

ARIZONA STATE SENATE

48TH LEGISLATURE SECOND REGULAR SESSION

MINUTES OF COMMITTEE ON COMMERCE AND ECONOMIC DEVELOPMENT

DATE: February 20, 2008 **TIME:** 9:00 a.m. **ROOM:** SHR 3

CHAIRMAN: Senator Leff **VICE CHAIRMAN:** Senator Blendu

ANALYST: Leah Birk **INTERN:** Sheila Gholkar

ASSISTANT ANALYST: Justin Weaver **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 Allen			x	SB 1176	DPA/SE
Senator Burton Cahill	x			SB 1348	DP
Senator Chevront	x			SB 1417	DPA
Senator Gorman	x			SB 1450	DP
Senator Miranda	x			SB 1486	DP
Senator Tibshraeny	x			SB 1502	HELD
Senator Blendu, Vice Chairman	x				
Senator Leff, Chairman	x				

Chairman Leff called the meeting to order at 9:18 a.m. and attendance was taken.

APPROVAL OF MINUTES

Senator Leff moved the minutes of February 13, 2008 be approved. Without objection, the minutes were approved as distributed.

CONSIDERATION OF BILLS

SB 1486 - notary public; name change. – DO PASS

Sheila Gholkar, Commerce and Economic Development Research Intern, explained SB 1486 and answered questions posed by the Committee.

Senator Aguirre, bill sponsor, testified in support of SB 1486.

Senator Blendu moved SB 1486 be returned with a DO PASS recommendation. The motion CARRIED with a roll call vote of 5-0-3 (Attachment 1).

SB 1348 - business development program; disabled persons – DO PASS

Sheila Gholkar, Commerce and Economic Development Research Intern, explained SB 1348.

Senator Burton Cahill, bill sponsor, further explained SB 1348.

Senator Burton Cahill moved SB 1348 be returned with a DO PASS recommendation. The motion CARRIED with a roll call vote of 5-0-3 (Attachment 2).

SB 1176 - security guards; technical correction – DO PASS AMENDED / STRIKE EVERYTHING

Leah Birk, Commerce and Economic Development Research Analyst, explained the 2 page Leff strike everything amendment to SB 1176 dated 2/18/08 at 9:25 a.m. (Attachment A)

Tom Farley, Arizona Association of Realtors, testified in support of SB 1176 and answered questions posed by the Committee.

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

Senator Blendu moved SB 1176 be returned with a DO PASS recommendation.

Senator Blendu moved the 2 page Leff strike everything amendment dated 2/18/08 at 9:25 a.m. be ADOPTED. The motion CARRIED by voice vote.

Senator Blendu moved SB 1176 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 6-0-2 (Attachment 3).

SB 1417 - contractor regulation – DO PASS AMENDED

Justin Weaver, Commerce and Economic Development Assistant Research Analyst, explained SB 1417 and the 5-line Leff amendment dated 2/19/08 at 3:34 p.m. (Attachment C)

Senator Leff, bill sponsor, further explained SB 1417.

Justin Weaver answered questions posed by the Committee.

Scot Mussi, Deputy Director of Legislative Affairs, Home Builders Association of Central Arizona, testified as neutral on SB 1417.

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

Barry Aarons, Construction Trades Coalition, testified in opposition to SB 1417.

Senator Blendu moved SB 1417 be returned with a DO PASS recommendation.

Senator Blendu moved the 5-line Leff amendment dated 2/19/08 at 3:34 p.m. be ADOPTED. The motion CARRIED by voice vote.

Senator Blendu moved SB 1417 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 5-0-3 (Attachment 4).

In explanation of his vote, Senator Chevront stated, "I am going to vote aye. I do not mind fingerprinting, it does not bother me but I think to be effective you really have to have every licensee fingerprinted. If you do not fingerprint the electrical, plumbing or mechanical I am not quite sure what you are accomplishing so you might want to think about that. It almost has to be everyone, and I vote aye."

SB 1450 - regional attraction districts – DO PASS

Leah Birk, Commerce and Economic Development Research Analyst, explained SB 1450 and answered questions posed by the Committee.

Senator Verschoor, bill sponsor, testified in support of SB 1450 and answered questions posed by the Committee.

Kevin B. DeMenna, Decades Music Theme Park, testified in support of SB 1450 and answered questions posed by the Committee. He submitted a letter (Attachment D) written by Danny Zelisko, Chairman, Live Nation Southwest regarding the Decades Music Theme Park.

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

Senator Blendu moved SB 1450 be returned with a DO PASS recommendation. The motion CARRIED with a roll call vote of 5-2-1 (Attachment 5).

