

ARIZONA HOUSE OF REPRESENTATIVES  
Fiftieth Legislature – First Regular Session

**COMMITTEE ON GOVERNMENT**

Minutes of Meeting  
Tuesday, February 15, 2011  
House Hearing Room 4 -- 2:00 p.m.

Chairman Burges called the meeting to order at 3:33 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**

HB2064 - DPA S/E (8-0-0-1)	HB2500 - DPA S/E (7-2-0-0)
HB2137 - DPA (8-0-0-1)	HB2545 - DPA (8-0-0-1)
HB2140 - DPA S/E (5-2-0-2)	HB2572 - DP (5-0-0-4)
HB2163 - DP (5-0-0-4)	HB2609 - DP (5-0-0-4)
HB2164 - HELD	HB2627 - DPA (6-3-0-0)
HB2193 - DP (9-0-0-0)	HB2644 - DP (5-0-0-4)
HB2204 - <del>DPA S/E</del> FAILED (0-9-0-0)	HB2650 - DP (5-0-0-4)
HB2275 - <del>DPA S/E</del> FAILED (1-7-0-1)	HB2717 - DP (5-0-0-4)
HB2308 - DPA S/E (8-0-0-1)	HB2720 - DPA S/E (5-0-0-4)

**CONSIDERATION OF BILLS**

**HB2164 - county treasurer's management fund - HELD**

Chairman Burges announced that HB2164 will be held.

**HB2064 - technical correction; disincorporation - DO PASS AMENDED S/E**  
**S/E: dilapidated building; definition**

Vice-Chairman Urie moved that HB2064 do pass.

Vice-Chairman Urie moved that the Burges four-page strike-everything amendment dated 2/10/11 (Attachment 1) be adopted.

James Craig, Majority Intern, explained that the proposed Burges four-page strike-everything amendment dated 2/10/11 (Attachment 1) to HB2064 modifies the statutory definition of *dilapidated building* to mean any structure that is likely to burn or collapse and whose condition endangers the life, health, safety or property of public (Attachment 2).

Vice-Chairman Urie announced the names of those who signed up in favor of HB2064 but did not speak:

Bob Thomas, representing self

**Question was called on the motion that the Burges four-page strike-everything amendment dated 2/10/11 (Attachment 1) be adopted. The motion carried.**

**Vice-Chairman Urie moved that HB2064 as amended do pass. The motion carried by a roll call vote of 8-0-0-1 (Attachment 3).**

### **HB2137 - dogs; cats; sterilization - DO PASS AMENDED**

**Vice-Chairman Urie moved that HB2137 do pass.**

**Mr. Meyer moved that the Meyer nine-line amendment dated 2/9/11 (Attachment 4) be adopted.**

Stephanie Johnson, Assistant Majority Research Analyst, stated that HB2137 allows the sterilization of a dog or cat by another procedure other than surgical sterilization (Attachment 5).

Vice-Chairman Urie announced the names of those who signed up in support of HB2137 but did not speak:

Kari Nienstedt, Arizona State Director, The Humane Society of the United States

Karen Michael, Animal Defense League of Arizona

Vice-Chairman Urie announced the names of those who signed up as neutral to HB2137 but did not speak:

Beth Lewallen, Maricopa County Board of Supervisors

**Question was called on the motion that the Meyer nine-line amendment dated 2/9/11 (Attachment 4) be adopted. The motion carried.**

**Vice-Chairman Urie moved that HB2317 as amended do pass. The motion carried by a roll call vote of 8-0-0-1 (Attachment 6).**

### **HB2193 - municipal water charges; responsibility - DO PASS**

**Vice-Chairman Urie moved that HB2193 do pass.**

James Craig, Majority Intern, stated that HB2193 places additional restrictions on whom municipalities may penalize for unpaid water and wastewater charges (Attachment 7).

Representative James Weiers, sponsor, provided a brief history of HB2450, which was passed in 2010 to address a problem where cities were pursuing the landlord of a property for the collection of an unpaid water bill from a tenant who vacated the property without paying his water bill. He explained that after HB2450 was passed prohibiting the cities from holding the landlord responsible, the cities refused to turn the water on for a new tenant until the landlord agreed to be the responsible party for the utility bill. Representative Weiers stated that HB2193 closes the loopholes in HB2450 and states that a city cannot hold a landlord responsible for another person's responsibility.

Vice-Chairman Urie announced the names of those who signed up in support of HB2193 but did not speak:

Courtney Gilstrap LeVinus, Arizona Multihousing Association, Arizona Real Estate Investors Association and American Rental Property Owners and Landlords Association

Vice-Chairman Urie announced the names of those who signed up in opposition to HB2193 but did not speak:

Alison Zelms, Assistant City Manager, City of Sedona  
Shirley Gunther, Intergovernmental Affairs Manager, City of Avondale  
Scott Butler, City of Mesa

Tom Farley, Arizona Association of REALTORS®, testified in support of HB2193, and cited the same history of events that Representative Weiers provided for HB2450 in his testimony, which prompted HB2193. Mr. Farley stated that HB2193 is an attempt to correct the loopholes in HB2450.

