

ARIZONA STATE SENATE

47TH LEGISLATURE SECOND REGULAR SESSION

MINUTES OF COMMITTEE ON NATURAL RESOURCES AND RURAL AFFAIRS

DATE: March 29, 2006 **TIME:** 1:30 p.m. **ROOM:** SHR 109

CHAIRMAN: Senator Flake **VICE CHAIRMAN:** Senator Blendu

ANALYST: Fred Breedlove **INTERN:** Daniel Anglin

**COMMITTEE
SECRETARY:** Jeff Turner

ATTENDANCE

BILLS

<u>Committee Members</u>	<u>Pr</u>	<u>Ab</u>	<u>Ex</u>	<u>Bill Number</u>	<u>Disposition</u>
Senator Arzberger	x			HB 2033	DP
Senator Bee	x			HB 2036	DPA/SE
Senator Cannell	x			HB 2159	DPA
Senator C. Gray	x			HB 2316	DPA/SE
Senator Rios	x			HB 2361	HELD
Senator Blendu, Vice Chairman	x			HB 2429	DPA
Senator Flake, Chairman	x			HB 2475	DPA
				HB 2496	DP
				HB 2521	DPA
				HB 2669	DP
				HB 2836	DPA/SE
				HB 2843	DP
				HCM 2001	DP
				HCM 2018	DP
				HCR 2045	DPA

GOVERNOR'S APPOINTMENTS

<u>Name</u>	<u>Position</u>	<u>Recommendation</u>
Merle Lee Allison	Member, Arizona Geological Survey	CONFIRMATION
Bobby V. Ford	Member, Arizona Racing Commission	CONFIRMATION
Paul Ulan	Member, Arizona Racing Commission	CONFIRMATION
Karen Lee O'Regan	Member, Water Quality Assurance Revolving Fund Advisory Board	CONFIRMATION
Karen S. Gaylord	Member, Water Quality Assurance Revolving Fund Advisory Board	CONFIRMATION
Kelly J. Barr	Member, Water Quality Assurance Revolving Fund Advisory Board	CONFIRMATION
Nicholas J. Wallwork	Member, Water Quality Assurance Revolving Fund Advisory Board	CONFIRMATION
Steven L. Besich	Member, Water Quality Assurance Revolving Fund Advisory Board	CONFIRMATION

Chairman Flake called the meeting to order at 1:37 p.m. and attendance was taken.

APPROVAL OF MINUTES

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

EXECUTIVE NOMINATIONS

Merle Allison, Member, Arizona Geological Survey – CONFIRMATION

Merle Allison gave an overview of his resume.

Senator Blendu moved the Committee on Natural Resources and Rural Affairs recommend to the full Senate the CONFIRMATION of Merle Allison as a member of the Arizona Geological Survey. The motion CARRIED with a roll call vote of 6-0-1 (Attachment 1).

Paul Ulan, Member, Arizona Racing Commission – CONFIRMATION

Paul Ulan gave an overview of his resume.

Senator Blendu moved the Committee on Natural Resources and Rural Affairs recommend to the full Senate the CONFIRMATION of Paul Ulan as a member of the Arizona Racing Commission. The motion CARRIED with a roll call vote of 6-0-1 (Attachment 2).

Karen O'Regan, Member, Water Quality Assurance Revolving Fund Advisory Board - CONFIRMATION

Karen O'Regan gave an overview of her resume and answered questions posed by the Committee.

Senator Blendu moved the Committee on Natural Resources and Rural Affairs recommend to the full Senate the CONFIRMATION of Karen O'Regan as a member of the Water Quality Assurance Revolving Fund Advisory Board. The motion CARRIED with a roll call vote of 6-0-1 (Attachment 3).

Karen Gaylord, Member, Water Quality Assurance Revolving Fund Advisory Board - CONFIRMATION

Karen Gaylord gave an overview of her resume and answered questions posed by the Committee.

Senator Blendu moved the Committee on Natural Resources and Rural Affairs recommend to the full Senate the CONFIRMATION of Karen Gaylord as a member of the Water Quality Assurance Revolving Fund Advisory Board. The motion CARRIED with a roll call vote of 6-0-1 (Attachment 4).

