

ARIZONA STATE SENATE

46TH LEGISLATURE FIRST REGULAR SESSION

MINUTES OF COMMITTEE ON GOVERNMENT

DATE: March 11, 2003

TIME: 1:30 p.m.

ROOM: SHR 3

CHAIRMAN: Senator Tibshraeny

VICE CHAIRMAN: Senator Hellon

ANALYST: Nadine Sapien

**COMMITTEE
SECRETARY:** Nancy L. DeMichele

**ASSISTANT
ANALYST:** Dallas Gold

INTERN: Matt D'Anna

ATTENDANCE

BILLS

<u>Committee Members</u>	<u>Pr</u>	<u>Ab</u>	<u>Ex</u>	<u>Bill Number</u>	<u>Disposition</u>
Senator Cheuvront	X			HB 2049	DPA
Senator Garcia	X			HB 2118	DP
Senator Harper	X			HB 2210	DPA
Senator Jackson	X			HB 2315	DP
Senator Mead	X			HCR 2004	HELD
Senator Mitchell	X				
Senator Waring			X		
Senator Hellon, Vice Chair	X				
Senator Tibshraeny, Chair	X				

GOVERNOR'S APPOINTMENTS

<u>Name</u>	<u>Position</u>	<u>Recommendation</u>
Sheila Denise Harris	Director, Department of Housing	CONFIRMATION

Chairman Tibshraeny called the meeting to order at 1:37 p.m., and roll call was taken.

EXECUTIVE NOMINATION

Sheila Denise Harris, Director, Department of Housing – CONFIRMATION

Sheila Denise Harris stated she is currently the Director of the Department of Housing having been originally appointed to this position by Governor Hull and retained by Governor Napolitano. She said the Department provides financial and technical assistance to local and county governments and non-profit organizations to enable low- and moderate-income individuals and families to obtain housing. Ms. Harris commented that her career has been devoted to increasing affordable housing opportunities, and her doctoral dissertation examined the roles of non-profit organizations in the creation of housing. She indicated that she also has extensive experience in housing development work in the private, public and non-profit sectors. Ms. Harris stated that she was the first Arizonan appointed to sit on the board of directors of the Federal Reserve Bank of San Francisco as a community representative. She said she looks forward to working to develop and design housing programs that enable hard-working Arizona families to obtain housing that is safe, decent and not cost burdensome because housing is the foundation that provides family stability and increases the success of educational and social services.

Senator Hellon moved that the Committee on Government recommend to the full Senate the CONFIRMATION of Sheila Denise Harris as Director of the Arizona Department of Housing. The motion CARRIED by a roll call vote of 8-0-1 (Attachment 1).

CONSIDERATION OF BILLS

HB 2049 – state agency reports; repeal – DO PASS AMENDED

Matt D’Anna, Government Research Intern, explained HB 2049 repeals the reporting requirements for 33 various reports and modifies the reporting requirements for 12 reports by making the information available upon public request and on each agency’s website. He said the bill also alters four other agency reports. Mr. D’Anna stated that four amendments are being proposed:

- The 2-page Harper amendment dated 3/10/03 at 11:11 a.m. repeals the Secretary of State’s semi-annual index published for its register, and modifies the information required in the monthly register.
- The 11-line Mitchell amendment dated 3/10/03 at 11:28 a.m. repeals rather than modifies the Healthy Families Report from the Arizona Department of Economic Security (DES) and makes technical changes.
- The 13-line Mitchell amendment dated 3/10/03 at 4:33 p.m. modifies the reporting requirements for the Arizona Department of Education (ADE) from an annual to every fourth year beginning on or before September 15, 2007.
- The 8-page Tibshraeny amendment dated 3/10/03 at 5:00 p.m. repeals the reporting requirements for eight reports of the Arizona Department of Environmental Quality (ADEQ).

Senator Tibshraeny announced the individuals who registered their position on the bill (Attachment A).

Gladys Ann Wells, State Librarian and Director of Library, Archives and Public Records, stated that she met with Senator Harper regarding his amendment and also had extensive discussions with the Secretary of State's Office. She said she understands the workload with the register and the accumulation of records. However, from a public records standpoint, the accumulation constitutes the permanent public record for executive orders, proclamations, attorney general opinions and appointments. She indicated a non-legislative solution has been agreed upon regarding the workload problem, and she has offered assistance by her staff.

