

ARIZONA STATE LEGISLATURE

LEGISLATIVE COUNCIL

Minutes of the Meeting

July 23, 2020

1:00 p.m., Teleconference:

The meeting will be held via teleconference software.

Members of the public may access a livestream of the meeting here:

https://azleg.granicus.com/MediaPlayer.php?publish_id=2

Members Present:

Senator Karen Fann, Vice-Chair	Representative Russell "Rusty" Bowers, Chairman, 2020
Senator David Bradley	Representative Reginald Bolding, Jr.
Senator Rick Gray	Representative Becky A. Nutt
Senator Sine Kerr	Representative Warren Petersen
Senator Martin Quezada	Representative Athena Salman
Senator Rebecca Rios	Representative Thomas "T.J." Shope Jr.
Senator Michelle Ugenti-Rita	Representative Raquel Terán

Staff:

Mike Braun, Executive Director, Legislative Council
Ken Behringer, General Counsel, Legislative Council
Patricia Probst, Assistant Director, Legislative Council
Michele Hanigsberg, Council Attorney, Legislative Council
Nadine Sapien, Chief Editor, Legislative Council
Steve Primack, Associate Director, Legislative Council

Chairman Bowers called the meeting to order at 1:12 p.m. and attendance was taken.

Representative Bowers made opening comments.

Mike Braun, Executive Director, Legislative Council, explained the procedures for participating in the teleconference.

Mr. Braun displayed and explained a sample publicity pamphlet (Attachment A). Mr. Braun explained the statutory requirements for the information included in publicity pamphlets for ballot propositions and the layout of the information. Mr. Braun further explained that the reason the Council is meeting is to adopt an impartial analysis of each ballot measure.

Approval of August 3, 2018 Executive Committee Action – HCR 2007

Mr. Braun electronically distributed a copy of the minutes dated August 3, 2018 from the Legislative Council Executive Committee (Attachment B) and explained the reason for the Executive Committee. Mr. Braun explained the decision and instructions of the Superior Court.

Mr. Braun explained that the full Legislative Council is required to report and adopt the Executive Committee action from August 3, 2018, which was to approve the staff analysis for HCR 2007 (2018).

Senator Fann moved that the adoption of the Executive Committee action adopted on August 3, 2018 be approved. The motion CARRIED by voice vote.

Approval of August 25, 2018 Executive Committee Action – I-17-2018

Mr. Braun electronically distributed a copy of the minutes dated August 25, 2018 from the Legislative Council Executive Committee (Attachment C) and explained the reason for the Executive Committee. Mr. Braun explained the decision and instructions of the Superior Court. Mr. Braun explained that the full Legislative Council is required to report and adopt the Executive Committee action from August 25, 2018, which was to approve the 2018 version of the Invest in Ed measure.

Senator Fann moved that the adoption of the Executive Committee action adopted on August 25, 2018. The Chairman was in doubt with the voice vote. The motion CARRIED by an 8-6-0 show of hands vote.

Adoption of Ballot Analysis Pursuant to Arizona Revised Statutes, Section 19-124: I-23-2020 – Smart and Safe Arizona Act

Michele Hanigsberg, Council Attorney, Legislative Council, electronically distributed the Staff Draft analysis for I-23-2020 (Attachment D) and explained that the analysis comports with the requirements of section 19-124 in that it is impartial and is written in clear and concise language avoiding technical terms where possible. After further review staff has identified four technical corrections to the language for the Council to consider. The technical corrections are as follows:

Page 1, line 9, strike “(delete)”

Page 1, lines 14, 15 and 16, in two places strike “safe and smart”, insert “smart and safe”

Page 1, line 15, strike the first “,”

Page 3, line 12, strike “or using”

Representative Bowers electronically distributed the Bowers proposed amended Staff Draft analysis (Attachment E).

Ms. Hanigsberg explained the changes that are proposed to the original Staff Draft analysis.

Mr. Braun answered questions posed by the Council.

The Council discussed the wording of the Staff Draft analysis and the proposed changes.

Pele Fischer, Arizona Dispensaries Association, testified in support of the Staff Draft analysis with a couple of changes.

Senator Rios explained her printed amendment to the Staff Draft analysis as follows:

Page 1, line 12, strike “additional” insert “excise”

The Council further discussed the Staff Draft analysis and proposed wording changes.

