

ARIZONA HOUSE OF REPRESENTATIVES  
Fiftieth Legislature – Second Regular Session

**COMMITTEE ON GOVERNMENT**

Minutes of Meeting  
Tuesday, February 14, 2012  
House Hearing Room 4 -- 2:00 p.m.

Chairman Ugenti called the meeting to order at 2:28 p.m. and attendance was noted by the secretary.

**Members Present**

Mr. Arredondo	Ms. Hobbs	Mr. Urie
Mr. Forese	Mr. Meyer	Mr. Pierce, Vice-Chairman
Mr. Gowan	Mr. Montenegro	Mrs. Ugenti, Chairman

**Members Absent**

None

**Committee Action**

HB2127 – DPA (6-1-0-2)	HB2479 – DISCUSSED AND HELD
HB2184 – WITHDRAWN	HB2497 – DP (7-0-0-2)
HB2290 – HELD BY SPONSOR	HB2570 – DPA (6-2-0-1)
HB2316 – HELD	HB2642 – DPA (7-2-0-0)
HB2381 – NOT OUT OF PRIMARY COMMITTEE	HB2757 – DP (6-3-0-0)
HB2416 – DPA S/E (5-4-0-0)	HB2763 – DPA (6-2-0-1)
HB2436 – DP (5-2-0-2)	HB2764 – DP (7-0-0-2)
HB2437 – DP (5-2-0-2)	HB2789 – DPA (6-3-0-0)
HB2449 – DP (6-1-0-2)	HB2827 – DP (6-2-0-1)
HB2470 – HELD BY SPONSOR	

Chairman Ugenti welcomed Vice-Chairman Pierce to the Committee.

**CONSIDERATION OF BILLS**

**HB2381 - cities; annexation; repeal – NOT OUT OF PRIMARY COMMITTEE**

**Chairman Ugenti announced that HB2381 is not out of primary committee.**

**HB2470 - municipal fire protection fee – HELD BY SPONSOR**

**Chairman Ugenti announced that HB2470 will be held at the request of the sponsor.**

**HB2184 - technical correction; occupational safety; exemption - WITHDRAWN S/E**  
**S/E: fire district; alternative tax rate**

Chairman Ugenti announced that HB2184 has been withdrawn.

**HB2290 - homeowners' associations; dispute resolution, taping – HELD BY SPONSOR**

Chairman Ugenti announced that HB2290 will be held at the request of the sponsor.

**HB2316 - animals; euthanasia; licensed veterinarians - HELD S/E**  
**S/E: certified euthanasia technician**

Chairman Ugenti announced that HB2316 will be held.

**HB2757 - billboards; changing message; authorization – DO PASS**

Vice-Chairman Pierce moved that HB2757 do pass.

Patrick Devine, House Majority Research Intern, explained that HB2757 permits billboards that are capable of changing messages mechanically or electronically to be displayed along an interstate (Attachment 1).

Representative Bob Robson, sponsor, explained that HB2757 does not change anything regarding the rules of permitting billboards; rather it modernizes and codifies federal highway safety regulations.

Mark Mayer, Scenic Arizona, stated his opposition to HB2757 which reverses 40 years of prohibition of electronic billboards on state jurisdictional roadways under the Arizona Highway Beautification Act. He added that these billboards are huge energy users, they pose a safety risk to drivers, and they are a threat to the astronomy and optics industries.

Paul Barnes, representing self, testified against HB2757, citing as reasons:

- the cost of electronic billboards
- the illumination that escapes upwards
- the environmental and safety impacts
- the adverse impact on value of properties in proximity to the billboards

Gene Gardner, Whipple Observatory Administrator, Smithsonian Institution, indicated that he is against HB2757 for the negative effects on Arizona's dark skies. He described a \$130 million dollar project in high energy gamma ray astronomy at the Whipple Observatory which brings \$10 million annually into Arizona but which could be discouraged by this type of legislation. In answer to a question from Mr. Meyer, Mr. Gardner stated that astronomy in Arizona is a \$250 million dollar per year industry, which includes optics, defense contractors, etc.

Angela Cotera, representing self, stated her opposition to the bill, explaining that Arizona is one of the four best places in the world for astronomy, the others being Hawaii, Chile, and the

Canary Islands. She distributed information that provides details about the importance of the over \$250 million dollar astronomy industry in Arizona (Attachment 2).

Chairman Ugenti stated that her understanding of the bill was that it would allow electronic billboards as an option that still must go through city approval. Dr. Cotera replied that her understanding is that the default condition is that the city must oppose the electronic billboard. Chairman Ugenti stated that this would be clarified.

Elizabeth Alvarez, Assistant to the Director, Kitt Peak National Observatory, explained her opposition to the bill and distributed information about the impact of increased illumination ("sky-glow") which increases the farther away the viewer is from the source (Attachment 3). She urged the Committee to include her industry in the discussions and to offer suggestions for mitigating technologies.

