

ARIZONA STATE SENATE

47TH LEGISLATURE SECOND REGULAR SESSION

MINUTES OF COMMITTEE ON GOVERNMENT

DATE: March 30, 2006

TIME: 8:30 a.m.

ROOM: SHR 3

CHAIRMAN: Senator Waring

VICE CHAIRMAN: Senator L. Gray

ANALYST: Nadine Sapien

INTERN: Sharon Coleman

**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 Brotherton	X			HB 2352	FAILED
Senator Flake	X			HB 2824	DPA
Senator Hale	X			HB 2221	DPA/SE
Senator Leff	X			HB 2494	DP
Senator Mitchell	X			HB 2736	DPA
Senator L. Gray, Vice Chairman	X			HB 2788	DP
Senator Waring, Chairman	X			HB 2793	DPA
				HB 2808	DPA
				HJR 2001	DP
				HCR 2036	DP
				HB 2575	DP
				HB 2387	DP
				HB 2317	DPA/SE
				HB 2712	DPA
				HB 2102	DPA

GOVERNOR'S APPOINTMENTS

<u>Name</u>	<u>Position</u>	<u>Recommendation</u>
Kimbelee Hageman Snyder	Member, Information Technology Authorization Committee	CONFIRMATION

Chairman Waring called the meeting to order at 8:32 a.m., and attendance was taken.

APPROVAL OF MINUTES

Senator Waring moved the minutes of March 20, 2006 be approved. Without objection, the minutes were approved as distributed.

EXECUTIVE NOMINATION

Kimbelee Snyder, Member, Information Technology Authorization Committee – CONFIRMATION

Kimbelee Snyder gave an overview of her resume.

Senator Gray moved the Committee on Government recommend to the full Senate the CONFIRMATION of Kimbelee Snyder as a Member of the Information Technology Authorization Committee. The motion CARRIED with a roll call vote of 5-0-1 (Attachment 1).

CONSIDERATION OF BILLS

HB 2788 - commission; civic education and engagement – DO PASS

Sharon Coleman, Government Research Intern, explained HB 2788. She explained the 7 line Hale amendment dated 3/29/06 at 4:51 p.m. (Attachment A)

Representative Burns, bill sponsor, testified in support of HB 2788 and against the 7 line Hale amendment and answered questions posed by the Committee.

Senator Gray moved HB 2788 be returned with a DO PASS recommendation.

Senator Hale moved the 7 line Hale amendment dated 3/29/06 at 4:51 p.m. be ADOPTED. The motion FAILED by voice vote.

Senator Gray moved HB 2788 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 6-0-0 (Attachment 2).

HB 2494 - veterans' services; department; fiduciaries; fees – DO PASS

Nadine Sapien, Government Research Analyst, explained HB 2494 and answered questions posed by the Committee.

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

Senator Gray moved HB 2494 be returned with a DO PASS recommendation. The motion CARRIED with a roll call vote of 5-1-0 (Attachment 3).

HB 2352 - homeowners' associations; homestead exemption; foreclosures – FAILED

Nadine Sapien, Government Research Analyst, explained HB 2352 and answered questions posed by the Committee.

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

Representative Farnsworth, bill sponsor, testified in support of HB 2352 and answered questions posed by the Committee.

Pat Haruff, Coalition of Home Owners for Rights and Education (CHORE), testified in support of HB 2352 and answered questions posed by the Committee.

Steven Cheifetz, representing self, testified in support of HB 2352 and answered questions posed by the Committee.

Anne Stewart, Spokesperson, Sun City Formula Registry, testified in support of HB 2352.

Brian Lincks, Vice President, City Property Management, testified in opposition to HB 2352 and answered questions posed by the Committee.

Penny Koepke, Attorney, representing self, testified in opposition to HB 2352 and answered questions posed by the Committee.

Brian Morgan, Attorney, representing self, testified in opposition to HB 2352 and answered questions posed by the Committee.

Kevin DeMenna, Community Associations Institute, testified in opposition to HB 2352 and answered questions posed by the Committee.

Senator Gray moved HB 2352 be returned with a DO PASS recommendation. The motion FAILED with a roll call vote of 2-4-0 (Attachment 4).

In explanation of his vote, Senator Brotherton said, "I think that maybe the statement by Steve earlier, he was talking about creating a balance and frankly I just don't think this bill is a balance, I do recall the bills that the Chairman has run and I think that they...I think what we need to do is move those forward into law, which I think...we're close to doing and I think they address a number of those issues. Representative Farnsworth's statement about, that the Government and the purchase money security interests not be subject to the home lean, again is not accurate in the sense that, a mechanics lean, someone puts a roof on your house, a roofer does that, they've got a lean that is not subject to the Homestead exemption. I think that is analogous...if the Home Owners Association puts a roof on your house...say, or your townhouse in an aggregate fashion for the entire number of units, I don't know why we wouldn't treat them the same as we do the roofer. I'm also very concerned too on what kind of impact this has on a lot of condo's, especially the lower end market condo's, which at this point, are not even close to breaking the \$150,000 value mark so I vote 'no'."

