

ARIZONA HOUSE OF REPRESENTATIVES
Forty-ninth Legislature – Second Regular Session

COMMITTEE ON GOVERNMENT

Minutes of Meeting
Tuesday, January 26, 2010
House Hearing Room 4 -- 2:00 p.m.

Chairman Crump called the meeting to order at 2:10 p.m. and attendance was noted by the secretary.

Members Present

Mr. Antenori	Mr. Driggs	Mrs. Tovar
Mr. Campbell CH	Mr. Gowan	Mr. Montenegro, Vice-Chairman
Mr. Chabin	Mr. Nichols	Mr. Crump, Chairman

Members Absent

None

Committee Action

HB2047 – DP (7-0-0-2)	HB2340 -- HELD
HB2142 – DPA (8-0-0-1)	HB2377 – DP (8-0-0-1)
HB2173 – DP (8-0-0-1)	HB2395 -- HELD
HB2282 – DPA S/E (6-3-0-0)	HB2423 – DPA (8-0-0-1)
HB2301 – DP (8-0-0-1)	HB2447 – DP (8-0-0-1)
HB2302 -- HELD	HCR2023 – DP (8-0-0-1)

CONSIDERATION OF BILLS

HB2302 – publication of notices; committee – HELD
HB2340 – government; grant of public monies – HELD
HB2395 – schools; payroll deductions; union dues – HELD

Chairman Crump announced that HB2302, HB2340 and HB2395 will be held.

HB2447 – official state nickname – DO PASS

Vice-Chairman Montenegro moved that HB2447 do pass.

Stephanie Johnson, Majority Research Intern, explained that HB2447 establishes the official nickname of Arizona as “The Grand Canyon State” (Attachment 1).

Chairman Crump, sponsor, indicated that this bill was heard last year. Arizona has many official state emblems but no official nickname. A student from San Luis Obispo, California brought this forward.

Marshall Trimble, Official State Historian, in favor of HB2447, related that he received a letter last year from a fifth-grade student working on a history project about Arizona who wanted to know the state's official nickname. He did some research but could not find any record of one, so he promised the student he would try to make this the official nickname. It would also be nice, with the Centennial nearing, to have an official nickname.

Chairman Crump remarked that if the bill passes, the student would like to be present when it is signed by the Governor.

Barry Aarons, representing Arizona Tourism Alliance; Tucson Convention & Visitors Bureau, spoke in support of HB2447. He indicated that he has been working with the Centennial Commission and the Office of Tourism on plans for the Centennial celebration in 2012. Due to fiscal limitations, attempts are being made to plan activities to celebrate in a grand fashion that do not cost a lot of money. He noted that about 12 years ago, a survey of foreign visitors to the Grand Canyon revealed that 71 percent believed it is in Las Vegas, so doing this makes a statement about Arizona. He asked the Members' support for this first official act to be done in celebration of Arizona's Centennial.

Vice-Chairman Montenegro announced the names of those who signed up in support of HB2447 but did not speak:

Bryan Ginter, representing self

Question was called on the motion that HB2447 do pass. The motion carried by a roll call vote of 8-0-0-1 (Attachment 2).

HB2377 – state treasurer; quarterly meetings – DO PASS

Vice-Chairman Montenegro moved that HB2377 do pass.

Stephanie Johnson, Majority Research Intern, explained that HB2377 requires the State Treasurer to hold quarterly public meetings to report on the performance of current investments (Attachment 3).

Chairman Crump, sponsor, related that these meetings are presently occurring and have been useful. The meetings were initiated by the current State Treasurer who will not always be in that position, but believes it would be good policy to have the meetings codified.

Kimberly Yee, Arizona State Treasurer's Office, spoke in support of HB2377. She related that this bill was introduced last year but was held up in the Senate. It provides in state law that the State Treasurer continue to have these quarterly meetings in order that other administrations will provide the same accountability.

Vice-Chairman Montenegro announced the names of those who signed up in support of HB2377 but did not speak:

Dean Martin, Arizona State Treasurer

Jennifer Loreda, Arizona Education Association

Jen Sweeney, Government Affairs Director, Arizona Association of Counties

Bridget Manock, Manager of Legislative Affairs, Central Arizona Project

Janice Palmer, Governmental Relations Analyst, Arizona School Boards Association

Bryan Ginter, representing self

Jeffrey Kros, Legislative Director, League of Cities and Towns

Linda Brown, representing self

Question was called on the motion that HB2377 do pass. The motion carried by a roll call vote of 8-0-0-1 (Attachment 4).

