

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

MINUTES RECEIVED
CHIEF CLERK'S OFFICE

3-2-16

COMMITTEE ON APPROPRIATIONS

Report of Regular Meeting
Wednesday, February 24, 2016
House Hearing Room 1 -- 2:00 p.m.

Convened 5:38 p.m.
Recessed 8:09 p.m.
Reconvened 8:36 p.m.
Adjourned 9:27 p.m.

Members Present

Mr. Allen J
Ms. Alston
Mr. Bowers
Mr. Cardenas
Mrs. Fernandez
Mr. Gray
Ms. Mach
Mr. Meyer
Mr. Petersen
Mr. Rivero
Mr. Stevens
Ms. Ugenti-Rita
Mr. Leach, Vice-Chairman
Mr. Olson, Chairman

Members Absent

Agenda

Original Agenda – Attachment 1

Request to Speak

Report – Attachment 2

Presentations

Name

Organization

Attachments (Handouts)

Committee Action

<u>Bill</u>	<u>Action</u>	<u>Vote</u>	<u>Attachments (Summaries, Amendments, Roll Call)</u>
HB2123	DPA S/E	8-4-2-0	3, 4, 5, 6
HCR2028	DP	8-5-0-1	7, 8
HB2559	DP	7-5-0-2	9, 10
HB2560	DPA	12-0-0-2	11, 12, 13
HB2599	DPA	9-5-0-0	14, 15, 16, 17
HB2640	DP	12-0-0-2	18, 19
HB2163	DPA S/E	10-3-0-1	20, 21, 22, 23
HB2683	DPA	11-2-0-1	24, 25, 26
HB2536	DP	12-2-0-0	27, 28
HB2566	DPA S/E	7-6-0-1	29, 30, 31
HB2653	DP	12-1-0-1	32, 33
HB2661	DPA	9-4-0-1	34, 35, 36
HB2666	W/D		
HB2651	HELD		
HB2684	HELD		

Attendance

37



Riley Weber, Chairman Assistant
Wednesday, February 24, 2016

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

convened - 5:38 pm
 recessed - 8:09 pm
 reconvened - 8:36 pm
 adjourned - 9:27 pm

REVISED - 02/22/16

REVISED - 02/22/16

REVISED - 02/22/16

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

REGULAR MEETING AGENDA

COMMITTEE ON APPROPRIATIONS

DATE Wednesday, February 24, 2016 ROOM HHR 1 TIME 2:00 P.M.

Members:

- | | | |
|----------------|--------------|--------------------------|
| Mr. Allen J | Mr. Gray | Mr. Stevens |
| Ms. Alston | Ms. Mach | Ms. Ugenti-Rita |
| Mr. Bowers | Mr. Meyer | Mr. Leach, Vice-Chairman |
| Mr. Cardenas | Mr. Petersen | Mr. Olson, Chairman |
| Mrs. Fernandez | Mr. Rivero | |

Bills	Short Title	Strike Everything Title
HB2560	<u>dpa</u> conforming changes; real estate appraisal (Brophy McGee; Weninger)	
	<u>12-0-0-2</u> BFS dpa 7-0-0-1-0, APPROP, RULES	
HB2599	<u>dpa</u> AHCCCS; provider participation; exclusions (Olson)	
	<u>9-5-0-0</u> APPROP, RULES	
HB2640	<u>dp</u> appropriation; pediatric neurological autoimmune disorders (Carter; Friese, Lawrence, et al)	
	<u>12-00-2</u> HEALTH dpa 6-0-0-0-0, APPROP, RULES	
HB2666	<u>w/d</u> <u>Withdrawn</u> governor's economic opportunity office; consolidation (Fann)	
	<u>COM</u> dpa 6-2-0-0-0, APPROP, RULES	
HB2683	<u>dpa</u> elderly assistance fund; county funding (Olson)	
	<u>11-2-0-1</u> APPROP held 0-0-0-0-0, RULES	

Bills

Short Title

Strike Everything Title

ADDENDUM #1 - 02/22/16

*HB2123	<u>s/e dpa</u> 8-4-2-0	technical correction; bulk food; applicability (Mesnard)	S/E: corporation commission; conflict of interest
HB2163	<u>s/e dpa</u> 10-3-0-0	technical correction; regents; land funds (Thorpe) GHE w/d, APPROP, RULES	S/E: governor's statutory review committee
HB2536	<u>dp</u> 12-2-0-0	fine art; TPT exemption (Ugenti-Rita: Lawrence) WM dpa 7-2-0-0-0, APPROP, RULES	
HB2559	<u>dp</u> 7-5-0-2	eligibility verification; public programs (Kern) CFA w/d, APPROP, RULES	
HB2566	<u>s/e dpa</u> 7-6-0-1	technical correction; health services; monitoring (Gowan) APPROP, RULES	S/E: pawnbrokers; transaction fee prohibited
HB2651	<u>HELD</u> —	floodplain regulation; aggregate extraction (Ugenti-Rita) EENR w/d, APPROP, RULES	
HB2653	<u>dp</u> 12-1-0-1	K-3 reading program; administration (Norgaard, Boyer: Ackerley, et al) ED dp 7-0-0-0-0, APPROP, RULES	
**HB2661	<u>dpa</u> 9-4-0-1	appropriations; payment of payment deferrals (Olson)	
HB2694	<u>HELD</u> —	hotel employees; room access; backgrounds (Montenegro) COM w/d, APPROP, RULES	S/E: prohibited investments; state monies

Bills	Short Title	Strike Everything Title
*HCR2028	<u>dp</u> election of judges; terms (Finchem: Cobb, Mitchell, et al)	
	<u>8-5-0-1</u> JUD, RULES	

* If assigned
 ** If first read and assigned

ORDER OF BILLS TO BE SET BY THE CHAIRMAN

rsw
 2/18/16
 2/22/16

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 Appropriations (2/24/2016)

HB2560, conforming changes; real estate appraisal

Testified in support:

Stephen Briggs, AZ DEPT OF FINANCIAL INSTITUTIONS

HB2599, AHCCCS; provider participation; exclusions

Support:

Emily Jenkins, Arizona Council Of Human Service Providers; Bahney Dedolph, representing self

Neutral:

Christopher Vinyard, AZ HEALTH CARE COST CONTAINMENT SYSTEM

Oppose:

Theresa Ulmer, PLANNED PARENTHOOD AZ; Bryan Howard, PLANNED PARENTHOOD AZ

All Comments:

Emily Jenkins, Arizona Council Of Human Service Providers: Support with Olson amendment 2/24/16 at 11:41am.;
Bahney Dedolph, Self: support with proposed amendment

HB2640, appropriation; pediatric neurological autoimmune disorders

Testified in support:

Paul Ryan, representing self

Support:

Jeannine Maas, representing self; Rex Twibell, representing self; Jane Twibell, representing self; Alexa Twibell, representing self; Anthony Twibell, representing self; Brian Irick, representing self; Jessica Irick, representing self; Jeff Irick, representing self; Linda Irick, representing self; Lisa Tucker, representing self; Kelly Clark, representing self; James Breen, representing self; Dawn Breen, representing self; Dolores Pestka, representing self; Gregory Smith, representing self; Michael Pestka, representing self; Maria Breen, representing self; Alexander Smith, representing self; Thomas Breen, representing self; Patricia Smith, representing self; Charles Smith, representing self; Robert Kling, representing self; Gena Zischke, representing self; Alexander Edwards, representing self; Helen Powell, representing self; Shannon Como, representing self; Michael Como, representing self; Pamela Tysick, representing self; Brian Tysick, representing self; Jill Ropp, representing self; Douglas Albrecht, representing self; Julie Tindall, representing self

All Comments:

Rex Twibell, Self: Please support this important bill; Jane Twibell, Self: This is an incredibly important investment in our children--please support; Alexa Twibell, Self: Research funding in this area is desperately needed--please support; Anthony Twibell, Self: Very important bill--need your support; Brian Irick, Self: Help our kids; Jessica Irick, Self: Please support!!; Jeff Irick, Self: Need your support--please help.; Linda Irick, Self: Please support; Lisa Tucker, Self: PANDAS is a destructive to children and families and this is not being addressed effectively by our community. We need this bill to be passed.; Kelly Clark, Self: As a parent of a child with this disorder, it is critical that we have more physicians educated and available to treat my son. We often feel as if we are in medical no man's land with the lack of understanding of his complicated medical history.; Robert Kling, Self: Strong supporter; Gena Zischke, Self: There are only 2 doctors who are specialist and one is retiring in April the other is so overwhelmed they no longer take new patients. This is a major crises for our families.; Helen Powell, Self: Thank you for your support of this bill and helping our kids get appropriate diagnosis and treatment.; Pamela Tysick, Self: Strongly support this bill; Brian Tysick, Self: Strongly support; Jill Ropp, Self: Strongly support this bill.; Douglas Albrecht, Self: Strongly support.; Julie Tindall, Self: This bill is so crucial to provide the necessary care and diagnostic tests for the children in our state who are suffering from autoimmune encephalopathies. Currently there are no medical centers for these children to get help.

