

2-2-16

COMMITTEE ON ENERGY, ENVIRONMENT AND NATURAL RESOURCES

Report of Regular Meeting
Monday, February 1, 2016
House Hearing Room 1 -- 2:00 p.m.

Convened 2:37 p.m.

Recessed

Reconvened

Adjourned 3:47 p.m.

Members Present

Mrs. Barton
Mr. Clark
Mr. Finchem
Mr. Kopec
Mr. Leach
Mr. Bowers, Vice-Chairman
Mr. Pratt, Chairman

Members Absent

Mrs. Carter
Mr. Saldate

Agenda

Original Agenda – Attachment 1

Request to Speak

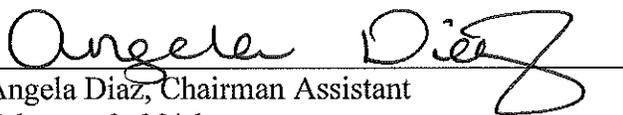
Report – Attachment 2

Presentations

<u>Name</u>	<u>Organization</u>	<u>Attachments (Handouts)</u>
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Committee Action

<u>Bill</u>	<u>Action</u>	<u>Vote</u>	<u>Attachments (Summaries, Amendments, Attendance)</u>
HB2171	DPA	7-0-0-2	3, 4, 5
HB2465	DP	7-0-0-2	6, 7
	Committee Attendance		8


Angela Diaz, Chairman Assistant
February 2, 2016

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

Convened: 2:37pm
Adjourned: 3:47pm

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session

REGULAR MEETING AGENDA

COMMITTEE ON ENERGY, ENVIRONMENT AND NATURAL RESOURCES

DATE Monday, February 1, 2016

ROOM HHR 1

TIME 2:00 P.M.

Members:

Mrs. Barton
Mrs. Carter
Mr. Clark

Mr. Finchem
Mr. Kopec
Mr. Leach

Mr. Saldate
Mr. Bowers, Vice-Chairman
Mr. Pratt, Chairman

Bills	Short Title	Strike Everything Title
HB2171	weights and measures; omnibus (Petersen)	
<u>7-0-0-2</u> <u>dpa</u>	EENR, RULES	
HB2465	G&F; in-lieu fee; trust fund (Brophy McGee, Pratt: Barton, et al)	
<u>7-0-0-2</u> <u>dp</u>	EENR, RULES	

ORDER OF BILLS TO BE SET BY THE CHAIRMAN

sr
1/27/16

People with disabilities may request reasonable accommodations such as interpreters, alternative formats, or assistance with physical accessibility. If you require accommodations, please contact the Chief Clerk's Office at (602) 926-3032, TDD (602) 926-3241.

Information Registered on the Request to Speak System

*House Energy, Environment and Natural Resources
(2/1/2016)*

HB2171, weights and measures; omnibus

Support:

Michelle Ahlmer, AZ RETAILERS ASSN; Trish Hart, AZ FOOD MARKETING ALLIANCE; Amanda Gray, Arizona Petroleum Marketers Association; Susie Stevens, Western States Petroleum Association; Mike Williams, AZ PETROLEUM MARKETERS ASSN; Mike Williams, CIRCLE K

Neutral:

michelle wilson, Arizona Department Of Weights And Measures

All Comments:

Susie Stevens, Western States Petroleum Association: WSPA supports HB 2171, and appreciates the many hours of work that the Department of Ag and Weights and Measures division put into this bill with stakeholders. WSPA supports the updates and modifications to the fuels statutes.

HB2465, G&F; in-lieu fee; trust fund

Support:

Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ; Stan Barnes, Southern Arizona Home Builders Association; Rory Hays, Maricopa County Flood Control District; Kelly Norton, AZ MINING ASSN; George Diaz, Principal, BUCKEYE, TOWN OF; Jackie Meck, representing self; Robert Anderson, representing self; Timothy Wade, representing self; Tim Wade, representing self; Jorge Canaca, Arizona Game And Fish Commission, AZ GAME AND FISH DEPT; Kurt Davis, Arizona Game And Fish Commission

All Comments:

Kelly Norton, AZ MINING ASSN: The AMA asks for your support of the Game and Fish In-Lieu Fee Program Restoration Endowment Trust Fund which will be used to fulfill the Game and Fish Department's obligations under the Clean Water Act.; Tim Wade, Self: The Game and Fish Commission supports HB2465; Jorge Canaca, Arizona Game And Fish Commission, AZ GAME AND FISH DEPT: The Game and Fish Commission supports HB2465; Kurt Davis, Arizona Game And Fish Commission: The Game and Fish Commission supports HB2465.



