

ARIZONA HOUSE OF REPRESENTATIVES
Fiftieth Legislature – First Regular Session

COMMITTEE ON EMPLOYMENT AND REGULATORY AFFAIRS

Minutes of Meeting
Tuesday, March 15, 2011
House Hearing Room 3 -- 2:00 p.m.

Chairman Robson called the meeting to order at 2:41 p.m. and attendance was noted by the secretary.

Members Present

Mr. Farnsworth
Mr. Fillmore
Mrs. Gonzales

Mr. Kavanagh
Mrs. Pancrazi
Mrs. Yee

Mr. Olson, Vice-Chairman
Mr. Robson, Chairman

Members Absent

Mr. Patterson (excused)

Committee Action

SB1033 - DP (8-0-0-1)
SB1120 - DP (6-2-0-1)
SB1249 - HELD
SB1259 - DP (5-3-0-1)

SB1288 - DP (7-1-0-1)
SB1316 - DP (8-0-0-1)
SB1317 - DPA (8-0-0-1)
SB1539 - DP (8-0-0-1)

CONSIDERATION OF BILLS

SB1249 - massage therapy board; omnibus - HELD

Chairman Robson announced that SB1249 will be held.

SB1033 - optometry board; omnibus - DO PASS

Sarah Wharton, House Research Analyst, explained that SB1033 makes a variety of changes to the optometry statutes (Attachment 1).

Norman Moore, Arizona Optometric Association, stated his support for SB1033.

Vice-Chairman Olson announced the names of those who signed up in support of SB1033 but did not speak:

Don Isaacson, Arizona Optometric Association

Vice-Chairman Olson announced the names of those who signed up as neutral on SB1033 but did not speak:

Barbara Meaney, Arizona Ophthalmological Society

Vice-Chairman Olson moved that SB1033 do pass. The motion carried by a roll call vote of 8-0-0-1 (Attachment 2).

SB1120 - chiropractic services; business entities - DO PASS

Sarah Wharton, House Research Analyst, explained that SB1120 requires business entities that offer chiropractic services to register with the State Board of Chiropractic Examiners (Attachment 3).

Vice-Chairman Olson announced the names of those who signed up in support of SB1120 but did not speak:

Norris Nordvold, Board of Chiropractic Examiners

Pat Pritzl, Board of Chiropractic Examiners

Vice-Chairman Olson announced the names of those who signed up as neutral on SB1120 but did not speak:

Barry Aarons, Lobbyist, representing self

Vice-Chairman Olson moved that SB1120 do pass. The motion carried by a roll call vote of 6-2-0-1 (Attachment 4).

SB1259 - foreclosures; proof of ownership - DO PASS

Sarah Wharton, House Research Analyst, explained that SB1259 makes several changes to the formation and administration of noncontiguous county island fire districts (Attachment 5).

Chairman Robson explained that the Banking and Insurance Committee passed a strike-everything amendment to SB1259 yesterday.

Lee Miller, Lobbyist, Arizona Fire District Association, spoke in support of SB1259 and explained that the Board of Supervisors that authorizes the district will also become the first Board of Directors upon the successful formation of the district. The agreement to reimburse a third party for assistance in forming the district will be paid for by the new district when it is successfully formed and when it has tax revenues.

Chairman Robson asked Mr. Miller to explain the formation of a fire district. Mr. Miller explained that county island fire districts can operate in Maricopa County only. Residents organize and petition to become a district, and then determine if they can achieve the vote of 50 percent plus one to agree to the formation. SB1259 allows the district being formed to enter into a contingency contract allowing the district, when formed and receiving revenue, to reimburse the group providing the services at time of formation.

Mr. Kavanagh asked what this bill will change. Mr. Miller explained that current law does not allow the forming group to enter into agreements with third party organizations for compensation; current law requires this to be done on an all-volunteer basis. Discussion ensued on the fees that can be charged to future fire districts and, if extremely high compensation rates can be charged for forming the districts, which taxpayers would then be required to pay.

