

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-first Legislature – First Regular Session

COMMITTEE ON COMMERCE

Minutes of Meeting
Wednesday, February 6, 2013
House Hearing Room 5 -- 10:00 a.m.

Chairman Forese called the meeting to order at 10:02 a.m. and attendance was noted by the secretary.

Members Present

Mr. Kwasman	Mr. Mesnard	Mr. Petersen
Ms. Mach	Ms. Miranda	Mr. Shope, Vice-Chairman
Ms. McCune Davis	Mr. Montenegro	Mr. Forese, Chairman

Members Absent

None

Committee Action

HB2258 – HELD	HB2273 – DPA S/E (9-0-0-0)
HB2262 – DPA (9-0-0-0)	HB2280 – DPA (6-3-0-0)
HB2271 – DPA (8-1-0-0)	HB2342 – DPA (8-1-0-0)
HB2272 – DPA (9-0-0-0)	

CONSIDERATION OF BILLS

HB2258 - mobile home parks; landscape maintenance – HELD

Chairman Forese announced that HB2258 will be held.

HB2342 - increased research; tax credit refund – DO PASS AMENDED

Vice-Chairman Shope moved that HB2342 do pass.

Diana Clay, Deputy Director, Majority Research, explained that HB2342 increases the annual maximum income tax refunds the Arizona Commerce Authority may award to taxpayers for increased research activities and modifies the payment process (Attachment 1).

Ms. Clay explained that the Forese six-line amendment dated 1/29/13 (Attachment 2) makes technical, clarifying and conforming changes.

Representative Andy Tobin, sponsor, explained that the intent of HB2342 is to help small businesses in Arizona; it extends a very successful research and development (R&D) tax credit to

smaller companies. He explained that this is a California strategy to attract companies, but also the quality of these R&D jobs is above current Arizona standards. He stated that a House legacy will be to accelerate Arizona's economy in ways that will help the rural communities and small businesses.

Steve Zylstra, Arizona Technology Council, explained his support for HB2342. He stated that the Council is made up of 700 Arizona technology companies which are "base industries" in today's economy; they conduct research, create new products, generate new commerce, exports, new wealth and new high-paying, high-quality jobs. HB2342 is good public policy by making R&D investments; it builds on legislation created in 2010 with a very low cap by lifting and expanding the cap.

Scarlett Spring, VisionGate, stated her support for HB2342. She said that VisionGate, a biomedical company, is designing new technology which will lead to a test for lung cancer; none exists today. She explained that the company relocated from Seattle to Phoenix to take advantage of this tax credit. VisionGate hopes to bring its first product to market in the fourth quarter of this year.

In response to Mr. Kwasman's question, Ms. Spring stated that there is momentum in Arizona, with the medical school moving to Phoenix, for example, which will enable her to find candidates with the necessary credentials for the \$70,000 salaried positions she must fill.

Serena Unrein, Arizona Public Interest Research Group, appeared as neutral on HB2342, stressing that there is a need for transparency in any tax credit program controlled by the Arizona Commerce Authority. She recommended a sunset provision to build in accountability and performance measures for the program.

Vice-Chairman Shope announced the names of those who signed up in support of HB2342 but did not speak:

Rebecca Waldrop, Sanofi
Paul Jepson, City of Maricopa
Heather Bernacki Wilkey, Government Affairs, East Valley Chambers of Commerce Alliance
Sarah Wharton, Arizona Technology Council
Joan Koerber-Walker, Arizona Small Business Association
Michael Keeling, Arizona Telecommunications and Information Council
Tom Dorn, East Valley Chambers of Commerce Alliance
Greg Garcia, representing self
Michael Haener, Arizona BioIndustry Association
David Beauchamp, Bryan Cave
Greg Ensell, Arizona Technology Council
James Hamilton, IO Data

Vice-Chairman Shope announced the names of those who signed up in opposition to HB2342 but did not speak:

Kevin McCarthy, Arizona Tax Research Association
Scot Mussi, Free Enterprise Club
Karen McLaughlin, Children's Action Alliance

Vice-Chairman Shope announced the names of those who signed up as neutral on HB2342 but did not speak:

Sean Laux, Department of Revenue

Vice-Chairman Shope moved that the Forese six-line amendment dated 1/29/13 (Attachment 2) be adopted. The motion carried.

Vice-Chairman Shope moved that HB2342 as amended do pass. The motion carried by a roll call vote of 8-1-0-0 (Attachment 3).

HB2262 - scrap metal dealers; registration – DO PASS AMENDED

Vice-Chairman Shope moved that HB2262 do pass.

