

ARIZONA STATE SENATE

43RD LEGISLATURE
FIRST REGULAR SESSION

MINUTES OF COMMITTEE ON APPROPRIATIONS

DATE: Wed., April 2, 1997 **TIME:** 1:30 p.m. **ROOM:** Senate Room 109

CHAIRMAN: Senator Bowers **VICE CHAIRMAN:** Senator Cirillo

ANALYST: Tami Ryall **COMMITTEE SECY:** Alice Kloppel

INTERNS: Mei Wong and Robert Hornby

ATTENDANCE				BILLS	
<u>Committee Members</u>	<u>Pr</u>	<u>Ab</u>	<u>Ex</u>	<u>Bill Number</u>	<u>Disposition</u>
Senator Arzberger	X			H.B. 2008	DPA/SE
Senator Bundgaard	X			H.B. 2040	DPA
Senator Cirillo	X			H.B. 2042	DP
Senator Conner	X			H.B. 2044	DPA
Senator Freestone	X			H.B. 2107	DP
Senator Gnant	X			H.B. 2114	DPA/SE
Senator Henderson	X			H.B. 2147	DP
Senator Huppenthal	X			H.B. 2161	DP
Senator Lopez	X			H.B. 2215	DP
Senator Richardson, G.	X			H.B. 2218	DP
Senator Rios	X			H.B. 2228	DPA/SE
Senator Soltero	X			H.B. 2237	DPA
Senator Wettaw	X			H.B. 2256	DPA
Senator Bowers, Ch.	X			H.B. 2258	DP
				H.B. 2303	DPA
				H.B. 2305	FAILED
				H.B. 2307	DPA/SE
				H.B. 2309	DPA/SE
				H.B. 2313	HELD
				H.B. 2351	DPA/SE
				H.B. 2363	HELD
				H.B. 2367	HELD
				H.B. 2450	DP
				H.B. 2460	DP
				H.B. 2478	DPA
				H.B. 2505	DP
				H.B. 2511	DP
				H.B. 2532	HELD
				H.B. 2547	DPA/SE
				H.C.M. 2004	FAILED

Chairman Bowers called the meeting to order at 1:40 p.m. and roll call was taken.

APPROVAL OF MINUTES

Without objection, Senator Bowers announced the minutes of the March 26, 1997 meeting stand approved as distributed.

CONSIDERATION OF BILLS

H.B. 2313 - legislators' per diem amounts - HELD

Senator Bowers announced H.B. 2313 would be held.

H.B. 2367 - ~~ASRS; credited service purchase; refund~~ (now: personal immunity; public officials; zoning) - HELD

Senator Bowers announced H.B. 2367 would also be held.

H.B. 2040 - transportation between Arizona and Sonora - DO PASS AMENDED

John Carlson, Senate Research Analyst, explained H.B. 2040 clarifies the duties of the Joint Legislative Review Committee between Sonora, Mexico and Arizona and expands the membership of the Review Committee. He further explained the bill deletes language that prioritized how single-trip permit revenues collected at Arizona's southern ports of entry must be spent each fiscal year.

Senator Cirillo moved H.B. 2040 be returned with a DO PASS recommendation.

Senator Cirillo moved the Bowers amendment dated 3/31/97 at 3:00 p.m. be adopted.

Representative Jerry Overton, expressed support for the bill as amended which imposes a fee for Mexican trucks coming into the United States and requires a certain level of safety standards.

The motion CARRIED by a voice vote.

Senator Cirillo moved H.B. 2040 be returned with a DO PASS AS AMENDED recommendation. The motion CARRIED by a roll call vote of 12-0-2. (Attachment #1)

H.B. 2044 - auto theft prevention authority - DO PASS AMENDED

John Carlson, Senate Research Analyst, explained H.B. 2044 clarifies provisions regarding the 50 cent annual insurance policy fees that are deposited into the Auto Theft Authority (ATA) Fund and allocates \$1.5 million in excess insurance premium tax revenues to the ATA each fiscal year.

Senator Cirillo moved H.B. 2044 be returned with a DO PASS recommendation.

Senator Cirillo moved the Bowers amendment dated 3/24/97 at 1:48 p.m. be adopted. The motion CARRIED by a voice vote.

Senator Bowers announced **Dave Childers, representing Farmers Insurance Group and the National Association of Independent Insurers; Don Isaacson, representing State Farm Insurance, and DeAnne Tomlin, AZ Auto Theft Authority**, were present in support of H.B. 2044.

Senator Cirillo moved H.B. 2044 be returned with a DO PASS AS AMENDED recommendation. The motion CARRIED by a roll call vote of 11-1-2. (Attachment #2)

H.B. 2351 - department of motor vehicles; establishment - DO PASS AMENDED/STRIKE-EVERYTHING

John Carlson, Senate Research Analyst, explained the strike-everything amendment to H.B. 2351 is an emergency measure that appropriates \$200,000 from the State Highway Fund to the Governor to fund a study on producing maximum accountability of Arizona Department of Transportation (ADOT) and the Motor Vehicle Division (MVD) functions, the potential for privatizing these functions and the advisability of establishing MVD as a separate state agency.

Representative Jerry Overton, sponsor of the bill, urged its support, noting it reflects an agreement with the Governor.

Senator Cirillo moved H.B. 2351 be returned with a DO PASS recommendation.

Senator Cirillo moved the strike-everything amendment dated 3/31/97 at 8:18 a.m. be adopted. The motion CARRIED by a voice vote.

Senator Bowers announced **Rick Kidder, Policy Advisor, Governor's Office**, was present in support of the strike-everything amendment.

Senator Cirillo moved H.B. 2351 be returned with a DO PASS AS AMENDED recommendation.

Senator Gnant questioned the appropriateness of spending \$200,000 on an outside consultant when the State has many well-paid fiscal analysts among its personnel.

In response to Senator Bowers wish to know if the appropriation request could be stripped, Representative Overton asserted it could not be. He explained outside expertise is being sought because the Joint Legislative Budget Committee, the Governor's Office of Strategic Planning and Budget, the Department of Transportation and the Motor Vehicle Division all produced different figures. Representative Overton reiterated the outside expertise is being sought with the Governor's approval to gain an objective viewpoint.

At the request of the Chairman, Senator Cirillo withdrew his motion to return H.B. 2351 with a DO PASS AS AMENDED recommendation.

Senator Bowers expressed sympathy with Senator Gnant's view and after determining it would not be possible to further amend the strike-everything in Committee, it was agreed to reduce the appropriation by one-half in a floor amendment.

Senator Cirillo moved H.B. 2351 be returned with a DO PASS AS AMENDED recommendation. The motion CARRIED by a roll call vote of 9-3-2. (Attachment #3)

H.B. 2107 - driver licenses - DO PASS

John Carlson, Senate Research Analyst, explained H.B. 2107 utilizes a portion of driver license reinstatement fees to provide grant monies for public high schools to establish new driver education courses, to enhance existing driver education courses, to reduce driver education fees and to enable public high schools to become authorized driver license third parties.

Senator Bowers announced **Jay Smith, Mesa, AZ and Lorraine Ashley, Motor Vehicle Division**, were present in support of the bill.

Senator Cirillo moved H.B. 2107 be returned with a DO PASS recommendation. The motion CARRIED by a roll call vote of 12-0-2. (Attachment #4)

H.B. 2309 - appropriations; air quality - DO PASS AMENDED/STRIKE-EVERYTHING

John Carlson, Senate Research Analyst, explained the strike-everything amendment dated 3/31/97 at 11:05 a.m. to H.B. 2309 enables Indian reservations, until October 1, 1999, to enter into a cooperative agreement with the Arizona Department of Transportation (ADOT) for the purpose of obtaining tax-free motor vehicle fuel and imposing an Indian tribal tax on the motor vehicle fuel that is not less than the State's 18 cent per gallon tax. He further explained the bill sets up a study committee.