Ms. Fischer answered questions posed by the Council.

Lisa James, Chairwoman, Arizonans for Health and Public Safety, testified in opposition to the initiative, in favor of the wording of the Draft analysis, but offered some clarifying language.

Senator Fann moved that the Speaker Bowers proposed amendments to the Draft analysis prepared by Legislative Council.

Senator Rios moved a verbal amendment to the Bowers amended Draft analysis as follows:

Page 1, line 9, strike “Impose an additional 16% tax” insert “In addition to the sales tax, impose a 16% excise tax”

Ms. Hanigsberg clarified the Rios verbal amendment would be:

Page 1, line 9, after "3." insert "In addition to the sales tax,"; strike "an additional" insert "a"; after "16%" insert "excise"

The motion CARRIED by a 14-0-0 show of hands vote.

Representative Bolding moved his verbal amendment to the Bowers amended Draft analysis as follows:

Page 1, line 13, before “advertising” insert “regulated”

Ms. Hanigsberg clarified the Bolding verbal amendment would be:

Page 3, line 15, after "in" insert "regulated"

The Council discussed the Bolding verbal amendment.

Ms. Fischer answered additional questions posed by the Council.

Representative Bowers called for a vote on the Bolding verbal amendment. The motion CARRIED by a 9-3-2 show of hands vote with two not voting.

Senator Fann moved the adoption of the Draft analysis prepared by the staff of Legislative Council as amended. The motion CARRIED with a roll call vote of 8-6-0 (Attachment 1).

Representatives Salman, Terán, Bowers and Senator Rios explained their votes.

RECESS

At 3:15 p.m. the Chairman recessed the Council to the sound of the gavel.

RECONVENE

At 3:22 p.m. the Chairman reconvened the Council.

Adoption of Ballot Analysis Pursuant to Arizona Revised Statutes, Section 19-124: I-24-2020 – Stop Surprise Billing and Protect Patients Act

Patricia A. Probst, Assistant Director, Legislative Council, electronically distributed the Staff Draft analysis for I-24-2020 (Attachment F) and explained that the analysis comports with the requirements of section 19-124 in that it is impartial and is written in clear and concise language avoiding technical terms where possible.

Representative Bowers electronically distributed the Bowers proposed amendment to the Staff Draft analysis (Attachment G).

Ms. Probst explained the Bowers proposed amendment to the Staff Draft analysis.

Jennifer Carusetta, Executive Director, Health System Alliance of Arizona, testified in opposition to the initiative and explained issues with the language in the Draft analysis.

Jim Barton, Attorney, Torres Law Group, testified regarding the wording of the Draft analysis and items not covered. Mr. Barton answered questions posed by the Council.

Ms. Probst answered questions posed by the Council.

The Council discussed the Staff Draft analysis.

Mr. Barton answered additional questions posed by the Council.

Mr. Braun answered questions posed by the Council.

The Council further discussed the Staff Draft analysis.

Mr. Barton answered additional questions posed by the Council.

Ms. Probst answered additional questions posed by the Council.

The Council further discussed the Staff Draft analysis.

Representative Terán explained her verbal amendment as follows:

Page 1, line 31, strike “broaden”, insert “expand”

Representative Salman explained her printed amendment as follows:

Page 1, line 3, strike “imposing”, insert “discrimination based upon”

Senator Bradley explained his printed amendment as follows:

Page 1, lines 3-4 strike “(Current federal and state laws prohibit preexisting condition exclusions.)”

Senator Rios explained her printed amendment as follows:

Page 2, line 8, after “following” insert “specific”

Senator Quezada explained his printed amendment as follows:

Page 2, line 20, strike quotation marks

Mr. Barton answered additional questions posed by the Council.

Senator Fann moved the adoption of the Draft analysis prepared by the staff of Legislative Council.

Senator Fann moved that the printed Bowers amendment as introduced be adopted. The motion CARRIED by an 8-6-0 show of hands vote.

Representative Bowers called for a vote on the Salman printed amendment as follows:

Page 1, line 3, strike “imposing”, insert “discrimination based upon”

The motion FAILED by a 6-8-0 show of hands vote.

Representative Bowers called for a vote on the Bradley printed amendment as follows:

Page 1, lines 3-4 strike “(Current federal and state laws prohibit preexisting condition exclusions.)”

