

# ARIZONA STATE SENATE

## 47TH LEGISLATURE SECOND REGULAR SESSION

### MINUTES OF COMMITTEE ON COMMERCE AND ECONOMIC DEVELOPMENT

**DATE:** March 29, 2006

**TIME:** 8:30 a.m.

**ROOM:** SHR 1

**CHAIRMAN:** Senator Leff

**VICE CHAIRMAN:** Senator Waring

**ANALYST:** Brandy Petrone

**INTERN:** Layla Hassin

**ASSISTANT**

**ANALYST:** Heidi Gannuscio

**COMMITTEE**

**SECRETARY:** Jeff Turner

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#### ATTENDANCE

#### BILLS

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**Committee Members**

	<u>Pr</u>	<u>Ab</u>	<u>Ex</u>	<u>Bill Number</u>	<u>Disposition</u>
Senator Aboud	x			HB 2222	DPA/SE
Senator Allen	x			HB 2363	DP
Senator Blendu	x			HB 2484	DPA/SE
Senator Chevront	x			HB 2500	FAILED
Senator Miranda	x			HB 2577	DPA
Senator Tibshraeny	x			HB 2708	DPA
Senator Waring, Vice Chairman	x			HB 2740	DPA
Senator Leff, Chairman	x			HB 2779	DPA
				HB 2785	DP
				HCR 2004	HELD

Chairman Leff called the meeting to order at 8:37 a.m. and attendance was taken.

## **APPROVAL OF MINUTES**

**Senator Leff moved the minutes of March 22, 2006 be approved. Without objection, the minutes were approved as distributed.**

## **CONSIDERATION OF BILLS**

### **HB 2785 - telephone records; unauthorized sale prohibited – DO PASS**

**Layla Hassin, Commerce and Economic Development Research Intern**, explained HB 2785.

**Senator Waring moved HB 2785 be returned with a DO PASS recommendation. The motion CARRIED with a roll call vote of 6-0-2 (Attachment 1).**

### **HB 2500 - domestic farm wineries; direct shipment – FAILED**

**Brandy Petrone, Commerce and Economic Development Research Analyst**, explained HB 2500.

**Robert Lynch, Attorney, Arizona Wine Growers Association**, testified in support of HB 2500 and answered questions posed by the Committee.

**Jim Norton, President, Republic Beverage Company**, introduced **Kevin Omalley, Attorney, Alliance Beverage Distributing**, who testified in opposition to HB 2500 and answered questions posed by the Committee.

**Kent Callaghan, representing self**, testified in support of HB 2500 and answered questions posed by the Committee.

**Susie Stevens, Alliance Beverage Distributing Company**, testified in opposition to HB 2500, submitted a handout entitled *Granholm Decision* (Attachment A), and answered questions posed by the Committee.

**Tracy Uffelman, Vice President, Legislative and Community Relations, Alliance Beverage**, answered questions posed by the Committee.

**Rodney Keeling, President, Arizona Wine Growers Association**, testified in support of HB 2500. He submitted a memorandum addressed to the members of the Senate Commerce and Economic Development Committee (Attachment B), and a handout regarding a comment on proposed direct shipment legislation (Attachment C). He answered questions posed by the Committee.

**Donna Neill, Director, Neighborhood Activists Inter-Linked Empowerment Movement, representing self**, testified in opposition to HB 2500 and answered questions posed by the Committee.

**Lawrence Kraus, representing self**, testified in support of HB 2500 and answered questions posed by the Committee.

Senator Waring announced that HB 2500 would not be voted on until Senator Leff returned to Committee.

**HB 2363 - border regional port authority – DO PASS**

**Erica Solsten, Appropriations Research Intern**, explained HB 2363.

**Senator Allen moved HB 2363 be returned with a DO PASS recommendation. The motion CARRIED with a roll call vote of 7-0-1 (Attachment 2).**

**HB 2708 - underground facilities; marking procedures. – DO PASS AMENDED**

**Brandy Petrone, Commerce and Economic Development Research Analyst**, explained HB 2708. She explained the 29 line Leff amendment dated 3/21/06 at 3:48 p.m. (Attachment D) and answered questions posed by the Committee.

**Scot Mussi, Deputy Director of Legislative Affairs, Home Builders Association of Central Arizona**, testified in support of HB 2708 and submitted a handout of a diagram entitled *Figure 1* (Attachment E).