Dale Wiebusch, Legislative Associate, League of Arizona Cities and Towns, testified in opposition to HB2193, stating that he would like the opportunity to continue working on HB2193 with the other stakeholders to correct one remaining issue that they would like to see resolved.

Mr. Meyer asked if Sedona's concern with the bill is because it has a municipal wastewater system, but private water was addressed in stakeholder meetings. Mr. Wiebusch stated that Sedona's concern had just been communicated to him the morning of the Committee meeting, but not during stakeholder meetings.

Vice-Chairman Urie asked if Mr. Wiebusch anticipates any agreement between the stakeholders on the remaining issue; Mr. Wiebusch stated that he is unsure.

Mr. Arredondo asked if HB2193 passes, who will be the party responsible for paying the water bill. Vice-Chairman Urie explained the various provisions of the bill.

**Question was called on the motion that HB2193 do pass. The motion carried by a roll call vote of 9-0-0-0 (Attachment 8).**

**HB2275 - incorporation; urbanized areas - DO PASS AMENDED S/E FAILED**  
**S/E: same subject**

**Vice-Chairman Urie moved that HB2275 do pass.**

**Vice-Chairman Urie moved that the Burges 28-line strike-everything amendment dated 2/10/11 (Attachment 9) be adopted.**

Stephanie Johnson, Assistant Majority Research Analyst, explained that the proposed Burges 28-line strike-everything amendment dated 2/10/11 (Attachment 9) to HB2275 modifies the incorporation process for a territory with a population of forty thousand or more people and within six miles of at least three incorporated cities and towns (Attachment 10).

In response to questions, Ms. Johnson stated that the current process for incorporation requires a petition.

Michelle Hindman, Majority Research Analyst, provided the following information in response to Members' questions:

- HB2275 changes the section in law that currently requires all of the cities and towns within a boundary of six miles to approve the incorporation, to require only a majority of the surrounding cities and towns to approve the incorporation.

Vice-Chairman Urie stated that his understanding of the petition process is that it includes two votes, one of the counsels of the surrounding cities and towns, and the second vote is the vote of the people.

Representative Frank Pratt, sponsor, stated that he met with many stakeholders to address the issues of boundaries and shared revenue. He stated that an area with 40,000 people in it could have a great financial impact on the surrounding communities. Representative Pratt explained that HB2275 attempts to minimize the impact on the surrounding communities if incorporation should occur and also to provide for the responsible transition from county government to an incorporated government.

Vice-Chairman Urie asked if HB2275 is an isolated opportunity or is it open. Representative Pratt stated that HB2275 is only a window to address some of the large growth that occurred as a result of the economic boom. Vice-Chairman Urie asked if HB2275 precludes any counties; Representative Pratt replied in the negative.

Chairman Burges announced that the Committee will only be hearing testimony from two people in favor of the bill, two people in opposition to the bill and two people who are neutral to the bill.

Scottee Eisenhart, representing self, testified in support of HB2275, stating that he is a resident of the San Tan Valley area with approximately 40,000 citizens who would like the right to vote for their future.

Mark Barnes, Pinal County Board of Supervisors, testified in support of HB2275, stating that it provides a pathway for large incorporations to occur. He explained that the current statute makes large incorporation difficult because of the revenue loss. Changing the sharing of the revenue to

the newly incorporated community and phasing that in, lessens the impact on the other municipalities. He stated that HB2275 also requires less of the cities surrounding the area requesting incorporation to support the incorporation, so one city cannot prevent the incorporation.

Michael Timm, Pinal County Taxpayers' Association, testified in opposition to HB2275, stating that it sets aside the rule of law in order to advance special interests. He stated that a window of opportunity is being given that funds the process by diminishing the revenues of the surrounding cities. He stated that a new layer of government is being created as well as unnecessary costs and an increase in taxes. He stated that the burden of increased taxes is not one that his community cannot afford to pursue.

Jim Norton, R&R Partners, Town of Florence, testified in opposition to HB2275 and provided a brief history of the bill. Mr. Norton stated that this debate should be taking place in Pinal County in San Tan Valley with those residents to discuss what the impact of an incorporation means. He stated that HB2275 is a circumvention of the current process for incorporation. He stated that HB2275 is about Pinal County shifting costs of services they currently provide to a newly incorporated city to solve its budget problems. He stated that it is unconstitutional because it is special legislation.

Ms. Hobbs asked if the process for incorporation that was stopped by the Town of Florence would have to start over again if HB2275 is passed, or pick up where it left off. Mr. Norton explained that regardless of the Committee's action on HB2275, the process would have to start over.

Discussion ensued regarding the impact of the proposed incorporation that HB2275 would allow and whether or not HB2275 is special legislation that circumvents the current incorporation process.