Dillon Diffie, Majority Intern, explained that HB2262 requires scrap metal dealers to register with the Arizona Department of Public Safety and establishes related requirements (Attachment 4).

Mr. Diffie explained that the Forese four-line amendment dated 01/28/2013 (Attachment 5) provides technical and conforming language.

Chairman Forese, sponsor, explained that this is a very important issue and that all stakeholders are in favor of HB2262.

Vice-Chairman Shope announced the names of those who signed up in support of HB2262 but did not speak:

Barry Aarons, Construction Trades Coalition

Leonard Clark, representing self

Steven Olgin, Arizona Scrap Recyclers Association

Jeff Farano, SA Recycling

Nick Simonetta, Arizona Scrap Recyclers Association

Mark Giebelhaus, representing self

Courtney Gilstrap LeVinus, Arizona Multihousing Association

Joe Salkowski, Tucson Electric Power

Norman Moore, State Farm Insurance

Philip Bashaw, Arizona Farm Bureau Federation, Grand Canyon State Electric Cooperative Association

Steve Trussell, Arizona Rock Products Association

Dale Wiebusch, League of Arizona Cities and Towns

Matt Derr, Southwest Gas Corporation

Scott Butler, City of Mesa

Michelle Ahlmer, Arizona Retailers Association

Jeff Sandquist, Tucson Electric Power Company

Jay Kaprosy, National Association of Industrial and Office Properties

Marcus Dell'Artino, CenturyLink

Robert Medler, representing self

Allyson Solomon, Metropolitan Pima Alliance

Tim Lawless, National Association of Industrial and Office Properties

Spencer Kamps, Home Builders Association of Central Arizona
Cynthia Flowers, Southern Arizona National Electrical Contractors Association
Dan Heirshberg, representing self
Stephen Cammlarie, Cambros Trading, LLC
Irwin Sheinbein, Arizona Scrap Dealers Association
Mark Covington, Building Owners and Managers Association of Greater Phoenix

Vice-Chairman Shope announced the names of those who signed up as neutral on HB2262 but did not speak:

Chad Kasmar, representing self

Vice-Chairman Shope moved that the Forese four-line amendment dated 01/28/2013 (Attachment 5) be adopted. The motion carried.

Vice-Chairman Shope moved that HB2262 as amended do pass. The motion carried by a roll call vote of 9-0-0-0 (Attachment 6).

HB2280 - employee benefits; state preemption – DO PASS AMENDED

Vice-Chairman Shope moved that HB2280 do pass.

Diana Clay, Deputy Director, Majority Research, explained that HB2280 asserts the state's preemption authority over employee benefits (Attachment 7).

Ms. Clay explained that the Forese eleven-line amendment dated 02/05/2013 (Attachment 8) does not apply to any employee benefit provided by any city or town or other political subdivision of the state.

Sherry Gillespie, Government Relations Manager, Arizona Restaurant Association, testified in support of HB2280, stating that the Association opposes mandated employee benefits which severely impact small businesses. Arizona is at the top in the nation in restaurant job growth.

Shane Hitzeman, representing self, stated his support for the bill. He identified himself as the owner of a Burger King franchise and stated that mandatory benefits would be a burden; he added that it is important to protect businesses.

Mr. Kwasman asked how many of his employees make minimum wage; Mr. Hitzeman said 70 percent. Mr. Kwasman asked how many of his employees are under the age of 25; Mr. Hitzeman replied "the majority". Mr. Kwasman asked how many of his employees are under the age of 50; Mr. Hitzeman replied "all".

Vice-Chairman Shope announced the names of those who signed up in support of HB2280 but did not speak:

Eric Emmert, East Valley Chambers of Commerce Alliance
Michelle Ahlmer, Executive Director, Arizona Retailers Association

Vice-Chairman Shope announced the names of those who signed up in opposition to HB2280 but did not speak:

Elizabeth Knepp, representing self
Norman Moore, Arizona Fraternal Order of Police
Rebekah Friend, Arizona AFL-CIO
James Mann, Arizona Fraternal Order of Police
John Ortolano, Arizona Fraternal Order of Police
Thomas Parker, representing self
Mike Colletto, Professional Fire Fighters of Arizona
Don Isaacson, Arizona Fraternal Order of Police
Luis Ebratt, Arizona Probation Officers Association, Combined Law Enforcement Associations of Arizona
Shirley Gunther, City of Avondale
Levi Bolton, Phoenix Law Enforcement Association, Arizona Police Association
Jason Winsky, Combined Law Enforcement Associations of Arizona
Molly McGovern, SEIU Arizona

Vice-Chairman Shope announced the names of those who signed up as neutral on HB2280 but did not speak:

Leonard Clark, representing self
Dale Wiebusch, League of Arizona Cities and Towns
Todd Madeksza, County Supervisors Association
Scott Butler, City of Mesa
Patrice Kraus, City of Chandler

Vice-Chairman Shope moved that the Forese eleven-line amendment dated 02/05/2013 (Attachment 8) be adopted. The motion carried.

