

# ARIZONA STATE SENATE

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## 46TH LEGISLATURE FIRST REGULAR SESSION

### MINUTES OF COMMITTEE ON COMMERCE

**DATE:** March 12, 2003

**TIME:** 9:00 a.m.

**ROOM:** SHR 3

**CHAIRMAN:** Senator Leff

**VICE CHAIRMAN:** Senator Blendu

**ANALYST:** Todd Madeksza

**COMMITTEE  
SECRETARY:** Nancy L. DeMichele

**ASSISTANT  
ANALYST:** Brandy Martin

**INTERN:** Sophie Rigollet

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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 Allen	X			HB 2026	DISC/HELD
Senator Arzberger	X			HB 2149	HELD
Senator Chevront	X			HB 2273	DP
Senator Giffords	X			HB 2280	DPA
Senator Martin	X			HB 2330	DP
Senator Soltero	X				
Senator Tibshraeny	X				
Senator Blendu, Vice Chair	X				
Senator Leff, Chair	X				

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#### GOVERNOR'S APPOINTMENTS

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<u>Name</u>	<u>Position</u>	<u>Recommendation</u>
Gabriel Corral	Member, State Board of Appraisal	CONFIRMATION
William Hug	Member, Board of Manufactured Housing	CONFIRMATION
Judith Katzel	Member, Board of Manufactured Housing	CONFIRMATION

Chairman Leff called the meeting to order at 9:11 a.m., and roll call was taken

## **EXECUTIVE NOMINATIONS**

### **Gabriel Corral – Member, State Board of Appraisal – CONFIRMATION**

**Gabriel Corral** stated he has been an appraiser for 22 years. He said he looks forward to serving and is eager to contribute to the great State of Arizona.

**Senator Tibshraeny moved that the Committee on Commerce recommend to the full Senate the CONFIRMATION of Gabriel Corral as a Member of the State Board of Appraisal. The motion CARRIED by a roll call vote of 7-0-2 (Attachment 1).**

Senator Leff announced that **Susan Lee Brenton** is out of town and her nomination will be handled on a future agenda.

### **William Hug – Member, Board of Manufactured Housing – CONFIRMATION**

**William Hug** stated he is the Director of Engineering for Cavco Industries, Inc., which is a manufactured homebuilder, factory-built homebuilder, and park model homebuilder. He said Cavco Industries, Inc. is regulated by the Office of Manufactured Housing. He commented that he looks forward to working with the Board of Manufactured Housing.

**Senator Tibshraeny moved that the Committee on Commerce recommend to the full Senate the CONFIRMATION of William Hug as a Member of the Board of Manufactured Housing. The motion CARRIED by a roll call vote of 7-0-2 (Attachment 2).**

### **Judith Katzel – Member, Board of Manufactured Housing – CONFIRMATION**

**Judith Katzel** stated she is a consumer who lives in a manufactured home in a mobile home park. She said she looks forward to serving on the Board of Manufactured Housing.

**Senator Tibshraeny moved that the Committee on Commerce recommend to the full Senate the CONFIRMATION of Judith Katzel as a Member of the Board of Manufactured Housing. The motion CARRIED by a roll call vote of 8-0-1 (Attachment 3).**

## **CONSIDERATION OF BILLS**

### **HB 2149 – credit unions – HELD**

Senator Leff announced HB 2149 will be held until next week.

### **HB 2330 – alcohol; club licenses; military personnel – DO PASS**

**Sophie Rigollet, Senate Commerce Intern**, stated that certain organizations known as clubs are authorized to provide alcohol for consumption on the premises only for the members and bonafide guests. She said this authorization extends to private military clubs comprised of veterans and their

auxiliaries. She indicated that HB 2330 extends the definition of a bonafide guest for these private military clubs to include two categories: (1) active military personnel, and (2) veterans from recognized veterans' organizations of United States allied nations. She noted there is no fiscal impact associated with this legislation.

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

**Ronald Murphy, The American Legion of Arizona**, testified in support of HB 2330. He outlined his military experience and said the American Legion, Veterans of Foreign War, and other clubs welcomed him in the past when he presented his active military card. He said the American Legion would like to open its doors and welcome military personnel to share hospitality. He commented on his travel experiences and noted how the clubs and groups always welcomed him when he was away from home. Mr. Murphy said the goal with this legislation is to welcome military personnel from around the world to Arizona. He said the requirement would be for those personnel to show an identification card representing their affiliation with the military services.

