

ARIZONA HOUSE OF REPRESENTATIVES  
Fiftieth Legislature – First Regular Session

**COMMITTEE ON AGRICULTURE AND WATER**

Minutes of Meeting  
Thursday, February 17, 2011  
House Hearing Room 5 -- 9:00 a.m.

Chairman Jones called the meeting to order at 9:05 a.m. and attendance was noted by the secretary.

**Members Present**

Mrs. Barton	Mrs. Judd	Mr. Urie
Mrs. Brophy McGee	Ms. Miranda C	Mr. Crandell, Vice-Chairman
Mr. Gallego	Mrs. Pancrazi	Mr. Jones, Chairman

**Members Absent**

None

**Committee Action**

HB2312 - DP (9-0-0-0)	HB2539 - DP (9-0-0-0)
HB2314 - DPA S/E (9-0-0-0)	HB2725 - DPA (9-0-0-0)
HB2395 - DPA S/E (9-0-0-0)	HCM2003 - DP (9-0-0-0)
HB2397 - DPA S/E (9-0-0-0)	HR2002 - DP (9-0-0-0)
HB2524 - DPA S/E (9-0-0-0)	

**CONSIDERATION OF BILLS**

**HB2539 - public sale of animals - DO PASS**

**Vice-Chairman Crandell moved that HB2539 do pass.**

Gina Kash, Majority Research Analyst, stated that HB2539 prohibits the public sale of animals statewide, with certain exceptions (Attachment 1).

Representative Franklin Pratt, sponsor, stated that HB2539 expands existing law to include the rural counties and was brought to him by Animal Control due to problems in rural Arizona.

Mrs. Pancrazi asked if HB2539 prevents people from selling animals on the sides of the street. Representative Pratt stated that it includes all animals and explained a situation in his area where people are selling turtles, kittens, rabbits, chickens, etc., especially near holidays such as Easter.

Victoria Cowper, representing self, testified in support of HB2539, urging the Committee to support the bill to reduce animal overpopulation in the state. Ms. Cowper explained that shelters are full of animals from roadside sales that have no vaccines and are not spayed or neutered which poses serious health risks to the other animals in the shelters. She added that HB2539 will help to reduce irresponsible breeding.

Vice-Chairman Crandell announced the names of those who signed up in support of HB2539 but did not speak:

Stephanie Nichols-Young, Animal Defense League of Arizona

**Question was called on the motion that HB2539 do pass. The motion carried by a roll call vote of 9-0-0-0 (Attachment 2).**

**HR2002 - Mexico-U.S. commission; eradicate foot-and-mouth disease - DO PASS**

**Vice-Chairman Crandell moved that HR2002 do pass.**

Rodney Loehr, Majority Intern, stated that HR2002 states that The House of Representatives of the State of Arizona (House) recognizes the members of the Mexico-United States Commission to Eradicate Foot-and-Mouth Disease (FMD) (Commission) for their efforts to preserve the Arizona and American livestock industry. The House encourages the teaching of the historical importance of the Commission in preserving the state's livestock history by preventing the spread of the FMD (Attachment 3).

Mrs. Judd, sponsor, explained that the Resolution provides a brief history of FMD in Arizona and explained her family's connection to the Commission.

Vice-Chairman Crandell related his family's history with FMD as well and stated his support of the bill.

**Question was called on the motion that HR2002 do pass. The motion carried by a roll call vote of 9-0-0-0 (Attachment 4).**

**HB2314 - lake improvement; boating safety; funds. - DO PASS AMENDED S/E**  
**S/E: boating safety; fees; fund**

**Vice-Chairman Crandell moved that HB2314 do pass.**

Rodney Loehr, Majority Intern, explained that the proposed Jones three-page strike-everything amendment dated 2/15/11 (Attachment 5) to HB2314 designates a portion of the monies collected from watercraft registration into the Law Enforcement and Boating Safety (LEBS) Fund. This directs the State Treasury to distribute the monies to eligible counties based on a formula created by the Arizona Game and Fish Commission (Commission) (Attachment 6).