In explanation of his vote, Senator Flake remarked, "I see so many big differences in different HOA's...as Senator Brotherton brought up, condo's are on the lower end of the cost, hardly any of them get up above the \$150,000 mark...townhouses, a lot of them are under the \$150,000 and different degrees of maintenance of HOA fees with condo's, townhouses and then individual home

HOA's were probably a lot less services are rendered by the HOA and yet it's lumping everything in together. In my opinion, when a person, and I am in an HOA, I'm in a condo...and when I did that I think I entered into a partnership. It's a little more than an Association, it's a partnership with those who you are together with and I agree to uphold my part of that partnership and if I don't I'm subject to lose something. I was a little less concernedand I had heard this statement and I had probably forgotten it....that they have six months to redeem their property anyway. I don't think a person is.....if he has any equity in his piece of property and he has six months to redeem that, he certainly has adequate time to sell that, not at a fire sell, at an open market sale to redeem whatever equity he may have to pay off his mortgage, pay off his assessments, the HOA fees, whatever assessment is there. It's not just taken away from him and he's left with just.....not anything...if he can't do anything in six months, why...it is just because he doesn't want to do anything. You know in my HOA in our condo, we just did a repaving job, I don't remember the cost of that, it came out to us proposed and you know....it's bonded, they bonded to do that job, against ourselves. If everybody pays their assessment, we can continue to pay that off with our current assessment. If some people start renegeing on that saying, well, we didn't want to pay any of the payments, yeah but it's really needed, very strongly needed...and the only way they could do it was bond and go ahead and do it. If people start renegeing, that's going to put such a high assessment on my part of that, that I can no longer afford to live there and the trouble is, I can no longer afford to sell it to anybody else because nobody is going to buy it for that high of an assessment. I think when I moved in there, I signed these documents I entered in as a partnership and I think I should live up to my part of the partnership and if we take away the means by which we can collect that money, I think that people aren't living up to their part of the partnership. I think that is only fair that happens...as far as the Homestead exemption, I think we gave up that right for Homestead exemption when we signed the papers and went into that, but that's the only part of the Homestead exemption that we still don't have. The Homestead exemption is still there, we gave up that right for that part of it when we entered into that agreement, so with that long explanation and long testimony on the Bill, I vote 'no'."

In explanation of her vote, Senator Leff told the Committee, "I have very mixed feelings about it, I'm having trouble making a decision because I really do think people....if you're going to have a Homestead exemption for one group, I think you should have it for both groups. The more I listen to the testimony, the more I thought I would like to run a bill next year to take away the mechanics lien ability to take away your Homestead exemption because I think that is a huge problem. I don't think these assessments are large enough for somebody to lose their home, so at this point I'm going to vote 'yes'."

In explanation of her vote, Senator Gray explained, "I have spent a lot of time listening to testimony, reading prior to this, the many e-mails that came in opposition to this...it's been a difficult decision. I would like to do further research but we don't have that opportunity, to delay a vote....because of other comments previously made, the \$150,000 threshold for those who don't have that value, I don't think it's fair to the rest of them and I vote 'no'."

HJR 2001 - state border guard units – DO PASS

Sharon Coleman, Government Research Intern, explained HJR 2001.

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

Senator Gray moved HJR 2001 be returned with a DO PASS recommendation. The motion CARRIED with a roll call vote of 4-1-1 (Attachment 5).

HB 2387 - motor vehicle sale advertisements (NOW: Mexico; entry; minors) – DO PASS

Senator Gray moved HB 2387 be returned with a DO PASS recommendation. The motion CARRIED with a roll call vote of 5-0-1 (Attachment 6).

HB 2221 - sheriffs and constables; fees; fund – DO PASS AMENDED / STRIKE EVERYTHING

Nadine Sapien, Government Research Analyst, explained the 14 page Leff Strike Everything amendment to HB 2221 dated 3/28/06 at 9:16 a.m. (Attachment C)

Representative Nelson, bill sponsor, testified in support of HB 2221.

Suzanne Gilstrap, Arizona Multihousing Association, testified in support of HB 2221 and answered questions posed by the Committee.

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

Senator Gray moved HB 2221 be returned with a DO PASS recommendation.