Senator Henderson explained his amendment dated 4/1/97 at 4:00 p.m. to the strike-everything amendment deletes the provision that requires ADOT to provide an exemption certificate and sets up a cooperative agreement with ADOT to fully refund fuel taxes to the tribes. He further explained the amendment adds tribal members to the study committee and adds two persons, to be appointed by the Governor, who represent the petroleum marketers.

Mr. Carlson explained the Henderson amendment eliminates quite a bit of reporting, streamlining the process for the supplier and for ADOT.

Mary Peters, Governor's Office, explained the bill safeguards the efforts of the State and the Highway Users Revenue Fund (HURF) and addresses the issue of allowing tribes to impose fuel taxes to deal with transportation issues on their particular reservations.

Senator Arzberger asked what the impact would be to the HURF, cities and counties and Ms. Peters asserted the impact would be negligible. Senator Arzberger indicated the interested parties in previous meetings expressed alarm the impact may be substantial and questioned whether the Governor's Office had any concrete figures.

Ms. Peters explained that earlier research revealed that if every tribal government in Arizona were to sell tax-free fuel, the impact to HURF revenues would be \$4 million to \$5 million against a total HURF income of \$860 million per year. She clarified the strike-everything amendment represents a minute impact and allows tribes to impose their own gas tax. Ms. Peters further clarified the bill seeks to remove the inequity created by the mandate to impose an 18 cent tax in addition to the tribal tax, which creates a competitive disadvantage for the tribes.

Senator Arzberger argued that without a fiscal note, he could not agree the impact would be negligible to the counties and the cities.

Senator Cirillo moved H.B. 2309 be returned with a DO PASS recommendation.

Senator Cirillo moved the strike-everything amendment dated 3/31/97 at 11:05 a.m. be adopted.

Senator Henderson moved his amendment dated 4/1/97 at 4:00 p.m. be adopted. The motion CARRIED by a voice vote.

Senator Cirillo moved the strike-everything amendment as amended be adopted. The motion CARRIED by a voice vote.

Senator Cirillo moved H.B. 2309 be returned with a DO PASS AS AMENDED recommendation. The motion CARRIED by a roll call vote of 11-1-2. (Attachment #5)

Senator Arzberger voted "no," asserted the White Mountain Apache tribe is the only tribe which imposed its own tax to date and reiterated concern the proposal will impact HURF revenues, counties and cities.

H.B. 2460 - respite care; elderly; appropriation - DO PASS

Lance Ebeling, Senate Intern, explained H.B. 2460 requires the Department of Health Services (DHS) to develop and implement a statewide program to provide respite care for caregivers of the elderly and establish guidelines regarding the distribution of monies and respite care services. He further explained the bill appropriates \$185,000 from the General Fund to the Department of Economic Security (DES) for FY 1997-1998 to implement the respite program.

In response to Senator Bowers inquiry about how the appropriation would be spent, **Anne Lindeman, Governor's Advisory Council on Aging**, explained the \$185,000 would be spent on direct services, with the recipient paying a share of the cost based on income. She distributed copies of a newspaper article stating that one in four families now care for an elderly family member and the respite program is designed to provide respite for caregivers and to keep people out of the more costly long-term care for as long as possible.

Senator Cirillo moved H.B. 2460 be returned with a DO PASS recommendation.

Senator Bowers announced **Donald Vance, American Association of Retired Persons; Ron Travers, caregiver, Peoria, AZ; and Timothy McNelis, Phoenix, AZ** were present in support of H.B. 2460.

The motion CARRIED by a roll call vote of 12-1-1. (Attachment #6)

Senator Bowers voted "no," acknowledging the need for respite care but expressing philosophical opposition to the government providing it.

H.B. 2147 - appropriation; DHS; primary care capital (now: tobacco tax monies) - DO PASS

Kitty Boots, Senate Research Analyst, explained H.B. 2147 was significantly amended in the Senate Health Committee; removing the cap on the Health Education Fund and allowing expenditure of 90 percent of the previous year's revenues, increasing the amount which may be spent from the Health Education account in FY 1996-1997 up to \$25 million from \$15 million, allocating \$8 million to DHS to complement existing health education services and requiring allocation of funds from the Arizona Health Care Cost Containment System to DHS on an as-needed basis beginning in FY 1997-1998.

In response to Senator Gnant's request to know what the rationale is for spending \$7 million over the next two years on capital projects, Representative Sue Gerard, sponsor of the bill, clarified the amended bill does not contain a \$7 million allocation for capital projects.

In response to Senator Bundgaard's inquiry, Representative Gerard clarified the \$3 million allocation to the Arizona Cancer Commission was also amended out of the bill.

Senator Bowers announced **Kevin DeMenna, representing the American Heart Association, the American Lung Association and the American Cancer Society; Brian McNeil, Governor's Office; Donald Vance, American Association of Retired Persons; Dennis Embry, Tucson, AZ; and Diane Bishop, Governor's Office** were present in support of H.B. 2147.

Senator Cirillo moved H.B. 2147 be returned with a DO PASS recommendation. The motion CARRIED by a roll call vote of 14-0-0. (Attachment #7)

H.B. 2008 - public finances; technical correction - DO PASS AMENDED/STRIKE EVERYTHING

Tami Ryall, Senate Research Analyst, explained the strike-everything amendment to H.B. 2008 appropriates \$500,000 and eight full-time equivalent positions in FY 1997-1998 from the General Fund to the University of Arizona College of Medicine to establish a liver research institute.

Senator Cirillo moved H.B. 2008 be returned with a DO PASS recommendation.

Senator Cirillo moved the strike-everything amendment dated 8/31/97 at 8:31 a.m. be adopted. The motion CARRIED by a voice vote.

Senator Cirillo moved H.B. 2008 be returned with a DO PASS AS AMENDED recommendation.

Senator Bowers announced **Dean James Dalen, M.D., University of Arizona, College of Medicine**, was present in support of H.B. 2008. In response to Senator Bower's request, Dean Dalen agreed to report back to the Legislature on the research being undertaken.

The motion CARRIED by a roll call vote of 12-1-1. (Attachment #8)

Senator Gnant voted "no," although emphasized not enough questions have been asked about the necessity of such research in Arizona and about how much is being done elsewhere.

Senator Bowers voted "aye," related his understanding that existent liver disease research is somewhat disjointed and endorsed the appropriation request for a local research effort.

H.B. 2114 - crimes; restoration of rights; vehicle - DO PASS AS AMENDED/STRIKE-EVERYTHING

Randie Stein, Senate Research Analyst, explained the strike-everything amendment to H.B. 2114 makes technical, conforming, clarifying and bond-related changes associated with the recent school capital finance legislation.

Senator Cirillo moved H.B. 2114 be returned with a DO PASS recommendation.

Ms. Stein explained the Bundgaard amendment dated 4/1/97 at 12:17 p.m. contains language suggested by bond counsel and makes further technical and conforming changes.

Senator Cirillo moved the strike-everything amendment dated 3/28/97 at 3:00 p.m. be adopted.

Senator Bundgaard moved his amendment dated 4/1/97 at 12:17 p.m. to the strike-everything amendment be adopted. The motion CARRIED by a voice vote.

Senator Cirillo moved the strike-everything amendment as amended be adopted. The motion CARRIED by a voice vote.

Senator Cirillo moved H.B. 2114 be returned with a DO PASS AS AMENDED recommendation. The motion CARRIED by a roll call vote of 11-2-1. (Attachment #9)

H.B. 2450 - property tax exemption; shooting ranges - DO PASS

Jay Volquardson, Senate Intern, explained H.B. 2450 exempts, from property taxation, property owned by a charitable organization that is not held for profit and is predominantly used for education and training in the safe and skillful use of firearms, archery equipment or similar sport shooting.

Representative Mike Gleason, sponsor of the bill, explained the bill addresses an issue of fairness, noting other ranges on public land receive a tax exemption and the bill request the same for a nonprofit range located on privately owned land which engages 60 percent of its time training Boy Scouts. He asserted the range is also a tourist attraction, bringing in \$1 million to \$2 million in revenues per year and further explained the range will cease to operate without the tax exemption, as its operating budget is very tight.