HB2666, governor's economic opportunity office; consolidation

Support:

Steven Eddy, TUCSON ELECTRIC POWER COMPANY; Farrell Quinlan, State Director, NATIONAL FEDERATION OF INDEPENDENT BUSINESS; Lea Marquez Peterson, President, representing self; Barry Aarons, Arizona Municipal Water Users Assn; Steven Zylstra, representing self; Dianne McCallister, Arizona Technology Council; Garrick Taylor, Arizona Chamber Of Commerce And Industry; Supervisor Clint Hickman, representing self; Ken Quartermain, representing self

Neutral:

Scot Mussi, Arizona Free Enterprise Club

Oppose:

Danny Ray, representing self; Scott Ottersen, LD17 PC, representing self; Kay Reardon, representing self

All Comments:

Scott Ottersen, Self: That is a lot of power and control in one place, wow!; Lea Marquez Peterson, Self: Tucson Hispanic Chamber; Barry Aarons, Arizona Municipal Water Users Assn: support with amendments pending AMWUA Board approval; Supervisor Clint Hickman, Self: The Maricopa County Board of Supervisors supports this measure and looks forward to continuing to work with the Governor's Office as the bill moves through the process.; Ken Quartermain, Self: Great bill that ties workforce and economic development together. Identifying talent is the #1 issue for industry.

HB2123, technical correction; bulk food; applicability

Testified as opposed:

Tom Ryan, representing self

All Comments:

Tom Ryan, Self: Legalizing an individual commissioner's conflicts of interest via legislation is not in conformity with Arizona's Constitution re: the purpose of the ACC

HCR2028, election of judges; terms

Testified as opposed:

Clint Bolick, representing self; Edward Christy, representing self; Scott Bales, representing self; Mark Harrison, representing self; Samantha Pstross, AZ ADVOCACY NETWORK

Oppose:

Alice Stambaugh, representing self; Gini McGirr, League of Women Voters of Arizona, Legislative Chair, representing self; Samantha Pstross, AZ ADVOCACY NETWORK; Garrick Taylor, Arizona Chamber Of Commerce And Industry; Jay Gittrich, representing self; Jeremy Arp, NATIONAL ASSOCIATION OF SOCIAL WORKERS, ARIZONA CHAPTER; Deb Gullett, Maricopa County Superior Court; Zach Josephson, representing self; Karen Peters, representing self; Sheila Ogea, representing self; Barbarba Tellman, representing self; Rae Hopf, representing self; Alyce Simpson, representing self; Cheryl Hasebe, representing self; Steve Muratore, representing self; Pam Gerstner, representing self; Rivko Knox, representing self; anne schneider, representing self; Eleanor Eisenberg, The League Of Women Voters, AZ; Nickolas Reachmack, representing self; peter dunn, Arizona Judges Association; Janice Goldstein, Arizona Trial Lawyers Association; Dale Domzalski, representing self; Eric Ehst, representing self; John Shelton, representing self; Frank Bergen, representing self; Gary Beverly, representing self; Steven Weichert, representing self; Nancy Pfafflin, representing self; Sandy Bahr, Sierra Club - Grand Canyon Chapter; Tory Anderson, AZ ALLIANCE FOR RETIRED AMERICANS; Rebekah Friend, Arizona AFL-CIO; Shirley Muney, representing self; Liana Garcia, Maricopa County Superior Court

All Comments:

Alice Stambaugh, Self: Horrible idea. That's all we need -- judges campaigning and worried about how to get elected next term!; Gini McGirr, Self: I oppose this bill.; Zach Josephson, Self: The existing merit based system is the right way to select impartial judges.; Clint Bolick, Self: Representing the Arizona Judicial Council; Barbarba Tellman, Self: Election of judges should not be political and judges should not be campaigning and raising money from potential litigants and lawyers. Vote NO; Alyce Simpson, Self: Is this part of your plan to turn Arizona into a banana republic? The people are watching, and we will remember in November!; Cheryl Hasebe, Self: I am strongly opposed to this bill. The LAST place we need partisan politics is in our courts. I am in support of our independent and impartial merit selection system, not elections. Judges need to focus on their job, not waste time campaigning!; Steve Muratore, Self: The voters have already spoken on this issue. Do you dare again try to politicize the Arizona judiciary?; Edward Christy, Self: I oppose letting Judges to the highest courts be elected. Please check the problems in my former state, PA for many reasons why.; Rivko Knox, Self: AZ is recognized nationwide as a leader in taking politics and money out of the judiciary via the merit selection system. If it isn't broken (and is highly regarded) don't change it, please!; anne schneider, Self: Please vote no. I not only object to electing judges (goodness, we have way too much campaigning going on anyway, and this is a highly specialized job), but I also SERIOUSLY oppose the way this was "snuck" back in after missing the 2/19 deadline.; Eleanor Eisenberg, The League Of Women Voters, AZ: Judicial appointments should not be political. Our merit system is admired and emulated in other states. The people have the change to be heard in retention elections which should not be rescheduled.; Scott Bales, Self: Representing the Arizona Judicial Council; Dale Domzalski, Self: We need to keep the independent impartial merit selection system in order to keep partisan politics out of our courts.;

John Shelton, Self: This referendum completely contradicts the citizen's initiative that created the merit selection process for judges. If this referendum makes it on the ballot, it will be rejected at a large cost to the taxpayers.; Frank Bergen, Self: Election of judges is a terrible idea. Given the record of the voters of this state in electing questionably qualified people to political offices, just imagine what they would do to the judiciary. No, No, No.; Gary Beverly, Self: DO NOT take away our independent and impartial merit selection process for judges. DO NOT make the courts political!; Mark Harrison, Self: Wish to speak against the bill on behalf of Save Our Courts, an Arizona non-profit and Justice at Stake, a national non-profit, non-partisan organization. Both organizations dedicated to preserving impartial courts; Nancy Pfafflin, Self: Arizona's merit selection of judges, with retention votes by citizens, is one of the best in the U.S. Please do not allow this bill to pass.; Tory Anderson, AZ ALLIANCE FOR RETIRED AMERICANS: On behalf of our over 44,000 retiree members we ask you to vote NO on HCR2028.; Shirley Muney, Self: Didn't this fail as a proposition? Give it up!

HB2536, fine art; TPT exemption

Testified in support:

Brad Richardson, representing self; Bob Pejman, representing self; Robert Dalager, Scottsdale Art Auction

Support:

Barry Aarons, City Of Scottsdale; Jason Horejs, representing self; Trey Brennen, representing self; Eric Emmert, Scottsdale Chamber Of Commerce

Oppose:

Zaida Dedolph, representing self; Joanna Marroquin, representing self; Paige Wambold, representing self

All Comments:

Bob Pejman, Self: Currently, Arizona is the ONLY state that imposes a tax to art work shipped out of state. If not repealed this Tax will drive art buyers to other states that don't have this Tax. This way AZ will not only lose the sales but also the tourism.; Trey Brennen, Self: Available to speak if needed

HB2559, eligibility verification; public programs

Testified as opposed:

ellen katz, William E. Morris Institute For Justice

Neutral:

Kathy Ber, DES Director of Legislative Services, Arizona Department Of Economic Security

Oppose:

Dianne Post, representing self; Cynthia Zwick, Arizona Community Action Association; Angie Rodgers, Association Of Arizona Food Banks; Zaida Dedolph, representing self; Joanna Marroquin, representing self; Erica Sussman, representing self; Paige Wambold, representing self; Mark Barnes, ASSN OF ARIZONA FOOD BANKS; Sam Richard, PROTECTING ARIZONA'S FAMILY COALITION; Bahney Dedolph, representing self; Rebekah Friend, Arizona AFL-CIO

All Comments:

Dianne Post, Self; Maricopa County NAACP; Cynthia Zwick, Arizona Community Action Association: This bill would create a redundant and costly system that is inconsistent with all efforts to reduce administrative cost. Full due diligence re: cost and viability should be done before this is considered.; ellen katz, William E. Morris Institute For Justice: Bill adds more administrative burdens to DES with no determined cost. Many states have looked at this type of bill and found it was a burden, unnecessary, and a waste of money. No proof DES is not effective at identifying fraud.; Angie Rodgers, Association Of Arizona Food Banks: DES already checks all known databases for information. This bill is costly and unnecessary. Please vote no.; Sam Richard, PROTECTING ARIZONA'S FAMILY COALITION: This bill is costly and unnecessary.