Wendy Briggs, Clear Channel Outdoor, stated her support for HB2757, which is in response to a ruling that the Arizona Highway Beautification Act prohibited electronic billboards. She explained that there are currently 70 electronic billboards along state and federal highways in Arizona which have been permitted and reviewed by the Arizona Department of Transportation. She stated that these types of billboards are permitted in 41 other states. She distributed letters and articles that demonstrate the effectiveness and the benefits of electronic billboards (Attachment 4).

Lance Leising, Federal Bureau of Investigation, stated that he is neutral on the bill. He explained some of the public safety benefits of these billboards which can be used to broadcast images of criminals, amber alerts, highway conditions, etc.

Vice-Chairman Pierce announced the names of those who signed up in support of HB2757 but did not speak:

Michael Mandell, American Outdoor Advertising  
Alberto Gutier, Governor's Office of Highway Safety  
John Clements, CBS Outdoor  
Ryan Husk, American Outdoor Advertising  
Doug Cole, CBS Outdoor  
Anne Hamilton, CBS Outdoor  
Jason Barraza, Associate Director, Clear Channel Outdoor  
Jake Long, John F. Long Properties  
Jim Miller, John F. Long Properties

Vice-Chairman Pierce announced the names of those who signed up in opposition to HB2757 but did not speak:

Sandy Bahr, Conservation Director, Sierra Club - Grand Canyon Chapter  
Vic Zannis, representing self

Vice-Chairman Pierce announced the names of those who signed up as neutral on HB2757 but did not speak:

Kevin Biesty, Arizona Department of Transportation

Discussion ensued regarding the process local jurisdictions would follow to approve the billboards. Ms. Briggs added that if HB2757 is not passed, the 70 existing electronic billboards would have to come down.

Mr. Urie asked if Arizona has a dark skies ordinance. Dr. Alvarez replied that there is general guidance in the statutes, but that technology changes and there is currently nothing to address these types of signs.

Katrin de Marneffe, Public Affairs, Clear Channel Outdoor, stated her support for HB2757 and explained that the dark skies issue is addressed in that the signs must be turned off at 11:00 p.m. and not be turned back on until sunrise.

**Question was called on the motion that HB2757 do pass. The motion carried by a roll call vote of 6-3-0-0 (Attachment 5).**

**HB2789 - corporation commission rules; legislative approval – DO PASS AMENDED**

**Vice-Chairman Pierce moved that HB2789 do pass.**

**Vice-Chairman Pierce moved that the Ugenti three-line amendment dated 02/10/2012 (Attachment 6) be adopted.**

Michelle Hindman, Assistant Director of Majority Research, explained that HB2789 requires the submission to the Legislature for approval of all Arizona Corporation Commission (ACC) rules or amendments to existing rules concerning public service corporations that are policy decisions (Attachment 7). She added that this includes rules mandating the use of specific purchase of energy or imposing or increasing energy efficiency standards or renewable energy standards.

Ms. Hindman explained that the Ugenti amendment will further require the approval of the Governor.

Ms. Hindman addressed Members' questions, clarifying that the Legislature's approval will not create law but will allow the ACC to enact the approved ruling.

Representative Debbie Lesko, sponsor, explained that this bill is prospective and will take effect in 2012. In response to Mr. Meyer's question about what problem is being addressed, she explained that the Legislature should be setting energy policy and the ACC is to address ratemaking only. Discussion ensued about the meaning of the Arizona Constitution statements on the matter.

John MacDonald, Solar Energy Industries Association, testified in opposition to HB2789 stating that it is unconstitutional, bad public policy, and unnecessary.

Lon Huber, Suntech, stated his opposition to HB2789. He expressed concern about the term "policy decision" which is not properly or thoroughly defined.

Michael Neary, Arizona Solar Energy Industries Association, appeared to oppose HB2789, stating that it will extend the rulemaking process and make it more costly to do business in Arizona.

Dan King, representing self, appeared in opposition to HB2789. He explained that his perspective is that of a small business owner in the solar industry and that his concern is that this legislation will make the process more complex due to the additional oversight and the increased time of implementation.

Sandy Bahr, Conservation Director, Sierra Club - Grand Canyon Chapter, stated her opposition to HB2789 and expressed her concern regarding the Constitutional issues it will raise. She added that it will inject uncertainty and inconsistency into the business of solar energy, an industry that is doing well at this time. She stated her impression that the bill seems to be targeting the solar industry.

William Kaszeta, representing self, explained his opposition to HB2789 because it does not serve the interests of Arizona in responsibly implementing renewable energy technology (Attachment 8). He added that there are other bills which are attempting to speed up procedures, and this bill will insert major delays.

Antonia Bouchard, Arizona SmartPower, explained why she is against HB2789. She stated that there are over 16,000 jobs in Arizona's solar industry and that consumers want more solar energy. She added that this bill will increase the cost of solar and affect those who wish to install solar systems.

Paul Newman, representing self, stated that he is neutral on HB2789, but urged the Committee to consider holding this bill until the ACC has had a chance to discuss it. He expressed his concern that this bill will end up in the courts.

