ARIZONA STATE SENATE

48TH LEGISLATURE
SECOND REGULAR SESSION

MINUTES OF COMMITTEE ON FINANCE

DATE: February 6, 2008 **TIME:** 1:30 p.m. **ROOM:** SHR 1

CHAIRMAN: Senator Waring **VICE CHAIRMAN:** Senator Leff

ANALYST: Thomas Benton **INTERN:** Jonathan Tuepker

COMMITTEE SECRETARY: Bill Ritz

ATTENDANCE

Committee Members	Pr	Ab	Ex
Senator Burns	X		
Senator Cheuvront	X		
Senator Gorman	X		
Senator Gould	X		
Senator McCune Davis	X		
Senator Miranda	X		
Senator Leff, Vice Chairman	X		
Senator Waring, Chairman	X		

BILLS

Bill Number	Disposition
SB 1260	DPA
SB 1340	DPA
SB 1157	HELD
SB 1020	FAILED
SB 1256	DPA
SCR 1008	FAILED
SB 1105	HELD

Chairman Waring called the meeting to order at 1:34 p.m. and attendance was noted.

CONSIDERATION OF BILLS

SB 1260 – municipal elections; tax incentives; increases – DO PASS AMENDED

Jonathan Tuepker, Finance Research Intern, explained SB 1260 and the 2-page Cheuvront amendment dated 2/5/08 at 4:11 p.m. (Attachment A).

Senator Cheuvront, bill sponsor, further explained SB 1260 and answered questions posed by the Committee members.

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

> **Senator Cheuvront moved SB 1260 be returned with a DO PASS recommendation.**
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> **Senator Cheuvront moved the 2-page Cheuvront amendment dated 2/5/08 at 4:11 p.m. be ADOPTED. The motion CARRIED by voice vote.**
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> **Senator Cheuvront moved SB 1260 be returned with an AS AMENDED, DO PASS, recommendation. The motion CARRIED with a roll call vote of 7-1-0 (Attachment 1).**

SB 1157 – internet sales tax, prohibition - HELD

Senator Waring announced SB 1157 would be held.

SB 1020 – VLT exemption; seniors; income based – FAILED

Ryan DeMenna, Transportation Research Analyst, explained SB 1020 and answered questions posed by the Committee members.

Senator Tibshraeny, bill sponsor, further explained SB 1020 and answered questions posed by the Committee members.

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

> **Senator Leff moved SB 1020 be returned with a DO PASS recommendation. The motion FAILED with a roll call vote of 4-4-0 (Attachment 2).**

In explanation of his vote, Senator Cheuvront stated "I have always been an advocate of tax equity. I hate when we give special tax privileges to one group. I think Senator Leff made a good point that we have young individuals on fixed incomes and many of these individuals do not have the assets that many of the elderly do. Although I would like to see them get some kind of relief, I think it is at the expense of someone else and I vote 'No'."

In explanation of her vote, Senator Gorman stated "I'd like to echo, first of all, Senator Cheuvront. Also, you have the same amount of cost and it is like a balloon when you squeeze it on one end it is going to expand on the other. We need roads in this state and it costs money. We get into this discussion of well it is only a million dollars but where are you going to get that million dollars? I am looking at a big deficit and I am thinking this is not a good time to be pulling any money out of road building. As a general policy I do not think it is a great idea, honestly, to be doing inequitable type things of this nature. As far as this Chairman has reminded us, driving is a privilege not a right and owning a car has certain costs involved with it and if you have reached an age that you can qualify for this bill I would hope by now you understand the difference between things that cost you money and are a privilege and a luxury to have and those things that are not and you are not going to the tax payers, who are your children and grandchildren, asking them to give you a free ride after all these years and I am going to vote 'No'."

In explanation of her vote, Senator McCune Davis stated "I am going to support the bill today. I do have some concerns about the fiscal impact and who is impacted. But I think in the case of senior citizens we need to acknowledge the fact that we live in a state that has very little public transit or alternatives to transportation and owning a car and maintaining the insurance requirements and other elements of it can be costly and burdensome on a limited income. I am going to support the bill today and try and get more information about exactly how the funds are distributed."

In explanation of his vote, Senator Miranda stated "This is not the year to really do something like this. But for Committee I am going to vote 'Yes'."

SB 1340 – tax exemption; internet applications – DO PASS AMENDED

Tom Benton, Finance Research Analyst, explained SB 1340 and the 19-page Waring amendment dated 2/6/08 at 1:38 p.m. (Attachment C).

