

ARIZONA HOUSE OF REPRESENTATIVES
Fiftieth Legislature – First Regular Session

COMMITTEE ON TRANSPORTATION

Minutes of Meeting
Thursday, March 17, 2011
House Hearing Room 3 -- 9:00 a.m.

Vice-Chairman Gray called the meeting to order at 9:04 a.m. and roll call was taken by the secretary.

Members Present

Mrs. Burges
Ms. Fann
Mr. Farley

Ms. Hobbs
Mrs. McLain
Mr. Weiers, JP

Mr. Gray, Vice-Chairman
Mr. Williams, Chairman

Members Absent

Mr. Meyer

Committee Action

SB1053 - DP (6-1-0-2)
SB1147 - DP (8-0-0-1)
SB1261 - DP (8-0-0-1)

SB1262 - DP (6-2-0-1)
SB1270 - DPA (7-0-0-2)

CONSIDERATION OF BILLS

SB1053 - character education special plate fund - DO PASS

Chairman Williams moved that SB1053 do pass.

Justin Riches, Majority Research Analyst, explained that SB1053 allows the Arizona Department of Education (ADE) to use no more than 10 percent of the Character Education Special Plate Fund for administrative costs (Attachment 1). In response to a question, he related that generally when special license plate bills are passed, a provision is included to allocate a certain percentage for administering the fund. That provision was not included when the bill passed for this plate so SB1053 makes a technical correction.

Senator Linda Gray, sponsor, agreed that when the bill passed for these plates, there was no allocation to ADE. ADE has had reductions in the budget, and a woman who was running the program, but is now retired, goes in to ADE twice a week on a voluntary basis to promote character education.

Zach Tretton, Assistant Director of Policy Development & Government Relations, Arizona Department of Education (ADE), spoke in support of SB1053, which allocates 10 percent of funds to ADE for administrative costs.

Question was called on the motion that SB1053 do pass. The motion carried by a roll call vote of 6-1-0-2 (Attachment 2).

SB1261 - vehicle liens; titles - DO PASS

Chairman Williams moved that SB1261 do pass.

Joe DeMenna, Majority Assistant Research Analyst, explained that SB1261 modifies the time frame for filing any lien and paperwork on a vehicle title and grants the purchaser of the vehicle, or the lien holder, the ability to keep the vehicle if a failure to complete the necessary paperwork occurs within the time frame (Attachment 3).

Senator Linda Gray, sponsor, stated that a hard-working gentleman with his own business ended up going through bankruptcy even though he had an 800 credit score. There is a problem with the 30-day time frame. The bankruptcy court ruled that because the process took 32 days, his vehicle will be taken and sold at auction, but he is still required to make payments on the vehicle. The only person who benefits is the court-appointed bankruptcy attorney who receives a certain percentage of the total bankruptcy. She opined that the 30 days is unfair and she hopes changing to 30 business days will prevent this from happening to anyone else.

In response to a question, she indicated that she is hoping the retroactivity clause will help the gentleman. It was interesting that the bankruptcy court ruled that he can have the vehicle back if he pays \$12,000. He already had a loan so he could not come up with that amount. At the auction, the vehicle sold for \$12,001. She added that this has happened to more than this individual, according to the Arizona Automobile Dealers Association.

Ms. Fann questioned if the retroactivity clause could result in a fiscal ramification to the state. Senator Gray said she does not believe so; the individuals will probably sue the attorney who benefitted to get their money back. She agreed to check with Jerry Landau from the courts.

Chairman Williams announced the names of those who signed up in support of SB1261 but did not speak:

Bobbi Sparrow, Government Relations Director, Arizona Automobile Dealers Association

Question was called on the motion that SB1261 do pass. The motion carried by a roll call vote of 8-0-0-1 (Attachment 4).

SB1147 - motor vehicle safety monitoring equipment - DO PASS

Chairman Williams moved that SB1147 do pass.

Jonathon Bates, Majority Intern, explained that SB1147 exempts safety monitoring and driver feedback equipment from window and windshield equipment restrictions under certain circumstances (Attachment 5).

Senator Linda Gray, sponsor, related that there is an insurance company that provides a free video camera to parents of teenage drivers that is installed just above the rear-view mirror. Department of Public Safety officers, however, have stopped people using the device and said it is illegal because it is an obstruction. SB1147 allows people to use the device without a penalty.

Chairman Williams announced the names of those who signed up in support of SB1147 but did not speak:

Del Lisk, Vice President, DriveCam

In response to a question, Senator Gray explained that the device is a continuous video, but if there is a sudden stop or jerk of the vehicle, the camera goes back and records 12 seconds prior to that incident, which can be viewed later to show what occurred. It will also capture the number of people in the vehicle since there are restrictions on the number of passengers that can ride with teenage drivers. She said the device is smaller than a global positioning system; it is so small that it does not obstruct since it is above the rear-view mirror.