HOUSE OF REPRESENTATIVES

HB 2171

weights and measures; omnibus

Prime Sponsor: Representative Petersen, LD 12

X Committee on Energy, Environment and Natural Resources

Caucus and COW

House Engrossed

OVERVIEW

HB 2171, effective and retroactive to July 1, 2016, conforms statute to federal regulations and national standards for diesel and biodiesel fuel blends; revises requirements for price labeling; establishes training programs; and makes numerous technical and conforming changes to statute in order to transfer responsibilities of the Department of Weights and Measures to the Department of Agriculture and the Department of Transportation.

PROVISIONS

Weights and Measures Services Division

1. Establishes the Weights and Measures Services Division Council, which will consist of members from industries regulated by the Weights and Measures Division (Division).
 - a. Current law stipulates that division council members are appointed by the Director of the Department of Agriculture (ADA) and serve two-year terms.
2. Requires the Division to educate and provide weighing and measuring information to regulated persons and the public.
3. Permits the associate Director, the associate Director's agents or inspectors to issue a warning requiring corrective action to any violators of statute.
 - a. Current law allows the issuance of citations to violators but does not specify the ability to issue warnings.
4. Allows a person to request and the Division to conduct an informal hearing in person or over the phone to resolve a warning or citation. In addition, allows a formal hearing to be conducted, subject to statutory administrative hearing procedures, at the person's request or if the warning or citation was not resolved in the informal hearing.
 - a. Current law does not specify the ability to request an informal hearing.
5. Permits the associate Director to waive the examination required to receive a weighmaster or deputy weighmaster license.
6. Requires a public weighmaster to provide training to any deputy weighmaster.
7. Allows the associate Director to double the maximum civil penalty imposed on a pipeline, terminal or fuel transporter for violating motor fuel quality standards or producing product transfer documents that are incomplete, incorrect or produced in a manner to mislead or deceive.
 - a. Current law caps the maximum civil penalty at \$1,000 for each infraction, \$10,000 in a 30-day period for each business, registered service representative or public weighmaster, and at \$50,000 in a 30-day period for each person (A.R.S. 3-3475).

Training Programs

8. Allows the associate Director of the Division to implement the following training programs:
 - a. A consultation and training program to provide training and advice on interpreting, applying and complying with statutes, rules, regulations, or standards; and
 - b. An inspection training program for Division inspectors and employees to ensure that all inspections and tests provided are conducted in a consistent manner.

Pricing

9. Allows packages to be displayed for sale without the price if:
 - a. The package is at a service counter staffed by a sales person and requires assistance by a sales person in retrieving the package;
 - b. The price is near the point of display of the product; or
 - c. The package is offered for sale at a reduced price by a percentage or fixed amount or for the purchase of multiple items and the reduced price is displayed at or near the display of the package.

Fuels

10. Conforms statute to ASTM standards and federal regulations, which prohibit the sale of diesel fuel blends that contain sulfur content in excess of 15ppm.
 - a. Exempts locomotive and marine diesel fuel from this requirement if the fuel meets federal regulations.
11. Requires biomass-based diesel and bio-mass diesel blend dispensers to be labeled pursuant to federal regulations.
 - a. Adds that this requirement does to preclude labeling dispensers that provide diesel containing up to 5% biomass-based diesel.
12. Removes the requirement to include a notification of the percent of biodiesel on a product transfer document if the fuel contains 5% or less biodiesel.
13. Requires product transfer documents for biodiesel and biomass-based diesel to meet federal regulations.
14. Removes the requirement for the associate Director to determine the average level of constituents in the winter fuel sold in the Phoenix area and for the Department of Environmental Quality to determine the average reduction of carbon monoxide emissions during the winter season.
15. Requires all diesel fuel dispensers to be equipped with green nozzles and all retail ethanol flex fuels to be equipped with yellow grip guards on October 1, 2018.
16. Allows oxygenate blenders to petition the Division to be allowed to supply gas in western Pinal County that does not meet the federal Phase 2 or California Phase 2 reformulated gasoline standards if demonstrated that a shortage of supply is imminent.
 - a. Adds that the decision to grant the petition will apply to all oxygenate blenders.
17. Defines *biomass-based diesel* and *bio-mass based diesel blend*.
18. Transfers the definitions of *Area C* (western Pinal County), *gasoline*, *manufacturers proving ground*, *motor vehicle racing event*, *oxygenate*, *oxygenated fuel*, *product transfer document*, *supplier* and *vehicle emissions control area* from A.R.S. § 41-2121 to Title 3.
19. Amends the definition of *biodiesel* to mono-alkyl ester that meets ASTM D6751.