Senator Bowers acknowledged the educational service of the range, but expressed concern it is located on private land, does have a value and can be sold. In response to Senator Bower's request to know if the former nonprofit range at Papago Park was the precursor to the range under discussion, Mr. Gleason confirmed it was. Senator Bower acknowledged the city has grown up around the earlier range and has necessitated the move. Representative Gleason confirmed the city will eventually grow up around the existing range, but expressed his wish to continue the activities as long as possible.

Senator Cirillo moved H.B. 2450 be returned with a DO PASS recommendation.

Senator Bowers announced **Mel Williams, President, Phoenix, Trap & Skeet; Thelda Williams, Phoenix, Trap & Skeet; and Former State Representative Kyle Hindman**, were present in support of the bill.

The motion CARRIED by a roll call vote of 7-5-2. (Attachment #10)

Senator Huppenthal voted "aye," but suggested the bill would meet with complications in the Rules Committee, as did a very similar bill dealing with charter schools.

H.B. 2363 - ~~state plumbing code~~ (now: state lottery; gambling) - HELD

Julie Schwartz, Senate Intern, explained H.B. 2363 makes numerous changes relating to the distribution of state lottery funds including reprioritizing the specified fund distributions.

Ms. Schwartz noted it also includes administrative changes and revenue enhancement mechanisms and she further highlighted specific provisions.

Senator Bowers asked if the provision requiring the distribution of the \$17 million for Proposition 203 before the deposit of lottery revenues to the General Fund was put forth in the Proposition. Ms. Schwartz responded it was not.

Senator Bundgaard asked for clarification of item #12 on the fact sheet regarding Proposition 203. Ms. Schwartz responded that it is technical and corrects a dual enactment.

Senator Bowers announced **Dwayne Richard, AZ Food Marketing Alliance; John Mangum, representing AZ Food Marketing Alliance and Circle K; Leanne Wilhardt, Tosco/Circle K; Michelle Ahlmer, AZ Retailers Association; Sandy Price, City of Tucson; Jody Spicola, AZ Lottery; and Kristin Soilini, Tosco/Circle K,** were present in support of H.B. 2363.

Senator Bowers further announced **Victor Dad, Board Member, AZ Greyhound Association and Bill Rice, Chairman, Legislative Committee, AZ Greyhound Association,** were present in opposition to H.B. 2363.

Victor Dad, Board Member, AZ Greyhound Association, expressed concern with language on page 2 of the bill, paragraph 4, which allows changes to be made in the matrix of an on-line game without going through the rulemaking process. He noted the definition of "matrix" on page 4 creates uncertainty about whether games could be installed at race tracks, thereby diverting revenues from the greyhound handlers' purses.

Jody Spicola, Executive Director, Arizona Lottery, expressed support for the bill as amended in the Senate Finance Committee. He explained the rule exemption will help the Lottery become more effective and will reduce the time involved in changing a game to three months from six months.

Senator Bowers indicated he would hold H.B. 2363 as it changes the lottery revenue distribution scheme and lowers the Local Transportation Assistance Fund distribution from \$18 million to \$16.3 million and consequently impacts counties, cities and towns. He suggested reviewing a related House bill and incorporating revisions there.

Senator Gnant noted the goals of the Lottery are laudable and expressed hope these can be incorporated this session.

Senator Arzberger suggested addressing the concerns of the Greyhound Association in the House bill as well.

H.B. 2161 - schools; graduation; honors diploma - DO PASS

Stacey Morley, Senate Intern, explained H.B. 2161 requires the development of an honors endorsement program for high school graduates who demonstrate an extraordinary level of knowledge, skill and competency in their high school studies.

Senator Cirillo moved H.B. 2161 be returned with a DO PASS recommendation.

Senator Bowers announced **Diane Bishop, Education Policy Advisor, Governor's Office**, was present in support of the bill.

The motion CARRIED by a roll call vote of 12-1-1. (Attachment #11)

H.B. 2215 - ~~community colleges; tuition waiver program~~ (now: community colleges; Sonora student exchange) - DO PASS

Stacey Morley, Senate Intern, explained H.B. 2215 establishes a student exchange program between Arizona community colleges and the colleges and universities of Sonora, Mexico.

In response to Senator Bower's request to know how much the program will cost, Ms. Morley indicated the cost to the State will be seen in the loss of tuition which will not be paid by Sonoran students.

Senator Cirillo moved H.B. 2215 be returned with a DO PASS recommendation.

Senator Bowers announced **Jeremy Anshell, Project Manager, Arizona Mexico Commission** and **Dale Kater, Executive Director, Arizona Sonora Educational Institute**, were present in support of the bill.

Dale Kater, Executive Director, Arizona Sonora Educational Institute, urged support of H.B. 2215 and emphasized the Joint Legislative Budget Committee found no fiscal impact as there is a reciprocal value to the program when Arizona residents participate in the exchange by attending schools in Sonora. He noted the only impact would be the difference between in-state tuition and out-of-state tuition costs.

The motion to return H.B. 2215 with a DO PASS recommendation CARRIED by a roll call vote of 9-0-5. (Attachment #12)

Senator Bowers voted "aye," emphasizing that the best relief Arizona can offer its neighboring Mexican state is education, so it can further develop its own country.

H.B. 2532 - sex offenders; community notification omnibus - HELD (continued on page 37)

Lori Fix, Senate Intern, explained H.B. 2532 establishes the Community Notification Guidelines Committee in statute and designates 20 members to the Committee, specifies two-year terms for appointed members, stipulates that the Committee shall monitor the implementation of notification guidelines that it adopts, requires the Committee to implement sex offender levels one through three--with level three designated for the most serious offenders. She noted it also establishes the sex offender notification coordinator position, states this individual's duties and prescribes the content of information for the coordinator's report. Ms. Fix noted the bill adds those convicted of three or more indecent exposure offenses to the list of those who must register as a sex offender, requires that a notice of change of address or name be made in writing if the offender moves out of the county and states the sheriff shall advise local law enforcement of the offender's new address. She further indicated the bill requires entering information about an offender into law enforcement computer systems and stipulates that the parties to a transfer of real property are neither criminally nor civilly liable for failing to disclose that property is located in the vicinity of a sex offender if the parties to a transfer did not receive notice from local law enforcement. Ms. Fix explained one of two amendments added in the Senate Judiciary Committee was technical and the other addressed concerns by real estate licensees who believe they may now be subject to new liability under the act.

In response to Senator Bundgaard's request for clarification, Ms. Fix indicated a House amendment stated parties to transfers of real property are not liable unless they have received notification from local law enforcement, however the Senate Judiciary Committee struck this language.

Senator Bowers announced he would retain the bill on the calendar until later in hopes the sponsors could be present to respond to questions.

H.B. 2218 - concealed weapons permits; interstate reciprocity - DO PASS

Lori Fix, Senate Intern, explained H.B. 2218 allows the Department of Public Safety (DPS) to enter into reciprocal agreements that allow Arizona's concealed weapons permits to be valid in other states that have similar concealed weapons permit requirements.

Senator Cirillo moved H.B. 2218 be returned with a DO PASS recommendation.

Senator Bundgaard moved his amendment dated 3/24/97 at 12:23 p.m. be adopted.

Senator Bundgaard recommended a verbal amendment to strike lines 2 through 6 be allowed to correct his amendment before adopting it.

Without objection, Senator Bundgaard moved the following verbal amendment to his amendment dated 3/24/97 at 12:23 p.m.: "Page 1, strike lines 2 through 6".

After some discussion, it was agreed to amend the bill on the floor.

Senator Bundgaard expressed his wish to withdraw his verbal amendment and the original motion to adopt his amendment dated 3/24/97 at 12:23 p.m.

The motion to return H.B. 2218 with a DO PASS recommendation CARRIED by a roll call vote of 9-3-2. (Attachment #13)

**H.B.2547- administration of payroll salary deductions - DO PASS AMENDED/STRIKE-
EVERYTHING**

Kate Graziano, Senate Intern, explained the strike-everything amendment dated 3/31/97 at 11:14 p.m. to H.B. 2547 includes voluntary group automobile or homeowners benefits as deductions from state officers' or employees' salaries.