Vice-Chairman Urie announced the names of those who signed up in support of HB2275 but did not speak:

Rene Guillen, Legislative Associate, League of Arizona Cities and Towns  
Thomas Belshe, League of Arizona Cities and Towns  
Wendy Kaserman, Interim Intergovernmental Liaison, Town of Queen Creek  
Mike Williams, Town of Queen Creek  
Kevin Burke, Assistant to the Town Manager, Town of Oro Valley  
Paul Jepson, Assistant to the City Manager, City of Maricopa  
Scott Butler, City of Mesa

Vice-Chairman Urie announced the names of those who signed up in opposition to HB2275 but did not speak:

Richard Connally, representing self  
John Acton, representing self  
Steven L. Boyd, representing self  
Steven Villacres, representing self  
Tom Rankin, representing self  
Erik Nelson, representing self  
Kathleen Neufeld, representing self

Paulette Ranville, representing self  
Carrie Rib, representing self  
Roger Furman, representing self  
Kathy McClain, representing self  
Beth Straley, representing self  
Garry Hays, Johnson International  
James Hallgren, representing self  
Thomas Parker, representing self  
Ellen Babbitt, representing self  
Arthur Lund, representing self  
Isiah Strong, representing self  
Jesus Ruiz, representing self  
Abby Beadle, representing self  
Matthew Mercado, representing self  
Trish Kelly, representing self  
Clara Davis, Concerned Citizens Against Incorporation  
Carolyn Martin, representing self  
Letha Martin, representing self  
Enemuel Murillo, representing self  
Wendy Fent, representing self  
Nikki Medlock, representing self  
David Dailey, representing self  
Priscilla Vasquez, representing self  
Charles Brown, representing self  
Marti Aguirre, representing self  
Rod Spencer, representing self  
Jennifer Ribeiro, representing self  
Francisco Mejia, representing self  
Tammi Beam, representing self  
Joe Rodriguez, representing self  
Richard Poulin, representing self  
Herbert Osoy, representing self  
Selina Bennett, representing self  
Shane Nelson, representing self  
Sally Boatman, representing self  
Scott Powell, Economic Development Coordinator, Town of Florence  
Milton Fender, representing self

**Question was called on the motion that the Burges 28-line strike-everything amendment dated 2/10/11 (Attachment 9) be adopted. The motion carried.**

**Vice-Chairman Urie moved that HB2275 as amended do pass.**

Vice-Chairman Urie stated that he would be supportive of legislation that amends the process, rather than special legislation.

**Question was called on the motion that HB2275 as amended do pass. The motion failed by a roll call vote of 1-7-0-1 (Attachment 11).**

**HB2308 - ASRS; contribution payments; technical correction - DO PASS AMENDED S/E**  
**S/E: Arizona centennial statehood day**

**Vice-Chairman Urie moved that HB2308 do pass.**

**Vice-Chairman Urie moved that the Burges two-page strike-everything amendment dated 2/10/11 (Attachment 12) be adopted.**

James Craig, Majority Intern, stated that the proposed Burges two-page strike-everything amendment dated 2/10/11 (Attachment 12) to HB2308 declares February 14, 2012, and every centenary afterward, a state holiday entitled *Arizona Centennial Statehood Day* (Attachment 13).

**Question was called on the motion that the Burges two-page strike-everything amendment dated 2/10/11 (Attachment 12) be adopted. The motion carried.**

**Vice-Chairman Urie moved that HB2308 as amended do pass. The motion carried by a roll call vote of 8-0-0-1 (Attachment 14).**

**HB2500 - technical correction; unclaimed property; transition - DO PASS AMENDED S/E**  
**S/E: political signs; public right-of-way**

**Vice-Chairman Urie moved that HB2500 do pass.**

**Vice-Chairman Urie moved that the Gowan two-page strike-everything amendment dated 2/10/11 (Attachment 15) be adopted.**

Michelle Hindman, Majority Research Analyst, stated that the Gowan two-page strike-everything amendment dated 2/10/11 (Attachment 15) to HB2500 prohibits the removal of political signs that support or oppose candidates for public office or ballot measures from public right-of-way during the period 60 days before a primary election until 15 days after the general election (Attachment 16).

Mr. Meyer asked if HB2500 changes the maximum size of a sign. Ms. Hindman explained that HB2500 references a maximum area of 16 square feet if it is located in an area for residential use and 32 square feet for any other area.

Dale Wiebusch, Legislative Associate, League of Arizona Cities and Towns, testified as neutral to HB2500 and explained that the League has minor technical concerns with the bill. He requested that a Floor amendment be offered to specify how many days a city or town must hold a sign after contacting a candidate and to require contact information be attached to the back of signs so that the cities can contact a candidate who may not be well-known. Mr. Wiebusch also requested clarification regarding if the city or the candidate is held liable for any lawsuits that result from sign placement.

Mr. Meyer asked if HB2500 overrides a city's current ordinances in place; Mr. Wiebusch replied in the affirmative, but stated that he believes it mirrors ordinances currently in place in Mr. Gowan's district.

Mr. Arredondo asked if the city employee who takes down a sign is liable in the case of an accident or damage while taking it down. Mr. Wiebusch stated that he does not believe that is addressed in the bill.

Vice-Chairman Urie requested that Mr. Wiebusch restate his three areas of concern. Mr. Wiebusch complied.

Mr. Gowan, sponsor, addressed the concern of who is liable for a sign blowing away and causing an accident by asking Mr. Wiebusch what the current liability is. Mr. Wiebusch stated that he is unsure, but that the main concern is liability assigned for a claim made that a sign impeded vision causing an accident, etc. Mr. Gowan stated that cities already allow signs to be placed in the right-of-way and asked Mr. Wiebusch who is currently liable in those situations. Discussion ensued regarding who would be liable.