Senator Giffords asked whether problems had occurred in the past where military personnel were not welcome in those clubs. Mr. Murphy responded that when a member signs an individual as a guest, the member must pay for that guest. He said if the individual has a card to present, it would solve problems and would lend toward good relationships. He commented that members pay annual dues and some of those funds are allocated to various youth groups. Senator Giffords said she is concerned that a dues-paying member may not wish to have non-dues-paying members admitted to the club. Mr. Murphy said most members would welcome guests, and the clubs have the authority to control admittance to avoid problems.

Senator Leff stated this bill is an attempt to correct a problem with the State Liquor Board and to allow current military personnel to be welcome in the clubs.

Senator Arzberger asked whether a statement could be included in a club's bylaws that any active military personnel would be considered bonafide guests of that club, rather than having a statute. Mr. Murphy responded he does not see how that could be a problem. He said many military personnel cannot afford to pay dues in order to use the clubs, and this is an opportunity for them to be welcome.

In response to Senator Soltero, Mr. Murphy said this situation would apply to the active military personnel at the various military locations in Arizona as well as recruiters who visit other military bases in Arizona. Mr. Murphy stated he has a widespread relationship with many American Legion posts and other clubs and has heard very strong support for this measure.

**Senator Martin moved HB 2330 be returned with a DO PASS recommendation.  
The motion CARRIED by a roll call vote of 7-0-2 (Attachment 4).**

### **HB 2280 – private investigators; security guards; licensure – DO PASS AMENDED**

**Todd Madeksza, Senate Commerce Research Analyst**, provided background information on this measure. He stated that previous legislation created the Private Investigator and Security Guard Study Committee, and legislation from that study committee increased the amount of firearms training for security guards from eight to sixteen hours. He said the measure also required the Arizona Department of Public Safety (DPS) to adopt rules for firearm training curriculum and required an employer to notify DPS within 24 hours after learning of an arrest of one of their employees. Mr. Madeksza indicated that laws 2002, chapter 276, was the result of that study committee and

expanded regulation for the industry on a statewide basis by encompassing proprietary security guards. He said the legislation further amended statute by conforming qualifications for private investigators and security guards. Mr. Madeksza explained that HB 2280 conforms existing statute for the private investigators and security guards, and the measure clarifies the requirements for those seeking to engage in security guard activities, armed security guard activities or private investigator activities. He said according to DPS there is no additional cost association with this bill and no anticipated fiscal impact to the State general fund. He said two amendments are being proposed.

Senator Leff stated that only the Giffords amendment will be offered. Mr. Madeksza explained the 13-line Giffords amendment dated 3/11/03 at 4:15 p.m. changes restrictions on mental conditions to conform with A.R.S. §41-1461, which is a State civil rights code specifically dealing with employment discrimination.

**Jack Lane, Lieutenant, DPS**, testified in support of HB 2280. He stated that this measure represents clean-up language of last year's changes. He said it was also necessary to fix the American Disabilities Act (ADA) issue. Mr. Lane stated that DPS is very supportive of the Giffords amendment.

**Andy Mudryk, Staff Attorney, Arizona Center for Disability Law**, testified in support of HB 2280 and the Giffords amendment. He stated that concern was raised regarding the language in the existing statute, and he commented on those items. He said there is concern that the current language violates the ADA, specifically Title 2, which requires states not to discriminate across the board against people with disabilities. He said the amendment corrects the ADA issue.

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

**Senator Tibshraeny moved HB 2280 be returned with a DO PASS recommendation.**

**Senator Giffords moved the 13-line Giffords amendment dated 3/11/03 at 4:15 p.m. be ADOPTED (Attachment B). The motion CARRIED by a voice vote.**

**Senator Tibshraeny moved HB 2280 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED by a roll call vote of 8-0-1 (Attachment 5).**

### **HB 2026 – structural pest control commission – DISCUSSION/HELD**

**Brandy Martin, Commerce Assistant Research Analyst**, explained HB 2026 changes the termite corrective treatment reporting requirements of licensees of the Structural Pest Control Commission (Commission). She said the bill also removes the requirement that the Commission adopt rules regarding the creation of an electronic database and blends the provisions of dual enacted legislation. Ms. Martin explained the 12-line Arzberger amendment dated 3/11/03 at 3:05 p.m. changes the termite corrective treatment reporting requirements back to requiring licensees to report all corrective treatments for the database and reinserts language regarding the creation of an electronic database (Attachment C).