HCR2023 – auditor general; reappointment – DO PASS

Chairman Crump noted that this bill is a companion bill to HB2047, which will be heard next.

Vice-Chairman Montenegro moved that HCR2023 do pass.

Stephanie Johnson, Majority Research Intern, explained that HCR2023 approves the reappointment of Debra K. Davenport as Auditor General of the State of Arizona (Attachment 5).

Representative Judy Burges, sponsor, stated that as Chairman of the Joint Legislative Audit Committee (JLAC), it is her duty to convey how much the work of Debra Davenport is appreciated. The auditors in the Auditor General's Office are thorough and do a lot of work that is extremely important to the state. Ms. Davenport has the knowledge, experience and education necessary to continue doing her job, and she always makes herself available to Members who have questions, which is very important.

Vice-Chairman Montenegro announced the names of those who signed up in support of HCR2023 but did not speak:

Charles Essigs, representing self

Bryan Ginter, representing self

Debra Davenport, Auditor General, stated that she has been the Auditor General for 10 years and it has been challenging and interesting all at the same time. The Office is available to serve the legislators as policymakers with independent, impartial and timely information, and the auditors are busy auditing on a financial and performance basis.

Question was called on the motion that HCR2023 do pass. The motion carried by a roll call vote of 8-0-0-1 (Attachment 6).

HB2047 – auditor general; continuation – DO PASS

Vice-Chairman Montenegro moved that HB2047 do pass.

Stephanie Johnson, Majority Research Intern, explained that HB2047 continues the Office of the Auditor General until July 1, 2020 (Attachment 7).

Vice-Chairman Montenegro, sponsor, stated that a Committee of Reference hearing was held during the interim where it was determined that this is one of the areas that should be continued for the next 10 years.

Vice-Chairman Montenegro announced the names of those who signed up in support of HB2047 but did not speak:

Jim Hartdegen, representing self

Charles Essigs, Director of Government Relations, representing self

Bryan Ginter, representing self

Question was called on the motion that HB2047 do pass. The motion carried by a roll call vote of 7-0-0-2 (Attachment 8).

HB2142 – board of athletic training; omnibus – DO PASS AMENDED

Vice-Chairman Montenegro moved that HB2142 do pass.

Vice-Chairman Montenegro moved that the Montenegro 10-line amendment to HB2142 dated 1/21/10 (Attachment 9) be adopted.

Christopher Stapley, Majority Assistant Research Analyst, explained that HB2142 makes numerous changes to the statutes governing the Board of Athletic Trainers (Attachment 10). The amendment eliminates the following (Attachment 9):

- \$100 compensation for the Board members
- conflicting statutes regarding staffing for the Board
- specification of a commercial copying fee
- Proposition 108 clause

Mr. Chabin commented that there are numerous boards and commissions throughout the state that work on a voluntary basis and opined that it would be a mistake to pay one commission and not others, so he appreciates the amendment. He opined that it is never a good idea for a board to be involved with hiring of staff and asked if the bill could be held to work on the language.

Wendy Hammon, Executive Director, Board of Athletic Training; Board of Occupational Therapy, spoke in support of HB2142. She explained that under current statute, the Board of Occupational Therapy selects the Executive Director and staff. Those individuals provide service to the Board of Occupational Therapy and the Board of Athletic Training. This bill provides the Board of Athletic Training the ability to hire its own staff and share in the hiring of the Executive Director.

Vice-Chairman Montenegro recalled that no General Fund money is received by the Boards. Ms. Hammond agreed, adding that there are currently three staff people who serve both Boards. The number of positions and funding will not change.

Vice-Chairman Montenegro announced the names of those who signed up in support of HB2142 but did not speak:

John Parsons, Arizona Athletic Trainers' Association

Tamara Valovich Mcleod, Associate Professor, Arizona Athletic Trainers' Association

Matt Webber, representing self

John Neel, Owner, FITLIFE Health Systems; Arizona Athletic Trainers' Association

Alison Snyder, Athletic Training Educator, representing self; Arizona Athletic Trainers' Association

Kellie Huxel, Athletic Trainer/Assistant Professor, A.T. Still University, representing self

Barton Anderson, Athletic Trainer/Assistant Professor, Azata

Michael Nesbitt, Arizona Board of Athletic Training

Randall Cohen, Athletic Trainer, representing self

Bryan Ginter, representing self

Michelle Hindman, Majority Research Analyst, in response to a question, explained that Section 9 of the bill relating to commercial and noncommercial copies was considered to be an increase in existing fees, which triggered the Proposition 108 clause. The amendment strikes that language, so the Proposition 108 clause is also eliminated.