Ms. Graziano explained the Wettaw amendment dated 4/1/97 at 1:55 p.m. to the strike-everything amendment allows the Department of Administration to continue to make dues deductions for members of recognized associations if the associations bear the cost of making the deductions.

Senator Bowers announced **David White, D.M. White Corporation & Bob Hubert Associates; Spencer Kamps, AZ Department of Administration; David Mendoza, AFSCME and Bob Huber, Scottsdale, AZ**, were present in support of the strike-everything amendment to H.B. 2547.

Senator Cirillo moved H.B. 2547 be returned with a DO PASS recommendation.

Senator Cirillo moved the strike-everything amendment dated 3/31/97 at 11:14 a.m. be adopted.

Senator Wettaw moved his amendment dated 4/1/97 at 1:55 p.m. to the strike-everything amendment dated 3/31/97 be adopted. The motion CARRIED by a voice vote.

Senator Soltero expressed support for the Wettaw amendment.

Senator Cirillo moved the strike-everything amendment as amended be adopted. The motion CARRIED by a voice vote.

Senator Cirillo moved H.B. 2547 be returned with a DO PASS AS AMENDED recommendation. The motion CARRIED by a roll call vote of 10-2-2. (Attachment #14)

H.C.M. 2004 - UN convention on climate change - FAILED

Kerri Waggener, Senate Intern, explained H.C.M. 2004 urges the U.S. Senate to begin action to withdraw the United States from the United Nations Framework Convention on Climate Change.

Becky Fenger, Society for Environmental Truth, distributed a handout (filed with original minutes) casting doubt on the notion that global warming is harming the Earth's atmosphere. She asserted that if the U.S. does not register its opposition now it will face future U.N. binding regulations that have no basis in scientific fact.

Senator Bowers noted there is increasing diversity of opinion about global warming in the scientific community, but asserted that if burdensome and expensive government policies are going to be handed down based on the acceptance of this assertion, something needs to be done, and to this end he could support the bill.

Senator Bowers announced **Raena Honan, Sierra Club and Sandy Bahr, AZ Audubon Council**, were present in opposition to the bill.

Senator Cirillo moved H.C.M. 2004 be returned with a DO PASS recommendation. The motion FAILED by a roll call vote of 5-6-3. (Attachment #15)

H.B. 2511 - nonexplosive devices - DO PASS

Kate Graziano, Senate Intern, explained H.B. 2511 legalizes ground based or hand held nonexplosive and nonaerial fireworks and allows the Governor to declare extreme drought conditions exist in regions within the State. She further explained the bill prohibits the use of nonexplosive devices in those regions where extreme drought conditions are declared.

Senator Bowers announced **Jan Hauk and William Lanford, Buckeye Rural Fire Department; Stuart Goodman, City of Glendale; Kent Fairburn, League of Arizona Cities and Towns; Dr. MacDonald Wood, Foundation for Burns; Barbara Koffron and**

Robert Cantwell, Phoenix Fire Department; Greg Victor, Glendale, AZ; Albert Hill and Norman Miller, AZ Fire District Association; Lawrence Michalsky, U.S. Forest Service; David Landrith, AZ Medical Association; Cindy Rutter, Registered Nurse; Sandy Sulzman, Prevent Blindness America; Dave Nichols, Mesa Fire Department; Tonia Garrett, City of Tucson; Mike Bielecki, Professional Fire Fighters of AZ; Kevin DeMenna, City of Phoenix; and Raena Honan, Sierra Club, were present in opposition to H.B. 2511.

Senator Bowers further announced **Tom Hinton, Ken Delfeld and Tad Trout, U.S. Fireworks Safety Council and Representative Jeff Groscost,** were present in support of H.B. 2511.

Dr. MacDonald Wood, President, Foundation for Burns, explained he started the Burn Center thirty years ago and expressed opposition to the bill. He emphasized it views business and property as more important than individuals. Dr. Wood explained that burns are slow to heal and leave permanent scars, both emotional and physical. He noted there were 900,000 sparkler injuries last year.

Tom Hinton, Executive Director, U.S. Fireworks Safety Council, expressed support for the bill, emphasizing that 99.9 percent of all firework-related injuries are related to types of products other than sparklers and noting that three times as many fires in the U.S. are caused by auto engines backfiring than by fireworks.

Senator Cirillo moved H.B. 2511 be returned with a DO PASS recommendation.

Senator Gnant graphically demonstrated the perceived threat of a sparkler and suggested that something is wrong with a system of government that allows carrying a loaded handgun in public, but not a sparkler.

Ruth Rimmer, Foundation for Burns and Trauma, argued against the bill, asserting that adults do not teach children to play with guns or play with matches or to view these items as toys, but adults do teach children to play with sparklers and treat them as a toy, thereby increasing the risk of injury.

Senator Gnant asserted there is a big difference between allowing a child to use a sparkler in a controlled, outdoor, adult-supervised environment and allowing children to play with matches.

Senator Cirillo moved H.B. 2511 be returned with a DO PASS recommendation. The motion CARRIED by a roll call vote of 6-5-3. (Attachment #16)

Senator Arzberger voted "no," and suggested an adult would not get into trouble carrying a handgun or a sparkler down the street, but he sure would get into trouble if he shot the gun or lit the sparkler.

Senator Cirillo voted "no," expressing his wish to err on the side of safety, especially in view of the almost unanimous opposition expressed by the professional community.

Senator Gnant, voted "aye," noting with irony, that some members who voted to ban sparklers also voted to ban seat belts on school buses.

H.B. 2042 - vital statistics; certificates; access - DO PASS

Theodora Agbalooso, Senate Intern, explained H.B. 2042 requires the Department of Health Services (DHS) to allow access to all birth certificates and death certificates under specified conditions and requires the Department of Library, Archives and Public Records to provide the public access to these records.

Representative Karen Johnson, sponsor of the bill, deferred to **Gladys Ann Well, Director, Department of Library, Archives and Public Records**, who explained the Department did not seek the bill, but in view of the great deal of research which it performs, could support it. With regard to the privacy issues, she explained most information being sought is available through other sources and with regard to fraud concerns, noted that most fraud occurs with newer records. Ms. Wells asserted that in the Department's research, concerns regarding privacy and fraud could not be substantiated and further asserted the proposal falls within the Department's mission.

Senator Cirillo moved H.B. 2042 be returned with a DO PASS recommendation.

Senator Gnant indicated the bill was held in its originally assigned committee due to lack of substantiating information and asked that this be recognized and the testimony not replayed.

Senator Bowers announced **Phil MacDonnell, representing AZ Newspaper Association; Robert Bryce, Gilbert, AZ; Glenn Scott, Mesa, AZ; Jo Ann Freeman, Paradise Valley, AZ; Gary Foster, Tempe, AZ; Alice Syman, Scottsdale, AZ, Doug Kupel, Phoenix, AZ**, were present in support of the bill.

It is noted for the record that **Ronald Livingston, Gilbert, AZ, representing himself**, submitted a speaker slip but did not indicate support or opposition to the bill.

Senator Bowers further announced **Renee Gatineau, Department of Health Services (DHS), Vital Records and Marti Lavis, DHS**, were present in opposition to the bill.

Senator Cirillo concurred with Senator Gnant that a bill should not be reassigned to Appropriations once it is voted down in its originally-assigned committee.

The motion to return H.B. 2042 with a DO PASS recommendation CARRIED by a roll call vote of 9-3-2. (Attachment #17)

H.B. 2258 - child protective services; hearing; appeals - DO PASS

Victor Riches, Senate Assistant Research Analyst, explained H.B. 2258 creates an appeals process for individuals who are the subject of a Child Protective Services (CPS) investigation. He further explained the bill appropriates \$1.4 million to the Department of Economic Security (DES) to implement this act.

Senator Cirillo moved H.B. 2258 be returned with a DO PASS recommendation.