HB2566, technical correction; health services; monitoring

Testified as opposed:

Dale Wiebusch, Legislative Associate, LEAGUE OF ARIZONA CITIES & TOWNS

Oppose:

Margot Leal, City Of Phoenix; Miryam Gutier-Elm, Maricopa County Sheriff's Office; Scott Smith, City Of Phoenix; Miranda DeWitt, MESA, CITY OF; Michelle Ahlmer, AZ RETAILERS ASSN

All Comments:

Dale Wiebusch, LEAGUE OF ARIZONA CITIES & TOWNS: Fees pay for tracking programs for stolen property .; Miryam Gutier-Elm, Maricopa County Sheriff's Office: Captain Barry Roska of our civil division is present to speak on behalf of the Maricopa County Sheriff's Office, if necessary; Scott Smith, City Of Phoenix: The City of Phoenix opposes the strike everything amendment re: pawn shops due to its negative fimpact on the City of Phoenix and public safety.; Michelle Ahlmer, AZ RETAILERS ASSN: I respectfully oppose the strike everything amendment to this bill because the funding would impact the ability of police depts. to fund organized retail crime units.

HB2651, floodplain regulation; aggregate extraction

Support:

Timothy La Sota, ABC SAND AND ROCK CO., INC.

Oppose:

Daniel Romm, COUNTY SUPERVISORS ASSN OF AZ; Rory Hays, Maricopa County Flood Control District; Mark Barnes, PINAL COUNTY

HB2653, K-3 reading program; administration

Support:

Aiden Fleming, Arizona Department Of Education; Mark Barnes, AZ SCHOOL ADMINISTRATORS ASSOC

HB2661, appropriations; payment of payment deferrals

Support:

Emily Jenkins, Arizona Council Of Human Service Providers; Bahney Dedolph, representing self

HB2694, hotel employees; room access; backgrounds

Support:

Sydney Hay, SILVER BULLET LLC

Oppose:

Jay Kaprosy, Arizona Bankers Association

All Comments:

Jay Kaprosy, Arizona Bankers Association: Concerns with the striker



HOUSE OF REPRESENTATIVES

HB 2123

technical correction; bulk food; applicability
Prime Sponsor: Representative Mesnard, LD 17

X Committee on Appropriations

Caucus and COW

House Engrossed

STRIKE-EVERYTHING SUMMARY

The strike-everything amendment to HB 2123 applies state law pertaining to conflict of interest to Commissioners and employees of the Arizona Corporation Commission (ACC).

PROVISIONS

1. Stipulates that Commissioners and employees of the ACC are subject to state law pertaining to conflict of interest (Title 38, Chapter 3, Article 8).

CURRENT LAW

Title 38, Chapter 3, Article 8 provides statute pertaining to conflict of interest for state officers and employees. A.R.S. § 38-501 applies the article to all public officers and employees of incorporated cities or towns, political subdivisions and the state and any of its departments, commissions, agencies, bodies or boards. The provisions of Article 8 are exclusively applicable to all officers and employees of every incorporated city or town or political subdivision or the state and any of its departments, commissions, agencies, bodies or boards and supersedes the provisions of any other such law, charter provision or ordinance. Other prohibitions in A.R.S. against any specific conflict of interests are in addition to Article 8 if consistent with the intent and provisions of the Article.

Attachment 3

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2123
(Reference to printed bill)

A2 Ln2- P3, Ln24

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 40-102, Arizona Revised Statutes, is amended to
3 read:

4 40-102. Corporation commission organization; meetings; acts of
5 commission by majority or by single commissioner

6 A. The corporation commission shall elect from its membership a
7 chairman.

8 B. The commission shall hold a session at least once each month at its
9 office. It may meet at any time or place expedient for the performance of
10 its duties. The commission may, for holding meetings at places other than
11 its offices, occupy any courtroom, or rent offices, the expense of which
12 shall be paid as other expenses authorized by this article. Sessions of the
13 commission shall be open to the public.

14 C. The act of a majority of the commissioners when in session as a
15 board shall be the act of the commission. Any investigation, inquiry or
16 hearing may be undertaken or held by or before any commissioner designated by
17 the commission for the purpose, and every finding, order or decision made by
18 a commissioner so designated, when approved and confirmed by the commission
19 and ordered filed in its office, shall be the finding, order or decision of
20 the commission.

21 D. -NOTWITHSTANDING ANY OTHER LAW, COMMISSIONERS AND EMPLOYEES OF THE
22 COMMISSION ARE SUBJECT TO TITLE 38, CHAPTER 3, ARTICLE 8."

23 Amend title to conform

JOHN M. ALLEN

2123ALLEN SE
02/22/2016
03:08 PM
H: LS/rca

Attachment 4

Adopted <input checked="" type="checkbox"/>	# of Verbals _____
Failed _____	Withdrawn _____
Not Offered _____	Analysts Initials _____

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2123

(Reference to the proposed Allen s/e amendment dated 2/22/16; 3:08 PM)

1 Page 1, between lines 1 and 2, insert:

2 "Section 1. Section 38-502, Arizona Revised Statutes, is amended to
3 read:

4 38-502. Definitions

5 In this article, unless the context otherwise requires:

6 1. "Compensation" means money, a tangible thing of value or a
7 financial benefit.

8 2. "Employee" means all persons who are not public officers and who
9 are employed on a full-time, part-time or contract basis by an incorporated
10 city or town, a political subdivision or the state or any of its departments,
11 commissions, agencies, bodies or boards for remuneration.

12 3. "Make known" means the filing of a paper which is signed by a
13 public officer or employee and which fully discloses a substantial interest
14 or the filing of a copy of the official minutes of a public agency which
15 fully discloses a substantial interest. The filing shall be in the special
16 file established pursuant to section 38-509.

17 4. "Official records" means the minutes or papers, records and
18 documents maintained by a public agency for the specific purpose of receiving
19 disclosures of substantial interests required to be made known by this
20 article.

21 5. "Political subdivision" means all political subdivisions of the
22 state and county, including all school districts.

23 6. "Public agency" means:

24 (a) All courts.

Attachment 5

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

1 (b) Any department, agency, board, commission, institution,
2 instrumentality or legislative or administrative body of the state, a county,
3 an incorporated town or city and any other political subdivision.

4 (c) The state, county and incorporated cities or towns and any other
5 political subdivisions.

6 7. "Public competitive bidding" means the method of purchasing defined
7 in title 41, chapter 4, article 3, or procedures substantially equivalent to
8 such method of purchasing, or as provided by local charter or ordinance.

9 8. "Public officer" means all elected and appointed officers of a
10 public agency established by charter, ordinance, resolution, state
11 constitution or statute.

12 9. "Relative" means the spouse, child, child's child, parent,
13 grandparent, brother or sister of the whole or half blood and their spouses
14 and the parent, brother, sister or child of a spouse.

15 10. "Remote interest" means:

16 (a) That of a nonsalaried officer of a nonprofit corporation.

17 (b) That of a landlord or tenant of the contracting party.

18 (c) That of an attorney of a contracting party.

19 (d) That of a member of a nonprofit cooperative marketing association.

20 (e) The ownership of less than three per cent of the shares of a
21 corporation for profit, provided the total annual income from dividends,
22 including the value of stock dividends, from the corporation does not exceed
23 five per cent of the total annual income of such officer or employee and any
24 other payments made to him by the corporation do not exceed five per cent of
25 his total annual income.

26 (f) That of a public officer or employee in being reimbursed for his
27 actual and necessary expenses incurred in the performance of official duty.

