

ARIZONA HOUSE OF REPRESENTATIVES  
Fiftieth Legislature – Second Regular Session

**COMMITTEE ON TECHNOLOGY AND INFRASTRUCTURE**

Minutes of Meeting  
Thursday, February 9, 2012  
House Hearing Room 1 -- 9:00 a.m.

Chairman Stevens called the meeting to order at 9:10 a.m. and attendance was noted by the secretary.

**Members Present**

Mr. Dial  
Mrs. Gonzales  
Ms. Proud

Mr. Seel  
Mr. Wheeler

Mr. Pierce, Vice-Chairman  
Mr. Stevens, Chairman

**Members Absent**

None

**Committee Action**

HB2403 – DISCUSSED & HELD  
HB2417 – DP S/E (6-0-0-1)

HB2557 – DP (6-0-0-1)  
HB2647 – DPA (7-0-0-0)

**CONSIDERATION OF BILLS**

**HB2417 – concessionaire loans; restrictions. – DO PASS AMENDED S/E**  
**S/E: written communication; electronic delivery; definition**

**Vice-Chairman Pierce moved that HB2417 do pass.**

**Vice-Chairman Pierce moved that the Stevens 25-line strike-everything amendment to HB2417 dated 2/1/12 (Attachment 1) be adopted.**

Patrick Devine, House Majority Intern, explained that the proposed strike-everything amendment to HB2417 (Attachment 1) establishes that any law requiring an entity, a government agency, a government official or any person acting with official government authority to communicate with a person in writing or by mail may be satisfied by the use of a secure electronic delivery service and also defines *secure electronic delivery service* (Attachment 2).

In response to a question, Mr. Devine explained that the definition of *secure electronic delivery service* means both of the following:

- Employs procedures to provide, send, deliver or otherwise communicate electronic records to their intended recipients by means that uses either:
  - Security methods such as passwords, encryption and matching an electronic address to a person's physical United States postal address.
  - Other security methods that are consistent with applicable law or industry standards.
- States that operation is subject to otherwise applicable requirements of federal and state laws governing electronic signatures that allows information to be proved, sent, delivered or otherwise communicated by or from an entity, a government agency, a governments official or any person acting with official government authority to a person in the form of electronic record.

Alfie Charles, Pitney Bowes, testified in support of HB2417 with the strike-everything amendment, stating that the bill permits state government entities, as well as commercial entities bound by statutory requirements, to communicate by mail to satisfy requirements through the use of an electronic delivery system. He advised the bill would save the government millions of dollars in postage fees and printing costs.

Mr. Seel questioned if the legal requirements diminish somehow if the documents are electronic. Mr. Charles replied the intent of the bill is to allow the recipient of the communication to notify the government or the commercial entity on the preference of receiving the documents.

In response to a question, Mr. Charles explained that the electronic delivery system is not mandatory and the sender and recipient can opt in or out.

Vice-Chairman Pierce announced the names of those who signed up in support of the strike-everything amendment to HB2417 but did not speak:  
Stan Barnes, Pitney Bowes

Vice-Chairman Pierce announced the names of those who signed up in opposition to the strike-everything amendment to HB2417 but did not speak:  
Seth Apfel, representing self

**Question was called on the motion that the Stevens 25-line strike-everything amendment to HB2417 dated 2/1/12 (Attachment 1) be adopted. The motion carried.**

**Vice-Chairman Pierce moved that HB2417 as amended do pass. The motion carried by a roll call vote of 6-0-0-1 (Attachment 3).**

**HB2647 – county stadium districts; Rio Nuevo – DO PASS AMENDED**

**Vice-Chairman Pierce moved that HB2647 do pass.**

**Vice-Chairman Pierce moved that the Stevens 25-line amendment dated 2/3/12 (Attachment 4) be adopted.**

Daniel Gonzalez-Plumhoff, House Majority Analyst, explained that HB2647 provides various tax incentives for qualifying businesses located in the County Stadium District (District) organized for multipurpose facilities. Beginning in 2013, if a business located within the district makes improvements equal to 50 percent of the property's original full cash value, the business would be eligible for the incentives upon the issuance of a certificate of occupancy for the capital improvements. Specifically these incentives include an initial 100 percent transaction privilege tax (TPT) exemption, which will be phased down by 20 percent increments over a span of 14 years, a permanent use tax exemption for all tangible personal property sold at the business, and the freezing of the business property's full cash value for nine consecutive years. Additionally the measure expands the types of projects the District TPT revenues may be used for to include commercial real estate development and certain privately-owned projects (Attachment 5).