Mr. Meyer inquired if the lawyers for ACC have commented on the bill; Mr. Newman replied that the Commissioners have not discussed it yet. Discussion ensued about the affect HB2789 might have on rates and the fact that Salt River Project is not included in the legislation. Mr. Newman stressed the importance of developing a statewide energy plan.

Joy Seitz, American Solar, stated her opposition to HB2789 and distributed a press release dealing with the responsibilities of the ACC (Attachment 9).

Gary Pierce, representing self, explained his support for HB2789, stating his belief that, under the Arizona Constitution, the ACC has permissive and exclusive rate-making authority. He added that that permissive authority can be trumped by the Legislature. He stressed that environmental policy and regulation are not in the ACC purview; they belong to the Legislature to delegate.

Mr. Meyer asked if the ACC lawyers had been consulted; Mr. Pierce replied that they will be looking into this. Ms. Hobbs inquired why this bill is needed. Discussion ensued.

Clint Bolick, Goldwater Institute, stated that he is in support of HB2789, explaining that the framers of the Arizona Constitution sought to protect consumers by dividing the power to

regulate public service corporations: the ACC has exclusive authority over ratemaking and the Legislature has authority over policy decisions and the regulation of corporations. He discussed a 1939 Arizona Supreme Court decision that affirmed this, as well as recent decisions (Attachment 10). He stressed that HB2789 restores the checks and balances intended by the Constitution.

Wesley Harris, representing self, appeared in support of the legislation which will stop the surcharge or tax for the benefit of subsidizing an industry that cannot stand on its own economically. He stated that "a subsidy is not a rate."

Scot Mussi, Arizona Free Enterprise Club, explained his support for HB2789. He stated that the ACC is set up to be a quasi-judicial body, rather than an open process to consider policy.

Vice-Chairman Pierce announced the names of those who signed up in support of HB2789 but did not speak:

Cheryl Shocklie, representing self  
Linda Brickman, representing self  
Spencer Kamps, Home Builders Association of Central Arizona  
Fred Shocklie, representing self  
Raquel Cook, representing self  
Joyce Hill, representing self  
Holly Buss, representing self  
Buffalo Rick Galeener, representing self  
Jim Wise, representing self  
Dave Kopp, Americans for Prosperity  
Gary Johnson, representing self  
Lucy Caldwell, Goldwater Institute  
Steve Voeller, Arizona Free Enterprise Club  
Terrance Traylor, representing self  
Sydney Hay, AMIGOS Trade Association  
Tom Dorn, American Coalition for Clean Coal Electricity

Vice-Chairman Pierce announced the names of those who signed up in opposition to HB2789 but did not speak:

Ellen Zuckerman, Southwest Energy Efficiency Project  
Jeff Schlegel, Southwest Energy Efficiency Project  
Tara Rutkowski, General Manager, Carlson Solar Technologies  
Doug Von Gausig, Mayor, Town of Clarkdale  
Mark Minter, Executive Director, Arizona Builders' Alliance  
Kate Maracas, Vice President - Arizona Operations, Abengoa Solar  
Seth Apfel, representing self  
Cynthia Zwick, Arizona Community Action Association  
Ben Higgins, Mainstream Energy Corporation  
Amanda Ormond, Interwest Energy Alliance  
Todd Landfried, Ironco/Renewable Energy Contracting  
Dean Miller, Green Choice Solar  
Nick Theisen, SOLON Corporation  
Kim Cramton, representing self

Gary Held, representing self  
Neal Uppal, representing self  
Jim Mapstead, representing self  
Lynn Paige, representing self  
Kirk Busch, representing self  
Mark Holohan, representing self  
Sarah Bertram, representing self  
Tom Harris, representing self  
George Villec, representing self  
Katharine Kent, representing self  
Nichole Koontz, representing self  
Tom Dyer, representing self  
Ed Glover, representing self  
Kevin Moore - Kock, representing self  
Michael Chung, representing self  
Clint Taylor, representing self  
Amanda Ormond, representing self  
Ben Mancini, representing self  
Jerry Samaniego, representing self  
Sean Seitz, representing self  
Melissa Ramsey, representing self  
Megan Nutting, SolarCity  
Lee Tanner, ElectriSol LLC

**Question was called on the motion that the Ugenti three-line amendment dated 02/10/2012 (Attachment 6) be adopted. The motion carried.**

**Vice-Chairman Pierce moved that HB2789 as amended do pass. The motion carried by a roll call vote of 6-3-0-0 (Attachment 11).**

**HB2642 - public bodies; lobbying expenditures; reports – DO PASS AMENDED**

**Vice-Chairman Pierce moved that HB2642 do pass.**

**Vice-Chairman Pierce moved that the Montenegro seven-page amendment dated 02/13/2012 (Attachment 12) be adopted.**

Stephanie Johnson, House Majority Assistant Research Analyst, explained that HB2642 revises reporting requirements for public bodies requiring an annual report of all payments and expenditures made by the public body to authorized public lobbyists, designated public lobbyists and lobbyists for compensation (Attachment 13). She explained that the Montenegro amendment modifies the definition of legislation to include bills to be submitted to a public vote in any state office, agency, board or similar governing body. It also expands the definition of "lobbying."