Senator Gray moved the 14 page Leff Strike Everything amendment dated 3/28/06 at 9:16 a.m. be ADOPTED. The motion CARRIED by voice vote.

Senator Gray moved HB 2221 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 5-0-1 (Attachment 7).

HB 2317 - solid waste; statewide planning – DO PASS AMENDED / STRIKE EVERYTHING

Nadine Sapien, Government Research Analyst, explained the 5 page Flake Strike Everything amendment to HB 2317 dated 3/28/06 at 11:56 a.m. (Attachment D)

Russell Bowers, Executive Director, Arizona Rock Products Association, testified in support of HB 2317 and answered questions posed by the Committee.

Senator Gray moved HB 2317 be returned with a DO PASS recommendation.

Senator Gray moved the 5 page Flake Strike Everything amendment dated 3/28/06 at 11:56 a.m. be ADOPTED. The motion CARRIED by voice vote.

Senator Gray moved HB 2317 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 5-0-1 (Attachment 8).

HB 2793 - DOC; peace officer status – DO PASS AMENDED

Nadine Sapien, Government Research Analyst, explained HB 2793. She explained the 3 page Brotherton amendment dated 3/29/06 at 2:19 p.m. (Attachment E)

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

Senator Gray moved HB 2793 be returned with a DO PASS recommendation.

Senator Brotherton moved the 3 page Brotherton amendment dated 3/29/06 at 2:19 p.m. be ADOPTED. The motion CARRIED by voice vote.

Senator Gray moved HB 2793 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 5-0-1 (Attachment 9).

HB 2575 - county supervisors; membership; number – DO PASS

Sharon Coleman, Government Research Intern, explained HB 2575.

Representative Chase, bill sponsor, testified in support of HB 2575 and answered questions posed by the Committee.

Bill Bridwell, Pinal County resident and business owner, testified in support of HB 2575.

Scot Mussi, Deputy Director of Legislative Affairs, Home Builders Association of Central Arizona, testified in support of HB 2575 and answered questions posed by the Committee.

Mark Barnes, Pinal County Board of Supervisors, testified in opposition to HB 2575.

Todd Madeksza, Director of Education and Licensing, County Supervisors Association, testified in opposition to HB 2575.

Senator Gray moved HB 2575 be returned with a DO PASS recommendation. The motion CARRIED with a roll call vote of 3-1-2 (Attachment 10).

HCR 2036 - English as official language – DO PASS

Nadine Sapien, Government Research Analyst, explained HCR 2036 and answered questions posed by the Committee.

Senator Gray moved HCR 2036 be returned with a DO PASS recommendation. The motion CARRIED with a roll call vote of 3-1-2 (Attachment 11).

In explanation of his vote, Senator Brotherton said, "I guess one of my biggest problems on this Mr. Chairman, is I don't even know what it does. I have asked a couple of people, 'What would this change?', in other words, what is being done now in a foreign language that can't be done in a foreign language after this bill? Maybe the only thing we can do is....Members of this body, say, who speak a foreign language can't say yes or no in a foreign language when they vote...I can't even think, in eight years, when I have heard anyone vote in a foreign language, so, I think, 'why is this needed, what does this actually do?', and it seems to me to be merely a statement and for some folks in our community, the statement itself is divisive. I think English, whether it's the official language or the unofficial language....the reality of life is, if you do not speak English, you're going to have a difficult time moving ahead in our society and in our economy. I know I heard a discussion of this on Horizon between Senator Gould and Senator Gallardo and concerns that people weren't assimilating fast enough and weren't learning English. I don't see any of that. As some of you know, I live with and am

married to an immigrant from Germany, her first language is German, but obviously since I'm a monolingual English speaker, she speaks English, but our children are monolingual English speakers, they don't speak German. Very quickly, I think, folks end up learning English if they're going to have to...if they are going to move ahead and I think the only thing this really does is...just causes some derision at a time when we have other issues with regard to the immigrant community and we don't need that type of exacerbation of that, especially when there doesn't appear to be any specific positive that can be pointed too by doing this, or specific change, so I vote 'no'."

HB 2824 - homeowners' associations; condominiums; hearings – DO PASS AMENDED

Nadine Sapien, Government Research Analyst, explained HB 2824. She explained the 13 line Leff amendment dated 3/29/06 at 7:53 a.m. (Attachment F)

Pat Haruff, Coalition for Home Owners for Rights and Education, testified in support of HB 2824 and answered questions posed by the Committee.

Roland Kelly, Coalition for Home Owners for Rights and Education, testified in support of HB 2824.

Representative Farnsworth, bill sponsor, testified in support of HB 2824 and answered questions posed by the Committee.

Gary Vernon, representing self, testified in support of HB 2824 and answered questions posed by the Committee.