28 (g) That of a recipient of public services generally provided by the
29 incorporated city or town, political subdivision or state department,
30 commission, agency, body or board of which he is a public officer or
31 employee, on the same terms and conditions as if he were not an officer or
32 employee.

House Amendments to H.B. 2123

1 (h) That of a public school board member when the relative involved is
2 not a dependent, as defined in section 43-1001, or a spouse.

3 (i) That of a public officer or employee, or that of a relative of a
4 public officer or employee, unless the contract or decision involved would
5 confer a direct economic benefit or detriment upon the officer, employee or
6 his relative, of any of the following:

7 (i) Another political subdivision.

8 (ii) A public agency of another political subdivision.

9 (iii) A public agency except if it is the same governmental entity.

10 (j) That of a member of a trade, business, occupation, profession or
11 class of persons consisting of at least ten members which is no greater than
12 the interest of the other members of that trade, business, occupation,
13 profession or class of persons.

14 (k) THAT OF A RELATIVE WHO IS AN EMPLOYEE OF ANY BUSINESS ENTITY OR
15 GOVERNMENTAL ENTITY THAT EMPLOYS AT LEAST TWENTY-FIVE EMPLOYEES WITHIN THE
16 STATE WHO, IN THE CAPACITY AS AN EMPLOYEE, DOES NOT ASSERT CONTROL OR
17 DECISION-MAKING AUTHORITY OVER THE ENTITY'S MANAGEMENT OR BUDGET DECISIONS.

18 (l) THE OWNERSHIP OF ANY PUBLICLY TRADED INVESTMENTS HELD IN AN
19 ACCOUNT OR FUND, INCLUDING A MUTUAL FUND, MANAGED BY ONE OR MORE QUALIFIED
20 INVESTMENT PROFESSIONALS NOT EMPLOYED OR CONTROLLED BY THE OFFICER OR
21 EMPLOYEE, AND WHICH THE OFFICER OR EMPLOYEE OWNS SHARES OR INTEREST TOGETHER
22 WITH OTHER INVESTORS.

23 11. "Substantial interest" means any pecuniary or proprietary interest,
24 either direct or indirect, other than a remote interest."

25 Renumber to conform

26 Line 21, strike "NOTWITHSTANDING ANY OTHER LAW,"

27 Amend title to conform

JOHN M. ALLEN

2123ALLEN2
02/23/2016
12:11 PM
H: LS/rca



HOUSE OF REPRESENTATIVES

HCR2028

election of judges; terms

Prime Sponsor: Representative Finchem, LD 11

W/D Committee on Judiciary
X Committee on Appropriations
Caucus and COW
House Engrossed

OVERVIEW

HCR 2028 replaces the merit selection of judges with non-partisan elections.

PROVISIONS

1. Requires Supreme Court justices to be nominated and elected by the qualified electors of the state at large in the same manner as other nonpartisan elections.
2. Mandates that the names of all candidates for Supreme Court justice be placed on the regular ballot without partisan or other designation except the court and the title of office.
3. Reduces the term of office for Supreme Court justices from 6 years to 4 years.
4. Requires the election for Supreme Court justices to only occur in years that do not have a presidential election and the election for Superior Court judges must only occur in years that have a presidential election.
5. Authorizes the Governor to fill any vacancy in office by appointing a person to serve until the election and qualification of a successor.
6. Repeals the following sections of Article 6 of the Arizona Constitution if approved by the voters and on proclamation of the Governor:
 - a. Section 36 relating to the commission on appellate court appointments;
 - b. Section 37 relating to judicial vacancies and appointments;
 - c. Section 38 relating to the declaration of candidacy to be retained in office;
 - d. Section 40 relating to the option of certain counties in selecting judges;
 - e. Section 41 relating to the commission on trial court appointments; and
 - f. Section 42 relating to retention evaluation of justices and judges.
7. Replaces the Commission on Appellate Court Appointments with the Legislature, by joint resolution, for the purposes of nominating candidates for appointment to the Independent Redistricting Commission.
8. Makes technical and conforming changes.

CURRENT LAW

Currently under A.R.S § 12-101, Supreme Court justices are elected to serve a six year term.

A.R.S § 12-120.01 states that a judge for the Court of Appeals is appointed by the Governor and serves an initial term of six years, however they must be elected for retention, pursuant to A.R.S § 12-120.02.

Fifty-second Legislature
Second Regular Session

Appropriations

Attachment 7

HCR2028

Article 6, Section 36 of the Arizona State Constitution contains the duties and responsibilities of the Commission on Appellate Court Appointments.

ADDITIONAL INFORMATION

In 1974, Arizona voters amended the Arizona Constitution to provide for the selection of judges through the merit selection system rather than by popular election. The Arizona constitution requires the merit selection system to be used to select Superior Court and Appellate Court judges in counties with a population greater than 250,000. When a county's population exceeds 250,000, that county automatically enters into merit selection. Currently, Superior Court judges and Appellate Court judges are subject to nonpartisan elections in all the counties except Maricopa, Pima and Pinal.

In 1992, the Judicial Performance Review Commission was formed due to a ballot initiative, Prop 109, and is responsible for developing performance standards and conducting performance reviews of justices and judges who are merit selected and subject to retention elections. Judicial performance reviews are conducted twice during a judge's term, once at midterm and once at the end of the term just before the general election. The review is a two-part process that consists of data collection and reporting, and a self-evaluation and improvement. Survey forms are distributed to people who have contact with the judges such as attorneys, jurors, litigants and court staff. The Commission holds public hearings every election year and accepts written comments from the public at any time. Judges also complete self-evaluations to rate their own performance.



HOUSE OF REPRESENTATIVES

HB 2559

eligibility verification; public programs
Prime Sponsor: Representative Kern, LD 20

W/D Committee on Children and Family Affairs

X Committee on Appropriations

Caucus and COW

House Engrossed

OVERVIEW

Requires the Department of Economic Security (DES) to contract with a vendor or vendors to establish a computerized eligibility verification system for public assistance programs.

PROVISIONS

Enhanced Eligibility Verification System

1. Requires DES to establish a computerized income, asset and identity eligibility verification system in order to verify eligibility, eliminate the duplication of assistance and deter waste, fraud and abuse within each respective assistance program administered by DES.
2. Requires, before the distribution of benefits, periodically between eligibility redeterminations and during eligibility redeterminations and reviews, DES to contract with a third-party vendor for the purposes of developing a system to verify applicant income, asset and identity information to prevent fraud, misrepresentation and inadequate documentation when determining an applicant's eligibility for assistance.
3. Allows DES to also contract with a vendor to provide information to facilitate recipient eligibility reviews.
4. Requires the contract with a third-party vendor to:
 - a. Require that the vendor, in partnership with DES, establish annualized savings from the implementation of the eligibility verification system with savings exceeding the total yearly cost for implementing the verification system.
 - b. Have a payment structure that is based on a per applicant rate and may include a performance bonus for achieving above a predetermined rate of success of identifying waste, fraud and abuse.
5. Stipulates that a primary vendor may not currently and is not allowed to bid on or be awarded a state contract to run enrollment services in order to avoid any conflict of interest.
6. Stipulates that DES is not precluded from continuing to conduct additional eligibility verification processes that are currently in practice.

Verification of Identity

7. Requires applicants for benefits to be processed within the minimum period of time required by federal law.

8. Requires DES, before awarding assistance and on a quarterly basis thereafter, to verify identity information of each respective applicant and recipient of assistance against all of the following:
 - a. Earned and unearned income information maintained by the Internal Revenue Service.
 - b. Employer weekly, monthly or quarterly reports of income and unemployment insurance payment information maintained by the Industrial Commission of Arizona.
 - c. Earned income information maintained by the US Social Security Administration (SSA).
 - d. Immigration status information maintained by the US Citizenship and Immigration Services.
 - e. Death register information maintained by the SSA.
 - f. Prisoner information maintained by the SSA.
 - g. Public housing and Section 8 housing assistance payment information maintained by the US Department of Housing and Urban Development.
 - h. National fleeing felon information maintained by the Federal Bureau of Investigation.
 - i. Wage reporting and similar information maintained by states contiguous to Arizona.
 - j. Beneficiary records and earnings information maintained by the SSA in its beneficiary and earnings data exchange database.
 - k. Earnings and pension information maintained by the SSA in its beneficiary and earnings data exchange database.
 - l. Employment information maintained by Arizona.
 - m. Employment information maintained by the US Department of Health and Human Services (HHS) in its national directory of new hires database.
 - n. Supplemental security income information maintained by the SSA in its state data exchange database.
 - o. Veterans' benefits information maintained by the US HHS, in coordination with the Department of Health Services and the Department of Veterans' Services, in the federal public assistance reporting information system database.
 - p. Child care services information maintained by DES.
 - q. Utility payments information maintained by this state under any low income home energy assistance program.
 - r. Emergency utility payment information maintained by this state or local governments.
 - s. A database of all persons who currently hold a license, permit or certificate from any state agency, the cost of which exceeds \$500.
 - t. Income and employment information maintained by DES and the US HHS' Office of Child Support Enforcement.
 - u. Earnings and pension information maintained by the Arizona State Retirement System and the Public Safety Personnel Retirement System.
 - v. Any existing real-time database of persons currently receiving benefits in other states, such as the National Accuracy Clearinghouse.
 - w. A database that is substantially similar to the enhanced eligibility verification system established in this legislation.
9. Requires DES, before awarding assistance and on a quarterly basis, to match identity information of each respective applicant and recipient of assistance against, at a minimum, the following public records:
 - a. A nationwide public records data source of physical asset ownership, including real property, automobiles, watercraft, aircraft and luxury vehicles or any other vehicle owned by the applicant and recipient.

