ARIZONA STATE SENATE

48TH LEGISLATURE
SECOND REGULAR SESSION

MINUTES OF COMMITTEE ON FINANCE

DATE: April 9, 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
HB 2084	HELD
HB 2100	DP
HB 2107	DP
HB 2110	DPA/SE
HB 2191	DP
HB 2330	DP
HB 2418	DP
HB 2523	DP
HB 2571	DPA
HB 2585	DP
HB 2589	DP
HB 2614	DP
HB 2622	DPA
HB 2638	DP
HB 2653	DP

Chairman Waring called the meeting to order at 1:58 p.m. and attendance was taken.

APPROVAL OF MINUTES

> **Senator Waring moved the minutes of March 26, 2008, be approved. Without objection, the minutes were approved as distributed.**

CONSIDERATION OF BILLS

HB 2653 – tax credit; research and development – DO PASS

> **Senator Leff moved HB 2653 be returned with a DO PASS recommendation. The motion CARRIED with a roll call vote of 4-2-2 (Attachment 1).**

HB 2084 – bank deposits; technical correction(now: property tax limit; jail districts) – HELD

Senator Waring announced HB 2084 would be HELD.

HB 2191 – property classification; bed and breakfast – DO PASS

Jonathan Tuepker, Finance Research Intern, explained HB 2191 and answered questions posed by the Committee members.

Representative Crandall, bill sponsor, further explained HB 2191.

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

Barry Aarons, Arizona Tourism Alliance, Tucson Convention and Visitor's Bureau, testified in support of HB 2191.

> **Senator Leff moved HB 2191 be returned with a DO PASS recommendation. The motion CARRIED with a roll call vote of 8-0-0 (Attachment 2).**

HB 2523 – property tax deeds; technical correction(now: tax lien sale; regulation) – DO PASS

Thomas Benton, Finance Research Analyst, explained HB 2523.

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

Charles Hoskins, Maricopa County Treasurer, testified in support of HB 2523, referring to a map of a neighborhood (Attachment B) and handout entitled “Tax Sales History” (Attachment C). Mr. Hoskins also answered questions posed by the Committee members.

> **Senator Leff moved HB 2523 be returned with a DO PASS recommendation. The motion CARRIED with a roll call vote of 8-0-0 (Attachment 3).**

HB 2589 – income tax credit; other states – DO PASS

Thomas Benton, Finance Research Analyst, explained HB 2589.

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

Representative Crandall, bill sponsor, further explained HB 2589.

> **Senator Leff moved HB 2589 be returned with a DO PASS recommendation. The motion CARRIED with a roll call vote of 8-0-0 (Attachment 4).**

HB 2100 – tax credits; withholding tax reduction – DO PASS

Thomas Benton, Finance Research Analyst, explained HB 2100.

Representative Yarbrough, bill sponsor, further explained HB 2100 and answered questions posed by the Committee members.

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

> **Senator Leff moved HB 2100 be returned with a DO PASS recommendation. The motion CARRIED with a roll call vote of 5-3-0 (Attachment 5).**

HB 2418 – telecommunications companies; property tax valuation – DO PASS

Jonathan Tuepker, Finance Research Intern, explained HB 2418.

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

> **Senator Leff moved HB 2418 be returned with a DO PASS recommendation. The motion CARRIED with a roll call vote of 8-0-0 (Attachment 6).**

HB 2638 – municipal tax incentive penalty; application – DO PASS

Jonathan Tuepker, Finance Research Intern, explained HB 2638, the 2-line Cheuvront amendment dated 4/8/08 at 1:20 p.m. (Attachment D), and answered questions posed by the Committee members.

Representative Murphy, bill sponsor, further explained HB 2638 and answered questions posed by the Committee members.

Senator Cheuvront further explained the 2-line Cheuvront amendment dated 4/8/08 at 1:20 p.m.

> **Senator Leff moved HB 2638 be returned with a DO PASS recommendation.**

Senator Cheuvront announced he would not offer the 2-line Cheuvront amendment dated 4/8/08 at 1:20 p.m.

The motion that HB 2638 be returned with a DO PASS recommendation CARRIED with a roll call vote of 8-0-0 (Attachment 7).

HB 2622 – prime contracting classification; contract services(now: exemption; preconstruction services) – DO PASS AMENDED

Thomas Benton, Finance Research Analyst, explained HB 2622, the 5-line Waring amendment dated 4/8/08 at 3:26 p.m. (Attachment E), and answered questions posed by the Committee members.

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

Mark Minter, Executive Director, Arizona Builders' Alliance, testified in support of HB 2622 and answered questions posed by the Committee members.

Anthony Forschino, Legislative Liaison, Arizona Department of Revenue, answered questions posed by the Committee members.

Senator Leff moved HB 2622 be returned with a DO PASS recommendation.