Kelly Barr, Member, Water Quality Assurance Revolving Fund Advisory Board - CONFIRMATION

Kelly Barr gave an overview of her resume and answered questions posed by the Committee.

Senator Blendu moved the Committee on Natural Resources and Rural Affairs recommend to the full Senate the CONFIRMATION of Kelly Barr as a member of the Water Quality Assurance Revolving Fund Advisory Board. The motion CARRIED with a roll call vote of 6-0-1 (Attachment 5).

Nicholas Wallwork, Member, Water Quality Assurance Revolving Fund Advisory Board - CONFIRMATION

Nicholas Wallwork gave an overview of his resume and answered questions posed by the Committee.

Senator Blendu moved the Committee on Natural Resources and Rural Affairs recommend to the full Senate the CONFIRMATION of Nicholas Wallwork as a member of the Water Quality Assurance Revolving Fund Advisory Board. The motion CARRIED with a roll call vote of 6-0-1 (Attachment 6).

Steven Besich, Member, Water Quality Assurance Revolving Fund Advisory Board - CONFIRMATION

Steven Besich gave an overview of his resume and answered questions posed by the Committee.

Senator Blendu moved the Committee on Natural Resources and Rural Affairs recommend to the full Senate the CONFIRMATION of Steven Besich as a member of the Water Quality Assurance Revolving Fund Advisory Board. The motion CARRIED with a roll call vote of 6-0-1 (Attachment 7).

Bobby Ford, Member, Arizona Racing Commission – CONFIRMATION

Bobby Ford gave an overview of his resume.

Senator Blendu moved the Committee on Natural Resources and Rural Affairs recommend to the full Senate the CONFIRMATION of Bobby Ford as a member of the Arizona Racing Commission. The motion CARRIED with a roll call vote of 6-0-1 (Attachment 8).

CONSIDERATION OF BILLS

HB 2361 - flood control districts; financing – HELD

Daniel Anglin, Natural Resources and Rural Affairs Research Intern, explained HB 2361.

Representative Konopnicki, bill sponsor, testified in support of HB 2361.

Kevin McCarthy, President, Arizona Tax Research Association, testified in opposition to HB 2361 and answered questions posed by the Committee.

Todd Madeksza, Director of Education and Licensing, County Supervisors Association, testified in support of HB 2361 and answered questions posed by the Committee.

Senator Flake announced that HB 2361 would be HELD.

HB 2475 - electric generating facilities; coal; development (NOW: clean innovation technology task force) – DO PASS AMENDED

Fred Breedlove, Natural Resources and Rural Affairs Research Analyst, explained HB 2475. He explained the 3 line Flake amendment dated 3/29/06 at 8:05 a.m. (Attachment A)

Representative Konopnicki, bill sponsor, testified in support of HB 2475 and answered questions posed by the Committee.

Representative Downing, bill sponsor, testified in support of HB 2475 and answered questions posed by the Committee.

Senator Flake announced the individuals who registered their position on the bill (Attachment B).

Senator Blendu moved HB 2475 be returned with a DO PASS recommendation.

Senator Blendu moved the 3 line Flake amendment dated 3/29/06 at 8:05 a.m. be ADOPTED. The motion CARRIED by voice vote.

Senator Blendu moved HB 2475 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 6-0-1 (Attachment 9).

HCM 2018 - agricultural commuter worker permit program – DO PASS

Fred Breedlove, Natural Resources and Rural Affairs Research Analyst, explained HCM 2018.

Representative Jones, bill sponsor, testified in support of HCM 2018 and answered questions posed by the Committee.

Shelly Tunis, Attorney, Yuma Fresh Vegetable Association, testified in support of HCM 2018.

Senator Flake announced the individuals who registered their position on the bill (Attachment B).

Senator Blendu moved HCM 2018 be returned with a DO PASS recommendation. The motion CARRIED with a roll call vote of 6-0-1 (Attachment 10).