Representative Freddy Hershberger explained H.B. 2258 is the result of collaborative effort led by herself and Representative Bob Burns and provides a model for an appeals procedure.

Senator Bowers announced **James Hart, Assistant Director, Division of Children, Youth and Families, Department of Economic Security**, was present in support of the bill.

The motion to return H.B. 2258 with a DO PASS recommendation CARRIED by a roll call vote of 12-0-2. (Attachment #18)

H.B. 2256 - family builders pilot program - DO PASS AMENDED

Tami Ryall, Senate Research Analyst, explained H.B. 2256 establishes a community-based intervention program for children who may be in need of protective services and who, after initial assessment by Child Protective Services (CPS), are determined not to be in immediate danger. She further explained the bill appropriates \$1,133,850 in FY 1997-1998 and \$2,267,700 in FY 1998-1999 to implement this act.

Representative Freddy Hershberger, sponsor of the bill, related that an editorial in the *Arizona Republic* expressed support for the bill which is an attempt to prevent abuse and offer help to families.

Senator Bowers expressed concern locally-based nonprofit entities will now be agents of CPS and CPS will distribute information about the lower-rated cases which it will assign to these entities.

In response to Senator Bowers inquiry, Representative Hershberger clarified these entities would be contracted by CPS to provide help to families and indicated the family's participation is strictly voluntary. She confirmed that if an entity knocked on a family's door it would be because CPS had received a report of abuse or neglect and is not deemed to be serious enough for CPS, but an issue a neighborhood entity could address.

Senator Bowers expressed his fear the neighborhood entities would, by their own contract, become an extension of CPS and lose their own autonomous, charitable persona in the community. He also suggested the nonprofit entity may view the problem as needing a higher priority than CPS initially assigned it, and if a child is eventually removed from the home because of this, the neighbors may view the nonprofit entity as the removal agency, since CPS did not come to the door, but the nonprofit did.

Senator Richardson asserted it would be better to see a representative of a charitable organization at the door than a government employee who has the authority to remove a child from the home. He emphasized accepting the services of the charitable worker is totally voluntary on the part of the family, whereas the CPS worker's plan is absolute authority.

In response to Senator Bower's wish to know how these cases would be identified, **Anna Arnold, CPS**, explained that the cases under discussion would be received as reports on the CPS hotline and sent to the field. She noted it would be at the field level that the decision would be made to assign the case to the contract provider based on written guidelines that would be developed. Ms. Arnold indicated the kinds of cases would be those that respond to a social services approach such as a need for housing, food, or supervision, but not those where a child is in imminent danger. She explained the contractor would give the family a written statement indicating CPS had received a report, what the purpose of the program is and offering that family specific services related to their needs.

In response to Senator Bowers' request to know how much the contract providers would be paid, Ms. Arnold responded the contract providers would develop a budget indicating what it would cost them to hire social workers or case aides.

Senator Grant asked if the provider would receive an initial fee for a visit and then additional fees for additional or ongoing services. Ms. Arnold indicated the details of a contract payment method have not been worked out, but suggested providers will be expected to assess and offer services to a certain number of families.

Senator Gnant asked if there is a possibility there could be a fee-for-service arrangement worked out and Ms. Arnold confirmed there is. Senator Gnant also asked if it is possible a scale could be set up so a provider receives a certain amount for the initial visit and additional amounts if the family agrees to additional services. Ms. Arnold agreed this could be established. Senator Gnant asserted the process sets up a "sales operation," with providers attempting to "close leads" to gain additional "sales." He emphasized this is entirely different than a community grant to do general work for all people who might require services.

Senator Gnant next asked if families might sue the State if information about themselves is given out to community entities by CPS. Ms. Arnold indicated the bill grants authority to the contract providers to contact families. With regard to providing incentives to serve families, Ms. Arnold emphasized there is no shortage of families to be seen, but rather a shortage of people to see families.

Senator Bundgaard asked if the contract providers would be able to investigate the 1,400 complaints that currently go uninvestigated. Ms. Arnold clarified the contract providers would not be performing investigations concerning abuse and neglect, but rather providing services to families. She noted that nationwide 46 percent of cases where a child eventually dies have been previously reported to child protective agencies.

In response to Senator Bowers, Ms. Arnold indicated she could not supply information about how many of this 46 percent had been previously investigated with a decision made to leave the child in the home.

Eric Bost, Deputy Director, DES, explained that last year the Department received over 58,000 calls alleging abuse of which 28,000 received were appropriate cases for investigation. He further noted that of these 28,000 cases, 94 percent were investigated, leaving approximately 1,400 reports uninvestigated. Mr. Bost emphasized family builders would allow CPS to investigate these low priority reports.

Senator Rios asked what happened to the 30,000 calls out of the 58,000 which were determined inappropriate for investigation. Mr. Bost explained that some of these calls were requesting information only and some were considered inappropriate because they were not reporting abuse. Senator Rios suggested it is ridiculous to count these types of calls, emphasizing the calls that cause concern are those alleging abuse or neglect. Mr. Bost clarified that it takes employee time at central intake to answer and handle each of these calls to determine if there is abuse or neglect.

In response to Senator Rios inquiry, Mr. Bost confirmed 99.9 percent of all priority one and 98 percent of priority two cases were investigated by CPS last year. With regard to priority three and four cases, Mr. Bost related that 80 to 85 percent were investigated by CPS.

Mr. Bost confirmed Senator Rios' understanding that the priority three and four cases are the ones designated for attention by the family builders program. He also confirmed these cases are the ones where a child is not in imminent danger, but as in priority three or four cases, a child may have a physical injury that does not require medical attention or does not have food provided, for example.

Senator Rios asked if CPS currently contracts with agencies such as the Jewish Family Services or the Catholic Social Services. Mr. Bost confirmed that some of these organizations currently provide services such as counseling and parent education. He further noted that in terms of ongoing services, no private agency or entity provides assessment and statutorily, cannot perform an investigation.

Senator Rios emphasized this is key--that the contract providers under the family builders program can perform the assessments that CPS is unable to because of a lack of manpower. Senator Rios expressed support for the legislation which provides ongoing social services for marginal cases as a preventive measure. He further emphasized that CPS should retain control over investigation, acknowledging members oppose allowing a contract provider controlling an investigation.

Senator Wettaw questioned why the State does not pay \$1.4 million to CPS to hire additional workers rather than instituting another bureaucracy with family builders.

Senator Dave Petersen, sponsor of the bill, expressed his preference for enlisting community involvement in the lower priority cases rather than augmenting the number of workers at CPS.

Senator Bowers asked if the additional 22 CPS workers allocated would permit addressing the 1,400 cases that went uninvestigated. Mr. Bost suggested it would not because CPS is seeing a significant increase in the number of reports that are appropriate for investigation and CPS is seeing a significant increase in the number of children taken into care who need services.

In response to Senator Bowers' inquiry, Mr. Bost explained CPS workers make a determination from a phone call whether a case is appropriate for investigation, and if it is, it is referred to a local office where an intake worker is assigned to go into the field to investigate.

Senator Bowers asked why these community entities could not respond to a call from CPS without being paid. Mr. Bost assumed they would respond that they do not have the resources or the authority to do so.

Representative Laura Knaperek, sponsor of the bill, related real life occurrences about the increasing number of children being removed from their homes and asserted that family

builders can help more children remain in their homes. She further related the story of a police officer who intervened to assist a family in dire need where life was greatly improved for its members without state involvement at all.

James Hart, Assistant Director, Division of Children Youth & Families, DES, expressed support for the bill, emphasizing there is not sales lead set-up in the family builders program. He noted the cost of family builders would be 50 percent of what it would cost the State to investigate the same cases.

Senator Rios asked if CPS intends to contract with one provider or to seek out many. Mr. Hart indicated CPS intends to hold informational meetings to attract the interest of a variety of providers. He confirmed Senator Rios' understanding the providers will all be licensed agencies.