**Representative Reagan, bill sponsor**, stated that HB 2026 takes statutes that were in several different places and combines them into one statute. She said last year the bill passed the Legislature, but was vetoed by the Governor because language was missing relating to surplus lines insurance. She indicated the problem has been fixed and there is a consensus by four groups that

worked on this issue. She said she is not familiar with the amendment. She commented that the parties are not in favor of switching back to the way it was with the double reporting because there is concern that the Internet database would violate some privacy issues. She said small business operators are interested in keeping people employed and do not wish to have to file double reports, which was also the view of the Commission. In response to Senator Allen, Representative Reagan believes the amendment undoes the work and agreement reached by the four groups. She said perhaps Mr. Aarons could speak on the amendment.

Senator Arzberger stated there still appears to be some confusion. She explained the amendment is an attempt to eliminate the conflict of previous legislation. She commented that in the process, the requirement was eliminated to have all treatments reported. She said significant testimony was given in the past from individuals who had purchased homes that had numerous treatments for termites and those multiple treatments resulted in a toxic home environment causing health problems. She said reporting requirements were established, but somewhere those reporting requirements broke down. She said this is an important issue that needs to be addressed either now or in future legislature. In response to Senator Allen, Representative Reagan responded that many small businesses objected to the reporting because much of it was duplicative and created problems in the implementation of data.

**Barry Aarons, Consultant, Arizona Pest Management Association**, testified in support of HB 2026. He stated that there are three bills dealing with pest management this year:

- HB 2026 repeals the requirement that all termite action reports be filed.
- HB 2273 has nothing to do with reporting.
- HB 2341, the omnibus bill, which includes the provisions of HB 2026.

He explained that HB 2026 was introduced because of the importance of this issue and because the Commission and industry agreed upon the fact that the repeal should take place. He said that HB 2341 had not been in agreement between the industry and participants. Therefore, the same provision of HB 2026 is included in HB 2341. Mr. Aarons provided background information, which resulted in this legislation. He said many meetings took place during the past year with the interested parties to discuss the issues, and they concluded that the amount of required reporting was virtually impossible to handle due to the cost and magnitude. Mr. Aarons encouraged the Committee to not pass the amendment. He indicated he would be happy to work with the Committee either on this bill as it moves forward or on HB 2341.

Senator Leff wanted to know why HB 2026 was being introduced when HB 2341 includes the same provisions. Mr. Aarons said if the Committee would like to hold HB 2026 and wait until the issue is discussed in HB 2341, he would be more than willing to work with the Committee.

Senator Arzberger said testimony taken from interim committee meetings indicated that it would take some work to bring about consumer protections that are extremely necessary. She said she believes records should be kept and disagrees that it would be considered onerous reporting. She commented that this issue needs more work.

Senator Giffords stated she is very concerned with having legislation go forward without hearing all sides of the issue. She said testimony in previous legislative meetings was very compelling regarding the multiple pest control treatments and the types of treatments used in homes. She said the reporting can be accomplished electronically at virtually no cost. Mr. Aarons replied that there are

ways to easily find out that information through the Commission or through reports kept by a pest control company.

Senator Chevront commented on some personal experiences and said many times there are no records kept regarding previous treatments. He said because there is not good recordkeeping, multiple treatments are conducted resulting in health problems. He said as properties turn over and damage is observed, continual treatments will take place causing more problems.

**Dr. Peter Crozier**, testified in opposition to HB 2026. He stated he testified a couple of years ago regarding a personal health experience in his family relating to pesticides, and provided background information on that unfortunate experience. He commented that the chemicals used to treat bugs are deadly poisonous chemicals. He said that he realizes there may be costs associated with recordkeeping; however, he believes consumers should have easy access to the information. He stated that the committees that met on this issue came to the conclusion that the best way was for the records to be maintained at the Commission. He said the reason for establishing an electronic database was to tackle the issue of excessive paperwork of small businesses, and to transfer that information to the Commission. He indicated that a study was conducted by the Environmental Protection Agency that indicated of the 49 pesticides used in the past five years, 14 assumed to be safe have been banned and another 22 are considered to be somewhat risky. Dr. Crozier said this is a public health issue. In response to Senator Leff, Dr. Crozier said he would be willing to work with the Committee on this issue.

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

Senator Leff announced HB 2026 will be held to give the parties an opportunity for further discussion.

### **HB 2273 – structural pest control commission – DO PASS**

Ms. Martin explained HB 2273 clarifies that the insurance required for a business license from the Structural Pest Control Commission must be issued by an insurer holding a certificate of authority from DOI or be issued by an insurer who is permitted to issue surplus lines insurance in Arizona. She stated this is the exact bill as SB 1171, which was previously heard.

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

**Senator Blendu moved HB 2273 be returned with a DO PASS recommendation.  
The motion CARRIED by a roll call vote of 9-0-0 (Attachment 6).**

There being no further business, the meeting adjourned at 10:11 a.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.)