HCM 2001 - urging support; 2007 farm bill – DO PASS

Fred Breedlove, Natural Resources and Rural Affairs Research Analyst, explained HCM 2001.

Representative Jones, bill sponsor, testified in support of HCM 2001 and answered questions posed by the Committee.

Annamarie Aja, Arizona Government Affairs Analyst, Western Growers Association, testified in support of HCM 2001.

Senator Flake announced the individuals who registered their position on the bill (Attachment B).

Senator Blendu moved HCM 2001 be returned with a DO PASS recommendation. The motion CARRIED with a roll call vote of 6-0-1 (Attachment 11).

HCR 2045 - state trust land reform – DO PASS AMENDED

Fred Breedlove, Natural Resources and Rural Affairs Research Analyst, explained HCR 2045. He explained the 4 line Flake amendment dated 3/28/06 at 12:31 p.m. (Attachment C) He explained the 3 line Flake amendment dated 3/28/06 at 3:03 p.m. (Attachment D)

Representative Nelson, bill sponsor, testified in support of HCR 2045 and answered questions posed by the Committee.

Penny Kotterman, President, Arizona Education Association, testified in opposition to HCR 2045 and answered questions posed by the Committee.

Bas Aja, Director of Government Relations, Arizona Cattlemens Association, testified in support of HCR 2045.

Senator Flake announced the individuals who registered their position on the bill (Attachment B).

Senator Blendu moved HCR 2045 be returned with a DO PASS recommendation.

Senator Blendu moved the 4 line Flake amendment dated 3/28/06 at 12:31 p.m. be ADOPTED. The motion CARRIED by voice vote.

Senator Blendu moved the 3 line Flake amendment dated 3/28/06 at 3:03 p.m. be ADOPTED. The motion CARRIED by voice vote.

Senator Blendu moved HCR 2045 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 6-1-0 (Attachment 12).

In explanation of his vote, Senator Cannell stated, "We have been involved with this for quite some time now and I think from my perspective, at least we've given more money to the Land Department and we have a Land Department that is working hard and doing a good job of getting this expensive land sold. What I want to see is...I want to see that trust grow and I'm disappointed, earlier, we weren't able to get a referendum through, but....you know, I think it's crazy for stakeholders to think they can put something together without the Legislature involved and then run it through the Legislature. I also think it's unfortunate that people go the initiative route and try to bypass the Legislature and I think this bill might not be everything everybody wants but it's a good start, and it can be improved on year by year if there's a problem with the education community. I think the

education community should drop their initiative because with both of these going forward they are probably both going to fail and so, Mr. Chairman, I would hope that this passes and that this is the only one the voters see on the ballot in November. I think that is unlikely, but that would be a case of the education community, again, shooting themselves in the foot, because I've seen them do it down here when we negotiated the (inaudible) to the detriment of the children of Arizona, and with that, I vote 'aye'."

In explanation of his vote, Senator Gray remarked, "I think that the only thing I would like to see...better, put into this bill, is some way, to allow a portion of the interest to be reinvested in the corpus of the fund so that once those state trust lands are all gone, we actually keep increasing the funds over time, a compounding of interest if you will...that's not occurring currently and that would be the only addition I would like to see in the bill and with that, I vote 'aye'."

In explanation of his vote, Senator Blendu told the Committee, "If both these fail on the ballot, as far as I'm concerned, nothing tragic is going to happen in the State of Arizona. I think there is a very good reason why we have our state land left and the other state's do not. I do favor this bill because it does really give us a mechanism to be proactive in getting that land to market, but I also know that land 30 years from now is going to be a lot more valuable so, I favor this one, I vote 'aye'."

HB 2496 - community park maintenance districts – DO PASS

Daniel Anglin, Natural Resources and Rural Affairs Research Intern, explained HB 2496.

Todd Madeksza, Director of Education and Licensing, County Supervisors Association, testified in support of HB 2496.

Senator Flake announced the individuals who registered their position on the bill (Attachment B).

Senator Blendu moved HB 2496 be returned with a DO PASS recommendation. The motion CARRIED with a roll call vote of 6-0-1 (Attachment 13).