- b. A nationwide public records data source of incarcerated individuals.
- c. A nationwide best-address and driver license data source to verify that the individuals are residents of this state.
- d. A comprehensive public records database that identifies potential identity fraud or identity theft and that can closely associate name, social security number, date of birth, telephone and address information.
- e. National and local financial institutions, in order to locate undisclosed depository accounts or verify account balances of disclosed accounts.
- f. Outstanding default or arrest warrant information maintained by the criminal history systems board, the criminal justice information system and the warrant management system.
- g. A database that is substantially similar to the enhanced eligibility verification system established in this legislation.

Authentication Process

- 10. Requires, before awarding assistance, applicants for benefits to complete a computerized identity authentication process that confirms the applicant owns the identity presented in the application.
- 11. Requires DES to review the individual's identity ownership using the following procedures:
 - a. Provide a knowledge-based quiz consisting of financial or personal questions. Requires the quiz to attempt to accommodate non-banked or under-banked applicants who do not have an established credit history.
 - b. Requires that the quiz for applications be available for submission through all channels, including online, in person and by telephone.

Discrepancies

- 12. Requires, if a discrepancy results from an individual's identity information and one or more of the databases or information tools, DES to review the individual's case using the following procedures:
 - a. Requires DES to take no further action if the information discovered does not result in DES finding a discrepancy or change in an individual's circumstances that may affect eligibility.
 - b. Requires DES to promptly redetermine eligibility after receiving information if the information discovered results in DES finding a discrepancy or change in individual's circumstances that may affect eligibility.
 - c. Requires the applicant or recipient to be given an opportunity to explain the discrepancy if the information discovered results in DES finding a discrepancy or change in the individual's circumstances that may affect eligibility. Prohibits self-declarations by applicants or recipients from being accepted as verification of categorical and financial eligibility during eligibility evaluation, reviews and redeterminations.
- 13. Requires DES to provide written notice to the applicant or recipient that describes the circumstances of the discrepancy or change, the manner in which the individual may respond and the consequences of failing to take action.
- 14. Requires the applicant or recipient to respond within 10 business days, or the minimum required by state or federal law, in an attempt to resolve the discrepancy or change. Requires the explanation to be in writing.

HB 2559

15. Allows DES to request additional documentation after receiving the explanation if it determines that there is risk of fraud, misrepresentation or inadequate documentation.
16. Requires DES to deny or discontinue assistance for failure to cooperate if the applicant or recipient does not respond to the notice. DES must provide notice of intent to deny or discontinue assistance.
17. Prohibits eligibility for assistance from being established or reestablished until the discrepancy or change has been resolved.
18. Requires DES to reinvestigate if an applicant or recipient disagrees with the findings of the match between the identity information and one or more databases or information tools. Requires DES to take immediate action to correct it and no further action to be taken if DES finds that there has been an error.
19. Requires, if after an investigation DES determines that there is no error, DES to determine the effect on the case and take appropriate action. Requires DES to give written notice of its action to the applicant or recipient.
20. Requires DES to determine the effect on the case and take appropriate action if the applicant or recipient agrees with the findings of the match between the identity information and one or more databases or information tools. Requires DES to give written notice of its action to the applicant or recipient.
21. Prohibits DES from discontinuing assistance on finding a discrepancy or change in circumstances until the applicant or recipient has been given notice of the discrepancy and the opportunity to respond.
22. Requires DES to adopt necessary rules in order to implement provisions.

Referrals

23. Requires DES, after reviewing changes or discrepancies that may affect program eligibility, to:
 - a. Refer suspected cases of fraud to the Attorney General (AG) for investigation and possible criminal prosecution, recovery of improper payments and collection of civil penalties.
 - b. Refer suspected cases of identity fraud to the AG for criminal prosecution.
 - c. Refer suspected cases of fraud, misrepresentation or inadequate documentation to appropriate agencies, divisions or departments for review of eligibility discrepancies in other state public programs.
14. Requires the state to review, on conviction, all legal options to remove recipients from other public programs and to garnish wages or state income tax refunds until the state recovers an amount equal to the amount of benefits fraudulently received.

Miscellaneous

15. Requires DES to provide a written report to the President of the Senate, Speaker of the House of Representatives and the Governor by July 1 of each year, starting in 2017. Details report requirements and requires a copy to be provided to the Secretary of State.
16. Defines *department* and *identity information*.
17. Contains an effective date of January 1, 2017.

HB 2559

CURRENT LAW

Not currently addressed in statute.

ADDITIONAL INFORMATION

A fiscal note is available for this bill.



HOUSE OF REPRESENTATIVES

HB 2560

conforming changes; real estate appraisal

Prime Sponsor: Representative Brophy McGee, LD 28

DPA Committee on Banking and Financial Services

X Committee on Appropriations

Caucus and COW

House Engrossed

OVERVIEW

HB 2560 transfers the licensing, certification, and regulation of appraisers, property tax agents, and appraisal management companies to the Department of Financial Institutions.

PROVISIONS

1. Replaces the term *board* with *superintendent*.
2. Directs the superintendent to:
 - a. Establish administrative procedures for processing applications for licenses and certificates.
 - b. Receive applications for state licenses and certificates.
 - c. Maintain a registry of the names and addresses of people who are registered, licensed, or certified as an appraiser.
 - d. Retain records and all application materials submitted to the superintendent.
 - e. Publish on the department's website a current list of supervisory and registered trainee appraisers.
3. Repeals the Board of Appraisal Fund and transfers any unexpended and unencumbered monies to the state General Fund.
4. Asserts all documents related to a complaint are confidential.
5. Requires an applicant for licensure or certification to apply for a valid fingerprint clearance card.
6. Makes technical and conforming changes.

AMENDMENTS BY BANKING AND FINANCIAL SERVICES COMMITTEE

1. Adds that a person who owns or is the controlling person of an appraisal management company is required to apply for, rather than obtain, a valid fingerprint clearance card.

ADDITIONAL INFORMATION

Laws 2015, Chapter 19, established the State Board of Appraisal as a division within the Department of Financial Institutions and transferred the powers and duties to the superintendent.

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2560

(Reference to printed bill)

- 1 Page 7, line 12, after "cards" insert ": appraisal subcommittee fund"
- 2 Page 8, between lines 2 and 3, insert:
 - 3 "D. THE APPRAISAL SUBCOMMITTEE FUND IS ESTABLISHED CONSISTING OF
 - 4 NATIONAL REGISTRY FEE MONIES COLLECTED PURSUANT TO THIS SECTION. THE
 - 5 DEPARTMENT SHALL ADMINISTER THE FUND. THE DEPARTMENT SHALL USE THE MONIES TO
 - 6 PAY THE NATIONAL REGISTRY FEES TO THE APPRAISAL SUBCOMMITTEE."
- 7 Page 20, line 14, after "deposited" strike remainder of line insert "IN THE
- 8 DEPARTMENT REVOLVING FUND ESTABLISHED BY SECTION 6-135."
- 9 Line 25, strike "~~shall be deposited~~" insert "shall be deposited"
- 10 Line 27, after "monies" strike remainder of line
- 11 Strike line 28, insert "IN THE DEPARTMENT REVOLVING FUND ESTABLISHED BY SECTION
- 12 6-135."
- 13 Amend title to conform

TONY RIVERO

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C: mu

Attachment 12

Adopted # of Verbals _____
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HOUSE OF REPRESENTATIVES

HB 2599

AHCCCS; provider participation; exclusions
Prime Sponsor: Representative Olson, LD 25

X Committee on Appropriations

Caucus and COW

House Engrossed

OVERVIEW

Outlines grounds for exclusion from the Arizona Health Care Cost Containment System (AHCCCS) system for providers.