Mr. Gowan explained that the intent of HB2500 is to make a uniform sign code so that anyone running for office knows the law and so that there are not different laws and ordinances for each area of the state.

Mr. Wiebusch restated his neutral position on the bill and added that he is amenable to working on the bill with Mr. Gowan. Mr. Gowan stressed the importance of moving the bill forward.

Mrs. Ugenti agreed with the complexity of running in a district that may include more than one city and stated her support for the bill that makes the sign codes uniform so that a candidate does not have to learn different rules for each area in which they campaign.

Vice-Chairman Urie stated that he would like to see contact information on the back of each sign as well.

Vice-Chairman Urie announced the names of those who signed up in opposition to HB2500 but did not speak:

Brad Lundahl, Government Relations, City of Scottsdale

Alison Zelms, Assistant City Manager, City of Sedona

Chad Heinrich, Government Relations Coordinator, City of Tempe

**Question was called on the motion that the Gowan two-page strike-everything amendment dated 2/10/11 (Attachment 15) be adopted. The motion carried.**

**Vice-Chairman Urie moved that HB2500 as amended do pass. The motion carried by a roll call vote of 7-2-0-0 (Attachment 17).**

**HB2545 - homeowners' associations; rental restrictions - DO PASS AMENDED**

**Vice-Chairman Urie moved that HB2545 do pass.**

**Vice-Chairman Urie moved that the Burges six-line amendment dated 2/14/11 (Attachment 18) be adopted.**

James Craig, Majority Intern, stated that HB2545 prevents homeowners' associations (HOAs) from restricting the leasing and rental of properties and units (Attachment 19).

Mr. Craig explained that the Burges six-line amendment dated 2/14/11 (Attachment 18) will prevent an HOA from requiring a copy of the lease agreement or charging a fee to the property owner when they rent out the property but allows the HOA to request that the tenant be registered with them.

Meghaen Duger, Arizona Association of REALTORS®, testified in support of HB2545, stating that it is a private property rights issue and that if an individual owns a home or condo, regardless of whether it is in an HOA or not, he or she should be able to rent out that property. She stated that HB2545 provides choice for individuals who need to rent out their properties.

Courtney Gilstrap LeVinus, Arizona Multihousing Association and Arizona Real Estate Investors Association, testified in support of HB2545, stating that several HOAs are charging registration fees to individuals who are trying to rent out their properties and the amendment prevents HOAs from charging those registration fees.

Vice-Chairman Urie announced the names of those who signed up in support of HB2545 but did not speak:

Tom Farley, Lobbyist, Arizona Association of REALTORS®  
Robert Taylor, representing self  
Virginia Baughman, representing self  
Cindy Barrie, representing self

Vice-Chairman Urie announced the names of those who signed up in opposition to HB2545 but did not speak:

Kevin DeMenna, Community Associations Institute

Vice-Chairman Urie announced the names of those who signed up as neutral to HB2545 but did not speak:

Mary Arnold, representing self

**Question was called on the motion that the Burges six-line amendment dated 2/14/11 (Attachment 18) be adopted. The motion carried.**

**Vice-Chairman Urie moved that HB2545 as amended do pass. The motion carried by a roll call vote of 8-0-0-1 (Attachment 20).**

**HB2627 - sunset review; factors - DO PASS AMENDED**

**Vice-Chairman Urie moved that HB2627 do pass.**

**Vice-Chairman Urie moved that the Burges two-line amendment dated 2/14/11 (Attachment 21) be adopted.**

Stephanie Johnson, Assistant Majority Research Analyst, stated that HB2627 makes various statutory changes to the factors that determine whether a state agency should be continued or terminated (Attachment 22).

Ms. Johnson explained that the Burges two-line amendment dated 2/14/11 (Attachment 21) clarifies that the Committee of Reference will conduct additional review if necessary on the state agency.

Vice-Chairman Urie announced the names of those who signed up in support of HB2627 but did not speak:

Heather Bernacki, Government Relations Associate, East Valley Chambers of Commerce Alliance

Vice-Chairman Urie announced the names of those who signed up as neutral to HB2527 but did not speak:

Debbie Davenport, Auditor General

**Question was called on the motion that the Burges two-line amendment dated 2/14/11 (Attachment 21) be adopted. The motion carried.**

**Vice-Chairman Urie moved that HB2627 as amended do pass. The motion carried by a roll call vote of 6-3-0-0 (Attachment 23).**

**HB2204 - technical correction; power authority; monies - ~~DO PASS AMENDED~~ S/E FAILED**  
**S/E: gambling; state shared revenues**

**Vice-Chairman Urie moved that HB2204 do pass.**

**Vice-Chairman Urie moved that the Burges four-page strike-everything amendment dated 2/9/11 (Attachment 24) be adopted.**

Stephanie Johnson, Assistant Majority Research Analyst, stated that the proposed Burges four-page strike-everything amendment dated 2/9/11 (Attachment 24) to HB2204 enacts regulations allowing a city or town to participate in any form of regulated gaming pursuant to statute (Attachment 25).