In response to a question, Mr. Bates related that the bill exempts safety monitoring and driver feedback equipment if it is located immediately behind, slightly above or slightly below the rear-view mirror or where the rear-view mirror would commonly be positioned if the motor vehicle is without a windshield mounted rear-view mirror.

Question was called on the motion that SB1147 do pass. The motion carried by a roll call vote of 8-0-0-1 (Attachment 6).

SB1262 - Arizona centennial special plates - DO PASS

Chairman Williams moved that SB1262 do pass.

Joe DeMenna, Majority Assistant Research Analyst, explained that SB1262 requires the Arizona Department of Transportation (ADOT) to issue the Arizona Centennial Special Plate using \$32,000 from the Arizona Office of Tourism (AOT), directs the AOT to design the plates subject to approval by ADOT, establishes the Arizona Centennial Special Plate Fund to be administered by the Director of ADOT and requires the first \$32,000 in the Fund to be reimbursed to the AOT.

Mr. DeMenna explained that the Farley 11-line amendment to SB1262 (Attachment 8) requires a special plate, in conformance with this article, to have a standard design with one area designated for a logo or message. It also requires ADOT to determine the standardized design of the special plate with the logo or message subject to approval by the Director of ADOT, applies the section to all authorized special plates after the effective date and makes technical and conforming changes.

Mr. Farley moved that the Farley 11-line amendment to SB1262 dated 3/9/11 (Attachment 8) be adopted.

Senator Linda Gray, sponsor, stated that she is trying to raise awareness of the state's celebration of the Centennial year. Someone who has a child born during the Centennial may want a license plate to commemorate. This bill will also bring in money to the state to celebrate the Centennial.

She added that the Farley 11-line amendment will be problematic for MVD to implement and will deny the wishes of people who want special license plates.

Mr. Farley pointed out that the Farley 11-line amendment is prospective and only affects new plates. Senator Gray indicated that she still objects to the Farley 11-line amendment because she believes people should have the choice of having a special plate.

Mr. Farley submitted that the Farley 11-line amendment will solve the problem posed to public safety by the fact that there is no uniform plate design that is easily recognizable by the general public when witnessing an accident, for example. The amendment creates a plate with a standardized design that has a three-inch area in which the people sponsoring the plate can control the design, and ADOT will be able to object to anything that is inappropriate. The amendment applies to all future special plates and the money will still go to the specific nonprofit organization.

Mrs. McLain commented that she respectfully opposes the amendment. She opined that if someone wants to support a particular cause, a bumper sticker is the way to go.

Senator Gray remarked that her husband was in law enforcement for 36 years and has a special plate as a Marine veteran. She objects to the Farley 11-line amendment because law enforcement recognizes the special plates, and there is no indication of opposition by law enforcement to the bill.

Mr. Farley indicated that he is mostly concerned about license plate identification by members of the general public who witness a crime; it will be much easier to identify a standardized plate as being from Arizona if a vehicle is speeding away from an incident. Senator Gray countered that if someone sees a plate that says *Fallen Officer* or *It Shouldn't Hurt to be a Child*, it will limit the scope rather than trying to figure out the number on five million vehicles.

Kevin Biesty, Arizona Department of Transportation (ADOT), related that he has not seen the amendment, but A.R.S. §28-2351 already requires ADOT to determine the color and design of the license plate, and all plates issued by ADOT, except special license plates, shall be of the same color and design. The bill only adds another plate designation to the exemption list.

Ms. Fann stated that it is questionable whether there will be an AOT next year.

Mr. Weiers asked if a motorcycle-sized license plate will be available under this bill. Mr. Biesty answered that there has been some debate about whether statute needs to specify the availability of a motorcycle plate. Generally, if there is a large enough pool of people looking for a motorcycle design, ADOT will accommodate that, such as with the veteran's plate, but that is not done with all special plates. Mr. Weiers commented that license plates for motorcycles are about half the size of a regular license plate, so he believes the restrictions in the Farley 11-line amendment would be very detrimental to the license plate.

Question was called on the motion that the Farley 11-line amendment to SB1262 dated 3/9/11 (Attachment 8) be adopted. The motion failed.

Chairman Williams announced the names of those who signed up in support of SB1262 but did not speak:

Laura Tessier, Associate, Arizona Tourism Alliance; Tucson Convention and Visitors Bureau

Karen Churchard, Director, Arizona Centennial Commission, spoke in support of SB1262. She said she has been asked by many citizens to forward a bill for a Centennial license plate. She indicated that she hopes the bill can be amended on the Floor because it is unusual for one agency like the AOT to design and fund license plates, which she would like to change to the Arizona Centennial 2012 Foundation. She pointed out that almost all states have had license plates for Centennial 50, 100 or 200 anniversaries.