PROVISIONS

1. Requires AHCCCS to exclude a provider from participating in the system and terminate the provider's agreement with AHCCCS, pursuant to federal law, for any of the following:
 - a. Conviction for a system-related crime.
 - b. Conviction related to patient abuse or neglect.
 - c. Felony conviction for health care fraud.
 - d. Felony conviction relating to controlled substances.
 - e. Termination for cause by AHCCCS under the Children's Health Insurance Program or under Title XVIII of the Social Security Act (Medicare).
2. Allows AHCCCS to exclude, in its sole discretion, a provider from participation in the system pursuant to federal law and terminate the provider's agreement with AHCCCS if the provider has done any of the following:
 - a. Submitted a claim for payment to AHCCCS for excessive charges over the allowable reimbursements.
 - b. Submitted a claim for payment to AHCCCS for medically unnecessary services or for services that failed to meet professionally recognized standards of health care.
 - c. Submitted a claim for payment to AHCCCS that the provider knew or should have known was fraudulent.
 - d. Accepted a payment kickback or engaged in another activity that is prohibited under federal law.
 - e. Submitted a claim for a provider that is controlled by a sanctioned provider.
 - f. Failed to disclose required information, supply requested information or supply payment information to AHCCCS.
 - g. Made a false statement or misrepresentation of material fact.
 - h. Failed to ensure that services or items are provided economically and only when and to the extent that is medically necessary.
 - i. Failed to ensure that a service or item was of a quality that meets professionally recognized standards of health care and was supported by evidence of medical necessity and quality.
 - j. Been found liable for neglect of a patient that results in death or injury.
 - k. Engaged in the unlawful disposal of medical waste in violation of federal, state or local law.

HB 2599

- l. Submitted a claim for a procedure performed in association with an abortion in violation of federal or state law.
 - m. Failed to segregate taxpayer dollars from abortions, including the use of taxpayer dollars for any overhead expenses attributable to abortions.
 - n. Failed to comply with federal or state law requiring mandatory reporting of sexual abuse, sexual assault, child or sex trafficking or statutory rape.
3. Stipulates that the delineation of grounds of exclusion does not exclude any other basis pursuant to state law or policy determined by AHCCCS.
 4. Requires AHCCCS to suspend payments to any provider that is subject of a credible allegation of fraud and against whom an investigation is pending under the system unless AHCCCS finds that good cause exists not to suspend the payments.
 5. Designates the legislation the "Taxpayer Protection and Medicaid Integrity Act."
 6. Contains a severability clause.

CURRENT LAW

Not currently addressed in statute.

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2599

(Reference to printed bill)

- 1 Page 1, line 4, after "exclusion" insert "; rules; definition"
- 2 Line 5, strike "A PROVIDER"
- 3 Line 6, after "SYSTEM" strike remainder of line
- 4 Strike lines 7 through 15, insert "ANY INDIVIDUAL OR ENTITY THAT MEETS ANY BASIS
- 5 FOR MANDATORY EXCLUSION DESCRIBED IN 42 CODE OF FEDERAL REGULATIONS SECTION
- 6 1001.101."
- 7 Line 16, strike "MAY EXCLUDE"; strike "A PROVIDER" insert "MAY EXCLUDE"
- 8 Line 17, after "SYSTEM" strike remainder of line
- 9 Line 18, strike "THE PROVIDER'S AGREEMENT WITH THE ADMINISTRATION IF THE
- 10 PROVIDER" insert "ANY INDIVIDUAL OR ENTITY THAT"
- 11 Strike lines 20 through 38, insert:
- 12 "1. MET ANY BASIS FOR PERMISSIVE EXCLUSION DESCRIBED IN 42 CODE OF
- 13 FEDERAL REGULATIONS SECTION 1002.210.
- 14 2. COMMITTED ANY ACT PROHIBITED BY SECTION 36-2918 OR 36-2957."
- 15 Renumber to conform
- 16 Page 2, line 8, strike "POLICY AS DETERMINED" insert "ANY RULE ADOPTED"
- 17 Strike lines 9 through 12, insert:
- 18 "D. THE DIRECTOR SHALL ADOPT RULES THAT PRESCRIBE PROCEDURES FOR
- 19 DETERMINING THE LENGTH OF EXCLUSION, APPEALING THE EXCLUSION DETERMINATION
- 20 AND REQUESTING REINSTATEMENT FOLLOWING AN EXCLUSION.
- 21 E. FOR THE PURPOSES OF THIS SECTION, "EXCLUDE" MEANS THAT ITEMS AND
- 22 SERVICES FURNISHED, ORDERED OR PRESCRIBED BY A SPECIFIED INDIVIDUAL OR ENTITY
- 23 WILL NOT BE REIMBURSED BY THE ADMINISTRATION, A CONTRACTOR OR ANY AGENT OF

House Amendments to H.B. 2599

- 1 THE ADMINISTRATION OR A CONTRACTOR. EXCLUDE INCLUDES THE TERMINATION OF A
- 2 PROVIDER AGREEMENT OR THE ADMINISTRATION'S REFUSAL TO ENTER INTO A PROVIDER
- 3 AGREEMENT."
- 4 Amend title to conform

JUSTIN OLSON

25990LSON
02/24/2016
11:41 AM
C: MJH

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2599

(Reference to printed bill)

- 1 Page 1, strike lines 43 and 44
- 2 Page 2, strike lines 1 and 2
- 3 Renumber to conform
- 4 Amend title to conform

STEFANIE MACH

2599MACH
02/23/2016
04:26 PM
H: JH/rca

Attachment 16

Adopted _____ # of Verbals _____
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HOUSE OF REPRESENTATIVES

HB 2640

appropriation; pediatric neurological autoimmune disorders
Prime Sponsor: Representative Carter, et al., LD 15

DPA Committee on Health
X Committee on Appropriations
Caucus and COW
House Engrossed

OVERVIEW

HB 2640 appropriates \$1,000,000 from the state General Fund (GF) in Fiscal Year (FY) 2017 to the Arizona Department of Health Services (ADHS) to provide grants for the research, diagnosis and treatment of pediatric neurological autoimmune disorders.

PROVISIONS

1. Appropriates the sum of \$1,000,000 from the state GF in FY 2017 to ADHS to provide grants on a competitive basis for the research, diagnosis and treatment of pediatric neurological autoimmune disorders.
2. Requires the Biomedical Research Commission to evaluate grant applications and make award recommendations to the director of ADHS.

AMENDMENTS IN HEALTH COMMITTEE

1. Removes the \$1,000,000 appropriation from the state GF and instead appropriates \$250,000 from the Disease Control Research Fund for the research of pediatric neurological autoimmune disorders.
2. Makes technical and conforming changes.

CURRENT LAW

A.R.S. § 36-274 requires ADHS to administer the disease control research fund. The fund consists of monies received from the state lottery, monies appropriated by the legislature and any gifts, contributions or other monies received by ADHS. ADHS may use monies in the fund for projects or services and for applicable expenses.

Attachment 18



HOUSE OF REPRESENTATIVES

HB 2163

technical correction; regents; land funds
Prime Sponsor: Representative Thorpe, LD 6

W/D Committee on Government and Higher Education
X Appropriations
Caucus and COW
House Engrossed

STRIKE-EVERYTHING SUMMARY

The proposed strike-everything amendment to HB 2163 establishes the Governor's Statutory Review Committee (Committee).

PROVISIONS

1. Establishes the Committee consisting of the following members:
 - a. a member from the Senate appointed by the President of the Senate (President) to serve as a cochairperson;
 - b. a member from the House of Representatives appointed by the Speaker of the House of Representatives (Speaker) to serve as a cochairperson;
 - c. two members appointed by the Governor who represent cities and towns; and
 - d. two members appointed by the Governor who represent the business community;
 - e. one member from the public appointed by the Governor.
2. Stipulates members of the Committee will serve a one-year term.
3. Prohibits Committee members from receiving compensation except for reimbursement of expenses for travel.
4. Allows the Committee to hold hearings, take public comment, review any statute and determine whether the statute is necessary and should be amended or repealed.
5. Requires the Committee to annually submit a report of their activities and recommendations for legislative action to the Governor, President and Speaker by December 15, and provide a copy to the Secretary of State.
6. Sunsets the Committee on July 1, 2024.