Kevin DeMenna, Community Associations Institute, testified in opposition to HB 2824.

Penny Koepke, Attorney, representing self, testified in opposition to HB 2824 and answered questions posed by the Committee.

Brian Lincks, Vice President of City Property Management, testified in opposition to HB 2824 and answered questions posed by the Committee.

Cliff Vanell, Director, Office of Administrative Hearings, testified as neutral on HB 2824 and answered questions posed by the Committee.

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

Senator Gray moved HB 2824 be returned with a DO PASS recommendation.

Senator Leff moved the 13 line Leff amendment dated 3/29/06 at 7:53 a.m. be ADOPTED. The motion CARRIED by voice vote.

Senator Gray moved HB 2824 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 5-0-1 (Attachment 12).

In explanation of his vote, Senator Brotherton stated, "I think there needs to be some additional work on this, just from looking this over and I was trying to kind of, put an ear to the TV when I was in the meeting I was at when I was gone from here. I do think there needs to be some work on this piece of

legislation to make it really move and I'm willing to vote 'aye' now and see what happens when it comes to the floor."

In explanation of his vote, Senator Flake said, "I'm not very clear on this bill, as I was the other one and I can see some real positives in this so, for the time I'm going to vote 'yes'."

In explanation of her vote, Senator Gray remarked, "I would like to see the extension of the 20 days, I will work with the sponsor of the bill on that. It does say May, it's just another option that you can go out and be able to arbitrate on this and in this business, the longer we're here, the more bills that are brought before us and friends come and go and enemies accumulate and with that, I'll vote 'aye'."

HB 2736 - eminent domain; appraisal; taxes – DO PASS AMENDED

Nadine Sapien, Government Research Analyst, explained HB 2736. She explained the 6 line Waring amendment dated 3/29/06 at 3:28 p.m. (Attachment G)

Representative Farnsworth, bill sponsor, testified in support of HB 2736 and answered questions posed by the Committee.

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

Senator Gray moved HB 2736 be returned with a DO PASS recommendation.

Senator Gray moved the 6 line Waring amendment dated 3/29/06 at 3:28 p.m. be ADOPTED. The motion CARRIED by voice vote.

Senator Gray moved HB 2736 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 4-0-2 (Attachment 13).

HB 2712 - tax decisions; distribution – DO PASS AMENDED

Sharon Coleman, Government Research Intern, explained HB 2712. She explained the 22 line Waring amendment dated 3/29/06 at 3:55 p.m. (Attachment H) She explained the 2 line Waring amendment dated 3/29/06 at 12:05 p.m. (Attachment I)

Representative Yarbrough, bill sponsor, testified in support of HB 2712.

Jennifer Schuldt, Senior Research Analyst, Arizona Tax Research Association, testified in support of HB 2712.

Senator Gray moved HB 2712 be returned with a DO PASS recommendation.

Senator Gray moved the 22 line Waring amendment dated 3/29/06 at 3:55 p.m. be ADOPTED. The motion CARRIED by voice vote.

Senator Gray moved the 2 line Waring amendment dated 3/29/06 at 12:05 p.m. be ADOPTED. The motion CARRIED by voice vote.

Senator Gray moved HB 2712 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 4-0-2 (Attachment 14).

HB 2808 - legislative budget committee; reviews; notice – DO PASS AMENDED

Sharon Coleman, Government Research Intern, explained HB 2808. She explained the 2 line Waring amendment dated 3/29/06 at 10:10 a.m. (Attachment J)

Representative Gorman, bill sponsor, testified in support of HB 2808.

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

Senator Gray moved HB 2808 be returned with a DO PASS recommendation.

Senator Gray moved the 2 line Waring amendment dated 3/29/06 at 10:10 a.m. be ADOPTED. The motion CARRIED by voice vote.

Senator Gray moved HB 2808 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 3-1-2 (Attachment 15).

HB 2102 - ski information signs; technical correction (NOW: special audit; OAG; sole source) – DO PASS AMENDED

Nadine Sapien, Government Research Analyst, explained HB 2102. She explained the 29 line Flake amendment dated 3/29/06 at 8:11 a.m. (Attachment K)

Marcus Osborn, Manager of Government and Public Affairs, Wist Office Supplies, testified in support of HB 2102.

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

Senator Gray moved HB 2102 be returned with a DO PASS recommendation.

Senator Gray moved the 29 line Flake amendment dated 3/29/06 at 8:11 a.m. be ADOPTED. The motion CARRIED by voice vote.

Senator Gray moved HB 2102 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 4-0-2 (Attachment 16).

There being no further business, the meeting was adjourned at 1:05 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.)