Mr. Loehr explained that the Jones three-page amendment dated 2/16/11 (Attachment 7) to the Jones three-page strike-everything amendment dated 2/15/11 (Attachment 5) inserts language regarding the allocation of revenues collected from the registration fees as well as other changes.

Chairman Jones, sponsor, explained that HB2314 and the amendments are the products of stakeholder meetings with law enforcement around the state regarding the LEBS Fund. He explained that it is essential for law enforcement around waterways to have the manpower to keep those waterways safe. HB2314 moves the Fund to the Department of Game and Fish to be administered in the future.

Mr. Urie asked if the list within the Jones three-page strike-everything amendment is a priority of use list or a list of where funds can be applied. Chairman Jones stated that the list is a list where funds can be applied.

Mrs. Brophy McGee asked if the Department of Game and Fish is subject to *sweeps* by the Legislature. Chairman Jones stated that he would meet with Mrs. Brophy McGee to discuss funds that are available for *sweeping*. Mrs. Brophy McGee asked if monies that are currently in Arizona State Parks would be moved or will it be the promise of monies yet to be realized. Chairman Jones stated that it will transfer administration of the fund for the future.

Ms. Miranda stated that HB2314 allocates 35 percent of revenues from the registration of watercraft to the LEBS Fund and asked if the Jones three-page strike-everything amendment adds to that percentage. Chairman Jones answered in the negative.

**Vice-Chairman Crandell moved that the Jones three-page strike-everything amendment dated 2/15/11 (Attachment 5) be adopted.**

**Vice-Chairman Crandell moved that the Jones three-page amendment dated 2/16/11 (Attachment 7) to the Jones three-page strike-everything amendment dated 2/15/11 (Attachment 5) be adopted. The motion carried.**

**Vice-Chairman Crandell moved that the Jones three-page strike-everything amendment dated 2/15/11 (Attachment 5) as amended be adopted. The motion carried.**

Vice-Chairman Crandell announced the names of those who signed up in support of HB2314 but did not speak:

Jen Sweeney, Government Affairs Director, Arizona Association of Counties  
Kevin Bergersen, Boating Law Administrator, Arizona Game and Fish Department  
Alan Nelson, Lieutenant, La Paz County Sheriff  
Bret Axlund, Deputy Sheriff, Coconino County Sheriff's Office  
Eric Emmert, Yuma County  
Darren Simmons, Yuma County Sherriff  
Ron Anderson, Coconino County Sherriff

Jay Ziemann, Assistant Director, Arizona State Parks, testified as neutral on HB2314, stating that the purpose of the Jones strike-everything amendment as amended is to transfer the administration of the LEBS Fund to the Department of Game and Fish. He explained that Arizona State Parks has administered that Fund since its establishment, but last year over \$72 million was swept from Arizona State Parks. He explained that the quandary that rural legislators, the sheriffs and the State Parks Department faced was how to keep the State Parks'

budget as whole as possible, yet not hurt the sheriffs. The solution through stakeholder meetings is HB2314.

**Vice-Chairman Crandell moved that HB2314 as amended do pass. The motion carried by a roll call vote of 9-0-0-0 (Attachment 8).**

**HB2397 - sale of trust lands; taxes - DO PASS AMENDED S/E**  
**S/E: taxes; sale of trust lands**

**Vice-Chairman Crandell moved that HB2397 do pass.**

Gina Kash, Majority Research Analyst, explained that the proposed Jones two-page strike-everything amendment dated 2/15/11 (Attachment 9) to HB2397 allows taxes to accrue on state trust land when a patent is issued or seven years after the date of auction, whichever comes first (Attachment 10).

Ms. Kash explained that the Jones three-line amendment dated 2/16/11 (Attachment 11) to the Jones two-page strike-everything amendment dated 2/15/11 (Attachment 9) revises the Session Law language to include the prohibition of refunds of any property taxes on Certificates of Purchase issued from and after January 1, 2006.