HB 2171

20. Defines *gasoline provider*.
21. Transfers the definition of *fleet owner* from A.R.S. § 3-3491 to § 3-3401.
22. Replaces the definition of *E85* with *ethanol flex fuel* and defines *ethanol flex fuel* as an ethanol gasoline blend that meets the specifications of ASTM D5798.
23. Applies the definitions of *Area A* (Phoenix metropolitan area) and *Area B* (Tucson metropolitan area) from A.R.S. § 49-541 to referenced sections in Title 3.

Taxi and Livery Vehicles

24. Removes the requirement that the Arizona Department of Transportation (ADOT) consider requirements established by the federal government or other states when adopting for-hire transportation rules.
25. Adds language prohibiting ADOT from issuing a taxi license unless the taxi obtains an in-service report from a registered service representative or registered service agency.
 - a. Current law requires taxis to have a motor vehicle license and be insured before receiving a taxi license.
26. Adds language that requires livery vehicles and limousines to be licensed by ADOT and insured.
27. Allows a registered service agency or representative to place a taxi meter out of service that does not meet standards.
28. Requires a registered service agency or representative to notify ADOT within 72 hours of any of the following actions by the agency:
 - a. Removal of rejection tag placed on a taxi meter;
 - b. Placing a taxi meter out of service; or
 - c. Placing a taxi meter in service previously rejected, placed out of service, or that has a pending application and official examination.
29. Defines *registered service agency* and *registered service representative*.
30. Changes the definition of *taxi meter*.

Miscellaneous

31. Exempts ADA and ADOT from statutory rulemaking requirements for 1 year after the effective date of this Act.
32. Makes numerous technical and conforming changes.
33. Contains an effective and retroactive date of July 1, 2016.

ADDITIONAL INFORMATION

Laws 2015, Chapter 244 (HB 2480) transferred the responsibilities of the Department of Weights and Measures to ADA and ADOT, effective July 1, 2016. The Act established the Weights and Measures Services Division in ADA, which will be responsible for inspection, testing and licensing of commercial devices, among other duties. Additionally, the Act transferred the regulation of for-hire transportation (taxis, limousines and livery vehicles) to ADOT.

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2171

(Reference to printed bill)

- 1 Page 3, line 26, after "11." insert a quotation mark
- 2 Page 38, line 37, after "REQUIREMENTS" insert "FOR"
- 3 Amend title to conform

FRANKLIN M. PRATT

2171 fp
01/28/2016
08:19 AM
C: LD

Attachment 4

Adopted # of Verbals _____
Failed _____ Withdrawn _____
Not Offered _____ Analysts Initials TS

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session

ROLL CALL VOTE

COMMITTEE ON ENERGY, ENVIRONMENT AND NATURAL RESOURCES BILL NO. HB 2171

DATE February 1, 2016 MOTION: dpa

	PASS	AYE	NAY	PRESENT	ABSENT
Mrs. Barton		✓			
Mrs. Carter					✓
Mr. Clark		✓			
Mr. Finchem		✓			
Mr. Kopec		✓			
Mr. Leach		✓			
Mr. Saldate					✓
Mr. Bowers, Vice-Chairman		✓			
Mr. Pratt, Chairman		✓			
		7	0	0	2

APPROVED:



 FRANKLIN M. PRATT, Chairman
 RUSSELL BOWERS, Vice-Chairman



 COMMITTEE SECRETARY

ATTACHMENT 5



HOUSE OF REPRESENTATIVES

HB 2465

G&F; in-lieu fee; trust fund

Prime Sponsor: Representative Brophy McGee, LD 28

X Committee on Energy, Environment and Natural Resources

Caucus and COW

House Engrossed

OVERVIEW

HB 2465 establishes the Game and Fish In-Lieu Fee Program Restoration Endowment Trust Fund.