Mr. Arredondo asked if HB2204 still leaves the choice to participate in regulated gaming to the city. Ms. Johnson answered in the affirmative.

Representative Jack Harper, sponsor, stated that his intent in proposing HB2204 is to set up the same "poison pill" amendment in statute that the Indian tribes have in their gaming compact that

passed with a citizen's initiative for the ballot. He stated that if the state allows any form of gambling, it takes restrictions from the Indian tribes and they can expand the gaming they currently have on their reservations. He explained that his intent is to have the same "poison pill" so that if the Indian tribes offer gambling outside of their reservation boundaries, then the cities can also offer gambling. Representative Harper explained that the intent is not to allow the cities to have gambling, but if the Indian tribes attempt to violate the agreement they made in 2002 and begin to offer gambling outside of their current reservation boundaries, the cities would be able to compete. He stated that in HB2204, any city that begins to offer gambling would opt out of its shared revenue; its share of revenue would go back to the revenue fund to be split among the cities and towns, based on a formula, that are not participating in offering gambling. He explained that his intent is to keep gambling from expanding past the originally agreed upon boundaries set in 2002.

Mr. Arredondo asked if a city decides to offer gambling, would it forfeit its portion of the shared revenue. Representative Harper stated that first, an Indian tribe would have to offer gambling outside of their traditional reservation boundaries, and then the cities would have the ability to offer gambling also. He explained that the city would then lose its share of the revenue.

John Mangum, Turf Paradise Race Track, testified in opposition to HB2204, stating that it seeks to accomplish only one thing, which is to trigger the "poison pill" if a casino is built in Glendale. He stated that it is destructive to the racing industry, which is a \$200 million to \$300 million a year benefit to the state. He stated that if racing were allowed in every area of the state, the racing industry as it is would be eliminated and many people would lose their jobs. He stated that nothing in subsection C would trigger the compact, so he requested an amendment to remove racing from this particular section of the bill.

Representative Harper stated that he thought that the strike-everything amendment was going to be identical to the one he had proposed at the Senate and it is not, so he is willing to work with Mr. Mangum on his concerns. Representative Harper restated his intent in proposing HB2204.

Mr. Arredondo requested clarification regarding whether or not Representative Harper is willing to strike racing from the bill. Representative Harper stated that he is willing to take racing out of the bill. Discussion ensued.

Rick Pyper, Legal Counsel for Legislative Affairs, Arizona Department of Gaming, testified as neutral to HB2204, stating that the Arizona Department of Gaming does not take a position on the expansion of gaming in Arizona, but requests that if an expansion is made, it be well regulated. He stated that a provision in the gaming compact that has been alluded to, the "poison pill", would eliminate restrictions on the number of casinos, etc., as well as many other restrictions. He stated that it would burden the Arizona Department of Gaming with more to regulate without providing funding to meet those demands.

Vice-Chairman Urie announced the names of those who signed up in opposition to HB2204 but did not speak:

John Kaites, Gila River Indian Community  
Craig McDermott, representing self  
Cathi Herrod, President, Center for Arizona policy  
Tom Dorn, Lobbyist, San Carlos Apache Tribe

**Question was called on the motion that the Burges four-page strike-everything amendment dated 2/9/11 (Attachment 24) be adopted. The motion carried.**

**Vice-Chairman Urie moved that HB2204 as amended do pass. The motion failed by a roll call vote of 0-9-0-0 (Attachment 26).**

**HB2140 - firearms regulation; landlords; homeowners' associations - DO PASS AMENDED S/E**  
**S/E: same subject**

**Vice-Chairman Urie moved that HB2140 do pass.**

**Vice-Chairman Urie moved that the Burges eight-page strike-everything amendment dated 2/11/11 (Attachment 27) be adopted.**

Stephanie Johnson, Assistant Majority Research Analyst, stated that the proposed Burges eight-page strike-everything amendment dated 2/11/11 (Attachment 27) to HB2140 modifies statute regarding the possession, carrying and use of firearms within specified communities (Attachment 28).

**Vice-Chairman Urie moved that the Burges two-line amendment dated 2/14/11 (Attachment 29) to the Burges eight-page strike-everything amendment dated 2/11/11 (Attachment 27) be adopted.**

Ms. Johnson explained that the Burges two-line amendment dated 2/14/11 (Attachment 29) to the Burges eight-page strike-everything amendment dated 2/11/11 (Attachment 27) makes a technical change.

Representative Jack Harper, sponsor, stated that the intent of HB2140 is to ensure that homeowners' associations (HOAs), apartment complexes or multihousing units are not preventing an individual from owning a firearm or exercising that right in common areas. He stated that he is still working on amendments for the Floor.

Mr. Montenegro asked if further stakeholder meetings will be taking place to draft a Floor amendment that addresses various concerns with the bill. Representative Harper stated that when a person is renting an apartment that individual still maintains his right against illegal search and seizure and the same should be applied to the right to bear arms.

Vice-Chairman Urie asked if the common areas will be excluded from the bill and stated that he has a concern with the swimming pool common area. Representative Harper stated that Mr. Wentling will be addressing the possible amendments. He further stated that there is a strong argument for requiring that the firearm be on the individual's person at all times.