In explanation of his vote, Senator Cheuvront stated, "I think, as you said, I have been down here far too many years and I have seen these projects come and go with these great expectations of what they are going to create. I tend to disagree with my colleague over here about the stadium. I was adamant about the stadium and I still believe that public expenditures should not go to a private sector when they are competing with other people. I think Mr. Bidwell and the Bidwell family has made a lot of money but I am not sure that the tax payers have done well. I spoke with a friend who worked with Six Flags and they did a report on the practicality of bringing in a theme park or an amusement park into the state and they said that it was not practical because the weather was not conducive. The precedence we are setting here is amazing. We are allowing a private corporation to use a government entity to finance it and to get out of paying taxes. Who next? Who else is going to come here and say hey, I have a great project, I want to create a municipal corporation and it will be the best thing since sliced bread. We have to realize that there is a place for public and there is a place for private and it is good when they work together but not when one (inaudible) power, you know (inaudible) benefit. If this was a viable plan on its own, it could go into the private sector and get financing. Anytime they have to come to the public trough to get help, to me, I question the viability. I question that, we are setting precedence that really, in the future, we could regret, and I vote no."

In explanation of his vote, senator Miranda said, "I think this past Super Bowl brought over 400 million dollars to the State. I was hesitant on voting for the stadium myself in fact, I was going to change my vote that night, but I decided to vote in favor of the Cardinal Stadium and I am glad I did. As far as the weather, I think Orlando, Florida is very bad. I would not want to be there in July. I am going to vote yes but I do want the tax issue to be resolved."

In explanation of his vote, Senator Blendu remarked, "I think the points that have been brought up, the pros and cons, are all valid. I think that is what our job is but we also have to ask ourselves, what if we are wrong? What if it works out great? To me, this type of expenditure and the location, for us to think that it will not attract other investment in that area, think all you have to do is look at the master plans for Pinal County, Pima County, to see if there are already homes and developments planned for that area already. It will be developed. With all due respect, I reject the argument that we are jumping off this bridge we are never going to get back from. My personal view is if this turns out to be some big crooked deal, we created this entity, we can go back in and un-create it if we want to. Whatever we create, we are in charge of and I do not see it as a blank check. I think we should take a look at it, monitor it and see how it works. I spent a better part of three hours every afternoon listening to all of these public and private partnerships on toll roads in Arizona, which I completely reject at this point and I think there is a difference. The fact that we are doing nothing the same all of the time does not scare me and I vote aye."

In explanation of her vote, Senator Gorman stated, "I have considered this. I do not think it is necessarily a bad thing (inaudible). I came across wording that really bothered me to be honest and I mentioned some of those things today. One is that everything can be built outside of the district and not taxed. That is a real concern for me. Also, because this County is so cash strapped and desperate for some infrastructure, my concern is.....one of the things the bill says that concerns me is, not this body but the board of supervisors may require the following districts to reimburse the county for costs or services provided. We do not know what those services would be. Would they consider that to be transportation, sewer, and hospitals in the area? We do not know how loosely they are going to be able to connect things. The other problem I have is that, while I appreciate the effort to meet one of my concerns, which were, the taxes ending, because the bonds can essentially be refinanced for (inaudible). The fact that there are audits that come before this body, as you know, means nothing. The courts have decided that we have no ability, as a Joint Legislative Budget

Committee or anything like that to make decisions on law matters. I do not see the political fortitude to ever go forward and scrap this thing. I think for my comfort, there would have to be affirmative effort to make that happen. I am very sorry, I looked for a way to vote yes today but for these reasons, I vote no.”

In explanation of her vote, Senator Leff said, “One thing that has not been discussed is that none of this moves forward unless there is 100 million dollars in private investment. We are not going to find people investing unless they believe that this is going to be successful or that there is a place for it in Arizona and I think that is a very important piece, that when the private money comes, only then will the bonds be able to be (inaudible). I think that is something we need to think about as we move forward. The other thing I would like to say is, the reason for a hearing is to get out all of these issues and perhaps be able to discuss issues that we had not seen individually, as we read the bill, and I think some very valid issues have been raised today and I hope that the sponsor and others will address some of these issues and in the meantime, I think this is a very good start. Nobody would have believed that Orlando, Florida would have been a place that anyone would have gone in the summertime but Disney came in, the land was cheap, they built it and people came, and they keep coming and coming and coming. The other thing, this is a user tax, the tax will be paid only by people who enter the park (inaudible) and with that I vote aye.”

SB 1502 - professions; occupations; initial regulation - HELD

Senator Leff announced that SB 1502 would be HELD.

There being no further business, the meeting was adjourned at 10:55 a.m.

Respectfully submitted,

Jeff Turner
Committee Secretary

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