Representative John Kavanagh, sponsor, explained that HB2642 is a measure ensuring transparency and consistency by clarifying what before was a vague definition of "lobbying." It will ensure that taxpayers know how much money is being spent on these activities.

Lucy Caldwell, Goldwater Institute, testified in favor of HB2642, which will ensure that public bodies report their lobbying expenditures.

Vice-Chairman Pierce announced the names of those who signed up in support of HB2642 but did not speak:

Starlee Rhoades, Goldwater Institute

Seth Apfel, representing self

**Question was called on the motion that the Montenegro seven-page amendment dated 02/13/2012 (Attachment 12) be adopted. The motion carried.**

**Vice-Chairman Pierce moved that HB2642 as amended do pass. The motion carried by a roll call vote of 7-2-0-0 (Attachment 14).**

**HB2416 - technical correction; lottery; minors; prohibition – DO PASS AMENDED S/E S/E: water and wastewater; denial prohibited**

**Vice-Chairman Pierce moved that HB2416 do pass.**

**Vice-Chairman Pierce moved that the Ugenti two-page strike-everything amendment to HB2416 dated 2/10/2012 (Attachment 15) be adopted.**

Patrick Devine, House Majority Research Intern, explained that the Ugenti strike-everything amendment to HB2416 requires a city or town located in a county of more than 500,000 persons providing water services outside of its municipal boundaries to provide those services to owners of land outside its boundaries subject to certain restrictions (Attachment 16).

Mr. Arredondo asked if the providing city found it needed to retain its water, would HB2416 prevent that.

Gregory Harris, TBD Tucson, spoke in favor of the strike-everything amendment to HB2416. He explained that TBD-owned property outside the Tucson city limits does not have access to water, although Tucson Water (a utility run by the City of Tucson) is the water provider for the area. He addressed Members' questions, stating that there is no alternative water source and that Maricopa County is not affected by this legislation.

Keri Lazarus Silvyn, TDB Tucson, stated her support for the legislation and provided the Members with more detailed background on the situation. She addressed Members' questions about why Tucson Water is denying service to the TDB property.

Doug Cole, Tucson Water, City of Tucson, appeared in opposition to HB2416, explaining that the issue is currently in litigation.

Chris Avery, Chief Water Counsel, City of Tucson, explained his opposition to the legislation, stating that the City of Tucson in 2004 prepared the first long-range plan that indicated that the city would be facing an issue where growth within the water service area would not be sufficient

to meet its needs. He explained that Tucson's situation is unlike any other in Arizona in that it had always provided water when asked. In 2007, it was necessary to change that policy to state that Tucson Water is not obligated to provide water outside the Tucson city limits except to grandfathered parcels.

In response to Chairman Ugenti's question, Mr. Avery stated that predictions are that Tucson may run out of an assured water supply in 2017. He added that most growth is occurring outside the city limits. Discussion ensued regarding options to deal with this situation.

Jeffrey Kros, Legislative Director, Arizona Municipal Water Users Association, explained his opposition to the strike-everything amendment to HB2416 which does not address important aspects of water service:

- availability of water
- cost of infrastructure to treat and deliver the water
- city's ability to control the timing of events because the city will be forced to provide water at the expense of existing users

Mr. Kros stressed that this is a local issue not requiring state legislation, however narrowly crafted.

Scott Butler, City of Mesa, explained that he is against HB2416 because it will set a troubling precedent across the state.

Katherine Sorenson, Water Resources Manager, City of Mesa, appeared to explain the technical implications of HB2416. She described that, where it is prudent to add customers, water providers will do so to add to their rate base. She explained that Arizona administrative code requires water providers to keep certain water pressures in their systems, even when fighting fires. She described how a water distribution system has very large pipes near the source, but smaller and smaller pipes as the system moves to the periphery. It becomes harder to push the water, at the specified pressure, where it needs to go. If customers are continually added, this system becomes overextended. She described the importance of looped systems and how dead end lines pose public health issues.

Discussion ensued regarding the TBD property near Tucson and the possibility that Tucson water could be depleted.

Vice-Chairman Pierce announced the names of those who signed up in opposition to HB2416 but did not speak:

Dale Wiebusch, Legislative Associate, League of Arizona Cities and Towns  
Shirley Gunther, Intergovernmental Affairs Manager, City of Avondale  
Chad Heinrich, Government Relations Coordinator, City of Tempe  
David Johnson, Intergovernmental Affairs Analyst, Town of Buckeye  
Kevin Burke, Assistant to the Town Manager, Town of Oro Valley  
Jennifer Pena, Deputy City Clerk, City of Litchfield Park  
Leah Hubbard, Intergovernmental Relations Coordinator, Town of Gilbert  
Ryan Peters, Intergovernmental Programs Coordinator, City of Glendale  
Steve Moore, City Attorney, City of Yuma  
Connie Scoggins, Assistant City Attorney, City of Yuma