Senator Bowers noted that if 1,400 cases are addressed with the \$1.4 million appropriation, each case would cost \$1,000. Mr. Hart clarified the figure is \$1,483 per case. He explained this is the total for services to a family and administrative costs.

Senator Bowers asked that CPS provide him with a breakdown of expenses for services and administrative costs and Mr. Hart agreed to do so.

Senator Cirillo moved H.B. 2256 be returned with a DO PASS recommendation.

Senator Cirillo moved the Bowers amendment dated 4/1/97 at 4:42 p.m. be adopted. The motion CARRIED by a voice vote.

Senator Cirillo moved H.B. 2256 be returned with a DO PASS AS AMENDED recommendation. The motion CARRIED by a roll call vote of 10-3-1. (Attachment #19)

Senator Rios voted "aye," emphasizing that providing social services to families in need ensures that these cases do not become CPS cases where children need to be removed from their homes.

Senator Soltero voted "aye," suggesting CPS should have received more case managers, but agreeing that family builders will serve some of the cases CPS currently cannot.

Senator Bowers announced **Former State Senator Jacque Steiner, Phoenix, AZ; Beth Rosenberg, Children's Action Alliance; and Chris Fickas, Child Crisis Center, East Valley,** were also present in support of the bill.

H.B. 2303 - Arizona state land preserve initiative - DO PASS AMENDED

Lance Johnson, Senate Research Analyst, explained H.B. 2303 allows the Arizona State Parks Board (ASPB) to grant monies for acquiring state trust lands that the State Land Commissioner has designated as suitable for conservation. He further explained the bill establishes a Conservation Acquisition Board to advise the ASPB on the identification and funding of state lands to be acquired for conservation purposes.

Mr. Johnson explained the bill was amended in the Senate Government Reform Committee to require the State Land Commissioner to consider the fiscal and economic impacts on the local communities and consult with governing bodies of cities and towns when determining whether to reclassify trust lands for conservation purposes. He noted amendments also prohibit limiting or restricting access to private land through reclassification of trust lands for conservation purposes and requires donated monies from the lease or purchase of trust lands for conservation purposes to be generated before matching monies are appropriated by the Legislature. Mr. Johnson noted the amendment caps the final grant award for each conservation area recommended by the State Parks Board at \$1 million.

Mr. Johnson explained the Bowers amendment dated 4/1/97 at 1:11 p.m. to H.B. 2303 removes five of eight areas designated in the bill as eligible for conservation purposes, leaving the Flagstaff area, the Tortolita Mountain Park area and the Superstition Mountains Area.

Mr. Johnson explained the Bowers amendment dated 4/1/97 at 1:23 p.m. to H.B. 2303 appropriates \$500,000 in FY 1998 from the General Fund to the Land Conservation Fund and exempts them from lapsing.

Mr. Johnson explained the Bowers amendment dated 4/1/97 at 1:35 p.m. to H.B. 2303 specifies in a purpose statement that the classification of state trust lands as suitable for conservation cannot be construed to affect the designation or use of adjacent lands.

Senator Bowers announced **Mike Anable, Deputy Land Commissioner, State Land Department; Mary Manross and Robert Pettycrew, City of Scottsdale; Sandy Bahr, AZ Audubon Council; Maria Baier, Governor's Office; Jim Walsh, The Nature Conservancy; Raena Honan, Sierra Club and Arlan Colton, State Land Department** were present in support of the bill.

He further announced **Dan Miller, representing AZ Realtors**, was present in opposition to the bill and in support of the amendments.

Representative Carolyn Allen, sponsor of the bill, urged support of H.B. 2303 which contains the recommendations of the Governor's Task Force, and support for the three Bowers amendments.

Arlan Colton, Director, Arizona Preserve Initiative, State Land Department, explained H.B. 2303 works in conjunction with last year's H.B. 2555 and contains recommendations of a task force appointed to tie up loose ends from last year's legislation.

Senator Bowers noted that with his amendment, there is a benefit to the first person in the door as the State is picking up \$500,000. Mr. Colton agreed this is one perspective, but noted this will not happen in the high value property around metropolitan areas, as the program is targeted at small communities and potentially private land trusts, such as the Superstition Land Trust or Desert Hills Land Trust. He clarified this represents a transfer, as every year the State Land Department puts \$1 million into the General Fund from sales of maps and from application fees, which does not go into the State Land Trust for education purposes. Mr. Colton emphasized that in effect, \$500,000 comes back into the Trust and can be used for education. He further emphasized the "bottom line" for the Land Department is that it allows management of the land, and although it will not stop development, it will enable conserving desired lands while nearby properties are being developed.

Senator Arzberger commented that one year ago boundaries were placed around major cities to reserve lands for recreation and expressed concern that just one year later adjustments are being made and this suggests more will be made in the future. He asked if there are plans to extend boundaries next year and indicated he would propose floor amendment to remove other sites.

Representative Allen related that the Governor directly said he would not be coming back next year to do anything more.

Senator Arzberger reiterated the concern felt in rural areas about increasing reclassifications of state trust lands for conservation purposes.

Mr. Colton emphasized the three remaining areas after five are stripped with the Bowers amendment, are critical, as they are located in urban expansion areas.

Senator Bowers expressed support for allowing the purchase of islands of land within trust lands as long as the beneficiaries of the State Land Trust are conserved and the land is used for its highest and best purpose. He suggested that if the public would rather conserve land than develop it, the public needs to pay for it.

Senator Arzberger agreed there is a need to conserve lands, but expressed concern about restricting access to federal public lands with state dollars and the increasing restrictions being placed statewide, not just around urban areas.

Mary Manross, City of Scottsdale, expressed support for H.B. 2303 and described how Scottsdale is expanding. She emphasized it is necessary for Scottsdale to have an ability to connect some of the open spaces and preserve some of the Sonoran Desert in order to preserve its number one industry, which is tourism.

Dan Miller, AZ Realtors Association, expressed opposition to the bill noting a map of its impact conserves over 1,000 square miles and also prohibits development of adjacent private lands. He also urged support of the amendments and argued that cities will be buying their own mountain areas and questioned the appropriateness of using state money to buy them.

Senator Wettaw asked if Mr. Miller could support the bill if the appropriation was stripped and he responded he could not. Mr. Miller opined the State should wait and see how last year's mandate affects conservation efforts.

Senator Bowers recommended viewing "Forest Wars," on Channel 8 this Friday evening which may provide some understanding of the rural feelings about stewardship as a way of life and provide a sense of the urban arrogance they perceive. He noted that last week five more species in Arizona were listed as endangered species and it will be necessary to conserve habitat for these animals. Senator Bowers urged support for his amendment which acknowledges the feelings of those in rural areas.

Senator Cirillo moved H.B. 2303 be returned with a DO PASS recommendation.

Senator Cirillo move the Bower amendment dated 4/1/97 at 1:11 p.m. be adopted. The motion CARRIED by a voice vote.

Senator Cirillo moved the Bowers amendment dated 4/1/97 at 1:23 p.m. be adopted. The motion CARRIED by a voice vote.

Senator Cirillo moved the Bowers amendment dated 4/1/97 at 1:35 p.m. be adopted. The motion CARRIED by a voice vote.

Senator Cirillo moved H.B. 2303 be returned with a DO PASS AS AMENDED recommendation. The motion CARRIED by a roll call vote of 11-2-1. (Attachment #20)

H.B. 2478 - welfare program reform; appropriations (now: welfare; reform program; appropriations) - DO PASS AMENDED

Lance Johnson, Senate Research Analyst, explained H.B. 2478 is an omnibus bill to implement welfare reform. He explained it appropriates \$37,786,200 from the Temporary Assistance to Needy Families (TANF) block grant to the Department of Economic Security (DES) in FY 1997-1998 for specified purposes; appropriates \$358,400 from the General Fund to DES and the Department of Administration in FY 1997-1998 for implementation of an electronic benefits transfer system and appropriates \$250,000 from the General Fund to DES in FY 1997-1998 for naturalization outreach efforts.

In response to Senator Bowers' inquiry, Mr. Johnson confirmed a \$7.5 million impact of the bill is outside the current budget and is "in the box."