Mrs. Ugenti asked if Representative Harper has considered the rights of the landowners or the landlords regarding guns on their property. Representative Harper stated that he believes in property rights, but he also believes that an individual should not give up his constitutional rights when renting. Mrs. Ugenti asked if the bill addresses common areas marked by the tenant as

gun-free zones. Representative Harper explained that someone walking through a parking lot to get to their car should not be defenseless. Discussion ensued.

John Wentling, Vice President, Arizona Citizens Defense League, testified in support of HB2140 and requested the Members' support of the bill.

Courtney Gilstrap LeVinus, Arizona Multihousing Association, testified in opposition to HB2140, stating that the Arizona Multihousing Association believes that property owners should have the right to set the terms and conditions in their communities. She stated that HB2140 regulates the current rights of property owners' ability to set any restrictions regarding guns in a variety of areas. She stated that the industry is not trying to restrict any tenant or renter from owning guns. She cited other bills that were passed in previous years regarding the carrying of firearms that included provisions to protect the property owners, where HB2140 does not. Ms. LeVinus stated that HB2140 could be a violation of Prop 107 which states that if the public wants to regulate a private property, that public has to pay for the regulation.

In response to questions from Mr. Montenegro and Mr. Gowan, Ms. Gilstrap LeVinus stated:

- The requirement for personal contact with the weapon at all times would be an improvement to the bill, but the Arizona Multihousing Association would still oppose the bill because apartments would be subject to different regulation than a grocery store, that can post signs prohibiting guns.
- Half of the apartment communities under the Arizona Multihousing Association have no regulation prohibiting the carrying of guns.
- Apartments can evict residents for violation of a lease; a tenant does not own the property they live in.

Kevin DeMenna, Community Associations Institute, testified in opposition to HB2140 and cited a provision of the bill in subsection C that is the abrogation of a contract. He stated that limitations are being created which abrogate contracts that are signed when an individual moves into an HOA.

Mrs. Ugenti asked why a contract between an HOA and an individual agreeing to certain terms and conditions regarding guns should be overridden. Representative Harper stated that in an HOA's Covenants, Codes and Restrictions (CC&Rs), guns are rarely mentioned. Mrs. Ugenti asked if an individual living in that community would have recourse if the HOA then began posting signs restricting guns, when those restrictions were not stated in the CC&Rs. Representative Harper answered in the affirmative.

Scot Mussi, Deputy Director of Legislative Affairs, Home Builders Association of Central Arizona, testified in opposition to HB2140, stating that the areas in question are privately owned, funded and maintained.

In response to questions, Mr. Mussi stated that property rights are also vested in the constitution and concerning privately-owned common areas those rights should stand. Discussion ensued regarding restricting constitutional rights.

Vice-Chairman Urie announced the names of those who signed up in support of HB2140 but did not speak:

Matthew Dogali, State Lobbyist, National Rifle Association  
Dave Kopp, Manager, Arizona Citizens Defense League, Inc.  
Mary Arnold, representing self

Vice-Chairman Urie announced the names of those who signed up in opposition to HB2140 but did not speak:

Susan Brenton , Executive Director, Manufactured Housing Communities of Arizona  
Meghaen Duger, Recreational Centers of Sun City

**Question was called on the motion that the Burges two-line amendment dated 2/14/11 (Attachment 29) to the Burges eight-page strike-everything amendment dated 2/11/11 (Attachment 27) be adopted. The motion carried.**

**Vice-Chairman Urie moved that the Burges eight-page strike-everything amendment dated 2/11/11 (Attachment 27) as amended be adopted. The motion carried.**

**Vice-Chairman Urie moved that HB2140 as amended do pass.**

Vice-Chairman Urie asked Representative Harper if he is working with the stakeholders on amendments to the bill to address the various concerns and if an amendment will be offered on the Floor. Representative Harper answered in the affirmative.

**Question was called on the motion that HB2140 as amended do pass. The motion carried by a roll call vote of 5-2-0-2 (Attachment 30).**

### **HB2163 - investing public monies; notes - DO PASS**

**Vice Chairman Urie moved that HB2163 do pass.**

James Craig, Majority Intern, stated that HB2163 allows the treasurer of a local government to invest public monies in notes of the state, counties, incorporated cities and towns or school districts (Attachment 31).

Representative Carl Seel, sponsor, stated that HB2163 was brought to him by the Maricopa County Treasurer as clarification and clean-up legislation.

Vice-Chairman Urie asked if the bill adds the ability for the treasurers to invest in notes; Representative Seel answered in the affirmative.

Charles Hoskins, Maricopa County Treasurer, testified in support of HB2163, stating that it saves taxpayer money, an average of \$20,000 per loan, when a loan is initiated by the treasurer. He explained that HB2163 is as close to 100 percent secure as possible.

Vice-Chairman Urie announced the names of those who signed up in support of HB2163 but did not speak:

Royce Flora, Deputy Maricopa County Treasurer, Maricopa County Treasurer's Office  
John Greene, Maricopa County Treasurer

**Question was called on the motion that HB2163 do pass. The motion carried by a roll call vote of 5-0-0-4 (Attachment 32).**

**HB2572 - government expenditure database; transparency; CAFR - DO PASS**

**Vice Chairman Urie moved that HB2572 do pass.**

Stephanie Johnson, Assistant Majority Research Analyst, stated that HB2572 directs the Arizona Department of Administration and each local government to post the comprehensive annual financial report (CAFR) of a budget unit on their official Internet website (Attachment 33).