Mr. Gonzalez-Plumhoff explained that the Stevens 25-line amendment dated 2/3/12 (Attachment 4) limits the application of the timeframe outline in the underlying bill for municipal license and permits issuance to building permits only and makes conforming changes to accommodate the use of the TPT revenues.

Representative Ted Vogt, sponsor, advised HB2647 is directly applicable to Rio Nuevo in Tucson, Arizona. He explained the creation of the three tax incentive districts, why the 2009 Legislature took control of Rio Nuevo and the importance of allowing Tucson and the state to recuperate some of the \$230 million taxpayer money that had been wasted and misspent.

Jonathan Paton, representing self, testified in support of HB2647. Mr. Paton provided a brief history of the Rio Nuevo District and expressed an interest in revitalizing the project. He stated past mismanagement of funds by the City of Tucson as the cause of the system going broke and said that Tucson has one of the worst economies in the United States. Mr. Paton advised the goal of the bill is to save the state from a massive debt.

Mr. Paton answered Member's questions regarding the following topics:

- Accountability
- Free market principals
- The Rock and Gem Show
- Tax incentive districts – Phoenix
- District location – Tucson
- Infrastructure
- District overview
- District competitiveness

Fletcher McCusker, Downtown Tucson Initiative, in favor of HB2647, advised that the private sectors are willing to invest in downtown Tucson, but are unable due to technical barriers and a lack of incentives to attract lenders. He said that a business cannot secure a commercial loan from a bank to invest in downtown Tucson because, without incentives, the bank is the one taking the risk.

Mr. Seel questioned the business commitment to downtown Tucson. Mr. McCusker informed Members that he is a third generation Tucsonian with a piece of sidewalk that his grandfather laid in Tucson as their receptionist desk; he is committed to the downtown area.

Vice-Chairman Pierce announced the names of those who signed up in support of HB2647 but did not speak:

Stan Barnes, Downtown Tucson Initiative

Vice-Chairman Pierce announced the names of those who signed up as neutral on HB2647 but did not speak:

Sean Laux, Legislative Liaison, Arizona Department of Revenue

**Question was called on the motion that the Stevens 25-line amendment dated 2/3/12 (Attachment 4) be adopted. The motion carried.**

**Vice-Chairman Pierce moved that HB2647 as amended do pass. The motion carried by a roll call vote of 7-0-0-0 (Attachment 6).**

### **HB2557 - wireless telecommunications carrier; records access – DO PASS**

**Vice-Chairman Pierce moved that HB2557 do pass.**

Stephanie Johnson, House Assistant Research Analyst, explained that HB2557 requires a wireless telecommunications carrier to provide call location information to a law enforcement officer if the information is necessary to respond to a call for emergency services or in response to an emergency situation that involves the risk of death or serious physical injury. The bill also directs such a carrier to provide its name and contact information to the Arizona Department of Public Safety (DPS) in order to facilitate information requests made and also requires DPS to disseminate the contact information to every law enforcement agency in this state on a quarterly basis. Finally, HB2557 does not prohibit a carrier from establishing protocols by which the carriers voluntarily disclose call location information and specifies that a carrier and its officers, employees and agents are not liable in any civil action for damages while acting in good faith pursuant to this Act (Attachment 7).

Representative Ted Vogt, sponsor, explained that HB2557 will require any wireless telecommunications carrier in the state to cooperate with law enforcement to assist in locating a person that has been abducted or at risk of death or serious physical injury. The bill is known as Kelsey Smith's Law and originated from a 2007 Kansas abduction case where Kelsey was found dead four days after her abduction and not far from her cell phone.

In response to a question, Representative Vogt reiterated that there must be a life threatening emergency for law enforcement to acquire information from a wireless carrier and the intent is not to allow warrantless searches.

Anjali Abraham, Public Policy Director, American Civil Liberties Union of Arizona, testified as neutral on HB2557, stating concern with maintaining privacy rights and the potential for government overreach.

