

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

COMMITTEE ON APPROPRIATIONS

Minutes of Meeting
Wednesday, March 24, 2010
House Hearing Room 1 -- 2:00 p.m.

Chairman Kavanagh called the meeting to order at 3:50 p.m. and attendance was noted by the secretary.

Members Present

Ms. Cajero Bedford	Mr. Heinz	Mr. Schapira
Mr. Campbell CL	Mr. Jones	Ms. Sinema
Mr. Court	Mrs. McLain	Mr. Williams
Mr. Crandall	Mr. Murphy	Mr. Kavanagh, Chairman

Members Absent

Mr. Biggs, Vice-Chairman

Committee Action

HB2243 – DPA S/E (12-0-0-1)	SB1212 – DPA (8-0-0-5)
HB2599 – DPA S/E (6-5-0-2)	SCR1022 – DP (6-4-0-3)
SB1107 – DP (9-0-0-4)	

CONSIDERATION OF BILLS

SCR1022 – legislative appropriation; federal monies – DO PASS

Mr. Murphy moved that SCR1022 do pass.

Kieren Smyers, Majority Research Intern, explained that SCR1022 gives the Legislature the power to appropriate noncustodial federal monies (Attachment 1).

Mr. Murphy announced the names of those who signed up in support of SCR1022 but did not speak:

Lorna Romero, Arizona Chamber of Commerce & Industry
Robin Quinn, representing self

Mr. Murphy announced the names of those who signed up in opposition to SCR1022 but did not speak:

Barbara Fanning, Legislative Liaison, Arizona Hospital and Healthcare Association

Senator Al Melvin, sponsor, stated that Arizona is one of only five states that lack the ability to appropriate noncustodial federal monies. This measure requires the Secretary of State to place the proposition on the ballot in the next general election.

Question was called on the motion that SCR1022 do pass. The motion carried by a roll call vote of 6-4-0-3 (Attachment 2).

HB2243 – research tax credit; transferable; refundable – DO PASS AMENDED S/E
S/E: tourism; TPT distribution; reinstatement

Mr. Murphy moved that HB2243 do pass.

Mr. Murphy moved that the Kavanagh ten-page strike-everything amendment to HB2243 dated 3/19/10 (Attachment 3) be adopted.

Mr. Murphy moved that the Kavanagh three-line amendment to the strike-everything amendment to HB2243 dated 3/23/10 (Attachment 4) be adopted.

Mike Huckins, Majority Research Analyst, explained that the strike-everything amendment to HB2243 (Attachment 3) reinstates the statutory Transaction Privilege Tax (TPT) Tourism Funding Formula and suspends the Formula until action is taken by the Legislature (Attachment 5). The three-line amendment to the strike-everything amendment allows up to 50 percent of Sports and Tourism Authority revenues to be used by the Office of Tourism for operational and administrative expenses for FY 2010-2011 and 2011-2012 only (Attachment 4).

Barry Aarons, representing Arizona Tourism Alliance; Tucson Convention & Visitors Bureau, spoke in support of the strike-everything amendment and the three-line amendment. He endorsed continuation of the Formula in statute.

Ms. Cajero Bedford commented that the Office of Tourism is a revenue-generating agency that is in competition with the world. She expressed the hope that funding can be restored in the future.

Ken Quartermain, Lobbyist, Arizona Hotel & Lodging Association, spoke in favor of the strike-everything amendment. He said the industry has an opportunity to help the Legislature, and in return asks that the Formula be placed back into the budget so as time passes, a tourism budget can be provided.

Mr. Murphy announced the names of those who signed up in support of the strike-everything amendment to HB2243 but did not speak:

John Kaites, Arizona Hotel and Lodging Association

Debbie Johnson, President/Chief Executive Officer, Arizona Hotel & Lodging Association

Lori Lustig, Tucson Metropolitan Chamber of Commerce

Brian Tassinari, Lobbyist, Lake Havasu City

Marc Garcia, Vice President, Community Affairs, Greater Phoenix Convention & Visitors Bureau

Athia Hardt, Greater Phoenix Convention & Visitors Bureau

Steve Moore, President, Phoenix Convention & Visitors Bureau

Morgan Day, Arizona Hotel & Lodging Association
Courtney Gilstrap Levinus, representing Prescott Valley and Sedona Chambers of Commerce

Question was called on the motion that the Kavanagh three-line amendment to the S/E amendment to HB2243 dated 3/23/10 (Attachment 4) be adopted. The motion carried.

Mr. Murphy moved that the Kavanagh ten-page strike-everything amendment to HB2243 dated 3/19/10 (Attachment 3) as amended be adopted. The motion carried.