Senator Bowers announced **Janet Regner, AZ Community Action Association; Gloria Hurtado, City of Phoenix; Brian McNeil, Governor's Office; Linda Blessing, Director, DES; and Mnsgr. Edward Ryle, AZ Catholic Conference**, were present in support of H.B. 2478.

Representative Mark Anderson, sponsor of the bill, urged support of the measure which enacts a program to move people to self-sufficiency.

Mr. Johnson explained the Richardson amendment dated 4/1/97 at 6:00 p.m. incorporates amendments adopted in the Senate Government Reform Committee which provide tax credits to employers, implements the EMPOWER redesign, implements a pilot program for privatization of the Arizona Works program in certain areas of the State for one year and then implements it statewide after that if proven successful.

Senator Patterson urged support for the Richardson amendment which would reinstate a privatization aspect to Arizona Works which was removed in a House amendment. He emphasized there is ample accountability of the privatized program and actually proposes more than the usual monitoring mechanisms for a pilot program. Senator Patterson noted the fiscal note to the bill projects a less than 10 percent caseload reduction, whereas Wisconsin, on whose model Arizona Works is based, has reported a 30 to 40 percent reduction in caseload. He emphasized savings of \$13 million has been projected for a statewide Arizona Works program, which includes allocating \$128 million for child care. Senator Patterson emphasized that Arizona Works is based upon the premise that everyone is able to work, with only limited individual exceptions and not categorical exceptions.

Senator Richardson also urged support for his amendment, emphasizing Arizona has a historic opportunity to put welfare reform in place in the way Arizona wants to make changes.

In response to Senator Conner's inquiry about \$300,000 in funding, Mr. Johnson explained this amount will be appropriated from TANF funds to the Procurement Board for technical assistance in preparing a Request for Proposal for the privatization of Arizona Works.

Senator Conner asked if the pilot program funding is enough to involve the private sector. Mr. Johnson indicated the contractor will be chosen by the Procurement Board for a specific geographical area in the State and will be administered by DES.

Senator Conner questioned whether the present meeting was the time or place to present a 40-page amendment with major program changes. Senator Patterson explained the amendment represents a "mid-course correction," noting the 40-page amendment places a marker for a pilot privatized program and does not contain every single detail of the program.

In response to Senator Gnant's request to know if the bill's sponsor and the Governor support the pilot program in the amendment, **Brian McNeil, Policy Advisor, Governor's Office**, expressed support for H.B. 2478. He further indicated the Governor's Office is working on an amendment which would fully privatize the JOBS program to include case management and employment services. Mr. McNeil noted the Governor does not want to move the full privatization reflected in S.B. 1357 and also expressed concern about the provision in the Richardson amendment that allows the Procurement Board, and the Executive, to determine if the pilot program should be implemented statewide after one year.

Senator Gnant asked if Mr. McNeil is indicating the Legislature will be overridden by the Governor and will not get privatization this year. Mr. McNeil reiterated the Governor's Office has strong concerns with the model being proposed but this does not preclude the opportunity to work differences out in a conference committee.

Senator Cirillo assumed the Chair.

Senator Richardson further inquired about the Governor's position on privatizing Arizona Works, noting he supports privatizing the JOBS program. Mr. McNeil expressed concerns about who should be responsible for the implementation and administration of programs.

Senator Richardson noted the JOBS program is about 27 percent effective for its participants and asked if Mr. McNeil feels privatizing will raise this figure significantly. Mr. McNeil suggested the same question applies to H.B. 2478 and to the idea of a "soup to nuts" privatization effort. He noted that successes around the country do not use the full privatization model proposed in S.B. 1357. Mr. McNeil indicated the Governor supports a more cautious approach now, as in H.B. 2478, noting a too rapid approach has caused problems in other states.

For the record, Senator Richardson expressed his wish to at least be in the audience of the conference committee if he is not chosen as a member of it, emphasizing the issue is very important to him.

Senator Huppenthal asked how the Wisconsin model can be translated to Arizona. Mr. McNeil agreed H.B. 2478 has similarities to the Oregon and Wisconsin models, noting these are seen in employment services, contractual responsibility on the part of participants and turning the entire system into an employment system with support assistance to this end. He acknowledged Arizona Works is incremental and as such, is similar to the Wisconsin and other models.

Senator Bowers resumed the Chair.

Senator Crillo moved H.B. 2478 be returned with a DO PASS recommendation.

Senator Richardson moved his amendment dated 4/1/97 at 6:00 p.m. be adopted.

Senator Rios objected to consideration of the motion to adopt the Richardson amendment.

Senator Rios explained he objected to consideration of the motion because the amendment arrived at his office at approximately 6:30 p.m. last night. Mr. Rios read from Appropriations Committee rules which state: "Amendments shall be distributed no later than 5:00 p.m. on the day prior to the Committee hearing." He suggested the amendment could be offered later on the floor, providing time for the Governor's Office and the sponsors to work out differences so a conference committee is not required.

Senator Rios further read from Senate Rules which stated: "If a Committee has adopted a rule addressing the submission of amendments to Committee members, the Chairman may preclude the offering of an amendment which does not comply with the rule, may without objection accept the amendment, or may postpone action on the measure until adequate notice has been given." Senator Rios indicated he is also objecting to the motion to adopt the Richardson amendment under this rule.

Senator Bowers asserted that the "or" between the second and third points of the Senate Rules, means that any of the three points can be considered in decision-making by the Chair.

Senator Rios suggested that legislative practice allows requiring a majority vote to sustain the objection but Senator Bowers asserted he did not have to require a vote, but could use his own discretion. Senator Bowers and Senator Rios conferred for some time with Senate staff and Senator Rios indicated he would withdraw his objection.

Senator Rios withdrew his objection to considering the motion to adopt the Richardson amendment.

The motion to adopt the Richardson amendment CARRIED by a voice vote.

Senator Cirillo moved H.B. 2478 be returned with a DO PASS AS AMENDED recommendation. The motion CARRIED by a roll call vote of 9-3-2. (Attachment #21)

Senator Arzberger voted "aye," to move the bill out of Committee.

Senator Wettaw voted "aye," although expressed concern the amendment gives the Procurement Board sole discretion and authority to implement privatization statewide. He indicated he would offer a floor amendment requiring legislative approval in order to implement full privatization.

H.B. 2228 - gambling; minimum age - DO PASS AMENDED/STRIKE-EVERYTHING

Lynn Roman, Senate Intern, explained the strike-everything amendment to H.B. 2228 requires health insurance plans that currently offer out-of-network coverage for podiatry, chiropractic, medicine and surgery, osteopathy, and optometry services to employers to offer coverage at least once a year for these same services to individual employees. She also read the legislative intent clause: "To allow citizens the right to choose health care providers with as few mandates from government and business as possible at no additional cost to any business in the State."

Ms. Roman explained the Richardson amendment dated 4/1/97 at 4:39 p.m. to the strike-everything amendment is mostly technical but also adds session law which outlines compliance requirements for existing health care service organizations to offer out-of-network programs to employers.

Senator Bowers announced **Samantha Fearn, National Federation of Independent Business; Steve Barclay, representing CIGNA and Mayo Clinic; Allan Stanton, representing Blue Cross/Blue Shield of AZ; Mike Williams, United Health Care of AZ; Cathy Eden, AZ Association of Health Maintenance Organizations; David Childers, Health Insurance Association of America; Kevin DeMenna, representing Aetna Health Plans of AZ; Knox Kimberly, representing AZ Association of Industries; and Tim Lawless, AZ Chamber of Commerce**, were present in opposition to the strike-everything amendment to H.B. 2228.

Senator Bowers further announced **Rip Wilson, AZ Association of Chiropractic; Joe Abate, AZ Osteopathic Medical Association & AZ Podiatric Medical Association; Alan Immerman, Independent Chiropractic Physicians; and Thomas Snook, Fountain Hills, AZ,** were present in support of the strike-everything amendment to H.B. 2228.