Vice-Chairman Pierce announced the names of those who signed up in support of HB2557 but did not speak:

Don Isaacson, Sprint

Trey Williams, Arizona Association of Counties

Vice-Chairman Pierce announced the names of those who signed up in opposition to HB2557 but did not speak:

Seth Apfel, representing self

**Question was called on the motion that HB2557 do pass. The motion carried by a roll call vote of 6-0-0-1 (Attachment 8).**

### **HB2403 – public notices; internet – DISCUSSED AND HELD**

Michelle Hindman, House Majority Analyst, explained that HB2403 allows statutory public notice requirements to be made in a newspaper or online (Attachment 9). Ms Hindman cited the following provisions:

- States that if there is a statutory requirement for publication of a notice in a newspaper, the person responsible for the publication may publish in the newspaper *or* may provide notice at a designated site on a worldwide public network of interconnected computers, for at least the specified number of times as prescribed by law.
- Asserts that if the number of times the notice is required to be published is unspecified, the minimum amount of time notice is given through the worldwide web is as prescribed in statute.

David Hayes, representing self, testified in opposition to HB2403, stating the difficulty of visiting 25 different websites to view public notices and expressed an interest in keeping the notices in newspapers. He said that the newspaper is user-friendly and always available, unlike the internet.

He addressed Chairman Stevens' question, explaining that online searches provide many results that he does not want.

Tommy Arviso, representing self, testified in opposition to HB2403, explaining the limited access to the internet on the Navajo Reservation, and advised that 60 percent of the people on the Reservation lack running water and electricity. He said the newspaper and public notices serve a vital role in communication on the Reservation and the only other source of information is the radio. Mr. Arviso encouraged Members to leave the public notices in the newspapers.

Mr. Arviso answered Members' questions regarding population, newspaper circulation, the role of public notices and the percentage of people that have access to the internet.

Howard Chorost, representing self, testified in opposition to HB2403. Mr. Chorost explained that he is an attorney required in litigation, to have a hard copy of a public notice and validation, such as an affidavit from the publisher of the newspaper to present to the judge. He stated past experiences where he had to subpoena the publisher to testify on the validity of the public notice.

He stated concerns with the dynamic of the internet and the ability to manipulate information and questioned how to authenticate the public records online.

He responded to Chairman Stevens' question and suggested the Committee look at the rules of evidence.

Discussion ensued regarding the requirements for the courts and the feasibility and cost of recording all of the public notices.

Jen Sweeney, Government Affairs Director, Arizona Association of Counties, neutral on HB2403, expressed concern with some of the language in the bill and stated that HB2403 would save the counties money. She suggested a hybrid approach where the public notices would be online and in the newspapers for a set amount of time. Ms. Sweeney advised that the recorder fees have not been raised in many years, the fees do not cover the cost of archiving and that county recorders are not verifiers, they only record.

In response to a question, Ms. Sweeney explained that not all counties have the ability to record or view the documents online but, in the case of Maricopa County, a person can print a copy from the computer for free or pay a fee to the Maricopa County Recorder for a physical hard copy.

Lynne LaMaster, representing self, testified in support for HB2403, stating that having the public records online make the notices more accessible and 70 to 80 percent of people have the internet.

Discussion ensued between Members regarding Utah's experience with online public notices.

Brian Symes, representing self, testified in favor of HB2403, stating that newspapers have a strong hold on public notices and the government should not be in the business of picking winners or losers.

Vice-Chairman Pierce announced the names of those who signed up in support of HB2403 but did not speak:

Tom Dorn, Arizona Planning Association

Chad Heinrich, Government Relations Coordinator, City of Tempe

David Johnson, Intergovernmental Affairs Analyst, Town of Buckeye

John Wentling, representing self

Vice-Chairman Pierce announced the names of those who signed up in opposition to HB2403 but did not speak:

Wendy Briggs, Wick

Bill Sandry, representing self

Charles Hoskins, Maricopa County Treasurer

Royce Flora, Deputy County Treasurer, Maricopa County Treasurer

Steve Vadas, representing self

Jenna Hall, representing self

Kay Hall, representing self

Paula Casey, Arizona Newspapers Association

**Chairman Stevens announced that HB2403 will be held.**

Without objection, the meeting adjourned at 11:22 a.m.

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Abby Selvey, Committee Secretary  
March 1, 2012

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