Mr. Murphy moved that HB2243 as amended do pass. The motion carried by a roll call vote of 12-0-0-1 (Attachment 6).

HB2599 – state treasurer’s operating fund – DO PASS AMENDED S/E
S/E: state parks fund; voluntary contributions

Mr. Murphy moved that HB2599 do pass.

Mr. Murphy moved that the Kavanagh two-page strike-everything amendment to HB2599 dated 3/22/10 (Attachment 7) be adopted.

Mr. Murphy moved that the Sinema two-page amendment to the strike-everything amendment to HB2599 dated 3/23/10 (Attachment 8) be adopted.

Daniel Gonzalez-Plumhoff, Majority Assistant Research Analyst, explained that the strike-everything amendment to HB2599 (Attachment 7) establishes the Sustainable State Parks Fund consisting of monies collected through voluntary contributions to the Fund, which individuals would elect to donate on motor vehicle registration and renewal applications (Attachment 9).

He explained that the Sinema two-page amendment to the strike-everything amendment renames the Fund and requires every motor vehicle registration applicant to pay a sustainable parks and roads fee, the amount of which will be determined by the State Parks Board (SPB), exempts commercial vehicles and initial registration applicants from the fee, and states that the monies collected shall be deposited in the Fund, as well as an Arizona Department of Transportation subaccount, the amount of which will be determined by the SPB.

Ms. Sinema opined that the voluntary \$10 donation will not generate enough revenue to keep one state park open, much less more than one, so the Sinema two-page amendment institutes a fee and requires individuals to pay the fee, which is to be set by the SPB. It ensures that the money is used by the Arizona Department of Transportation to pay for rest areas and other transportation-related purposes and by the SPB for operations, capital improvements and roads. It does not apply to commercial vehicles.

Discussion ensued about the constitutionality of the Sinema two-page amendment and the fee.

Ms. Sinema requested a roll call vote on the motion that the Sinema two-page amendment to the strike-everything amendment to HB2599 dated 3/23/10

(Attachment 8) be adopted. The motion failed by a roll call vote of 5-7-0-1 (Attachment 10).

Mr. Murphy moved that the Kavanagh five-line amendment to the strike-everything amendment to HB2599 dated 3/23/10 (Attachment 11) be adopted. The motion carried.

Mr. Murphy moved that the Kavanagh two-page strike-everything amendment to HB2599 dated 3/22/10 (Attachment 7) as amended be adopted.

Barry Aarons, representing Arizona Tourism Alliance: Tucson Convention & Visitors Bureau, encouraged the Members to pass the strike-everything amendment and the Kavanagh five-line amendment because it is important for dialogue to continue.

Renee Bahl, Executive Director, Arizona State Parks, expressed support for the strike-everything amendment and the Kavanagh five-line amendment with the understanding that alternative methods will be sought to collect donations. She said this measure is not a long-term solution and it will not solve the agency's financial problems; a long-term sustainable funding solution is needed to keep the state parks system alive.

Marilyn Ruggles, representing self, addressed reasons she has heard for not allowing HCR2040, sustainable state parks fund, to be scheduled for a hearing.

Chairman Kavanagh asked Ms. Ruggles to speak to the strike-everything amendment.

Ms. Sinema submitted that Ms. Ruggles should be allowed to speak to HCR2040 and requested an opinion by the Rules Attorney. Chairman Kavanagh indicated that the Rules Attorney will be consulted and proceeded to the next speaker.

Elizabeth Woodin, President, Arizona Heritage Alliance, opposed the strike-everything amendment to HB2599. She stated that she is in favor of a sustainable parks fund. She opined that the strike-everything amendment is not sustainable and does not provide short or long-term relief for parks. The funds could be swept and there is no incentive for free entry into parks for vehicles bearing a contribution sticker.

Chairman Kavanagh remarked that he did not speak to the Rules Attorney, but he is reversing his previous ruling and will allow testimony about HCR2040.

Ms. Woodin added that she prefers that HCR2040 pass.

Ms. Ruggles stated that HCR2040 has bipartisan support. She remarked that a \$250,000 donation made by a generous parks supporter was swept, as well as all donations, large and small, in the parks donation fund. She would not donate \$10 if the strike-everything amendment passes because the funds will be subject to being swept and will not be used to sustain state parks. She opined that HCR2040 is a better solution and asked the Members to encourage Chairman Kavanagh to schedule it for a hearing.

Mr. Murphy pointed out that the donation was taken inadvertently and has since been returned. It is not the intention of the Legislature to sweep donations.

