectfully submitted,

Debbie Kennedy

Committee Secretary

(Tapes and attachments on file in the Secretary of the Senate's Office/Resource Center, Room, 115.)