CURRENT LAW

Not currently addressed in statute.

Attachment 20

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2163

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Title 41, chapter 1, article 1, Arizona Revised Statutes,
3 is amended by adding section 41-115, to read:

4 41-115. Governor's statutory review committee; membership;
5 duties; report; committee termination

6 A. THE GOVERNOR'S STATUTORY REVIEW COMMITTEE IS ESTABLISHED CONSISTING
7 OF THE FOLLOWING MEMBERS:

8 1. ONE MEMBER OF THE SENATE WHO IS APPOINTED BY THE PRESIDENT OF THE
9 SENATE AND WHO SHALL SERVE AS COCHAIRPERSON OF THE COMMITTEE.

10 2. ONE MEMBER OF THE HOUSE OF REPRESENTATIVES WHO IS APPOINTED BY THE
11 SPEAKER OF THE HOUSE OF REPRESENTATIVES AND WHO SHALL SERVE AS COCHAIRPERSON
12 OF THE COMMITTEE.

13 3. TWO MEMBERS WHO REPRESENT CITIES AND TOWNS AND WHO ARE APPOINTED BY
14 THE GOVERNOR.

15 4. TWO MEMBERS WHO REPRESENT THE BUSINESS COMMUNITY AND WHO ARE
16 APPOINTED BY THE GOVERNOR.

17 5. ONE PUBLIC MEMBER WHO IS APPOINTED BY THE GOVERNOR.

18 B. MEMBERS OF THE COMMITTEE SHALL SERVE ONE-YEAR TERMS.

19 C. COMMITTEE MEMBERS ARE NOT ELIGIBLE TO RECEIVE COMPENSATION BUT ARE
20 ELIGIBLE FOR REIMBURSEMENT OF EXPENSES UNDER TITLE 38, CHAPTER 4, ARTICLE 2.

21 D. THE COMMITTEE MAY:

22 1. REVIEW ANY STATUTE AND DETERMINE WHETHER THE STATUTE IS NECESSARY
23 AND WHETHER THE STATUTE NEEDS TO BE AMENDED OR REPEALED.

Attachment 21

Adopted # of Verbals _____
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Not Offered _____ Analysts Initials _____

1 2. HOLD HEARINGS AND TAKE PUBLIC COMMENT.
2 E. THE COMMITTEE SHALL SUBMIT A REPORT REGARDING THE COMMITTEE'S
3 ACTIVITIES AND RECOMMENDATIONS FOR LEGISLATIVE ACTION ON OR BEFORE
4 DECEMBER 15 OF EACH YEAR TO THE GOVERNOR, THE PRESIDENT OF THE SENATE AND THE
5 SPEAKER OF THE HOUSE OF REPRESENTATIVES. THE COMMITTEE SHALL PROVIDE A COPY
6 OF THE REPORT TO THE SECRETARY OF STATE.
7 F. THE COMMITTEE ESTABLISHED BY THIS SECTION ENDS ON JULY 1, 2024
8 PURSUANT TO SECTION 41-3103."
9 Amend title to conform

JUSTIN OLSON

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02/22/2016
02:51 PM
C: ns

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2163

(Reference to the Olson s/e amendment dated 2/22/16; 2:51 PM)

- 1 Page 1, line 8, strike "ONE MEMBER" insert "TWO MEMBERS"; strike "WHO" insert ",
- 2 ONE OF WHOM"
- 3 Line 9, after "COMMITTEE" insert "AND ONE OF WHOM IS APPOINTED BY THE SENATE
- 4 MINORITY LEADER"
- 5 Line 10, strike "ONE MEMBER" insert "TWO MEMBERS"; strike "WHO" insert ", ONE OF
- 6 WHOM"
- 7 Line 12, after "COMMITTEE" insert "AND ONE OF WHOM IS APPOINTED BY THE MINORITY
- 8 LEADER OF THE HOUSE OF REPRESENTATIVES"
- 9 Amend title to conform

STEFANIE MACH

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02/23/2016
05:09 PM
H: RB/rca

Attachment 22

Adopted _____	# of Verbals _____
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Not Offered _____	Analysts Initials _____



HOUSE OF REPRESENTATIVES

HB 2683

elderly assistance fund; county funding
Prime Sponsor: Representative Olson, LD 25

X Committee on Appropriations

Caucus and COW

House Engrossed

OVERVIEW

HB 2683 provides a funding mechanism for the Elderly Assistance Fund (Fund) for each Fiscal Year (FY).

PROVISIONS

1. Requires the board of supervisors to restore monies transferred from the Fund that were not used for the Elderly Assistance Program (Program), if the Fund balance will be exhausted in any FY.
2. Directs the Legislature to appropriate \$2,500,000 to the Fund each FY after all original and replenishment balances have been exhausted.
3. Makes conforming changes.

CURRENT LAW

A.R.S. § 42-17401 establishes the Fund and directs the monies to be used to proportionately reduce the primary school district taxes that are levied against the property of all *qualified individuals*. These individuals must live in an organized school district and be approved for the property valuation protection in order to receive monies from the Fund.

ADDITIONAL INFORMATION

Maricopa County is currently the only county required by statute to provide an Elderly Assistance Program.

Fifty-second Legislature
Second Regular Session

Appropriations
H.B. 2683

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2683

(Reference to printed bill)

- 1 Page 1, line 9, strike "B" insert "C"
- 2 Amend title to conform

JUSTIN OLSON

26830LSON
02/16/2016
10:36 AM
H: JT/rca

Attachment 25

Adopted # of Verbals _____
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Not Offered _____ Analysts Initials _____

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

ROLL CALL VOTE

COMMITTEE ON APPROPRIATIONS BILL NO. HB 2683

DATE February 24, 2016 MOTION: dpa

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Allen J		✓	✓		
Ms. Alston		✓			
Mr. Bowers			✓		
Mr. Cardenas		✓			
Mrs. Fernandez		✓			
Mr. Gray		✓			
Ms. Mach		✓			
Mr. Meyer		✓			
Mr. Petersen					✓
Mr. Rivero		✓			
Mr. Stevens		✓			
Ms. Ugenti-Rita		✓			
Mr. Leach, Vice-Chairman		✓			
Mr. Olson, Chairman		✓			
		11	2	0	1

APPROVED:


 JUSTIN OLSON, Chairman
 VINCE LEACH, Vice-Chairman


 COMMITTEE SECRETARY



HOUSE OF REPRESENTATIVES

HB 2536

fine art; TPT exemption

Prime Sponsor: Representative Ugenti-Rita, LD 23

DPA Committee on Ways and Means

X Committee on Appropriations

Caucus and COW

House Engrossed

OVERVIEW

HB 2536 exempts the sale of fine art at an auction or gallery to a nonresident, for use outside the state, from transaction privilege tax (TPT).

PROVISIONS

1. Exempts the sale of works of fine art at an art auction or gallery to a nonresident, for use outside the state, from TPT.
2. Specifies that the vendor must deliver the work of fine art to a destination outside the state in order to qualify for TPT.
3. Contains a retroactive effective date of January 1, 2016.

AMENDED IN WAYS AND MEANS

1. Strikes the retroactive effective date.
2. Contains a delayed effective date of the first day of the month in the taxable period following the general effective date.

CURRENT LAW

TPT is imposed on a vendor for the privilege of conducting business in Arizona. Under this tax, the seller is responsible for remitting to the state the entire amount of tax due based on the gross proceeds or gross income of the business. While the tax is commonly passed on to the consumer at the point of sale, it is ultimately the seller's responsibility to remit the tax. Business activities subject to TPT include, but are not limited to: retail, restaurants and bars, hotel/motel, commercial leasing, advertising, amusements, personal property rentals, real property rentals, construction/contracting, owner/builders, manufactured building, mining, timbering, transportation, printing, publishing, utilities, communications, air/railroad, and private cars/pipelines. The current Arizona TPT rate is 5.6%. DOR collects TPT and administers distribution to the state General Fund and counties, cities and towns.