James Jutry, Assessment Technology, Inc, testified in support of SB 1340 and answered questions posed by the Committee members.

Sean Laux, Legislative Liaison, Arizona Department of Revenue, answered questions posed by the Committee members.

John Bergan, President, Assessment Technology Inc, testified in support of SB 1340.

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

Charles King, Assessment Technology Inc, testified in support of SB 1340.

Senator Leff moved SB 1340 be returned with a DO PASS recommendation.

Senator Leff moved the 19-page Waring amendment dated 2/6/08 at 1:38 p.m. be ADOPTED. The motion CARRIED by voice vote.

Senator Leff moved SB 1340 be returned with an AS AMENDED, DO PASS, recommendation. The motion CARRIED with a roll call vote of 6-0-2 (Attachment 3).

In explanation of his vote, Senator Cheuvront stated "I guess ultimately the Governor will decide whether it is a legitimate program or not with her pen. I vote 'Aye'."

SB 1256 – special districts; secondary levy limits – DO PASS AMENDED

Tom Benton, Finance Research Analyst, explained SB 1256, the 3-line Waring amendment dated 2/5/08 at 2:45 p.m. (Attachment D), and answered questions posed by the Committee members.

Kevin McCarthy, President, Arizona Tax Research Association, testified in support of SB 1256 and answered questions posed by the Committee members.

Carolyn Oberholtzer, Westpac Development Corporation and Walton International Development Corporation, testified in opposition to SB 1256 and answered questions posed by the Committee members.

Philip Miller, representing self, testified in opposition to SB 1256 and answered questions posed by the Committee members.

Craig Sullivan, Deputy Director, County Supervisors Association, testified in opposition to SB 1256 and answered questions posed by the Committee members.

Tim Hill, Legislative Liaison, Professional Firefighters of Arizona, testified as neutral to SB 1256 and answered questions posed by the Committee members.

Lee Miller, Arizona Fire District Association, testified as neutral to SB 1256 and answered questions posed by the Committee members.

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

Senator Burns moved SB 1256 be returned with a DO PASS recommendation.

Senator Burns moved the 3-line Waring amendment dated 2/5/08 at 2:45 p.m. be ADOPTED. The motion CARRIED by voice vote.

Senator Burns moved SB 1256 be returned with an AS AMENDED, DO PASS, recommendation. The motion CARRIED with a roll call vote of 6-0-2 (Attachment 4).

In explanation of his vote, Senator Cheuvront stated "I think in order to really kind of quell the revolt by the property tax owners we are going to have to cut the rates. I have never supported going after evaluations and I vote 'Aye'."

In explanation of his vote, Senator Gould stated "I have a handy little chart here from ATRA titled "The Top 20 Fire Districts With the Greatest Percent Increase 2006-2007" and it is interesting that quite a few are in Mohave County in which I happen to reside in. Valley Vista 86 percent, Beaver Dam Littlefield 57 percent, Fort Mohave Mesa 51 percent, Bullhead City 50 percent, Golden Valley 50 percent, and Golden Shores 45 percent. So apparently I had five or six fire districts in the top twenty and I vote 'Aye'."

SCR 1008 – tax expenditures; supermajority enactment – FAILED

Tom Benton, Finance Research Analyst, explained SCR 1008.

Senator Garcia, bill sponsor, further explained SCR 1008 and answered questions posed by the Committee members.

Kevin McCarthy, President, Arizona Tax Research Association, testified in opposition to SCR 1008.

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

> **Senator Leff moved SCR 1008 be returned with a DO PASS recommendation. The motion FAILED with a roll call vote of 1-5-2 (Attachment 5).**

SB 1105 – tax expenditures; enactment requirement – HELD

Tom Benton, Finance Research Analyst, explained SB 1105 and answered questions posed by the Committee members.

Senator Garcia, bill sponsor, stated SB 1105 would only be enacted if SCR 1008 was approved and since it failed SB 1105 did not need to be heard.

APPROVAL OF MINUTES

> **Senator Waring moved the minutes of January 16, 2008, be approved. Without objection, the minutes were approved as distributed.**

There being no further business, the meeting was adjourned at 3:34 p.m.

Respectfully submitted,

Bill Ritz
Committee Secretary

(Audio recordings and attachments on file in the Secretary of Senate's Office/Resource Center, Room 115. Audio archives are available at http://www.azsenate.gov).