Senator Harper announced he will not offer his amendment dated 3/10/03 at 11:11 a.m. at the request of the Secretary of State's Office (Attachment B).

Senator Mitchell moved HB 2049 be returned with a DO PASS recommendation.

Senator Mitchell moved the 11-line Mitchell amendment dated 3/10/03 at 11:28 a.m. be ADOPTED (Attachment C). The motion CARRIED by a voice vote.

Senator Mitchell moved the 13-line Mitchell amendment dated 3/10/03 at 4:33 p.m. be ADOPTED (Attachment D). The motion CARRIED by a voice vote.

Senator Tibshraeny stated Representative Huppenthal agreed to the Tibshraeny amendment; however, it was filed late.

Jim Buster, Legislative Liaison, ADEQ, testified in support of HB 2049. He explained the Tibshraeny amendment is similar to the amendment on the floor that Senator Mitchell had put forward. However, there is one reporting exception that was originally deleted and now is being reinserted. He explained the background of the problems that arose regarding this amendment, and said the deadline was missed due to drafting errors. Senator Tibshraeny announced that without objection he would like to offer his amendment.

Senator Tibshraeny moved the 8-page Tibshraeny amendment dated 3/10/03 at 5:00 p.m. be ADOPTED (Attachment E). The motion CARRIED by a voice vote.

Senator Mitchell moved HB 2049 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED by a roll call vote of 8-0-1 (Attachment 2).

HB 2118 – veterans' services department; duties – DO PASS

Dallas Gold, Assistant Government Research Analyst, explained HB 2118 requires the Arizona Department of Veterans' Services (DVS) to verify and provide written confirmation to an eligible person to obtain a Pearl Harbor survivor special license plate by making specified determinations regarding a veteran's military background.

Patrick Chorpenning, Director, DVS, testified in support of HB 2118. He stated that current statute under Title 28 of the Motor Vehicle Division (MVD) specifically states the location of an individual on December 7, 1941, in order to be eligible for a Pearl Harbor survivor license plate. He said under Title 41 of the DVS, the current law states that the criteria has to be established and verified in order for the individual to have the license plate. Mr. Chorpenning explained that HB 2118 takes the criteria in Title 28 and includes it in Title 41. He commented that the Auditor General recommended this change at the time of the sunset performance evaluation a year ago.

Senator Hellon moved HB 2118 be returned with a DO PASS recommendation.

Senator Hellon explained her vote. She stated she would like to vote “aye” on behalf of her father who served at Pearl Harbor.

The motion CARRIED by a roll call vote of 8-0-1 (Attachment 3).

HB 2210 – municipal annexation; county parks – DO PASS AMENDED

Mr. Gold explained HB 2210 excludes a county owned or operated park from annexation, if the county board of supervisors does not agree to the annexation. He explained the 5-line Hellon amendment dated 3/6/03 at 8:57 a.m. specifies that public lands do not include lands owned by a flood control district.

Steve Betts, Attorney, Gallagher and Kennedy, representing Diamond Ventures, Inc., testified in support of HB 2210. He stated that last year a bill passed to allow a county-owned park to be excluded from an annexation territory. He said after passage of the bill, it was discovered that the only remedy for a county not to have a park annexed was to veto the entire annexation territory as opposed to excluding the county park. He said that action would have the affect of having the county undo hours of work on the annexation. Mr. Betts said after meeting with the appropriate parties, revised language in HB 2210 was proposed. He said the Hellon amendment refers to the City of Tucson. He said there are several parks along flood control channels and the affect of excluding those parks in the annexation would mean that the city could never have continuity or connection between the annexation territory and the city boundary. Therefore, an exclusion had to be included for county parks that operate on flood control district lands to be excluded from this legislation.

Senator Tibshraeny announced the individuals who registered their position on the bill (Attachment A).

Senator Hellon moved HB 2210 be returned with a DO PASS recommendation.

Senator Hellon moved the 5-line Hellon amendment dated 3/06/03 at 8:57 a.m. be ADOPTED (Attachment F). The motion CARRIED by a voice vote.