**Vice-Chairman Crandell moved that the Jones two-page strike-everything amendment dated 2/15/11 (Attachment 9) be adopted.**

**Vice-Chairman Crandell moved that the Jones three-line amendment dated 2/16/11 (Attachment 11) to the Jones two-page strike-everything amendment dated 2/15/11 (Attachment 9) be adopted. The motion carried.**

**Vice-Chairman Crandell moved that the Jones two-page strike-everything amendment dated 2/15/11 (Attachment 9) as amended be adopted. The motion carried.**

Chairman Jones, sponsor, deferred to the stakeholders to speak to HB2397 and the amendments.

Spencer Kamps, Deputy Director, Home Builders Association of Central Arizona, testified as neutral on HB2397, stating that taxes are not paid until the property is owned which is good public policy and the Home Builders Association of Central Arizona strongly supports that provision of the bill. He expressed the Association's concern with the retroactivity date and its potential impact but stated that they are willing to continue work with the stakeholders

Mr. Gallego asked Mr. Kamps to explain his aforementioned concern with the retroactivity date. Mr. Kamps explained that the opportunity to forego tax payment, until receipt of a patent, for seven years is applied retroactively back to 2007. He explained that someone who purchases a property today would be treated differently regarding their taxes than someone who purchased a property prior to 2006 or 2007.

Chairman Jones clarified the current process and explained the application of HB2397 and the amendments to resolve some of the unintended consequences that are in current statute. Discussion followed regarding situations of forfeiture.

Mrs. Brophy McGee asked if Mr. Kamps' comment regarding "being treated differently" is because of taxes that have already been paid. Mr. Kamps stated that as he understands it, if an owner has not paid his taxes on a purchase after the effective date of HB2397, he would now be treated under the policy adopted by the bill, meaning he could pay within seven years of when he receives the patent. Chairman Jones stated that he is correct.

Ms. Miranda inquired about the fiscal impact to Maricopa County. Mr. Kamps stated that he does not know. Chairman Jones stated that he has requested a fiscal note and will distribute that note to the Members of the Committee when received.

Mr. Urie asked, if the taxing authority does not receive the taxes when paid, where the money goes, who has it and if it can be returned. Chairman Jones stated that he received a copy of the summary of Certificates of Purchase for 2005-2006 (Attachment 12) from the State Land Department that showed the current status of all transactions. He stated that the summary did not reveal much impact, but the fiscal note will be specific regarding that impact.

Mr. Gallego stated that he understands the policy but does not understand why the bill is retroactive. Chairman Jones stated that if the bill is not paid, it violates statute and the State Land Department has no other alternative other than to go through forfeiture proceedings.

Vanessa Hickman, Arizona State Land Department, testified in support of HB2397 and addressed Members' questions regarding:

- State Land Department's budget has been cut approximately 35 percent in the last three years.
- Procedure for retrieving land if the bill is not made retroactive and the number of deals that would be impacted.
- The inability to build permanent structures on land without a patent.

Chairman Jones added that liens cannot be placed on State Trust lands, so permanent structures cannot be built without the patent. Ms. Hickman agreed.

In response to a question from Mrs. Pancrazi, Ms. Hickman provided the various requirements for auctioning and improving a property. Mrs. Pancrazi thanked Ms. Hickman and stated that it is a monumental process to purchase a piece of State Trust land.

Mrs. Brophy McGee asked if State Trust land is purchased under a Certificate of Purchase in 2005 and the purchaser has been paying taxes, if HB2397 goes into effect, would they receive a refund back to 2006-2007. Chairman Jones answered affirmatively.

Vice-Chairman Crandell announced the names of those who signed up in support of HB2397 but did not speak:

Michael Racy, Lobbyist, Pima County

Kevin McCarthy, President, Arizona Tax Research Association

Michael Preston Green, Attorney, Aloravita

Chairman Jones made a point of clarification and re-addressed Mrs. Brophy McGee's question regarding refunds for taxes paid and stated that the Jones three-line amendment dated 2/16/11 (Attachment 11) to the Jones two-page strike-everything amendment dated 2/15/11 (Attachment 9) prohibits refunds of taxes already paid.