Question was called on the motion that the Montenegro 10-line amendment to HB2142 dated 1/21/10 (Attachment 9) be adopted. The motion carried.

Vice-Chairman Montenegro moved that HB2142 as amended do pass. The motion carried by a roll call vote of 8-0-0-1 (Attachment 11).

HB2173 – personal property exemptions; debt collection – DO PASS

Vice-Chairman Montenegro moved that HB2173 do pass.

Stephanie Johnson, Majority Research Intern, explained that HB2173 removes the list of specific household furniture, furnishings and appliances established in statute, allowing debtors to exempt up to \$4,000 worth of household furniture, furnishings and appliances from the court-ordered debt collecting process (Attachment 12).

Chairman Crump, sponsor, said this bill was heard last year. When someone files for bankruptcy, it is tedious to list household belongings, so instead the bill allows individuals to list household goods up to \$4,000.

Vice-Chairman Montenegro announced the names of those who signed up in support of HB2173 but did not speak:

Bryan Ginter, representing self

Linda Brown, representing self

Question was called on the motion that HB2173 do pass. The motion carried by a roll call vote of 8-0-0-1 (Attachment 13).

HB2282 – government transparency; political subdivisions - DO PASS AMENDED S/E
S/E: same subject

Vice-Chairman Montenegro moved that HB2282 do pass.

Vice-Chairman Montenegro moved that the Montenegro four-page S/E amendment to HB2282 dated 1/22/10 (Attachment 14) be adopted.

Michelle Hindman, Majority Research Analyst, explained that the S/E amendment to HB2282 (Attachment 14) requires local governments to establish and maintain an official Internet website of receipts and expenditures that mirrors the Arizona Department of Administration (ADOA) database (Attachment 15).

Vice-Chairman Montenegro, sponsor, stated that this bill was heard last year. The intention is to provide further transparency by requiring entities that collect taxpayers' money to post expenditures and revenues on a website for taxpayers to view. He noted that he is aware of concerns about certain definitions and language, which he is willing to work on.

Mr. Chabin suggested holding the bill in order to obtain support from individuals who oppose it. Vice-Chairman Montenegro responded that he plans to have a stakeholder meeting during the first week of February 2010.

Mr. Campbell asked if any of the entities that will be impacted were consulted. Vice-Chairman Montenegro replied that he talked with a few entities. There is concern about the cost, but one of the groups indicated that it is doable as long as some definitions and language are cleaned up, which he plans to do. Texas implemented this at a cost of \$400,000 for the entire state. Millions of dollars are collected from taxpayers, so to say an entity cannot afford this is not justification.

Vice-Chairman Montenegro announced the names of those who signed up in support of the S/E amendment but did not speak:

Seth Apfel, representing self

Courtney Gilstrap Levinus, representing AMA; AZREIA; ARPOLA

Sydney Hay, representing A Plus Arizona - Every Child Can Learn

Scot Mussi, Deputy Director of Legislative Affairs, Home Builders Association of Central Arizona

Vice-Chairman Montenegro announced the names of those who signed up in opposition to the S/E amendment but did not speak:

Jacqueline Walker, City of Kingman

Janice Palmer, Governmental Relations Analyst, Arizona School Boards Association

Bryan Ginter, representing self

Todd Madeksza, Director of Legislative Affairs, County Supervisors Association

Charles Essigs, Director of Government Relations, Arizona Association of School Business Officials

Vice-Chairman Montenegro announced the names of those who signed up as neutral on the S/E amendment but did not speak:

Jen Sweeney, Government Affairs Director, Arizona Association of Counties

Jeffrey Kros, Legislative Director, League of Cities and Towns

Alan Ecker, Program Associate, Arizona Department of Administration

Patricia Hill, Legislative Liaison, Maricopa Community Colleges

Robert Lynch, attorney, Irrigation & Electrical Districts Association, opposed the S/E amendment and raised the following concerns:

- The definition of *local government* is too broad because it includes any political subdivision of the state with no exclusions for size, as there is for counties, cities, towns and school districts. Some members of the Association are quite small, many are in rural areas, some have websites and some do not; one does not even have an office.
- Exposure of financial data could include critical energy infrastructure information, which would violate federal regulations.