**Kevin Adam, Legislative Coordinator, League of Arizona Cities and Towns**, testified in opposition to HB 2708 and answered questions posed by the Committee.

**Bridget Manock, Government Relations Director, City of Scottsdale**, testified in opposition to HB 2708 and submitted a handout from the City of Scottsdale entitled *Utility Line Locations* (Attachment F)

**David Petty, Director, Wastewater Operations, City of Scottsdale**, testified in opposition to HB 2708 and answered questions posed by the Committee.

**John Wayne Gonzales, Legislative Liaison, City of Phoenix**, testified in opposition to HB 2708 and answered questions posed by the Committee.

**John Mangum, Arizona Pool and Spa Professionals**, testified as neutral on HB 2708.

Senator Waring announced the individuals who registered their position on the bill (Attachment G).

**Senator Allen moved HB 2708 be returned with a DO PASS recommendation.**

**Senator Allen moved the 29 line Leff amendment dated 3/21/06 at 3:48 p.m. be ADOPTED. The motion CARRIED by voice vote.**

**Senator Allen moved HB 2708 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 5-2-1 (Attachment 3).**

In explanation of his vote, Senator Miranda stated, "I really wish there had been more time because I don't think we're doing it the most economical way. I'm going to vote 'yes' in Committee but I'm going to vote.....change my mind on the Floor."

**HB 2779 - disclosure; beneficiary (NOW: disclosure; hazards; property) – DO PASS AMENDED**

**Heidi Gannuscio, Commerce and Economic Development Assistant Analyst**, explained HB 2779. She explained the 24 line Leff amendment dated 3/28/06 at 3:44 p.m. (Attachment H)

**Mike Williams, Property ID**, testified in support of HB 2779.

**Scot Mussi, Deputy Director of Legislative Affairs, Home Builders Association of Central Arizona**, testified in support of HB 2779.

Senator Waring announced the individuals who registered their position on the bill (Attachment G).

**Senator Allen moved HB 2779 be returned with a DO PASS recommendation.**

**Senator Allen moved the 24 line Leff amendment dated 3/28/06 at 3:44 p.m. be ADOPTED. The motion CARRIED by voice vote.**

**Senator Allen moved HB 2779 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 5-1-2 (Attachment 4).**

**HB 2484 - notary public; signatures of relatives (NOW: personal identifying information records; disposal) – DO PASS AMENDED / STRIKE EVERYTHING**

**Jennifer Eugster, Senate Judiciary Research Analyst**, explained the 6 page Leff Strike Everything amendment to HB 2484 dated 3/27/06 at 3:16 p.m. (Attachment I) and the 7 line Leff amendment dated 3/28/06 at 3:43 p.m. (Attachment J)

**Michelle Bolton, State Director, National Federation of Independent Business**, testified in support of HB 2484.

**Michelle Ahlmer, Executive Director, Arizona Retailers Association**, testified as neutral on HB 2484.

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

**Senator Waring moved HB 2484 be returned with a DO PASS recommendation.**

**Senator Waring moved the 6 page Leff Strike Everything amendment dated 3/27/06 at 3:16 p.m. be ADOPTED.**

**Senator Waring moved the 7 line Leff amendment to the Strike Everything amendment dated 3/28/06 at 3:43 p.m. be ADOPTED. The motion CARRIED by voice vote.**

**Senator Waring moved the Strike Everything amendment AS AMENDED be ADOPTED. The motion CARRIED by voice vote.**

**Senator Waring moved HB 2484 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 5-3-0 (Attachment 5).**

In explanation of her vote, Senator Aboud stated, "I would like my vote to reflect the sentiment and statements of Senator Blendu, I also....who doesn't think identity theft is a problem so I don't want my vote to be reflected that I don't think that it is so....I oppose mandatory sentencing, support the Judicial system and I vote 'no'."

In explanation of her vote, Senator Allen said, "I'm a lukewarm 'yes' on this but I'm going to talk to some people before it goes to the Floor, but for now I will be a 'yes'."

In explanation of his vote, Senator Blendu told the Committee, "I'm going to vote 'no' to make sure Senator Allen gets to talk to those people."

In explanation of his vote, Senator Chevront remarked, "I'm going to vote 'no' now, I will vote yes if the mandatory part is pulled off....I can't support mandatory sentencing."