HB 2159 - water infrastructure finance; payment approval – DO PASS AMENDED

Daniel Anglin, Natural Resources and Rural Affairs Research Intern, explained HB 2159. He explained the 10 line Flake amendment dated 3/28/06 at 5:01 p.m. (Attachment E) He explained the 5 line Flake amendment dated 3/28/06 at 3:59 p.m. (Attachment F)

Senator Flake announced the individuals who registered their position on the bill (Attachment B).

Senator Blendu moved HB 2159 be returned with a DO PASS recommendation.

Senator Blendu moved the 10 line Flake amendment dated 3/28/06 at 5:01 p.m. be ADOPTED. The motion CARRIED by voice vote.

Senator Blendu moved the 5 line Flake amendment dated 3/28/06 at 3:59 p.m. be ADOPTED. The motion CARRIED by voice vote.

Senator Blendu moved HB 2159 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 5-1-1 (Attachment 14).

HB 2836 - healthy forests; technical correction (NOW: fuel tax; forest products) – DO PASS AMENDED / STRIKE EVERYTHING

Fred Breedlove, Natural Resources and Rural Affairs Research Analyst, explained the 3 page Flake Strike Everything amendment dated 3/27/06 at 11:37 a.m. (Attachment G)

Representative Chase, bill sponsor, testified in support of HB 2836.

Kirk Rowdabaugh, State Forester, State Forestry, testified in opposition to HB 2836.

Sandy Bahr, Conservation Director, Sierra Club - Grand Canyon Chapter, testified in opposition to HB 2836.

Senator Flake announced the individuals who registered their position on the bill (Attachment B).

Senator Blendu moved HB 2836 be returned with a DO PASS recommendation.

Senator Blendu moved the 3 page Flake Strike Everything amendment dated 3/27/06 at 11:37 a.m. be ADOPTED. The motion CARRIED by voice vote.

Senator Blendu moved HB 2836 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 6-1-0 (Attachment 15).

In explanation of her vote, Senator Arzberger stated, "I'm going to give this bill a chance. I think it needs a lot more baking and I will express my personal preference of bills being brought along a little further in the details before they got to our last Committee of the session, I vote 'aye'."

In explanation of his vote, Senator Cannell said, "As long as we're working on it, I would like to see the work continue. I suggest the conservationist get up there and help those land owners thin those forests and make sure the Old Growth trees are left behind but....with that, I vote 'aye'."

In explanation of her vote, Senator Rios remarked, "I think while I can agree with this in theory, I have concerns with the half baked nature of it as Senator Arzberger indicated. A primary concern for me is that I do view this as an unfunded mandate but more specifically, we're hearing from the State Forester that this is going to take away focus and resource from current activities including suppression activities and in a state in which we are just barely beginning to recover from five months of drought, I think this is very dangerous to take focus away and so at this time, I need to vote 'no'."

HB 2669 - irrigation water delivery districts; dissolution – DO PASS

Fred Breedlove, Natural Resources and Rural Affairs Research Analyst, explained HB 2669.

Representative Aguirre, bill sponsor, testified in support of HB 2669.

Senator Flake announced the individuals who registered their position on the bill (Attachment B).

Senator Blendu moved HB 2669 be returned with a DO PASS recommendation. The motion CARRIED with a roll call vote of 6-0-1 (Attachment 16).

HB 2521 - small water systems; interim operators – DO PASS AMENDED

Daniel Anglin, Natural Resources and Rural Affairs Research Intern, explained HB 2521. He explained the 8 line Arzberger amendment dated 3/24/06 at 10:50 a.m. (Attachment H)

Representative Alvarez, bill sponsor, testified in support of HB 2521.

Senator Blendu moved HB 2521 be returned with a DO PASS recommendation.

Senator Arzberger moved the 8 line Arzberger amendment dated 3/24/06 at 10:50 a.m. be ADOPTED. The motion CARRIED by voice vote.

Senator Blendu moved HB 2521 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 6-0-1 (Attachment 17).