He suggested an amendment on page 4, line 2, of the S/E amendment to strike “ANY POLITICAL SUBDIVISION OF THIS STATE, INCLUDING” and offered to work with the Chairman on other language to deal with different kinds of political subdivisions. In response to questions, he suggested inclusion of exclusions based on function rather than size, indicating that a Study Committee could make those kinds of judgments and develop legislative language.

Jen Sweeney, Government Affairs Director, Arizona Association of Counties, neutral on the S/E amendment, made the following comments:

- In these times every cost is significant, so each bill moving through the Legislature with a county impact must be reviewed to determine if it is the most efficient and cost-effective way to get something done.
- In recent sunshine reviews by outside agencies, Arizona counties ranked among the best in the nation in terms of being open to the public.
- She would like to see items that arose in a stakeholder meeting last year included in the S/E amendment, e.g., if school districts do not have a website, posting can be done on the county superintendent’s website and encouraging school district reporting to the Arizona Department of Education (ADE).

She added that she is willing to participate in any stakeholder meetings. In response to questions, she indicated that she contacted her Texas counterpart last year and \$400,000 was the state cost. A county cost was not provided, but her counterpart indicated that it was more than \$400,000. She acknowledged that the information required in the S/E amendment is already available to the public if it is requested.

Janice Palmer, Governmental Relations Analyst, Arizona School Boards Association, opposed to the S/E amendment, indicated that she talked to Vice-Chairman Montenegro and he is willing to address her concerns. Every school district is required to have its budget posted on a website, but what is not required that was discussed in a stakeholder group is that ADE has all of the information for every school district; however, it is not searchable. The solution would be to have ADE’s website searchable to see not only what is happening in individual school districts, but also to make cross-comparisons of like-size school districts.

Jeffrey Kros, Legislative Director, League of Cities and Towns, stated that he is neutral on the S/E amendment, and he looks forward to working with Vice-Chairman Montenegro on the following concerns:

- search ability
- having to scrub a database (redact confidential information) would be extremely costly even if the software is in place
- because cities and towns vary so much in size, even with the 2,500 population floor, some items are just not financially or technologically feasible

In response to questions, he related that some research was conducted and the State of Alaska indicated that the software was inexpensive but the cost of maintaining the database, just at the state level, was \$7 million annually because an expert on confidentiality is needed to scrub the records so confidential information is not inadvertently disclosed on the website. Under the S/E amendment, every transaction by the city in the course of daily business would have to be scrubbed and posted on the website, so the volume could be monumental.

Vice-Chairman Montenegro remarked that the intent is to have categorical expenses posted.

Mr. Chabin raised the issue of cost of implementation when cities are considering laying off police officers and firefighters.

Todd Madeksza, Director of Legislative Affairs, County Supervisors Association, opposed the S/E amendment for the following reasons, indicating that he would like to participate in the stakeholder meeting:

- Counties took a hit of over \$119 million over the past three years as a result of the recession and state budget, so if this costs \$1 to implement, it is \$1 the counties do not have.
- Arizona counties were held up as some of the most open, transparent counties in the country last year by the Sam Adams Institute.
- This information is currently available.

Alan Ecker, Program Associate, Arizona Department of Administration (DOA), indicated a neutral position on the S/E amendment to HB2282. He said he is supportive of transparency, but DOA will not be able to adhere to the provision relating to cross-referencing of purchases with the actual contract by January 1, 2011. He noted that DOA is under a mandate to begin a transparency website by January 1, 2011, which the State Comptroller can speak about.

D. Clark Partridge, State Comptroller, General Accounting Office, Department of Administration (DOA), conveyed the status of DOA's efforts to comply with its mandate, possibly decreasing the cost to \$80,000 or less for the application side and about \$180,000 for maintaining the database. He responded to questions concerning the system developed in Texas.

Mr. Campbell remarked that a legislator stated on the Floor that individuals can obtain Quick Books from a website on how to do this. Mr. Partridge responded that it depends on the capability of the organization. He responded to questions about the ability to maintain the database and comply with the statute to satisfy transparency issues.