PROVISIONS

1. Establishes the Game and Fish In-Lieu Fee Program Restoration Endowment Trust Fund (Fund) to fulfill the Arizona Game and Fish Department's (Department) obligations as an in-lieu fee sponsor required by the Clean Water Act.
 - a. Monies received by the Arizona Game and Fish Commission (Commission) must be deposited in the Fund and may only be used for purposes authorized by the Commission, the Army Corps of Engineers and the Environmental Protection Agency.
2. Requires the Commission to administer the Fund as a trustee.
3. States that the Fund is a permanent endowment fund consisting of monies deposited from proceeds received by the Department as an in-lieu fee sponsor, interest and investment income earned on those monies, including:
 - a. Compensatory mitigation monies received as a result of in-lieu fee mitigation credits;
 - b. Monies received from the Army Corps of Engineers for other in-lieu programs; and
 - c. Monies received from the Army Corps of Engineers for unauthorized activities under a completed federal enforcement action.
4. Specifies that monies in the Fund are continuously appropriated, do not revert to the General Fund and are exempt from lapsing.
5. Requires the State Treasurer to hold in trust, accept and account for any Fund monies deposited in the state treasury.
6. Applies the definition of *Clean Water Act* in A.R.S. § 49-201.

ADDITIONAL INFORMATION

The Clean Water Act establishes laws governing the discharge of pollutants to protect waters of the United States. Discharges to jurisdictional waters are unlawful unless permitted by federal agencies responsible for implementing the Act. Section 404 of the Clean Water Act establishes a permit program administered by the Army Corps of Engineers, with guidance from the Environmental Protection Agency, which is required in order to discharge dredged and fill material. Activities deemed by the Army Corps of Engineers to impact jurisdictional waters, including infrastructure development, water resource projects and mining projects, require permitting and steps must be taken to minimize the impact to aquatic resources.

Fifty-second Legislature
Second Regular Session

January 29, 2016

Attachment 5

HB 2465

In certain cases, permitted projects will have unavoidable adverse impacts to jurisdictional waters. Section 404(b)(1) of the Clean Water Act establishes compensatory mitigation guidelines and requires project proponents to seek mitigation through in-lieu fee credits or a mitigation bank in order to restore wetland, stream or other aquatic resources impacted by a project. In Arizona, project proponents must purchase in-lieu fee credits from the Game and Fish Department, the state's in-lieu fee program sponsor, in order to offset the unavoidable impact. The Game and Fish department uses in-lieu fee payments collected from applicants to conduct aquatic restoration, enhancement and preservation activities.

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - Second Regular Session

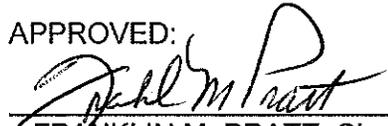
ROLL CALL VOTE

COMMITTEE ON ENERGY, ENVIRONMENT AND NATURAL RESOURCES BILL NO. HB 2465

DATE February 1, 2016 MOTION: dp

	PASS	AYE	NAY	PRESENT	ABSENT
Mrs. Barton		✓			
Mrs. Carter					✓
Mr. Clark		✓			
Mr. Finchem		✓			
Mr. Kopec		✓			
Mr. Leach		✓			
Mr. Saldate					✓
Mr. Bowers, Vice-Chairman		✓			
Mr. Pratt, Chairman		✓			
		7	0	0	2

APPROVED:


 FRANKLIN M. PRATT, Chairman
 RUSSELL BOWERS, Vice-Chairman


 COMMITTEE SECRETARY

ATTACHMENT 7

ARIZONA STATE LEGISLATURE
 Fifty-second Legislature - Second Regular Session

COMMITTEE ATTENDANCE RECORD

COMMITTEE ON ENERGY, ENVIRONMENT AND NATURAL RESOURCES

CHAIRMAN: Franklin M. Pratt VICE-CHAIRMAN: Russell Bowers

DATE	2/1/16	/16	/16	/16	/16
CONVENED	m	m	m	m	m
RECESSED					
RECONVENED					
ADJOURNED					
MEMBERS					
Mrs. Barton	✓				
Mrs. Carter	exc				
Mr. Clark	✓				
Mr. Finchem	✓				
Mr. Kopec	✓				
Mr. Leach	✓				
Mr. Saldate	—				
Mr. Bowers, Vice-Chairman	✓				
Mr. Pratt, Chairman	✓				

✓ Present -- Absent exc Excused