Mr. Miller distributed a map of the proposed fire district (Attachment 6). He explained that three years ago the definition was that the island must be surrounded on all sides by a city; however the district on the map (Attachment 6) does not meet this definition. SB1259 “tweaks” the definition to include such a district. Mr. Miller indicated that the residents of this particular district are largely out-of-state owners who have not been successful in getting the required number of signatures, hence the involvement of a third party to assist in the formation of the district. He added that he would be in favor of adding caps to the amount of third-party assistance that can be used.

In response to Mrs. Gonzales’ question, Mr. Miller stated that Rural/Metro provides private fire protection on a subscription basis and is now interested in turning this service over to the residents to manage.

Discussion ensued on the needs of property owners, which can change over time, and the problem that occurs when a private company terminates a contract and leaves a district unprotected. Chairman Robson indicated to the Committee that he will continue to work on refining this legislation.

Vice-Chairman Olson announced the names of those who signed up in support of SB1259 but did not speak:

John Flynn, Arizona Fire District Association

Vice-Chairman Olson announced the names of those who signed up as neutral on SB1259 but did not speak:

Elaine Arena, Rural/Metro

Vice-Chairman Olson moved that SB1259 do pass. The motion carried by a roll call vote of 5-3-0-1 (Attachment 7).

SB1288 - religion; free exercise; professionals; appointments - DO PASS

Sarah Wharton, House Research Analyst, explained that SB1288 prohibits a government from denying, suspending or revoking a professional or occupational license, certificate or registration based on a person’s exercise of religion (Attachment 8).

Mrs. Pancrazi asked if this protection is already in statute. Ms. Wharton replied that there are provisions in the Arizona Constitution, but this bill is addressing licensure rather than daily practice within a work environment.

Deborah Sheasby, Legal Counsel, Center for Arizona Policy, stated her support for SB1288. She explained that this legislation details that licensure cannot be revoked or denied because of religious affiliation or beliefs.

Ms. Sheasby addressed Members' questions about the provisions dealing with sexual misconduct, government agencies, and why this legislation is necessary to address threats to religious liberties. Ms. Sheasby indicated that other states have similar laws in statute.

Anjali Abraham, Public Policy Director, American Civil Liberties Union of Arizona, testified as neutral on SB1288, but outlined several areas of concern regarding the breadth of language:

- “sincerely held moral or religious beliefs” is broadly written and could protect discrimination against another religion or viewpoint
- “professional conduct” traditionally is mediated by professions’ regulatory boards
- the definition of “government” is unclear as to whether it is a limiting definition or a specifying definition

Mrs. Pancrazi asked if this legislation could prevent employers from discharging people who are not doing their job. Ms. Abraham replied that this is limited to licensure, but employment could be impacted by SB1288.

Paul Putz, representing self, testified against SB1288, stating that Arizona should not legislate religious mythology.

Vice-Chairman Olson announced the names of those who signed up in support of SB1288 but did not speak:

Ron Johnson, Executive Director, Arizona Catholic Conference

Vice-Chairman Olson moved that SB1288 do pass. The motion carried by a roll call vote of 7-1-0-1 (Attachment 9).

SB1316 - PSPRS; trustees; employment agreements - DO PASS

Sarah Wharton, House Research Analyst, explained that SB1316 provides the Public Safety Personnel Retirement System (PSPRS) with the ability to enter into employment agreements, and specifies that loans, agreements and contracts entered into by the PSPRS Board are not subject to the procurement code (Attachment 10).

Vice-Chairman Olson announced the names of those who signed up in support of SB1316 but did not speak:

James Hacking, Administrator, Public Safety Personnel Retirement System

Don Isaacson, Fraternal Order of Police

Dianne McCallister, Public Policy Partners, Public Safety Personnel Retirement System

Vice-Chairman Olson moved that SB1316 do pass. The motion carried by a roll call vote of 8-0-0-1 (Attachment 11).