**Vice-Chairman Crandell moved that HB2397 as amended do pass. The motion carried by a roll call vote of 9-0-0-0 (Attachment 13).**

**HB2395 - technical correction; mobile home parks - DO PASS AMENDED S/E**  
**S/E: mobile home parks; designation; change**

**Vice-Chairman Crandell moved that HB2395 do pass.**

**Vice-Chairman Crandell moved that the Jones two-page strike-everything amendment dated 2/15/11 (Attachment 14) be adopted.**

Rodney Loehr, Majority Intern, explained that the proposed Jones two-page strike-everything amendment dated 2/15/11 (Attachment 14) to HB2395 states that the landlord of an age-restricted mobile home park shall provide notice to the director and tenants of a change to an all-age community. This bill defines the applicability of the mobile home relocation fund (Attachment 15).

Chairman Jones, sponsor, stated that HB2393 is a result of a meeting between the Arizona Association of Manufactured Homes and Recreational Vehicle Owners (AAMHO), the association of tenants and mobile home park residents. He explained that mobile home park owners contribute to a fund established to help mitigate the cost of moving mobile homes, which is very expensive. Because of the current economic climate, these parks have changed owners and thus changed requirements. HB2395 adds a condition under which a claim could be made to access that fund to receive assistance in relocating a mobile home.

Mr. Urie stated that because of the current economic conditions, a mobile home park that was age-restricted to 55 years and older may not be surviving financially, so HB2395 allows those mobile home owners who are stuck in that park and wish to move, to apply to that fund and receive help to relocate. Chairman Jones said that is correct.

Vice-Chairman Crandell announced the names of those who signed up in support of HB2395 but did not speak:

Susan Brenton, Executive Director, Manufactured Housing Communities of Arizona

Dana Paschke, AAMHO

Michael Preston Green, Attorney, Manufactured Housing Communities of Arizona

Ronald Feinstein, Legislative Director, Arizona Association of Manufactured Homes and Recreational Vehicle Owners (AAMHO), testified in support of HB2395, and thanked Chairman Jones for sponsoring the bill.

**Question was called on the motion that the Jones two-page strike-everything amendment dated 2/15/11 (Attachment 14) be adopted. The motion carried.**

**Vice-Chairman Crandell moved that HB2395 as amended do pass. The motion carried by a roll call vote of 9-0-0-0 (Attachment 16).**

**HB2312 - structural pest management; regulation. - DO PASS**

**Vice-Chairman Crandell moved that HB2312 do pass**

Gina Kash, Majority Research Analyst, stated that HB2312 relocates the Arizona Office of Pest Management into the Arizona Department of Agriculture (Attachment 17).

Joe Sigg, Arizona Farm Bureau, testified in support of HB2312, stating that while keeping the Office of Pest Management intact, it relocates it to the Department of Agriculture for two years. He explained that HB2312 provides the opportunity for good public policy and follows the spirit of the recommendation of the Auditor General's Office. Mr. Sigg said that the bill represents a consensus among stakeholders including the Office of Pest Management.

Chairman Jones thanked Mr. Sigg for bringing all parties together with an interest in HB2312; brief discussion followed.

Vice-Chairman Crandell announced the names of those who signed up in support of HB2312 but did not speak:

Rick Lavis, Executive Vice President, Arizona Cotton Growers Association

Robert Shuler, Western Growers; Arizona Crop Protection Association

Courtney Gilstrap LeVinus, Arizona Pest Professional Organization

Kenneth Fredrick, President, Arizona Pest Professional Organization

Chris Udall, Executive Director, Agri-Business Council of Arizona

Shelly Tunis, Attorney, Yuma Fresh Vegetable Association

Jack Peterson, Arizona Department of Agriculture

Bas Aja, Director of Government Relations, Arizona Cattlemen's Association

Philip Bashaw, Arizona Farm Bureau Federation; Arizona Farm Bureau

**Question was called on the motion that HB2312 do pass. The motion carried by a roll call vote of 9-0-0-0 (Attachment 18).**

**HB2725 - agriculture trust funds - DO PASS AMENDED**

**Vice-Chairman Crandell moved that HB2725 do pass.**

Rodney Loehr, Majority Intern, stated that HB2725 converts all appropriated agricultural funds into trust funds. Two additional agricultural trust funds are created and all trust funds are not State Treasury funds (Attachment 19).