Sandy Bahr, Conservation Director, Sierra Club - Grand Canyon Chapter, opposed the strike-everything amendment to HB2599. She opined that it creates the illusion of addressing a problem when it really is not a solution, and it does not prevent the Legislature from sweeping the funds. She urged the Members to support a long-term sustainable solution like HCR2040 and reject this measure.

Chairman Kavanagh reiterated that the one time the Legislature took donated money, it was returned as soon as it was discovered that the money was donated.

Ms. Bahr stated that Enhancement Fund money, which is park fees, was swept.

Chairman Kavanagh commented that if the strike-everything amendment passes, he does not want the Sierra Club to reduce donations by creating a false impression that the Legislature will take the money.

William Thornton, Member, Arizona Heritage Alliance Board, opposed the strike-everything amendment to HB2599. He related that the Judge Roy Bean State Park in Langtry, Texas is beautifully maintained with shade trees, picnic tables and a small museum, and it is fully supported by the State of Texas. In comparison, the McFarland State Park in Florence was shut down because the Heritage Funded-grant to restore the historical buildings was swept. He opined that Texas values its state parks and historic sites and Arizona does not. He is not suggesting free admission to Arizona parks, but the SPB should be allowed to keep the revenue it generates.

Mr. Murphy submitted that Texas has oil wells which generate a lot of revenue that is much less volatile than revenue generated from the tax structure in Arizona.

Mr. Murphy announced the names of those who signed up as neutral on the strike-everything amendment to HB2599 but did not speak:

Kevin Biesty, Legislative Liaison, Arizona Department of Transportation

Mr. Murphy announced the names of those who signed up in opposition to the strike-everything amendment to HB2599 but did not speak:

Cristie Statler, Executive Director, Arizona State Parks Foundation

Bill Meek, President, Arizona State Parks Foundation

Janice Miano, representing self

Thomas Hulen, Conservationist, Arizona Heritage Alliance

Pamela Jones, representing self

Mr. Murphy announced the names of those who signed up in support of the strike-everything amendment to HB2599 but did not speak:

Cheryl Lombard, Director of Government Relations, The Nature Conservancy

Kurt Davis, Partner, The Nature Conservancy

Chairman Kavanagh clarified that the strike-everything amendment erroneously tied a vehicle sticker for free admission to state parks to the \$10 donation, which is removed in the Kavanagh five-line amendment.

Jay Ziemann, Assistant Director, Arizona State Parks Board, in support of the strike-everything amendment to HB2599, stated that he agrees with the comments made by Ms. Bahl.

Question was called on the motion that the Kavanagh two-page strike-everything amendment to HB2599 dated 3/22/10 (Attachment 7) as amended be adopted. The motion carried.

Mr. Murphy moved that HB2599 as amended do pass. The motion carried by a roll call vote of 6-5-0-2 (Attachment 12).

SB1107 – technical correction; barber licenses; display(now: corrections fund; luxury tax; extension) – DO PASS

Mr. Murphy moved that SB1107 do pass.

Daniel Gonzalez-Plumhoff, Majority Assistant Research Analyst, explained that SB1107 is an emergency measure that extends the distribution of luxury tax revenues to the Corrections Fund through FY 2014-2015 (Attachment 13).

Question was called on the motion that SB1107 do pass. The motion carried by a roll call vote of 9-0-0-4 (Attachment 14).

SB1212 – appropriations; named claimants – DO PASS AMENDED

Mr. Murphy moved that SB1212 do pass.

Kieren Smyers, Majority Research Intern, explained that SB1212 appropriates \$101,633.47 to the Arizona Department of Administration (ADOA) for the payment of outstanding claims made against state agencies (Attachment 15).

Mr. Murphy moved that the Kavanagh seven-line amendment to SB1212 dated 3/18/10 (Attachment 16) be adopted.

Ms. Smyers explained that the amendment appropriates \$1,739.01 from the state General Fund in FY 2010-2011 to the State Mine Inspector for payment of an invoice for the purchase of supplies from the Wilson Company (Attachment 16).

Question was called on the motion that the Kavanagh seven-line amendment to SB1212 dated 3/18/10 (Attachment 16) be adopted. The motion carried.

Mr. Murphy moved that SB1212 as amended do pass.

Joe Hart, State Mine Inspector, advised that he inherited this bill in 2007 that was generated in 2005. He opined that it is time to pay this bill.

Question was called on the motion that SB1212 as amended do pass. The motion carried by a roll call vote of 8-0-0-5 (Attachment 17).

Without objection, the meeting adjourned at 5:20 p.m.

Linda Taylor, Committee Secretary
April 1, 2010

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