SB1317 - PSPRS; CORP; EORP; administration - DO PASS AMENDED

Olivia Pilcher, Majority Intern, explained that SB1317 makes various changes to Public Safety Personnel Retirement System (PSPRS) statutes (Attachment 12). The bill:

- expands the definition of *compensation* to include compensatory time used by an employee in lieu of overtime not otherwise paid by an employer.
- excludes unused compensatory time from the definition of *compensation*.
- expands the definition of *employee* to include firefighter certification.
- prohibits the board from making retroactive payments of a pension more than 90 days after the date of the person's application for benefits.
- changes references of *fund manager* to *board of trustees*.
- increases the number of days allotted for the transfer of employer and employee contributions from five to ten working days.
- includes a penalty on the employer of 10 percent per year, compounded annually, for each day the contributions are transferred after the 10 working days.
- allows delinquent payments including interest, to be recovered by action in a court of competent jurisdiction against an employer liable for the payments, or allows the board to deduct the payments from other monies, including excise revenue taxes.
- requires a local board that has not yet adopted rules for adjudication to use the uniform rules issued by the board of trustees' fiduciary counsel when resolving disputes.
- mandates that local boards provide the board of trustees with minutes from local board meetings.

Ms. Pilcher explained that the Robson five-page amendment dated 3/14/11 (Attachment 13) removes the ability for any retired member or survivor of PSPRS to purchase individual health care coverage through the retired member's employer.

Vice-Chairman Olson announced the names of those who signed up in support of SB1317 but did not speak:

James Hacking, Administrator, Public Safety Personnel Retirement System
Richard Bohan, Legislative Liaison, Maricopa County Board of Supervisors
Dianne McCallister, Public Policy Partners, Public Safety Personnel Retirement System

Vice-Chairman Olson announced the names of those who signed up as neutral on SB1317 but did not speak:

Brian Livingston, Executive Director, Arizona Police Association

Vice-Chairman Olson moved that SB1317 do pass.

Chairman Robson moved that the Robson five-page amendment dated 3/14/11 (Attachment 13) be adopted. The motion carried.

Vice-Chairman Olson moved that SB1317 as amended do pass. The motion carried by a roll call vote of 8-0-0-1 (Attachment 14).

SB1539 - CORP; designated position; waiver - DO PASS

Olivia Pilcher, Majority Intern, explained that SB1539 permits corrections employees with at least five years of service under the Corrections Officers Retirement Plan (CORP) who are transferred or promoted to temporarily fill an Arizona State Retirement System (ASRS) designated position to maintain active status in CORP (Attachment 15).

Mr. Kavanagh asked what problem this legislation will solve. Ms. Pilcher stated that SB1539 allows a CORP member to transfer temporarily to ASRS for less than a year, to maintain their active status in CORP, then to return to CORP.

Jennifer Bowser, Arizona Department of Corrections, stated her support for SB1539. She explained that a CORP member can be promoted to a supervisory level, which is an ASRS position, and this bill allows the individual to retain CORP membership.

Discussion ensued and Ms. Bowser indicated that ASRS, PSPRS, and CORP all agree with this legislation. Mr. Farnsworth asked what specific problems have given rise to this legislation.

James Hacking, Administrator, Public Safety Personnel Retirement System, addressed Mr. Farnsworth's question, explaining that a person who has inmate contact is in CORP, but promotions can move that person to an ASRS task which has no inmate contact. This legislation is intended to address CORP positions and to define what "temporarily" means in this context.

Vice-Chairman Olson announced the names of those who signed up in support of SB1539 but did not speak:

Don Isaacson, Fraternal Order of Police

Lesli Sorensen, Government Relations Officer, Arizona State Retirement System

John Thomas, Arizona Correctional Peace Officers Association

James Mann, Arizona Fraternal Order of Police

Vice-Chairman Olson moved that SB1539 do pass. The motion carried by a roll call vote of 8-0-0-1 (Attachment 16).

Without objection, the meeting adjourned at 3:53 p.m.

Jane Dooley, Committee Secretary

April 5, 2011

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