Mr. Loehr explained that the Jones two-line amendment dated 2/11/11 (Attachment 20) strikes the words "and chapter 5, article 2" at the top of page 8, line 2 of the printed bill. The

amendment allows the marketing commission and marketing committee staff to participate in the Arizona State Retirement System (ASRS).

Vice-Chairman Crandell announced the names of those who signed up in support of HB2725 but did not speak:

Joe Sigg, Lobbyist, Arizona Farm Bureau

Chris Udall, Executive Director, Agri-Business Council of Arizona

Shelly Tunis, Attorney, Yuma Fresh Vegetable Association

Philip Bashaw, Arizona Farm Bureau Federation, Arizona Farm Bureau

Shane Leonard, Associate General Manager, Roosevelt Water Conservation District

Vice-Chairman Crandell announced the names of those who signed up in opposition to HB2725 but did not speak:

Kevin Donnellan, Director of Communications & Government Affairs, Office of the Arizona State Treasurer

Vice-Chairman Crandell announced the names of those who signed up as neutral on HB2725 but did not speak:

Lesli Sorensen, Government Relations Officer, Arizona State Retirement System

Robert Shuler, Western Growers; Arizona Crop Protection Association, testified in support of HB2725, stating that HB2725 states that the appropriated agricultural funds will be held in trust and cannot be taken by the Legislature and the Governor's Office. The second provision gives authority to the director or the counsel that controls these funds to put them offsite into a bank. Mr. Shuler remarked that the State Treasurer's Office's opposition is due to the second provision and that their concern is from a best cash management point of view. He said the Arizona Crop Protection Association and Western Growers will continue to work with the Treasurer's Office regarding this concern to come to an agreement.

**Vice-Chairman Crandell moved that the Jones two-line amendment dated 2/11/11 (Attachment 20) be adopted. The motion carried.**

Mrs. Brophy McGee opined that what resonates with the public is food safety and strongly urged that the public be informed through media such as press conferences regarding the sweeping of these funds and its effect on food safety, etc. Chairman Jones agreed and a brief discussion followed regarding the sweeping of the funds and a possible press conference.

**Vice-Chairman Crandell moved that HB2725 as amended do pass. The motion carried by a roll call vote of 9-0-0-0 (Attachment 21).**

### **HCM2003 - daily commuter program - DO PASS**

**Vice-Chairman Crandell moved that HCM2003 do pass.**

Gina Kash, Majority Research Analyst, stated that HCM2003 urges the President of the United States and the Secretary of the United States Department of Labor (DOL) to recognize the authority of the DOL to establish a commuter worker pilot program that would exempt H-2A certified farmers from providing required housing for H-2A workers who choose to commute

daily to their Mexico residences along the border, rather than reside in the U.S. during the harvest season (Attachment 22).

Robert Shuler, Western Growers, testified in support of HCM2003, stating that the federal H-2A program is challenging. He explained that in H-2A, if employers bring foreign workers into the U.S., they must provide housing for those workers. He said that this requirement makes sense, but an employer should not have to provide housing when those employees go home every day because they live just across the border from their employers. Mr. Shuler stated that the Secretary of the DOL has the authority to waive that requirement and HCM2003 is a message from the Arizona Legislature supporting that authority. He explained that the requirement to provide housing is increasing the cost for farmers near the border because there is housing available to these workers who go home every night.

Chairman Jones stated that HCM2003 would make the housing voluntary, so if an employee requested housing, the employer would provide that housing. Mr. Shuler concurred.