Vice-Chairman Shope moved that HB2280 as amended do pass. The motion carried by a roll call vote of 6-3-0-0 (Attachment 9).

HB2272 - burial duties; designated person – DO PASS AMENDED

Vice-Chairman Shope moved that HB2272 do pass.

Dillon Diffie, Majority Intern, explained that HB2272 specifies the duties of the person having decision-making authority for funeral and burial arrangements of a deceased person (Attachment 10).

Mr. Diffie explained that the Forese four-line amendment dated 2/5/13 (Attachment 11) adds a person with a durable power of attorney to the list of those having decision-making authority.

Jay Kaprosy, SCI Arizona Funeral Services, stated his support for HB2272 and explained that this is a technical bill addressing previous legislation regarding the healthcare power of attorney and other issues.

Barry Aarons, Alcor, appeared in support of HB2272, which clarifies "disposition arrangements" and allows for a person who has chosen cryonics instead of burial.

Vice-Chairman Shope announced the names of those who signed up in support of HB2272 but did not speak:

Wendy Briggs, SCI Arizona Funeral Services

John Mangum, Arizona Funeral, Cemetery & Cremation Association

Vice-Chairman Shope moved that the Forese four-line amendment dated 2/5/13 (Attachment 11) be adopted. The motion carried.

Vice-Chairman Shope moved that HB2272 as amended do pass. The motion carried by a roll call vote of 9-0-0-0 (Attachment 12).

HB2273 - opening cremation containers; crematory employees – DO PASS AMENDED S/E S/E: responsible cremationist license

Vice-Chairman Shope moved that HB2273 do pass.

Dillon Diffie, Majority Intern, explained that the strike-everything amendment to HB2273 adds *the responsible licensed cremationist* to the list of persons authorized to open a container holding human remains (Attachment 13).

Marilyn Purvis, SCI Arizona Funeral Services, explained her support for HB2273.

Vice-Chairman Shope announced the names of those who signed up in support of HB2273 but did not speak:

Wendy Briggs, SCI Arizona Funeral Services

Jay Kaprosy, SCI Arizona Funeral Services

Vice-Chairman Shope moved that the Forese three-page strike-everything amendment to HB2273 dated 1/31/13 (Attachment 14) be adopted. The motion carried.

Vice-Chairman Shope moved that HB2273 as amended do pass. The motion carried by a roll call vote of 9-0-0-0 (Attachment 15).

HB2271 - funeral establishment intern trainees – DO PASS AMENDED

Vice-Chairman Shope moved that HB2271 do pass.

Stephanie Johnson, Assistant Majority Research Analyst, explained that HB2271 permits funeral establishments to hire intern trainees of good moral character and establishes the related regulatory requirements under the *Arizona Board of Funeral Directors and Embalmers* (Attachment 16).

Ms. Johnson explained that the Forese three-line amendment dated 2/4/13 (Attachment 17) allows a funeral establishment to employ a trainee for up to one year and allows the trainee to assist with an embalming.

John Mangum, Arizona Funeral, Cemetery & Cremation Association, appeared in support of HB2271 which will help with recruitment in the funeral industry.

Mr. Mangum addressed Ms. McCune Davis' question, stating that one year will give an intern plenty of time to enroll in school after he or she has experienced the funeral home environment.

Mr. Kwasman asked why it must be a government function to authorize an internship. Mr. Mangum replied that Arizona is the only state which regulates its funeral industry; all other states' industries are federally regulated.

Mr. Kwasman asked how other states deal with this.

Rudy Thomas, Arizona Board of Funeral Directors and Embalmers, addressed Mr. Kwasman's question, stating that every state has a funeral board which regulates internship programs.

Vice-Chairman Shope announced the names of those who signed up in support of HB2271 but did not speak:

Jay Kaprozy, SCI Arizona Funeral Services

Vice-Chairman Shope moved that the Forese three-line amendment dated 2/4/13 (Attachment 17) be adopted. The motion carried.

Vice-Chairman Shope moved that HB2271 as amended do pass. The motion carried by a roll call vote of 8-1-0-0 (Attachment 18).

Without objection, the meeting adjourned at 10:57 a.m.

Jane Dooley, Committee Secretary
February 18, 2013

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