The motion FAILED by a 6-8-0 show of hands vote.

Representative Bowers called for a vote on the Terán verbal amendment as follows:

Page 1, line 31, strike “broaden”, insert “expand”

The motion FAILED by a 6-8-0 show of hands vote.

Representative Bowers called for a vote on the Rios printed amendment as follows:

Page 2, line 8, after “following” insert “specific”

The motion FAILED by a 6-8-0 show of hands vote.

Representative Bowers called for a vote on the Quezada printed amendment as follows:

Page 2, line 20, strike quotation marks

The motion FAILED by a 6-8-0 show of hands vote.

Senator Fann moved the adoption of the Draft analysis prepared by the staff of Legislative Council as amended. The motion CARRIED with a roll call vote of 8-6-0 (Attachment 2).

Representative Salman explained her vote.

RECESS

At 4:51 p.m. the Chairman recessed the Council to the sound of the gavel.

RECONVENE

At 5:04 p.m. the Chairman reconvened the Council.

Adoption of Ballot Analysis Pursuant to Arizona Revised Statutes, Section 19-124: I-31-2020 - Invest in Education Act

Mr. Braun electronically distributed the Staff Draft analysis for I-31-2020 (Attachment H) and explained that the analysis comports with the requirements of section 19-124 in that it is impartial and is written in clear and concise language avoiding technical terms where possible.

Mr. Braun electronically distributed and explained the Bowers proposed amendment to the Staff Draft analysis (Attachment I).

David Lujan, Director, Arizona Center for Economic Progress, Invest in Ed Committee, testified in support of I-31-2020 and voiced concerns with parts of the wording in the Staff Draft analysis. Mr. Lujan answered questions posed by the Council.

Mr. Braun answered questions posed by the Council.

Kenneth Behringer, General Counsel, Legislative Council, answered questions posed by the Council.

Mr. Braun answered additional questions posed by the Council.

Mr. Lujan answered additional questions posed by the Council.

Mr. Braun answered additional questions posed by the Council.

Senator Fann moved the adoption of the Draft analysis prepared by the staff of Legislative Council.

Senator Fann moved that the Bowers printed amendment as presented be adopted. The motion CARRIED by an 8-6-0 show of hands vote.

Representative Salman explained her printed amendment as follows:

Page 1, line 2, strike “(including pass-through income from typically small”; strike line 3; line 4, strike “subchapter S corporations)”

The motion FAILED by a 6-8-0 show of hands vote.

Representative Terán explained her printed amendment #1 as follows:

Page 1, lines 2-3, strike “typically small business such as”

The motion FAILED by a 6-8-0 show of hands vote.

Representative Salman explained her printed amendment #2 as follows:

Page 1, line 2, after “including” insert “lottery winnings and capital gains”

The motion FAILED by a 6-8-0 show of hands vote.

Representative Bolding explained his printed amendment #1 as follows:

Page 1, strike lines 7-9

The motion FAILED by a 6-7-1 show of hands vote.

Representative Bolding explained his printed amendment #2 as follows:

Page 1, line 9, strike “(an increase of 77.7%)”

The motion FAILED by a 6-8-0 show of hands vote.

Senator Rios explained her printed amendment #1 as follows:

**Page 1, line 8, strike “total”; after “tax” insert “rate”
Line 9, strike “(an increase of 77.7%)”**

The motion FAILED by a 6-8-0 show of hands vote.

Representative Terán explained her printed amendment #2 as follows:

Page 1, line 7, before the first “The” insert “For pass-through business entities, the 3.5% surcharge only applies to the business profits, which is gross revenue minus any allowable business deductions and exemptions.”

The motion FAILED by a 6-8-0 show of hands vote.

Senator Rios explained her printed amendment #2 as follows:

Page 1, line 9, strike “the above-stated amounts (an increase of 77.7%)” insert “\$250,000 for a single person or a married person filing separately and \$500,000 for a married couple or a single person who is head of household.”

The motion FAILED by a 6-8-0 show of hands vote.

Representative Salman explained her printed amendment #3 as follows:

**Page 1, strike lines 1-10
Line 11, strike “in the student support and safety fund” insert “Proposition __ would create a new student support and safety fund that would utilize revenue generated from an income tax surcharge”**

The motion FAILED by a 6-8-0 show of hands vote.