Representative David Stevens, admitted that he made the comment on the Floor about Quick Books and highlighted the following:

- In relation to transparency, a constituent in Sierra Vista requested data from the city, which took weeks, but when he received the information, it was over 3,000 pages at 15 cents per copy. There was a concerted effort not to supply the information in a timely manner and the constituent had to pay for the copies. That is the kind of problem people face in dealing with city and county governments.
- As far as cost, there was a report in the paper about Maricopa County spending hundreds of thousands of dollars on equipment it cannot legally use so information technology (IT) dollars are not being spent wisely.
- An Ad Hoc Committee on Information Technology was established to address better sharing of data and resources. Currently, agencies claim that it is not possible to easily communicate with other agencies. At some point that will be possible and will preclude some of the problems.
- As far as redacting data from utility payments, perhaps it is time for cities to get out of the business of selling water and providing trash service.
- Some cities and counties are ahead of the curve and have the software packages and web plug-ins, and only need to plug them in.
- It is not known how many software licenses are not being used that are already paid for by the state or what hardware resources are available that can be free to other entities. When that information is available, it will decrease the cost of the legislation.

Vice-Chairman Montenegro remarked that if an entity is large enough to tax, it is large enough to be transparent.

Question was called on the motion that the Montenegro four-page S/E amendment to HB2282 dated 1/22/10 (Attachment 14) be adopted. The motion carried.

Vice-Chairman Montenegro moved that HB2282 as amended do pass. The motion carried by a roll call vote of 6-3-0-0 (Attachment 16).

HB2301 – agencies; fund sources; expenditures; report – DO PASS

Vice-Chairman Montenegro moved that HB2301 do pass.

Christopher Stapley, Majority Assistant Research Analyst, explained that HB2301 requires the Governor's Office and budget units to report on the purposes and sources of all monies received by either *daily* posting the required information on their official websites or providing the Joint Legislative Budget Committee (JLBC) with a *monthly* report (Attachment 17).

Chairman Crump, sponsor, related that this bill is similar to the previous bill but relates more to transparency at the state level, and the information can be made available once per month to JLBC to post. It does not go as far as he would like in terms of a full, searchable database, but similar bills will be moving forward that can be "shaken out" as they move through the process.

Vice-Chairman Montenegro announced the names of those who signed up in opposition to HB2301 but did not speak:

Bryan Ginter, representing self

Question was called on the motion that HB2301 do pass. The motion carried by a roll call vote of 8-0-0-1 (Attachment 18).

HB2423 – municipal and county budgets – DO PASS AMENDED

Vice-Chairman Montenegro moved that HB2423 do pass.

Vice-Chairman Montenegro moved that the Crump eight-line amendment to HB2423 dated 1/20/10 (Attachment 19) be adopted.

Christopher Stapley, Majority Assistant Research Analyst, explained that HB2423 allows for counties, cities and towns to post estimates of expenses on their official Internet websites (Attachment 20). The amendment requires counties, cities and towns to post estimates of revenues and expenses on their official Internet websites in addition to making them available at libraries and administrative offices (Attachment 19). It also requires the summary of the estimates and notice together with the library addresses and websites where the complete copy of estimates may be found to be published once a week for at least two consecutive weeks in the official county, city or town newspaper.

Todd Madeksza, Director of Legislative Affairs, County Supervisors Association, testified in support of HB2423. He stated that this bill passed out of the Committee last year but was held up in the Senate. It allows counties to publish a budget summary instead of a full budget and refer the reader to a website, appropriate library or county office to view the entire budget. This is a cost-saving measure.

Heather Bernacki, Government Relations Associate, Yuma County, in support of HB2423, urged the Members' support for allowing local governments to post estimates of expenses and revenues on a website, which will result in a savings upwards of \$8,000 for Yuma County. Additionally, posting the figures on a website makes the information more accessible and user-friendly. In response to a question, she surmised that the \$8,000 includes publishing and staff.

Vice-Chairman Montenegro announced the names of those who signed up in support of HB2423 but did not speak:

Jen Sweeney, Government Affairs Director, Arizona Association of Counties

Linda Brown, representing self

Vice-Chairman Montenegro announced the names of those who signed up in opposition to HB2423 but did not speak:

Bryan Ginter, representing self

Vice-Chairman Montenegro announced the names of those who signed up as neutral on HB2423 but did not speak:

Jeffrey Kros, Legislative Director, League of Cities and Towns

Question was called on the motion that the Crump eight-line amendment to HB2423 dated 1/20/10 (Attachment 19) be adopted. The motion carried.

Vice-Chairman Montenegro moved that HB2423 as amended do pass. The motion carried by a roll call vote of 8-0-0-1 (Attachment 21).

Without objection, the meeting adjourned at 4:20 p.m.

Linda Taylor, Committee Secretary
January 29, 2010

(Original minutes, attachments and audio on file in the Chief Clerk's Office; video archives available at <http://www.azleg.gov>)