Senator Hellon moved HB 2210 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED by a roll call vote of 8-0-1 (Attachment 4).

HB 2315 – Greenlee county expenditure limitation (now: expenditure limitation; Greenlee county) – DO PASS

Denisse Gee, Finance Research Analyst, explained HB 2315 prohibits the State from penalizing Greenlee County more than \$100 for exceeding its expenditure limit in FY 2003-2004 and FY 2004-2005.

Senator Harper wanted to know how much of a revenue decline Greenlee County predicts will occur. Ms. Gee replied that for FY 2004 Greenlee County is estimating an expenditure limit of \$4.87 million. For the current fiscal year the expenditure limit is \$4.8 million. She said Greenlee County had to reduce its expenditure limit based on an overestimate by the Census Bureau. She noted that in prior years the County’s expenditure limit was \$5 million and it is now being reduced to \$4.7 million. Ms.

Gee explained when a county exceeds its expenditure limit, the exceeded amount is applied to the County's primary property tax levy and that tax levy limit is reduced by the exceeded amount.

Senator Tibshraeny announced the individuals who registered their position on the bill (Attachment A).

Dixie Zumwalt, County Supervisor, Greenlee County Board of Supervisors, District 3, testified in support of HB 2315. She distributed a copy of her testimony from which her remarks were taken (Attachment G). She stated she is testifying on behalf of Ms. Gale, Greenlee County's Administrator and Financial Manager, who could not be present today. She outlined the background and statistical information regarding the County's expenditure limit situation as provided in the handout. Ms. Zumwalt explained the difficulty in providing mandated services because of limited financial resources, and she asked the Committee to consider HB 2315 to help address the County's financial problems in the short term.

In response to Senator Tibshraeny, Ms. Zumwalt stated that Greenlee County has not approved the FY 2004 budget. She said she does not know how much the County will exceed its expenditure limit, but the County is continually reviewing the process.

Representative Konopnicki, bill sponsor, stated Greenlee County will not be able to fulfill its Constitutional mandated services to the County unless it has the ability to exceed its expenditure limit.

Senator Hellon moved HB 2315 be returned with a DO PASS recommendation.

Senator Harper explained his vote. He stated that when an entity spends money without controls, an economic downturn would place that entity in further trouble. He referred to a specific example that occurred recently in Glendale regarding an exemption in "home rule," and said he will vote "no."

Senator Hellon explained her vote. She thanked Supervisor Zumwalt for being present today and for the written testimony. She said it appears the County has done a good job with its little resources, and she will vote "aye."

The motion CARRIED by a roll call vote of 7-1-1 (Attachment 5).

HCR 2004 – lieutenant governor – HELD

Mr. Gold explained HCR 2004 renames the Secretary of State as Lieutenant Governor, subject to voter approval.

In response to Senator Chevront, Mr. Gold said the cost to make the title change has not been determined. Senator Chevront asked whether other states have lieutenant governors and whether that role is the same as the role of secretary of state. Mr. Gold said research was conducted on other states, and he would provide a copy of that information to the Committee. Mr. Gold said he was just handed a fiscal note, and according to the Joint Legislative Budget Committee (JLBC) there would be a minimal fiscal impact in 2005.

Senator Mead commented that most voters do not probably realize that the Secretary of State is the number two person in line to the Governor. He said in fairness to the voters, this bill clearly identifies the individual next in line to the Governor. Senator Chevront commented that most people are

familiar with the Secretary of State's office currently, and he does not feel it is appropriate to make this change. In response to Senator Tibshraeny, Mr. Gold said the functions of that office would remain the same if this change is made.

Senator Mead asked Senator Chevront whether it would be appropriate to offer an amendment that states the name change would not take effect until the next election as opposed to changing the name in the middle of the term of office. Senator Chevront commented that the office of Secretary of State has served Arizona very well since statehood. He said he is not sure that anything would be accomplished by changing the title of the office. Senator Harper suggested perhaps the bill should be held until next week in order to obtain additional information.

Senator Tibshraeny announced HCR 2004 will be held for a future agenda.

There being no further business, the meeting adjourned at 2:25 p.m.

Respectfully submitted,

Nancy L. DeMichele
Committee Secretary

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