Vice-Chairman Crandell announced the names of those who signed up in support of HCM2003 but did not speak:

Joe Sigg, Lobbyist, Arizona Farm Bureau

Shelly Tunis, Attorney, Yuma Fresh Vegetable Association

Philip Bashaw, Arizona Farm Bureau Federation; Arizona Farm Bureau

**Question was called on the motion that HCM2003 do pass. The motion carried by a roll call vote of 9-0-0-0 (Attachment 23).**

**HB2524 - trust lands sold; taxation - DO PASS AMENDED S/E**  
**S/E: heritage fund; lottery distribution; reinstatement**

**Vice-Chairman Crandell moved that HB2524 do pass.**

**Vice-Chairman Crandell moved that the Jones 22-line strike-everything amendment dated 02/15/2011 (Attachment 24) be adopted.**

Gina Kash, Majority Research Analyst, stated that the proposed Jones 22-line strike-everything amendment dated 02/15/2011 (Attachment 24) reinstates the Arizona Parks Board Heritage Fund. Laws 2010, Seventh Special Session, Chapter 12 redirected lottery distributions for the Heritage Fund to the General Fund as permanent law (Attachment 25).

William Thornton, Arizona Heritage Alliance, testified in support of HB2524 and provided a brief history of the Arizona Parks Board Heritage Fund (Fund) including:

- Established in 1990
- It has always been paid for from the Arizona State Lottery
- Invests \$400 million, with a return of \$266 million, annually

Mr. Thornton urged the Committee's support of HB2524 and asked that the Heritage Fund be restored for its voter-intended purpose.

Elizabeth Woodin, President, Arizona Heritage Alliance, testified in support of HB2524, stating that the Heritage Fund is paid through lottery funds and not taxpayer monies and preserves the state's history, wildlife and culture and is important to maintain. She stated that the Fund is an important economic engine and needs to be reinstated.

Bonnie Bariola, Florence Preservation Foundation, testified in support of HB2524, stating that the Fund allocation to Arizona State Parks is extremely important. When up to \$10 million was available annually, up to 17 percent went to historic preservation, five percent to trails and the remainder to different uses for the Parks' system. She explained that the Town of Florence has been able to maintain its historical structures solely due to assistance from the Heritage Fund. She provided an account of grants tied into the Heritage Fund that were suspended or cancelled accounting for \$650,000 that had contracts and projects attached. She explained that because of these grants, \$1.3 million would have been contributed to the local economy and five additional historic properties would have been saved. Ms. Bariola urged the Members to support the bill.

Carol Gary, Executive Director, Arizona Parks and Recreation Association, stated her support of HB2524 and urged the support of the Members.

Janice Miano, Director of Administration, Arizona Heritage Alliance, testified in support of HB2524, stating that millions of dollars in matching grants have brought significant social, economic and environmental benefit to every community in Arizona. She urged the Members' support and referenced a handout that she distributed for review (Attachment 26).

Chairman Jones, sponsor, stated that the Heritage Fund was swept and effectively defunded and disassociated from the Arizona State Lottery. He explained that HB2524 reinstates the Fund and that the voters approved and supported through lottery purchases. He expressed his disapproval of the sweeping of this Fund as well as others to balance the budget.

Vice-Chairman Crandell announced the names of those who signed up in support of HB2524 but did not speak:

James Stiles, Maricopa Audubon Society

Thomas Hulen, representing self

Scott Powell, Economic Development Coordinator, Town of Florence

Jim McPherson, President, Arizona Preservation Foundation

Cristie Statler, Executive Director, Arizona State Parks Foundation

Bryan Hughes, representing self

Vice-Chairman Crandell announced the names of those who signed up as neutral on HB2524 but did not speak:

Jay Ziemann, Assistant Director, Arizona State Parks

**Question was called on the motion that that the Jones 22-line strike-everything amendment dated 02/15/2011 (Attachment 24) be adopted. The motion carried.**

**Vice-Chairman Crandell moved that HB2524 as amended do pass. The motion carried by a roll call vote of 9-0-0-0 (Attachment 27).**

Chairman Jones announced that the Committee will hear Senate bills next week and will be hearing presentations from various entities such as the Arizona Water Well Association.

Without objection, the meeting adjourned at 10:48 a.m.

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Charly Laube, Committee Secretary  
April 15, 2011

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