

ARIZONA HOUSE OF REPRESENTATIVES
Fiftieth Legislature – First Regular Session

COMMITTEE ON GOVERNMENT

Minutes of Meeting
Tuesday, January 25, 2011
House Hearing Room 4 -- 2:00 p.m.

Chairman Burges called the meeting to order at 2:26 p.m. and attendance was noted by the secretary.

Members Present

Mr. Arredondo	Ms. Hobbs	Mrs. Ugenti
Mr. Forese	Mr. Meyer	Mr. Urie, Vice-Chairman
Mr. Gowan	Mr. Montenegro	Mrs. Burges, Chairman

Members Absent

None

Committee Action

HB2005 – DPA (7-2-0-0)	HB2151 – DP (9-0-0-0)
HB2009 – DISCUSSED AND HELD	HB2153 – DP (6-3-0-0)

CONSIDERATION OF BILLS

HB2005 – subdivisions; acting in concert – DO PASS AMENDED

Chairman Burges announced that HB2005 was discussed and held in the previous week's Committee meeting to allow time to work on the bill's language. She announced that Ron Gawlitta, the author of the bill, will be giving testimony to explain changes made to the bill during the stakeholder meeting.

Ron Gawlitta, representing self, testified in support of HB2005, stating that as a result of the stakeholder meetings for the bill, a consensus was reached that satisfied all parties involved.

Gretchen Conger, Legislative Liaison, Arizona Department of Real Estate (ADRE), testified as neutral on HB2005, stating that ADRE still has concerns with language in the bill regarding acting in concert. She stated that some agreements between Mr. Gawlitta and the ADRE were not included in the amendment, resulting in the ADRE's neutral position on the bill. She explained that one of the agreements not included in the amendment is the removal of the requirement for ADRE to examine any public report, which they currently do not do.

Mr. Arredondo asked why Mr. Gawlitta stated that all parties were in agreement, yet, Ms. Conger stated that the ADRE is not in agreement. Ms. Conger explained that upon leaving the meeting, all parties were in agreement until later, when she noticed other provisions that the ADRE is not agreeable to. She advised that she immediately called Mr. Gawlitta to work through the problems ADRE has with the bill, but they could not reach a consensus.

Vice-Chairman Urie moved that HB2005 do pass.

Vice-Chairman Urie moved that the Burges two-page amendment dated 1/24/11 (Attachment 1) be adopted. The motion carried.

**Vice-Chairman Urie moved that HB2005 be amended as follows:
Page 6, lines 25 and 26, strike “~~may~~ SHALL” insert “may”
The motion carried.**

Mr. Meyer asked to hear from Todd Madeksza, who is signed up in opposition to the bill.

Todd Madeksza, representing self, testified in opposition to HB2005, stating that he is more supportive of the bill with the adoption of the Burges amendment, as agreed upon by the stakeholder workgroup, but without the amendment, he is opposed to HB2005.

Vice-Chairman Urie announced the names of those who signed up in support of HB2005 but did not speak:

Ginny Ratcliff, representing self
Bill Sandry, representing self

Vice-Chairman Urie announced the names of those who signed up as neutral on HB2005 but did not speak:

Scot Mussi, Home Builders Association of Central Arizona
Darren Gerard, representing self
Mike Williams, Town of Queen Creek

Vice-Chairman Urie announced the names of those who signed up in opposition to HB2005 but did not speak:

Jim Ogsbury, Legislative Director, League of Arizona Cities and Towns
Eric Emmert, Arizona Planning Association
Peter Bengtson, representing self
Jennifer Bonnett, Arizona Public Health Association
Shirley Gunther, Intergovernmental Affairs Manager, City of Avondale
Sandy Bahr, Conservation Director, Sierra Club
Barry Aarons, Lobbyist, City of Scottsdale

Vice-Chairman Urie moved that HB2005 as amended do pass. The motion carried by a roll call vote of 7-2-0-0 (Attachment 2).

HB2009 – disclaimer of federal patent easements – DISCUSSED AND HELD

Vice-Chairman Urie moved that HB2009 do pass.

Michelle Hindman, Majority Research Analyst, stated that HB2009 modifies the existing statutes regarding a municipality's right to abandon a federal General Land Office (GLO) Patent Easement (PE) (Attachment 3).

Mr. Meyer requested a definition of a *permanent structure* that cannot be built. Ms. Hindman stated that HB2009 does not define *permanent structure*.