Benjamin Bitter, Management Analyst, City Manager's Office, City of Casa Grande  
Jack Hakim, representing self  
Lana Mook, Mayor, City of El Mirage  
Gail Barney, Mayor, Town of Queen Creek  
Kelly Udall, Town Manager, Town of Pinetop-Lakeside  
Patrice Kraus, Intergovernmental Affairs Coordinator, City of Chandler  
Brad Lundahl, Government Relations, City of Scottsdale  
Sandy Bahr, Conservation Director, Sierra Club - Grand Canyon Chapter  
Lisa Estrada, Intergovernmental Affairs Coordinator, City of Peoria  
Michael Celaya, Intergovernmental Relations Director, City of Surprise  
Mark Hannah, Projects, Programs and Grants Manager, Town of Youngtown

**Question was called on the motion that the Ugenti two-page strike-everything amendment to HB2416 dated 2/10/2012 (Attachment 15) be adopted. The motion carried.**

**Vice-Chairman Pierce moved that HB2416 as amended do pass. The motion carried by a roll call vote of 5-4-0-0 (Attachment 17).**

**HB2479 - eminent domain; improvements; assessing value – DISCUSSED AND HELD**

**Vice-Chairman Pierce moved that HB2479 do pass.**

**Vice-Chairman Pierce moved that the Ugenti four-line amendment dated 2/10/2012 (Attachment 18) be adopted.**

Patrick Devine, House Majority Research Intern, explained that HB2479 states that the court or jury shall ascertain and assess the full dollar value of any improvements made to the property sought to be condemned (Attachment 19). He explained that the Ugenti amendment excludes certain actions.

Vice-Chairman Pierce announced the names of those who signed up in support of HB2479 but did not speak:

Seth Apfel, representing self  
Eric Emmert, Arizona Planning Association

Mr. Meyer asked for an explanation of the current assessment procedure and if this will require a court's involvement.

Michelle Hindman, Assistant Director of Majority Research, explained that currently the court or jury is already doing the assessment, and this legislation will ensure that the full dollar value of any improvements is also included.

Lucy Caldwell, Goldwater Institute, taking no position on the bill, indicated that the bill changes language to adjust to current economic times.

**Without objection, Vice-Chairman Pierce withdrew his motion that the Ugenti four-line amendment dated 2/10/2012 (Attachment 18) be adopted.**

**Without objection, Vice-Chairman Pierce withdrew his motion that HB2479 do pass.**

**Chairman Ugenti announced that HB2479 will be held.**

**HB2570 - political subdivisions; proceedings; governing bodies – DO PASS AMENDED**

**Vice-Chairman Pierce moved that HB2570 do pass.**

**Vice-Chairman Pierce moved that the Ugenti two-page amendment dated 2/13/12 (Attachment 20) be adopted.**

Patrick Devine, House Majority Research Intern, explained that HB2570 adds statutory provisions regarding the proceedings of governing bodies (Attachment 21). He explained that the Ugenti amendment replaces "political subdivision" with "cities, towns and counties."

Representative Justin Olson, sponsor, explained that this legislation is to make certain there is transparency, public disclosure, and appropriate time which will allow anyone to weigh in on any ordinance or measure that is about to be adopted by any governing body.

Mr. Meyer asked if school districts and other governing entities will be affected by this legislation; Representative Olson replied that this will affect cities, towns, and counties. Mr. Meyer asked what problem is being fixed with HB2570; Representative Olson explained that there have been instances when all interested parties have not had time to comment on impending measures. Discussion ensued.

Rene Guillen, Legislative Associate, League of Arizona Cities and Towns, explained his opposition to HB2570 which will not be successful in local government; he stated that he will work with the sponsor to clarify the bill.

Scott Butler, City of Mesa, appeared in opposition to HB2570 due to the statement about the "legislation having the force of law." He stated that he agrees with the importance of transparency and that he shares the sponsor's goals in that area.

Gretchen Conger, Director of Government Relations, Arizona Chamber of Commerce and Industry, stated her support for the bill, stressing the transparency issue.

Byron Schlomach, Goldwater Institute, testified in support of HB2570, also stressing the importance of the transparency and accountability issues.

Vice-Chairman Pierce announced the names of those who signed up in support of HB2570 but did not speak:

Nick Dranias, Goldwater Institute  
Starlee Rhoades, Goldwater Institute  
David Kimball, Gallagher & Kennedy

Vice-Chairman Pierce announced the names of those who signed up in opposition to HB2570 but did not speak:

Diane Joens, Council Member, City of Cottonwood  
Shirley Gunther, Intergovernmental Affairs Manager, City of Avondale  
Kevin Burke, Assistant to the Town Manager, Town of Oro Valley  
Joseph Brehm, Management Intern, City of Prescott  
Ed Muder, City Manager, City of Show Low  
Toby Cotter, City Manager, City of Bullhead City  
Paul Jepson, Assistant to the City Manager, City of Maricopa  
Lana Mook, Mayor, City of El Mirage  
Jim Ferguson, representing self  
David Johnson, representing self  
Gail Barney, Mayor, Town of Queen Creek  
Jacqueline Walker, City of Kingman  
Bob Rivera, Mayor, Town of Thatcher  
Chad Heinrich, Government Relations Coordinator, City of Tempe  
Charlie Cassens, Lake Havasu City  
Matthew Busby, Assistant to the City Manager, City of Apache Junction  
Steve Moore, City of Yuma  
Connie Scoggins, Assistant City Attorney, City of Yuma  
Debra Galbraith, Town Manager, Town of Payson  
Ryan Peters, Intergovernmental Programs Coordinator, City of Glendale  
Jack Hakim, representing self  
Terry Hinton, Manager, Town of Thatcher  
Benjamin Bitter, Management Analyst, City Manager's Office, City of Casa Grande  
Kelly Udall, Town Manager, Town of Pinetop-Lakeside  
Patrice Kraus, Intergovernmental Affairs Coordinator, City of Chandler  
Mark Hannah, Projects, Programs and Grants Manager, Town of Youngtown  
Richard Bohan, Director of Government Relations, Maricopa County Board of Supervisors  
Leah Hubbard, Intergovernmental Relations Coordinator, Town of Gilbert  
Todd Madeksza, representing self  
Michael Celaya, Intergovernmental Relations Director, City of Surprise  
Ryan Harper, City of Sierra Vista

Vice-Chairman Pierce announced the names of those who signed up as neutral on HB2570 but did not speak:

Seth Apfel, representing self

**Question was called on the motion that the Ugenti two-page amendment dated 2/13/12 (Attachment 20) be adopted. The motion carried.**

**Vice-Chairman Pierce moved that HB2570 as amended do pass. The motion carried by a roll call vote of 6-2-0-1 (Attachment 22).**

**HB2763 - precinct committeemen; proxy ballots; limit – DO PASS AMENDED**

**Vice-Chairman Pierce moved that HB2763 do pass.**

**Vice-Chairman Pierce moved that the Ugenti seven-line amendment dated 2/13/12 (Attachment 23) be adopted.**

Stephanie Johnson, House Majority Assistant Research Analyst, explained that that HB2763 stipulates that a precinct committeeman may not carry more than five proxies to an organizational meeting (Attachment 24). She explained that the Ugenti amendment further addresses the number of proxies a precinct committeeman can carry.

Representative Justin Olson, sponsor, explained that HB2763 is intended to ensure that no one person can carry every proxy and to mirror the limitations that currently apply at the county level.

Mr. Meyer, with regard to the amendment, inquired about precincts with one person; he stated that he likes the unamended version of the bill. Representative Olson explained the intent of the proxy allowance. Discussion ensued regarding the intent of the bill, as well as a situation where a district would not have a quorum without the proxies.

**Question was called on the motion that the Ugenti seven-line amendment dated 2/13/12 (Attachment 23) be adopted. The motion carried.**

**Vice-Chairman Pierce moved that HB2763 as amended do pass. The motion carried by a roll call vote of 6-2-0-1 (Attachment 25).**

**HB2827 - administrative procedures; counties; districts – DO PASS**

**Vice-Chairman Pierce moved that HB2827 do pass.**

**Vice-Chairman Pierce moved that the Ugenti four-page amendment dated 02/13/2012 (Attachment 26) be adopted.**

Stephanie Johnson, House Majority Assistant Research Analyst, explained that HB2827 modifies administrative procedures relating to counties and flood control districts (Attachment 27). She explained that the Ugenti amendment provides a definition for "small business," clarifies "timely request" and makes other stipulations.

Chairman Ugenti, sponsor, informed the Members that this bill was brought to her by Arizona Rock Products Association to extend administrative due process rights that apply at the state and federal level to county government. She stated that stakeholders' meetings have been held and all issues were covered in preparing this bill.

Steve Trussell, Arizona Rock Products Association, testified in support of HB2827, stating that the goal of the legislation is to establish due process for the cities and counties.

Marc Osborn, Arizona Chamber of Commerce, appeared as neutral on the legislation, stating that he supports the concept but that more work must be done to clarify the legislation for the counties.

Rory Hays, Maricopa County, explained her opposition to HB2827. She stated that this is a very complex area and that the language as drafted is inconsistent with the Board of Supervisors' processes. She commented that there are elements that do improve the processes, but that this would require the county to address public comment. She clarified other concerns regarding the differences between administrative bodies and legislative bodies. Discussion ensued about enactments done by ordinance and by the rulemaking process.

Todd Madeksza, Director of Legislative Affairs, County Supervisors Association, stated that he is against HB2827 because the counties' administrative arms do not mirror those of state or federal governments. He thanked the Chairman for the stakeholders' process.