Barry Aarons, Lobbyist, Arizona Tourism Alliance; Tucson Convention and Visitors Bureau, spoke in support of SB1262. He indicated that the AOT is in every budget he has seen and it is still funded, although at very small amounts from Indian gaming and Proposition 302.

Chairman Williams remarked that when the bill was brought to him a few weeks ago, he was asked if an amendment can be offered to move the funding from the AOT back to ADOT. He was uncomfortable about ADOT funding the bill considering the budget deficit. He said he would like the entire body to weigh in on this issue and asked the Members to respect that and allow discussion to be held on the Floor.

Question was called on the motion that SB1262 do pass. The motion carried by a roll call vote of 6-2-0-1 (Attachment 9).

SB1270 - technical correction; publication of notice(now: Arizona department of transportation; omnibus) - DO PASS AMENDED

Chairman Williams moved that SB1270 do pass.

Jonathon Bates, Majority Intern, explained that SB1270 authorizes the Arizona Department of Transportation (ADOT) to conduct financial and criminal background checks on new and transferred employees under specific conditions, coordinates motor vehicle dealer licensure between ADOT and the Arizona Department of Financial Institutions (ADFI), modifies statutes pertaining to public-private partnership (PPP) agreements in transportation and makes statutory changes to ADOT (Attachment 10).

Chairman Williams moved that the Williams 19-line amendment to SB1270 dated 3/7/11 (Attachment 11) be adopted.

Mr. Bates explained that the Williams 19-line amendment to SB1270 makes multiple technical changes (Attachment 11).

Question was called on the motion that the Williams 19-line amendment to SB1270 dated 3/7/11 (Attachment 11) be adopted. The motion carried.

Chairman Williams moved that the Williams two-page amendment to SB1270 dated 3/8/11 (Attachment 12) be adopted.

Mr. Bates explained that the Williams two-page amendment to SB1270 exempts a supplier from being subject to the five percent penalty on transactions reported within 90 days after the due date if the supplier has paid at least 99.5 percent of the actual tax liability for the month by the due date (Attachment 12).

Question was called on the motion that the Williams two-page amendment to SB1270 dated 3/8/11 (Attachment 12) be adopted. The motion carried.

Mr. Williams moved that the Williams six-line amendment to SB1270 dated 3/8/11 (Attachment 13) be adopted.

Mr. Bates explained that the Williams six-line amendment authorizes the Director of ADOT to establish third-party electronic service partners beginning January 1, 2012 (Attachment 13).

Mrs. McLain asked if the bill applies to Service Arizona, which is already operating. Mr. Bates responded that the bill defines *authorized third-party electronic service partner* and authorizes the Director of ADOT to delineate which services will be provided by the partners.

Kevin Biesty, Arizona Department of Transportation (ADOT), related that the amendment is from International Business Machines (IBM), which runs Service Arizona. Some changes were made and ADOT is getting ready to put that contract out to bid, so the intent is to make it clear that SB1270 bill does not impact the current agreement with IBM.

Question was called on the motion that the Williams six-line amendment to SB1270 dated 3/8/11 (Attachment 13) be adopted. The motion carried.

Mr. Farley stated that in deference to Chairman Williams, he will not be moving the Farley five-page amendment, which prohibits 16- and 17-year-old drivers from using cell phones while driving (Attachment 14).

Chairman Williams moved that the Williams three-line amendment to SB1270 dated 3/15/11 (Attachment 15) be adopted.

Mr. Bates explained that the Williams three-line amendment to SB1270 removes language requiring that service for photo enforcement violation must be made to a person's parent, guardian or individual over the age of 18 at the person's household (Attachment 15).

Mr. Biesty related that Senator John Nelson, sponsor, talked to Senator Rich Crandall who agreed to removal of this provision from the bill.

Question was called on the motion that the Williams three-line amendment to SB1270 dated 3/15/11 (Attachment 15) be adopted. The motion carried.

Chairman Williams announced the names of those who signed up in support of SB1270 but did not speak:

Bobbi Sparrow, Government Relations Director, Arizona Automobile Dealers Association
Gregory Harris, Lobbyist, Donor Network of Arizona

Chairman Williams moved that SB1270 as amended do pass. The motion carried by a roll call vote of 7-0-0-2 (Attachment 16).

Without objection, the meeting adjourned at 10:05 a.m.

Linda Taylor, Committee Secretary
April 5, 2011

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