In explanation of his vote, Senator Miranda stated, "I really don't support mandatory sentencing, I vote 'no'."

In explanation of his vote, Senator Tibshraeny said, "I don't support mandatory sentencing, I would like to see that out, out of respect to the Chairman I will vote 'aye' today to get it out of Committee, but I won't vote yes for this bill on the Floor."

In explanation of his vote, Senator Waring told the Committee, "I do support mandatory sentencing, so I vote 'aye'."

Senator Leff said, "Just before I vote, since mine is the final vote, if the Bill does not get out of this Committee, we won't be able to do anything about protecting people's documents, so if anybody would like to change their vote to vote aye so we can move this along..."

Senator Blendu stated, "Madam Chair, I will change my vote from no to 'yes' providing that we work on this issue. I don't want to see it die here, I think there is a lot of important stuff in there, but more and more, we have seen legislation coming through here ending up a Christmas tree where all kinds of different issues get addressed and then we tack mandatory sentencing on....and I think that these issues deserve more thoughtful consideration and I will vote 'aye' so we can have that discussion."

In explanation of her vote, Senator Leff told the Committee, "It is very clear on this Committee that the mandatory sentencing would have killed the entire Bill so I will commit to this group that I will work on that. I think the part of making sure that people's personal information is not thrown away and out there for people to get....is important enough to move the Bill forward and then move the other piece on the Floor is clearly the message here, that this group would not have supported the mandatory sentencing part. I vote 'aye'."

**HB 2500 - domestic farm wineries; direct shipment – FAILED ( Continued )**

**Senator Waring moved HB 2500 be returned with a DO PASS recommendation. The motion FAILED with a roll call vote of 4-4-0 (Attachment 6).**

In explanation of her vote, Senator Aboud stated, "I support small business, I don't want to deregulate alcohol, I think this is too soon, too fast as far as I'm concerned....I vote 'no'."

In explanation of his vote, Senator Chevront told the Committee, "Too soon too fast.....we are only keeping something that has existed since 1985 in place and not only that, we're decreasing the amount of gallons that are already in the status quo and all we are doing is allowing these people who are hard working....truly farmers to have a life. I would hope that those people who are in the wine industry and the consumers that are here, if this Bill dies, join the next election cycle...because you've got a lot of consumers out there that support you, who will get up and not support those individuals who are trying to hurt you, and I vote 'aye'."

In explanation of his vote, Senator Tibshraeny said, "I have been a strong no on this issue throughout, I voted no on the earlier Bill and I'm going to vote 'no' today, but I do want to make a statement for the distribution industry. I think it's time really to work something out, I think that the wine growers have a legitimate issue but I still think you have a legitimate issue....the deregulation, the neighborhood issue concerns and some of that is starting to not resonate as deep with me so I do think we need to come together, work this out...whether it's via the courts after the Session is over and the courts may work it out for you but, I'll vote 'no' today."

**HB 2577 - illegal aliens; employment; verification (NOW: immigration policy; forgery; employment; licensing) – DO PASS AMENDED**

**Brandy Petrone, Commerce and Economic Development Research Analyst**, explained HB 2577. She explained the 8 page Leff amendment dated 3/28/06 at 2:41 p.m. (Attachment K)

**Representative Pearce, bill sponsor**, testified in support of HB 2577 and answered questions posed by the Committee.

**Saul Solis, Arizona Interfaith**, testified in opposition to HB 2577.

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

**John Wayne Gonzales, Legislative Liaison, City of Phoenix**, testified in opposition to HB 2577 and answered questions posed by the Committee.

**Senator Waring moved HB 2577 be returned with a DO PASS recommendation.**

**Senator Waring moved the 8 page Leff amendment dated 3/28/06 at 2:41 p.m. be ADOPTED. The motion CARRIED by voice vote.**

**Senator Waring moved HB 2577 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 6-2-0 (Attachment 7).**

In explanation of her vote, Senator Aboud stated, "I may have started out my tenure as a proponent of employer sanctions and I have been speaking to tons of business folks, I just think this Legislature needs to be moving away from criminalizing undocumented workers and putting employers in these

positions and create a comprehensive plan that addresses the total problem instead of working on a piecemeal basis, therefore I vote 'no'."