Leon Spiro, representing self, testified in support of HB2009, stating that he has been a resident of Scottsdale since 1983, and is a federal land patent parcel homeowner. He stated that he is in opposition to the current wording in Arizona Revised Statute (A.R.S.) § 9-500.04, in effect since 2005. Mr. Spiro stated that he is supportive of the change to A.R.S. § 9-500.04, that allows a municipality to disclaim its interest in, rather than abandon, a federal GLO PE if the municipality obtains the written release of all affected parties who have a beneficial interest in the easement.

Chairman Burges announced that HB2009 will be held.

Vice-Chairman Urie withdrew his motion that HB2009 do pass.

HB2151 – state employees; wage payments – DO PASS

Vice-Chairman Urie moved that HB2151 do pass.

James Craig, Majority Intern, stated that HB2151 allows state employees to be paid through either payroll debit cards or traditional direct deposit (Attachment 4).

Ms. Hobbs queried if a state employee can continue receiving a traditional paper check. Mr. Craig replied in the affirmative.

Mr. Arredondo asked who would receive the interest accrued on the debit cards. Mr. Craig stated that he will obtain the information and relate it to Mr. Arredondo at a later time.

Alan Ecker, Program Associate, Arizona Department of Administration (ADOA), testified in support of HB2151, stating that debit cards are currently in use as an option for state employees who either chose not to maintain a personal bank account, or do not have the credit scores to qualify. He stated that the ADOA saves money by avoiding the costs associated with issuing paper warrants, and that the debit cards are safer and more secure. Mr. Ecker provided examples of federal entities such as, the Internal Revenue Service (IRS) and the Social Security Administration (effective May 1, 2011), both of which are moving toward the use of debit cards instead of paper warrants.

In response to questions from Members, Mr. Ecker provided the following information:

- Benefit options will continue to be available for printing online through the Your Employee Services (Y.E.S.) program.
- Debit cards will be issued once only, and will be backed by the state's bank, Bank of America.

Mike Smarik, Deputy State Comptroller, Arizona Department of Administration, addressed questions from the Members, and provided the following information:

- No charge is associated with the debit cards when using them for purchases.
- There are no checks for the account associated with the card.
- If a card is lost, an employee would call the bank, cancel the card and request a new card, which would be available within 24 hours. The employee would not be held liable for any charges fraudulently made on the card.
- Two ATM cash withdrawals can be made each week without incurring a fee and after that, any fees can be tracked online through the Bank of America website or on the phone, just like any other bank account.

Question was called on the motion that HB2151 do pass. The motion carried by a roll call vote of 9-0-0-0 (Attachment 5).

HB2153 – municipalities; counties; fire sprinklers; code – DO PASS

Vice-Chairman Urie moved that HB2153 do pass.

Stephanie Johnson, Assistant Majority Research Analyst, stated that HB2153 prohibits a city, town or county from adopting an ordinance that mandates the installation of fire sprinklers in single family homes (Attachment 6).

Scot Mussi, Deputy Director of Legislative Affairs, Home Builders Association of Central Arizona, testified in support of HB2153, stating that mandates requiring the installation of fire sprinklers in single family homes inhibits the individual's ability to choose. He stated that 24 other states have adopted statutes prohibiting such mandates.

Mr. Mussi addressed Members' questions on the following subjects:

- Mandates qualifying for grandfathering
- Varying costs of fire sprinkler system installation

Knox Kimberly, Lobbyist, National Fire Sprinkler Association, testified in opposition to HB2153, stating that the National Fire Sprinkler Association believes that fire sprinklers save lives and prevent injuries, reduce the cost of fire damage if fires occur, and reduce the safety risks to firefighters and other first-responders in fire situations. Mr. Kimberly stated that decisions regarding the costs, appropriateness, and the impact in terms of water usage on communities, should be made by municipalities.

Jim Ford, representing self, testified in opposition to HB2153, stating that he is a board member of the Arizona Fire Chiefs Association and is currently a fire marshal and the Deputy Chief of the City of Scottsdale Fire Department. Mr. Ford distributed a letter from Larry Rooney, President of the Arizona Fire Chiefs Association (Attachment 7). Mr. Ford stated that his primary concern with HB2153 is that it strips the local jurisdiction's right to set the fire and protection levels for that community. Mr. Ford related the 10-year history of the addition of the amendment to the International Residential Code (IRC) to require fire sprinklers in all new one- and two-family residences (including townhomes) as of January 1, 2011. He stated that the reduced construction requirements of new homes has decreased the burn time of houses from

about 15-20 minutes to about 3-5 minutes, decreasing the time for first-responders to search for residents in the houses, etc. Mr. Ford stated that residential sprinkler systems increase protection for residential homeowners and first-responders.