A.R.S. §44-1771 defines *work of fine art* as an original or multiple original art work which is:

- a. A visual rendition, including a painting, drawing, sculpture, mosaic or photograph.
- b. A work of calligraphy.
- c. A work of graphic art, including etching, lithograph, offset print or silk screen.
- d. A craft work in material, including, clay, textile, fiber, wood, metal, plastic or glass.
- e. A work in mixed media, including a collage or a work consisting of any combination of previously listed.



HOUSE OF REPRESENTATIVES

HB 2566

technical correction; health services; monitoring
Prime Sponsor: Representative Gowan, LD 14

X Committee on Appropriations
Caucus and COW
House Engrossed

STRIKE-EVERYTHING SUMMARY

The strike-everything amendment to HB 2566 prohibits a city, town or county from imposing a fee on reportable transactions.

PROVISIONS

1. Prohibits a city, town or county from imposing a fee on any pawnbroker's reportable transaction.
2. Prohibits a city, town or county from imposing a fee on any transaction between a precious items dealer and a seller or cosigner if the transaction involves the purchase, trade, exchange or receipt of a precious item.
3. Contains an intent clause.
4. Makes technical changes.

CURRENT LAW

A.R.S § 44-1621 defines a *reportable transaction* as any transaction conducted by a pawnbroker in which merchandise is received through a pawn, purchase, trade or consignment.

A.R.S § 44-1601 defines a *precious item* as:

- a. Secondhand gold silver, platinum or jewelry, flatware or holloware containing gold, silver or platinum.
- b. Secondhand precious or semiprecious stones whether mounted or unmounted.
- c. Secondhand pearls.

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2566

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 44-1604, Arizona Revised Statutes, is amended to
3 read:

4 44-1604. Local ordinances

5 A. This article does not supersede any city, town or county ordinance
6 nor does this article prohibit a city, town or county from enacting an
7 ordinance regulating dealers of precious items. If a city, town or county
8 has an ordinance regulating dealers of precious items, the provisions of this
9 ~~act~~ ARTICLE and the provisions of that ordinance shall both apply except that
10 an ordinance of a city, town or county ~~which~~ THAT conflicts with or provides
11 less stringent requirements than are provided in this article shall not be
12 enforceable.

13 B. A CITY, TOWN OR COUNTY MAY NOT IMPOSE A FEE ON ANY TRANSACTION
14 BETWEEN A DEALER AND A SELLER OR CONSIGNOR IF THE TRANSACTION INVOLVES THE
15 PURCHASE, TRADE, EXCHANGE OR RECEIPT OF A PRECIOUS ITEM PURSUANT TO THIS
16 ARTICLE.

17 Sec. 2. Title 44, chapter 11, article 3, Arizona Revised Statutes, is
18 amended by adding section 44-1633, to read:

19 44-1633. Transaction fee by local authority prohibited

20 A CITY, TOWN OR COUNTY MAY NOT IMPOSE A FEE ON ANY REPORTABLE
21 TRANSACTION.

Attachment 30

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

1 Sec. 3. Legislative intent

2 Pursuant to section 41-1107, Arizona Revised Statutes, it is the
3 legislature's intent to:

4 1. Promote a spirit of deregulation and a uniform process and standard
5 within the pawnbroker and precious item dealer industries.

6 2. Bar burdensome and likely unconstitutional taxes and fees.

7 3. Promote more commerce throughout this state.

8 4. Stimulate economic development."

9 Amend title to conform

DAVID W. STEVENS

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02/22/2016
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C: MU



HOUSE OF REPRESENTATIVES

HB 2653

K-3 reading program; administration

Prime Sponsor: Representative Norgaard, LD 18

DP Committee on Education
X Committee on Appropriations
Caucus and COW
House Engrossed

OVERVIEW

HB 2653 modifies the administration of the K-3 Reading Program.

PROVISIONS

1. Requires the Arizona Department of Education (ADE) to administer the K-3 Reading Program, rather than the Arizona State Board of Education (SBE).
2. Requires each eligible school district and charter school to submit its K-3 reading education plan to ADE rather than all school districts and charter schools.
3. Permits *A* and *B* school districts and charter schools to biennially submit K-3 Reading Program plans to ADE, beginning in Fiscal Year 2017.
4. Requires ADE to review and recommend for approval K-3 Reading Program plans prior to the school district or charter school receiving K-3 Reading monies.
5. Permits SBE to establish rules and policies for the K-3 Reading Program including:
 - a. The proper use of monies.
 - b. The distribution of monies by ADE.
 - c. The compliance of reading proficiency plans.
6. Contains an emergency clause.
7. Makes technical and conforming changes.

CURRENT LAW

A.R.S. § 15-211 requires SBE, in collaboration with ADE, to establish a K-3 Reading Program to improve reading proficiency in grades K-3. School districts and charter schools are required to submit an education plan to SBE for improving reading proficiency in grades K-3 that must include baseline data and a budget for spending monies from the K-3 Reading Support Level weight and K-3 Support Level Weight. Additionally, school districts and charter schools are required to annually submit an updated plan by October 1 on program expenditures and results. Each school district and charter school that it assigned a letter grade of *C*, *D* or *F* or has more than 10% of grade 3 students falling far below the third grade reading level on the statewide assessment is eligible to receive K-3 Reading Support Level Weight monies after its plan is approved by SBE.



HOUSE OF REPRESENTATIVES

HB 2661

appropriations; payment of payment deferrals
Prime Sponsor: Representative Olson, LD 25

X Committee on Appropriations

Caucus and COW

House Engrossed

OVERVIEW

HB 2661 appropriates \$116,272,770 from the state General Fund (GF) in Fiscal Year (FY) 2018 through FY 2027 to specified budget units for the payment of previous payment deferrals.

PROVISIONS

1. Appropriates \$116,272,770 from the GF in FY 2018 through FY 2027 to the following budget units for the payment of prior payment deferrals.

Budget Unit	Amount
<u>The Department of Education (ADE)</u>	\$93,072,770
<u>Arizona State University- Tempe and Downtown Campuses</u>	\$7,476,040
<u>Arizona State University- East Campus</u>	\$575,020
<u>Arizona State University- West Campus</u>	\$1,006,480
<u>Northern Arizona University</u>	\$3,049,480
<u>The University of Arizona- Main Campus</u>	\$6,215,310
<u>The University of Arizona- Health Sciences Center</u>	\$1,677,670
<u>The Department of Economic Security (DES)</u>	\$2,100,000
<u>The Department of Child Safety (DCS)</u>	\$1,100,000
Total	\$116,272,770

2. Contains a repeal date of October 1, 2029.

CURRENT LAW

Not currently addressed in statute.

ADDITIONAL INFORMATION

The General Appropriations Act For FY 2015-2016 deferred \$11,000,000 in DCS payments, \$21,000,000 in DES payments, \$930,727,700 in ADE payments and \$200,000,000 in payments to the Arizona Board of Regents.

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2661
(Reference to printed bill)

- 1 Page 1, line 4, strike the first "PAYMENT" insert "AMORTIZATION"
- 2 Line 5, strike "Appropriations: payment" insert "Amortization"
- 3 Line 6, strike "ARE"
- 4 Line 7, strike "APPROPRIATED FROM THE STATE GENERAL FUND" insert "MUST BE
- 5 INCLUDED IN THE GENERAL APPROPRIATION ACT"; strike "2017-2018" insert
- 6 "2018-2019"
- 7 Line 8, strike "2026-2027" insert "2037-2038"
- 8 Line 10, strike "\$93,072,770" insert "\$46,536,390"
- 9 Line 11, strike "\$7,476,040" insert "\$3,738,020"
- 10 Line 13, strike "\$575,020" insert "\$287,510"
- 11 Line 14, strike "\$1,006,480" insert "\$503,240"
- 12 Line 15, strike "\$3,049,480" insert "\$1,524,740"
- 13 Line 16, strike "\$6,215,310" insert "\$3,107,650"
- 14 Line 17, strike "\$1,677,670" insert "\$838,840"
- 15 Line 18, strike "\$2,100,000" insert "\$1,050,000"
- 16 Line 19, strike "\$1,100,000" insert "\$550,000"
- 17 Line 22, strike "2029" insert "2040"
- 18 Amend title to conform

JUSTIN OLSON

26610LSON
02/23/2016
3:38 PM
C: meb

Attachment 35

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