Vice-Chairman Pierce announced the names of those who signed up in support of HB2827 but did not speak:

Farrell Quinlan, State Director, National Federation of Independent Business  
Philip Bashaw, Arizona Farm Bureau Federation  
Don Cornelison, representing self  
Brad Belt, representing self  
Richard Hrubes, representing self  
Carol Fellars, Reuter Equipment Company  
Mark Reardon, Vulcan Materials Company  
David Martin, Associated General Contractors  
David Kimball, Gallagher & Kennedy  
Bob Quick, President, Arizona Mining Association  
Byron Schломach, Goldwater Institute  
Bas Aja, Arizona Cattlemen's Association  
Verle Martz, representing self  
Spencer Kamps, Home Builders Association of Central Arizona

Vice-Chairman Pierce announced the names of those who signed up in opposition to HB2827 but did not speak:

Michael Racy, Pima County  
Sandy Bahr, Conservation Director, Sierra Club - Grand Canyon Chapter  
Jessica Leiser, Legislative Analyst, Coconino County  
Melissa Ramsey, representing self

Chairman Ugenti reiterated that the stakeholder process has been very extensive and that she is committed to continuing a dialogue with the counties. She stated that this is about "notice, comment, and response" which she knows all entities involved respect and understand. She informed the Members that she has decided to withdraw her four-page amendment so that a clean Floor amendment can be crafted taking in all the comments from the counties.

**Without objection, Vice-Chairman Pierce withdrew his motion that the Ugenti four-page amendment dated 02/13/2012 (Attachment 26) be adopted.**

**Question was called on the motion that HB2827 do pass. The motion carried by a roll call vote of 6-2-0-1 (Attachment 28).**

**THE MEETING RECESSED AT 7:10 P.M. TO THE SOUND OF THE GAVEL.**

**THE MEETING RECONVENED AT 7:43 P.M. All Members were present except for Mr. Arredondo and Mr. Montenegro.**

**HB2127 - landlord tenant; material breach – DO PASS AMENDED**

**Vice-Chairman Pierce moved that HB2127 do pass.**

**Vice-Chairman Pierce moved that the Urie three-line amendment dated 2/8/12 (Attachment 29) be adopted.**

Michelle Hindman, Assistant Director of Majority Research, explained that HB2127 modifies the Arizona Residential Landlord and Tenant Act regarding demonstrating that a material and irreparable breach has occurred and certain personal items of the tenant which are not required to be maintained by the landlord (Attachment 30). She explained that the Urie amendment removes all language regarding the police report for the purposes of demonstrating a material and irreparable breach.

Mr. Urie, sponsor, explained that this legislation goes back to the Tenant Landlord Act and bedbug legislation from 2011; it allows a landlord to ask on a rental application if the applicant has ever been involved with a bedbug infestation. He explained that falsification on the application can result in eviction. He added that the landlord must prove that bedbugs were not already in the vacant residence prior to the applicant moving in. He informed the Members that the gestation period of bedbugs is eight days.

Ms. Hobbs asked how it could be proved that the tenant did not disclose the bedbug information. Discussion ensued.

Courtney Gilstrap LeVinus, Arizona Multihousing Association, spoke in support of HB2127, explaining that it provides a clarification of current statute so that landlords will know the extent of their liabilities.

Mr. Meyer asked what protections are afforded the consumer (renter); Ms. LeVinus replied that a landlord must maintain the premises and a tenant can always vacate.

Ms. Hobbs asked if landlords are required to disclose that they have had bedbugs; Ms. LeVinus answered in the negative. Mr. Urie clarified that realtors must disclose, but landlords do not have to disclose.

Vice-Chairman Pierce announced the names of those who signed up in support of HB2127 but did not speak:

Norman Moore, LeadingAge Arizona

Don Isaacson, LeadingAge Arizona

Vice-Chairman Pierce announced the names of those who signed up in opposition to HB2127 but did not speak:

Ellen Katz, William E. Morris Institute for Justice

Seth Apfel, representing self

Vice-Chairman Pierce announced the names of those who signed up as neutral on HB2127 but did not speak:

Lindsay Simmons, Arizona Coalition Against Domestic Violence

**Question was called on the motion that the Urie three-line amendment dated 2/8/12 (Attachment 29) be adopted. The motion carried.**

**Vice-Chairman Pierce moved that HB2127 as amended do pass. The motion carried by a roll call vote of 6-1-0-2 (Attachment 31).**

**HB2764 - homeowners' associations; registry; nonprofit corporation – DO PASS**

**Vice-Chairman Pierce moved that HB2764 do pass.**

Michelle Hindman, Assistant Director of Majority Research, explained that HB2764 establishes a homeowners' association (HOA) registry to be maintained by the Secretary of State's Office (Attachment 32).

Mr. Urie, sponsor, explained that the bill concept has come to him from title companies, realtors, and municipalities who have been unable to find information about HOAs.

Jeff Sandquist, Arizona Association of Community Managers, spoke in support of HB2764, explaining that currently HOAs are required to record their existence with the county recorder, but that the information is typically not updated. Under HB2764, the Secretary of State's Office will maintain the information instead of individual counties.

Mr. Urie stressed that there is no cost associated with this bill.