Representative Brenda Barton, sponsor, stated that HB2572 continues the desire for Arizona to be transparent in its government. She explained that when taxpayers know how their money is spent and used, they are able to make better and more informed decisions regarding how their taxes work in their communities. Representative Barton stated that transparency builds confidence and trust and is the purpose and intent of HB2572. The CAFR will be posted on the local government's website and also on the state's website, [www.openbooks.gov](http://www.openbooks.gov).

Rene Guillen, Legislative Associate, League of Arizona Cities and Towns, testified as neutral to HB2572, stating that the League of Arizona Cities and Towns (League) is supportive of transparency but is concerned with the implementation of the provisions in the bill and with the ease of compliance. He explained that the League is already required by statute to generate a CAFR, although not all cities put them on their websites, so there is no opposition to putting the CAFRs onto [www.openbooks.gov](http://www.openbooks.gov). Mr. Guillen explained that not all cities and towns have websites, so the League is requesting that the CAFRs be posted on just [www.openbooks.gov](http://www.openbooks.gov), or on the League's website as well, so that the cities and towns do not have the increased financial burden of creating a website in the current economy.

Vice-Chairman Urie announced the names of those who signed up in support of HB2572 but did not speak:

John Wentling, Vice President, Americans for Prosperity

Tom Jenney, President, Americans for Prosperity, Arizona

Dave Kopp, Manager, Americans for Prosperity

Joseph Brehm, Management Intern, City of Prescott

Roy Miller, representing self

Shawna Bolick, representing self

Heather Bernacki, Government Relations Associate, East Valley Chambers of Commerce Alliance

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

Kevin McCarthy, President, Arizona Tax Research Association

**Question was called on the motion that HB2572 do pass. The motion carried by a roll call vote of 5-0-0-4 (Attachment 34).**

**HB2609 - homeowners' associations; signs; political; leasing - DO PASS**

**Vice-Chairman Urie moved that HB2609 do pass.**

Michelle Hindman, Majority Research Analyst, stated that HB2609 modifies the statutes governing the display of for sale, rent, lease or political signs in condominium and planned communities and allows the prohibition of signs that are not commercially produced (Attachment 35).

Vice-Chairman Urie asked if HB2609 will prohibit the display of hand-painted political signs. Ms. Hindman stated that HB2609 allows the homeowners' associations (HOAs) to prohibit the use of signs that are not commercially produced.

Representative Brenda Barton, sponsor, stated that HB2609 is a small change to legislation previously passed. She explained that homes within HOAs should be able to market the homes that are available for rent or for sale and that signage is necessary for that purpose.

Timothy Lee, representing self, testified in support of HB2609 and provided a brief history of the original bill that was signed into law in 2007, to allow a property owner to post a real estate sign on their property within an HOA. He explained that rental signs that fall under the same regulatory guidelines as *for sale* signs are prohibited and are taken down, and the real estate agent is charged a \$50 fine per sign, per week. Mr. Lee stated that a technicality within the language of the legislation is allowing the HOAs to remove these signs and that is what is prompting the technical correction of HB2609.

Bill Bridwell, representing self, testified in support of HB2609, stating that HOAs have prohibited real estate signs that specify *for rent* or *for lease* as opposed to *for sale*, which was permitted by the 2007 legislation. He requested the Committee's support of HB2609.

Kevin DeMenna, Community Associations Institute, testified as neutral to HB2609, stating that the allowance of real estate signs was a cancellation of the Covenants, Codes and Restrictions (CC&Rs), so allowing rental signs that fall under the same guidelines as the *for sale* signs does not impact the Community Associations Institute any differently either way.

Tom Farley, Arizona Association of REALTORS®, testified in support of HB2609, stating that HB2609 has some minor issues with language and may need some clarification. He stated that he is willing to work with the sponsor to achieve clarity in the language.

Vice-Chairman Urie announced the names of those who signed up in support of HB2609 but did not speak:

Courtney Gilstrap LeVinus, Arizona Multihousing Association and Arizona Real Estate Investors Association, American Rental Property Owners and Landlords Association

Mary Arnold, representing self

George Staropoli, representing self

**Question was called on the motion that HB2609 do pass. The motion carried by a roll call vote of 5-0-0-4 (Attachment 36).**

**HB2717 - homeowners' associations; penalties; attorney fees - DO PASS**

**Vice-Chairman Urie moved that HB2717 do pass.**

Michelle Hindman, Majority Research Analyst, stated that HB2717 modifies the statutes governing the powers and authorities of a homeowners' association (HOA) (Attachment 37).