Senator Leff moved the 5-line Waring amendment dated 4/8/08 at 3:26 p.m. be ADOPTED. The motion CARRIED by voice vote.

Senator Leff moved HB 2622 be returned with an AS AMENDED, DO PASS, recommendation. The motion CARRIED with a roll call vote of 7-1-0 (Attachment 8).

In explanation of his vote, Senator Cheuvront stated "(Inaudible)."

In explanation of her vote, Senator Gorman stated "I am going to vote 'Yes' today but I would like to see an amendment to deal with Senator Cheuvront's concerns on the floor."

HB 2107 – delinquent information tax returns; penalty – DO PASS

Jonathan Tuepker, Finance Research Intern, explained HB 2107.

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

Senator Leff moved HB 2107 be returned with a DO PASS recommendation. The motion CARRIED with a roll call vote of 8-0-0 (Attachment 9).

HB 2110 – disclosure of confidential information – DO PASS AMENDED/STRIKE EVERYTHING

Jonathan Tuepker, Finance Research Intern, explained the 3-page Waring strike everything amendment dated 4/3/08 at 4:32 p.m. (Attachment F).

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

Sean Laux, Legislative Liaison, Department of Revenue, testified in support of HB 2110 and answered questions posed by the Committee members.

Senator Leff moved HB 2110 be returned with a DO PASS recommendation.

Senator Leff moved the 3-page Waring strike everything amendment dated 4/3/08 at 4:32 p.m. be ADOPTED. The motion CARRIED by voice vote.

Senator Leff moved HB 2110 be returned with an AS AMENDED, DO PASS, recommendation. The motion CARRIED with a roll call vote of 6-2-0 (Attachment 10).

HB 2571 – low income housing; property tax – DO PASS AMENDED

Thomas Benton, Finance Research Analyst, explained HB 2571, the 18-line Waring amendment dated 4/8/08 at 2:08 p.m. (Attachment G), and answered questions posed by the Committee members.

Jeff Gray, Legislative Liaison, Arizona Department of Housing, testified in support of HB 2571 and answered questions posed by the Committee members.

Scott Gillette, Attorney, Atlantic Development & Investments, Inc., testified in support of HB 2571 and answered questions posed by the Committee members.

Dawn Gabel, Attorney, Wescap Development, testified in support of HB 2571 and answered questions posed by the Committee members.

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

Jennifer Sweeney, Public Affairs Specialist, Arizona Association of Counties, testified in opposition to HB 2571 and answered questions posed by the Committee members.

Keith Russell, Maricopa County Assessor, testified in opposition to HB 2571 and answered questions posed by the Committee members.

Senator Leff moved HB 2571 be returned with a DO PASS recommendation.

Senator Leff moved the 18-line Waring amendment dated 4/8/08 at 2:08 p.m. be ADOPTED. The motion CARRIED by voice vote.

Senator Leff moved HB 2571 be returned with an AS AMENDED, DO PASS, recommendation. The motion CARRIED with a roll call vote of 4-3-1 (Attachment 11).

In explanation of his vote, Senator Miranda stated "I just do not know whether or not they are going to have some kind of agreement on the cap and I wish they had worked it out before they came over to the Senate but for right now I am going to vote 'No'."

In explanation of his vote, Senator Cheuvront stated "I am going to vote 'No' at this time. I understand what they are trying to do but (inaudible)."

HB 2585 – general obligation bond requirements – DO PASS

Jonathan Tuepker, Finance Research Intern, explained HB 2585.

Kevin McCarthy, President, Arizona Tax Research Association, testified in support of HB 2585.

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

> **Senator Leff moved HB 2585 be returned with a DO PASS recommendation CARRIED with a roll call vote of 7-1-0 (Attachment 12).**

HB 2330 – property tax exemption; charter schools – DO PASS

Jonathan Tuepker, Finance Research Intern, explained HB 2330.

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

Tom Dorn, Arizona Charter Schools Association, testified in support of HB 2330.

> **Senator Leff moved HB 2330 be returned with a DO PASS recommendation CARRIED with a roll call vote of 7-0-1 (Attachment 13).**

HB 2614 – renewable energy valuation; expiration extension – DO PASS

Jonathan Tuepker, Finance Research Intern, explained HB 2614 and answered questions posed by the Committee members.

Representative Mason, bill sponsor, further explained HB 2614.

Gretchen Kitchel, Senior Public Affairs Representative, Pinnacle West Capital Corporation, testified in support of HB 2614.

Russell Smoldon, SRP, testified in support of HB 2614 and answered questions posed by the Committee members.

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

> **Senator Leff moved HB 2614 be returned with a DO PASS recommendation CARRIED with a roll call vote of 5-1-2 (Attachment 14).**

There being no further business, the meeting was adjourned at 4:18 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).