Vice-Chairman Pierce announced the names of those who signed up in support of HB2764 but did not speak:

Mary Arnold, representing self

Ryan Harper, Land Title Association of Arizona

Linda Lang, Executive Director, Arizona Association of Community Managers

Nicole Laslavic, Government Affairs Director, Arizona Association of REALTORS®

Pat Haruff, Coalition of Homeowners for Rights and Education (CHORE)

Vice-Chairman Pierce announced the names of those who signed up as neutral on HB2764 but did not speak:

Spencer Kamps, Home Builders Association of Central Arizona

Kathe Barnes, Executive Director, Community Associations Institute

Kevin DeMenna, Community Associations Institute

**Question was called on the motion that HB2764 do pass. The motion carried by a roll call vote of 7-0-0-2 (Attachment 33).**

**HB2497 - school teachers; multiyear contracts – DO PASS**

**Vice-Chairman Pierce moved that HB2497 do pass.**

Patrick Devine, House Majority Research Intern, explained that HB2497 allows a school board to offer a teaching contract for one to three years in duration (Attachment 34).

Mr. Meyer, sponsor, explained that HB2497 will enable multi-year contracts for teachers who are highly performing and may be hard to keep in the district. The legislation will also reduce the amount of time spent in negotiations. There are no requirements for the districts; this is an optional approach.

Vice-Chairman Pierce stated that in the Education Committee there was concern expressed that all teachers would want such a contract and it would become hard to get rid of underperforming teachers.

Vice-Chairman Pierce announced the names of those who signed up in support of HB2497 but did not speak:

Seth Apfel, representing self

Jennifer Loreda, Arizona Education Association

Charles Essigs, Arizona Association of School Business Officials

**Question was called on the motion that HB2497 do pass. The motion carried by a roll call vote of 7-0-0-2 (Attachment 35).**

**HB2436 - federal law enforcement officers; notification – DO PASS**

**Vice-Chairman Pierce moved that HB2436 do pass.**

Michelle Hindman, Assistant Director of Majority Research, explained that HB2436 requires federal law enforcement officers to notify the county sheriff before taking any official law enforcement action (Attachment 36).

Mr. Gowan, sponsor, stated that there is no inherent right for the federal government to enter a county in Arizona.

Ms. Hobbs asked if this bill had been presented last year; Mr. Gowan stated that it was introduced but was ultimately not placed on the Rules Committee agenda.

Mr. Meyer expressed concern that HB2436 is unconstitutional.

Vice-Chairman Pierce announced the names of those who signed up in support of HB2436 but did not speak:

John Wentling, representing self

Vice-Chairman Pierce announced the names of those who signed up in opposition to HB2436 but did not speak:

Lyle Mann, representing self

Seth Apfel, representing self

**Question was called on the motion that HB2436 do pass. The motion carried by a roll call vote of 5-2-0-2 (Attachment 37).**

**HB2437 - federal mandates; proof of constitutionality – DO PASS**

**Vice-Chairman Pierce moved that HB2437 do pass.**

Stephanie Johnson, House Majority Assistant Research Analyst, explained that HB2437 prohibits the appropriation of state money pursuant to a federal mandate without a federal report regarding the constitutionality of the mandate (Attachment 38).

Mr. Gowan, sponsor, cited the Tenth Amendment of the United States Constitution, which states that "the powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

Ms. Hobbs asked if this bill had been presented last year; Mr. Gowan stated that it was introduced but was held in Third Read.

Vice-Chairman Pierce announced the names of those who signed up in support of HB2437 but did not speak:

John Wentling, representing self

Richard Mihalik, representing self

Kevin Myers, representing self

Holly Buss, representing self

Thomas Holding, representing self

Onita Davis, representing self

Buffalo Rick Galeener, representing self

Antoinette Lane, Arizona Freedom Alliance

Kathryn Kobor, representing self

Pamela Pearson, representing self

Beth Hallgren, Forty Days For Life

James Hallgren, Forty Days for Life

Vice-Chairman Pierce announced the names of those who signed up in opposition to HB2437 but did not speak:

Seth Apfel, representing self

**Question was called on the motion that HB2437 do pass. The motion carried by a roll call vote of 5-2-0-2 (Attachment 39).**

**HB2449 - supreme court; audit; hearing – DO PASS**

**Vice-Chairman Pierce moved that HB2449 do pass.**

Patrick Devine, House Majority Research Intern, explained that HB2449 specifies that the Senate and the House of Representatives Judiciary Committees must meet and hold a hearing regarding the audit of the Administrative Office of the Courts (Attachment 40).

Mr. Gowan, sponsor, explained that HB2449 will establish a joint meeting of the Legislative bodies to evaluate audits and decide courses of action.

Chairman Ugenti asked if this legislation has been introduced before; Mr. Gowan answered in the negative.

Mr. Meyer asked if this bill would require a review of an audit that has already been done by the Auditor General. Mr. Gowan said that this bill will require an audit of the Auditor General.

Ms. Hindman explained that the Supreme Court was audited in 2007 and is scheduled for another audit in 2017; typically the Judiciary Committee of Reference, comprised of both House and Senate Members, does the audit rather than the Auditor General. Discussion ensued.

**Question was called on the motion that HB2449 do pass. The motion carried by a roll call vote of 6-1-0-2 (Attachment 41).**

Without objection, the meeting adjourned at 8:39 p.m.

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Jane Dooley, Committee Secretary  
March 8, 2012

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