HB 2316 - water; maximum daily loads; report (NOW: flood control districts) – DO PASS AMENDED / STRIKE EVERYTHING

Fred Breedlove, Natural Resources and Rural Affairs Research Analyst, explained the 9 page Blendu Strike Everything amendment to HB 2316 dated 3/27/06 at 9:08 a.m. (Attachment I) He explained the 9 line Blendu amendment dated 3/29/06 at 7:43 a.m. (Attachment J)

Rory Hays, Lobbyist, Flood Control District of Maricopa County, testified in support of HB 2316.

Senator Blendu moved HB 2316 be returned with a DO PASS recommendation.

Senator Blendu moved the 9 page Blendu Strike Everything amendment dated 3/27/06 at 9:08 a.m. be ADOPTED.

Senator Blendu moved the 9 line Blendu amendment dated 3/29/06 at 7:43 a.m. be ADOPTED. The motion CARRIED by voice vote.

Senator Blendu moved the 9 page Blendu Strike Everything amendment dated 3/27/06 at 9:08 a.m. AS AMENDED, be ADOPTED. The motion CARRIED by voice vote.

Senator Blendu moved HB 2316 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 6-0-1 (Attachment 18).

HB 2429 - solar energy tax incentives – DO PASS AMENDED

Fred Breedlove, Natural Resources and Rural Affairs Research Analyst, explained HB 2429. He explained the 3 line Flake amendment dated 3/28/06 at 3:07 p.m. (Attachment K)

Mitch Menlove, Arizona Solar Industry Association, testified in support of HB 2429.

Senator Flake announced the individuals who registered their position on the bill (Attachment B).

Senator Blendu moved HB 2429 be returned with a DO PASS recommendation.

Senator Blendu moved the 3 line Flake amendment dated 3/28/06 at 3:07 p.m. be ADOPTED. The motion CARRIED by voice vote.

Senator Blendu moved HB 2429 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 6-0-1 (Attachment 19).

HB 2033 - mine inspector appropriation; exemption (NOW: mine inspector; appropriation; nonlapsing) – DO PASS

Daniel Anglin, Natural Resources and Rural Affairs Research Intern, explained HB 2033.

Kerry Ugalde, Mine Inspector Assistant, testified in support of HB 2033 and answered questions posed by the Committee.

Senator Flake announced the individuals who registered their position on the bill (Attachment B).

Senator Blendu moved HB 2033 be returned with a DO PASS recommendation. The motion CARRIED with a roll call vote of 6-0-1 (Attachment 20).

HB 2036 - stagnant water; pest control; notice – DO PASS AMENDED / STRIKE EVERYTHING

Fred Breedlove, Natural Resources and Rural Affairs Research Analyst, explained the 2 page Flake Strike Everything amendment dated 3/24/06 at 2:38 p.m. (Attachment L)

Beth Lewallen, County Supervisors Association, testified as neutral on HB 2036.

Senator Flake announced the individuals who registered their position on the bill (Attachment B).

Pete Wertheim, City of Peoria, Intergovernmental Affairs Coordinator, Department of Health Services, testified as neutral on HB 2036.

Senator Blendu moved HB 2036 be returned with a DO PASS recommendation.

Senator Blendu moved the 2 page Flake Strike Everything amendment dated 3/24/06 at 2:38 p.m. be ADOPTED. The motion CARRIED by voice vote.

Senator Blendu moved HB 2036 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 4-2-1 (Attachment 21).

HB 2843 - tax credit; energy efficient products – DO PASS

Fred Breedlove, Natural Resources and Rural Affairs Research Analyst, explained HB 2843.

Jeff Schlegel, Southwest Energy Efficiency Project, testified in support of HB 2843 and answered questions posed by the Committee.

Michelle Ahlmer, Executive Director, Arizona Retailers Association, testified in support of HB 2843.

Senator Flake announced the individuals who registered their position on the bill (Attachment B).

Senator Blendu moved HB 2843 be returned with a DO PASS recommendation. The motion CARRIED with a roll call vote of 5-1-1 (Attachment 22).

There being no further business, the meeting was adjourned at 4:47 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.)