Representative Heather Carter, sponsor, stated that Arizona has a severe HOA problem and they have overreached what they were designed to do. She stated that HB2717 limits the following:

- the amount of a fee that can be charged by the HOA
- late fees that are charged on the initial fee by the HOA
- the amount an HOA can charge for lawyer services used to defend against a homeowner in pursuit of collection of those fees
- HOA's ability to charge a fee to post a *for lease* or *for sale* sign on a house

Representative Carter explained that in the current economic crisis, there are many homes that are vacant and the HOAs are having trouble collecting fees to cover maintenance costs for the common areas. She stated that HOAs should not be extorting the residents who are paying their fees, to cover the fees lost by the vacant homes. Representative Carter related an example of an individual who was charged \$100 a day for uncut weeds in his yard and his final bill in June of 2009 was \$31,524. She stated that this kind of case is what prompted HB2717 to protect Arizona homeowners.

Kevin DeMenna, Community Associations Institute, testified in opposition to HB2717, stating that there is another piece of legislation that is moving through the House and Senate that will abrogate, amend and alter the contracts (CC&Rs) locally so that legislation will not be necessary.

Meghaen Duger, Arizona Association of REALTORS®, testified in support of HB2717, stating that the sign language in HB2717 is necessary. She stated that the bill gives recourse where there is currently no recourse against an HOA that prevents the use of for rent and for lease signs.

Vice-Chairman Urie announced the names of those who signed up in support of HB2717 but did not speak:

Tom Farley, Lobbyist, Arizona Association of REALTORS®

George Staropoli, representing self

Vice-Chairman Urie announced the names of those who signed up in opposition to HB2717 but did not speak:

Mary Arnold, representing self

**Question was called on the motion that HB2717 do pass. The motion carried by a roll call vote of 5-0-0-4 (Attachment 38).**

**HB2644 - federal monies; union preference; prohibition - DO PASS**

**Vice-Chairman Urie moved that HB2644 do pass.**

James Craig, Majority Intern, stated that HB2644 prohibits state entities, counties, cities and towns from accepting federal money for a construction project if accepting it requires them to give a preference to union labor (Attachment 39).

Vice-Chairman Urie announced the names of those who signed up in support of HB2644 but did not speak:

Shawn Dow, representing self

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

Sarah Morgan, Arizona Chapter, Associated General Contractors

Vice-Chairman Urie announced the names of those who signed up in opposition to HB2644 but did not speak:

Craig McDermott, representing self

Rebekah Friend, Lobbyist, Arizona AFL-CIO

**Question was called on the motion that HB2644 do pass. The motion carried by a roll call vote of 5-0-0-4 (Attachment 40).**

**HB2650 - county employees; merit system exemption - DO PASS**

**Vice-Chairman Urie moved that HB2650 do pass.**

Michelle Hindman, Majority Research Analyst, stated that HB2650 requires a county board of supervisors to remove certain county administrative positions from the County Employee Merit System upon request by an elected county official (Attachment 41).

Chairman Burges, sponsor, explained that because of due process in county government, there are people who are not doing their jobs, but are shielded from terminations. She explained that HB2650 will increase the number of *at will* employees and will enhance governmental operations.

**Question was called on the motion that HB2650 do pass. The motion carried by a roll call vote of 5-0-0-4 (Attachment 42).**

**HB2720 - school bonds; technical correction - DO PASS AMENDED S/E**  
**S/E: classification; vicious animal assault**

**Vice-Chairman Urie moved that HB2720 do pass.**

**Vice-Chairman Urie moved that the Montenegro two-page strike-everything amendment dated 2/10/11 (Attachment 43) be adopted.**

Michelle Hindman, Majority Research Analyst, explained that the proposed Montenegro two-page strike-everything amendment dated 2/10/11 (Attachment 43) to HB2720 revises the conditions under which an individual may own an aggressive dog and modifies the criminal penalties regarding violence by dogs (Attachment 44).

Mr. Montenegro, sponsor, stated that he has been working on HB2720 for three years. He stated that the bill is not finished and that he is willing to continue work to satisfy any concerns. He introduced Richard and Sally Andrade to the Committee to give testimony on HB2720.

Richard Andrade, Fabian's Law, testified in support of HB2720, stating that their miniature poodle, Fabian, was attacked by a dog and is the reason behind the bill.

Sally Andrade, Fabian's Law, testified in support of HB2720 and related that she was walking Fabian on a leash when an irresponsible owner failed to keep his animal confined or controlled. She explained that the animal came into her driveway and attacked and killed Fabian. She stated that even though the attack was dog-on-dog, she knew that she and her other poodle, whom she was holding in her arms, would have been attacked if four neighbors had not come to her aid.

Mr. Andrade stated that in Maricopa County between September 5, 2009, and June 5, 2010, there were 3,100 incidents of vicious dog attacks; 755 were dog-on-dog attacks. He stated that HB2720 will help eliminate this problem. He urged the Members to support HB2720.

Mr. Montenegro thanked Mr. and Mrs. Andrade for their testimony.

**Question was called on the motion that the Montenegro two-page strike-everything amendment dated 2/10/11 (Attachment 43) be adopted. The motion carried.**

**Vice-Chairman Urie moved that HB2720 as amended do pass. The motion carried by a roll call vote of 5-0-0-4 (Attachment 45).**

Without objection, the meeting adjourned at 6:51 p.m.

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Charly Laube, Committee Secretary  
April 4, 2011

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