Senator Gray offered clarifying comments.

Senator Rios explained her printed amendment #3 as follows:

**Page 2, line 18, after “surcharge” strike remainder of the line, insert “is prohibited from replacing, reducing or supplanting”
Line 19, strike “or supplant”**

The motion FAILED by a 6-8-0 show of hands vote.

Representative Bolding explained his printed amendment as follows:

Page 1, line 9, after “77.7%”, insert “in this marginal tax rate”

The motion FAILED by a 6-8-0 show of hands vote.

Senator Fann moved the adoption of the Draft analysis prepared by the staff of Legislative Council as amended. The motion CARRIED by a roll call vote of 8-6-0 (Attachment 3).

Representatives Bolding, Salman, Terán, Bowers and Senators Quezada and Rios explained their votes.

RECESS

At 6:28 p.m. the Chairman recessed the Council to the sound of the gavel.

RECONVENE

At 6:40 p.m. the Chairman reconvened the Council.

Adoption of Ballot Analysis Pursuant to Arizona Revised Statutes, Section 19-124: I-32-2020 – Second Chances, Rehabilitation, and Public Safety Act

Mr. Braun electronically distributed the Staff Draft analysis for I-32-2020 (Attachment J) and explained that the analysis comports with the requirements of section 19-124 in that it is impartial and is written in clear and concise language avoiding technical terms where possible.

Kirk Adams, President at Consilium Consulting, testified in support of the Draft analysis and suggested changes that would improve the Draft analysis. Mr. Adams answered questions posed by the Council.

Dennis McGrane, Chief Deputy, Yavapai County Attorney's Office, representing himself, testified regarding problems he sees with the Draft analysis.

Mr. Braun answered questions posed by the Council.

Representative Bowers electronically distributed and explained the Bowers proposed amendment (Attachment K) to the Draft analysis.

The Council discussed the Staff Draft analysis and Bowers amendment.

Mr. Adams answered additional questions posed by the Council.

Mr. McGrane answered questions posed by the Council.

Mr. Adams answered additional questions posed by the Council.

The Council discussed the Staff Draft analysis and Bowers amendment.

Mr. McGrane answered questions posed by the Council.

Senator Fann moved the adoption of the Draft analysis prepared by the staff of Legislative Council.

Senator Fann moved that the Chairman's amendment as drafted be adopted.

Representative Bowers called for a vote on the verbal technical amendment as added to the Bowers amendment as follows:

**Page 1, line 30, strike "could be" insert "are"
Line 31, strike ",",**

The motion CARRIED by an 8-6-0 show of hands vote.

Representative Petersen moved the following verbal amendment to the Bowers amendment as follows:

**Page 1, line 9, strike "and" insert ",",
Line 10, after "adult" insert "and conspiracy to commit first degree murder"**

The motion CARRIED by an 8-6-0 show of hands vote.

**Senator Quezada moved and explained his amendment (Attachment L).
The motion FAILED by a 6-8-0 show of hands vote.**

Representative Terán moved and explained her amendment (Attachment M). The motion FAILED by a 6-8-0 show of hands vote.

**Senator Rios moved and explained her amendment (Attachment N).
The motion CARRIED by a 11-1-2 show of hands vote.**

**Senator Quezada moved and explained his amendment (Attachment O).
The motion FAILED by a 6-7-1 show of hands vote.**

Senator Fann moved the adoption of the Draft analysis prepared by the staff of Legislative Council as amended. The motion CARRIED with a roll call vote of 8-6-0 (Attachment 4).

Senators Bradley, Ugenti-Rita and Representatives Salman and Bowers explained their votes.

Appointment of Executive Director

Mr. Braun explained the procedure that is required for the appointment of the Executive Director of Legislative Council.

Senator Fann offered comments.

Senator Fann moved the appointment of Michael Braun as the Executive Director of the Arizona Legislative Council. The motion CARRIED by a 10-0-4 show of hands vote.

Representative Bowers offered comments.

There being no further business, the meeting was adjourned at 8:22 p.m.

Respectfully submitted,

Shelley Ponce
Committee Secretary
Audio and Video Transcription

(Audio recordings and attachments are on file in the Secretary of the Senate's Office/Resource Center, Room 115. Audio archives are available at <http://www.azleg.gov>)