Mr. Montenegro, sponsor, testified in support of HB2153, stating that it protects an individual's ability to choose, as opposed to having fire sprinkler system installation mandated. He stated that HB2153 prevents a tax from being imposed on an individual who is attempting to buy a house, by mandatorily requiring that a sprinkler system be installed by a city or town.

Mr. Ford rebutted Mr. Montenegro's statement and discussion ensued regarding code requirements and the infrastructural issues surrounding fire sprinkler systems.

Mr. Ford addressed Members' questions regarding the following:

- Statistics surrounding residential fires, including fatality rates
- Education regarding fire sprinkler systems
- Accessibility to the option for fire sprinkler systems in homes
- Installation costs associated with fire sprinkler systems

Mr. Mussi returned to the podium to re-state his support for HB2153.

Mrs. Ugenti queried whether the Home Builders Association discourages homeowners from installing fire sprinkler systems. Mr. Mussi replied in the negative.

Raymond Bizal, Southwest Regional Director, National Fire Protection Association, testified in opposition to HB2153, and provided a letter and handout to the Members of the Committee (Attachments 8 and 9). Mr. Bizal cited the national statistic that roughly 85 percent of all civilian fire deaths in 2009 resulted from home structure fires. He stated that the risk of dying in a fire is decreased by 80 percent with the presence of residential fire sprinkler systems.

Robert Lee, Building Official and Fire Marshal, Town of Paradise Valley, testified in opposition to HB2153, stating that the bill received zero input from anyone in the building safety business. He stated that an unintended consequence of the bill may be that the Insurance Service Organization (ISO), which is a national insurance rating organization, will lower the rating of the city or town it is evaluating, resulting in higher insurance rates for individuals.

Tom Delzio, Fire Inspector, Lake Havasu City Fire Department, testified in opposition to HB2153, providing examples of residential fires that could have been prevented if a fire sprinkler system had been installed. Mr. Delzio provided a copy of an educational video regarding fire sprinkler systems to the Members of the Committee (Attachment 10).

Brent Wittke, representing self, testified in opposition to HB2153, requesting that the Members of the Committee who signed on as co-sponsors of the bill, state their individual motivations for doing so. He asked Chairman Burges to allow him to question Members of the Committee.

Chairman Burges announced that Mr. Wittke may question Members of the Committee, permitted that they yield to his questioning. Mr. Wittke questioned Mr. Gowan, Mr. Urie and

Mrs. Ugenti. Mr. Montengro did not yield to questioning, but stated that he is willing to set up a meeting to discuss Mr. Wittke's questions. Discussion ensued.

Mr. Wittke stated that providing an option to install fire sprinkler systems is expensive and, without a mandate, homebuilders will not provide that option to homeowners. He stated that once the option is withdrawn, it is very expensive to have a fire sprinkler system installed after the home being built is completed.

Vice-Chairman Urie announced the names of those who signed up in support of HB2153 but did not speak:

Nicole LaSlavic, Government Affairs Director, Arizona Association of Realtors

Stan Barnes, Southern Arizona Home Builders Association

Meghaen Duger, Arizona Associations of Realtors

Vice-Chairman Urie announced the names of those who signed up in opposition to HB2153 but did not speak:

Jacqueline Walker, Intergovernmental Affairs, City of Kingman

Jon Spezzacatena, Fire Marshal, representing self

Shirley Gunther, Intergovernmental Affairs Manager, City of Avondale

Dale Wiebusch, Legislative Associate, League of Arizona Cities and Towns

Brad Lundahl, Government Relations, City of Scottsdale

Mike Williams, Town of Queen Creek

Barry Aarons, Lobbyist, City of Scottsdale Construction Trades Coalition

Michelle Gramley, Town of Gilbert

Lisa Estrada, Intergovernmental Affairs Coordinator, City of Peoria

Karen Peters, Lobbyist, City of Phoenix

Question was called on the motion that HB2153 do pass. The motion carried by a roll call vote of 6-3-0-0 (Attachment 11).

Without objection, the meeting adjourned at 4:18 p.m.

Charly Laube, Committee Secretary

February 11, 2011

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