In explanation of his vote, Senator Cheuvront remarked, "I've gone against every bill that has gone after the immigrant because I don't think that is fair, but we do have laws on the books and they do need to be enforced and ultimately, we need to be fair to the American worker also, we need to ensure that they have decent wages. We don't want to hurt those people, who are wanting to have a better life, but at the same time, we have to have some kind of structure and we have to be...with a rule of law in this country and I vote 'aye'."

### **HCR 2004 - workers' compensation; alcohol; controlled substances – HELD**

**Brandy Petrone, Commerce and Economic Development Research Analyst**, explained HCR 2004.

**Representative McComish, bill sponsor**, testified in support of HCR 2004.

Senator Leff announced that HCR 2004 would be HELD.

### **HB 2740 - liquor; restaurant license for grills (NOW: spirituous liquor; restaurant license; grills) – DO PASS AMENDED**

**Heidi Gannuscio, Commerce and Economic Development Assistant Analyst**, explained HB 2740. She explained the 9 line Leff amendment dated 3/28/06 at 3:32 p.m. (Attachment L)

**Jennifer Eugster, Senate Judiciary Research Analyst** explained the 24 page Waring amendment dated 3/28/06 at 3:28 p.m. (Attachment M).

**Mike Williams, Scottsdale Hospitality Group**, testified in support of HB 2740 and answered questions posed by the Committee.

**Molly Steffens, representing self**, testified in support of the Waring amendment.

**Wendy Townsend, representing self**, testified in support of the Waring amendment.

**Chuck Heeman, State Executive Director, Mothers Against Drunk Driving**, testified in support of the Waring amendment.

**Michael Preston Green, Attorney, Arizona Restaurant and Hospitality Association**, testified in support of HB 2740.

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

**Donna Neill, Director, Neighborhood Activists Inter-Linked Empowerment Movement, representing self**, testified in opposition to HB 2740.

**Cheyenne Walsh, legislative associate, League of Arizona Cities and Towns**, testified in opposition to HB 2740.

**Bob Barrett, City of Peoria**, testified in opposition to HB 2740.

**Diane Harris, representing self**, testified in opposition to HB 2740.

**Norris Nordvold, Director, Intergovernmental Programs, City of Phoenix**, testified in opposition to HB 2740.

**Jonathan Brown, representing self**, testified in opposition to HB 2740.

**Senator Waring moved HB 2740 be returned with a DO PASS recommendation.**

**Senator Waring moved the 9 line Leff amendment dated 3/28/06 at 3:32 p.m. be ADOPTED. The motion CARRIED by voice vote.**

**Senator Waring moved the 24 page Waring amendment dated 3/28/06 at 3:28 p.m. be ADOPTED. The motion CARRIED by voice vote.**

**Senator Waring moved HB 2740 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 5-3-0 (Attachment 8).**

In explanation of his vote, Senator Miranda stated, "If (inaudible) is going to work with the sponsors and I reserve the right to vote no on the Floor, I will vote 'aye'."

**HB 2222 - underground facility marking; technical correction (NOW: underground facilities; operators; excavation) – DO PASS AMENDED / STRIKE EVERYTHING**

**Brandy Petrone, Commerce and Economic Development Research Analyst**, explained the 25 page Leff Strike Everything amendment to HB 2222 dated 3/27/06 at 3:25 p.m. (Attachment N) She explained the 15 line Leff amendment to the Strike Everything amendment dated 3/28/06 at 2:21 p.m. (Attachment O)

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

**Senator Tibshraeny moved HB 2222 be returned with a DO PASS recommendation.**

**Senator Tibshraeny moved the 25 page Leff Strike Everything amendment dated 3/27/06 at 3:25 p.m. be ADOPTED.**

**Senator Tibshraeny moved the 15 line Leff amendment to the Strike Everything amendment dated 3/28/06 at 2:21 p.m. be ADOPTED. The motion CARRIED by voice vote.**

**Senator Tibshraeny moved the 25 page Leff Strike Everything amendment AS AMENDED be ADOPTED. The motion CARRIED by voice vote.**

**Senator Tibshraeny moved HB 2222 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 7-0-1 (Attachment 9).**

There being no further business, the meeting was adjourned at 12:55 p.m.

Respectfully submitted,

Jeff Turner  
Committee Secretary

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