Samantha Fearn, National Federation of Independent Business, expressed opposition to the strike-everything amendment to H.B. 2228, which is the same mandate which has appeared three times and failed three times. She asserted the bill is extremely harmful to small business whose number one problem and priority is the cost of health insurance. Ms. Fearn also asserted the proposal would increase the cost of premiums for employers, which are already going to increase as a result of new federal mandates coming into effect July 1, 1997.

Ms. Fearn asserted the legislation mandates the contents of a contract that is negotiated between employers and a health plan and violates the private right of contract. She noted the bill mandates a specific product and will create adverse selection.

Senator Richardson acknowledged the private right to contract is held sacred, but questioned how much strength an individual or a small business would have negotiating with a health plan and suggested it would be none. He asserted the health plans offer a "take it or leave it" option and call it "negotiation."

Senator Cirillo assumed the Chair.

In response to Senator Soltero's request to know how it is premiums would go up, Ms. Fearn responded certain types of benefits are negotiated by health plans and employers; but adding an out-of-network provider as an option to be attached to the original contract increases the premium by throwing the negotiated risk out of whack.

Senator Soltero asked what risk Ms. Fearn referred to. Ms. Fearn expressed her understanding this risk is an inability to manage the health care. She noted managed care is the only affordable product on the market and the proposal removes the ability to manage care by requiring that an out-of-network provider be included in offerings to employees.

Senator Soltero questioned why the premiums would go up when the employee is paying the cost for services out of his own pocket. Ms. Fearn explained the strike-everything amendment requires that a \$250 deductible policy with a 20 percent coinsurance cap must be offered, but studies have shown this is not enough to cover the actual risk and cost incurred by this type of plan.

Senator Bowers resumed the Chair.

Tom Snook, an actuary with Milman and Robertson, spoke in support of the strike-everything amendment, explaining the bill allows an HMO to charge the full cost of an additional benefit to the individual selecting this out-of-network benefit and asserted this, as well as the associated risk selection, are made clear in the bill. Mr. Snook quoted from his study, stating: "...the...additional risk appears very small given the marginal additional cost that is associated with the out-of-network benefit."

Senator Gnant asked if Mr. Snook could support striking detailing the level of deductible in the plan. Mr. Snook expressed his understanding this is specified in order to preempt any *de facto* avoidance of the implementing provisions should it become law.

Senator Gnant suggested this may be "putting the cart before the horse," as there have been no demonstrated instances of this happening and suggested this may be micromanaging. Mr. Snook asserted the provision is consistent with other insurance legislation, e.g. the small group reform legislation.

Senator Cirillo expressed concern that government mandates over the past few years are destroying the concept of insurance, which is one of shared risk. He noted the federal government has removed preexisting conditions and suggested abuses of this would be forthcoming. He further asserted the current proposal goes in this direction. Mr. Snook expressed agreement that the principle of risk-sharing needs to be preserved or the whole insurance system falls apart; however, argued the current proposal does not negatively affect it.

Senator Cirillo moved H.B. 2228 be returned with a DO PASS recommendation.

Senator Cirillo moved the strike-everything amendment to H.B. 2228 dated 3/31/97 at 10:45 p.m. be adopted.

Senator Richardson moved his amendment dated 4/1/97 at 4:39 p.m. to the strike-everything amendment be adopted.

Senator Gnant indicated he could not support the amendments unless subsections C and D on page 3 of the strike-everything amendment could be stricken, as well as lines 6 through 9 of the Richardson amendment. He expressed opposition to mandating the specific features a plan would have to offer, e.g. 20 percent coinsurance and a \$250 deductible.

Senator Richardson expressed agreement with Mr. Snook that these provisions preclude mischief or *de facto* avoidance of implementing provisions should the bill become law.

In response to Senator Bowers' inquiry, Senator Richardson indicated he could not support further amending his amendment.

The motion to adopt the Richardson amendment FAILED by a voice vote.

Senator Lopez asserted employers will use the excuse that premiums will increase to avoid offering sought-after benefits such as chiropractic. However, because employers may view offering such benefits as unreasonable and opt not to offer health insurance at all, he urged opposing the strike-everything amendment.

Senator Gnant requested permission to offer a verbal amendment to the strike-everything amendment, striking lines 28 through 36 on page 3 and deleting subsections C and D on page 4. Senator Bowers precluded the request to offer this amendment.

Senator Soltero expressed support for allowing employees to choose out-of-network coverage that is to be paid for out of the employee's own pocket.

Senator Richardson agreed a plan could be developed which offered out-of-network benefits at a reasonable price. He expressed support for the strike-everything amendment.

The motion to adopt the strike-everything amendment CARRIED by a division of 6-4-4.

Senator Cirillo moved H.B. 2228 be returned with a DO PASS AS AMENDED recommendation.

Senator Conner voted "no," indicated he is one of the many small business owners who continually faces increases in health insurance premiums and asserted the issue still needs work.

The motion CARRIED by a roll call vote of 6-5-3. (Attachment #22)

H.B. 2237 - ~~air quality program; amendments~~ (now: air quality omnibus) - DO PASS AMENDED

Susan Anable, Senate Research Analyst, explained H.B. 2237 extends the tax credit for the purchase or conversion of alternative fueled vehicles and establishes a voluntary lawn mower emissions reduction program in Maricopa and Pima Counties. She noted the bill authorizes Maricopa County to regulate the emissions from solvent cleaning operations and appropriates monies from the General Fund in FY 1997-1998 to various state agencies involved in the enforcement of air quality regulations for specific air quality related programs and contains other air-quality related measures. Ms. Anable noted that the Department of

Environmental Quality is going to be submitting a voluntary early ozone plan for Area A to the Environmental Protection Agency that will include a number of measures in the bill.

Ms. Anable explained the Bowers amendment dated 4/1/97 at 4:00 p.m. authorizes a tax credit for the lease of a new alternative fuel vehicle and provided tax-related provisions in the bill apply retroactively to the 1997 tax year.

Senator Wettaw suggested the amendment does not buy Arizona any more credit with the EPA. Ms. Anable suggested the tax credit may increase the number of alternative fuel vehicles on Arizona roads and indicated she is not aware of any fiscal impact for the tax credit or subtraction provisions. Senator Wettaw expressed opposition to the amendment.

Senator Cirillo moved H.B. 2237 be returned with a DO PASS recommendation.

Senator Cirillo moved the Bowers amendment dated 4/1/97 at 4:00 p.m. be adopted. The motion FAILED by a division of 1-7-6.

Ms. Anable explained the Bowers amendment dated 3/24/97 at 2:34 p.m. removes the \$320,000 appropriation to the Motor Vehicle Division to develop programs to increase compliance with motor vehicle registration laws.

Senator Cirillo moved the Bowers amendment dated 3/24/97 at 2:34 p.m. be adopted. The motion CARRIED by a voice vote.

Ms. Anable explained the Bowers amendment dated 4/1/97 at 3:49 p.m. is identical to the Senate Natural Resources, Agriculture and Environment Committee amendment and further adds a \$5 million appropriation to the Clean Air Fund for FY 1997-1998 and FY 1998-1999 for alternative fuel bus purchases by cities and towns in Areas A and B; adds \$4 million from General Fund in FY 1997-1998 and FY 1998-1999 for traffic light synchronization and repeals the use of remote sensing devices known as "smog dogs" to identify clean vehicles for the purpose of excusing these vehicles from their next required emissions test. She noted the amendment also authorizes cities and towns to voluntarily refer any transportation advisory question to a vote of the electorate.

Senator Bowers questioned why the State should pay cities to synchronize traffic lights when it is in their own best interest to do so. Ms. Anable explained the proposal funds the concept of regionwide transjurisdictional synchronization in Areas A and B.

Senator Richardson suggested it would be more cost effective to have each individual jurisdiction synchronize its own lights.

Senators Soltero and Bowers suggested the appropriation may be better spent on mass transit or a light rail study.

Representative Allen noted that Congressman Matt Salmon is pursuing federal funds to implement a mass transit study. She emphasized that if Arizona does not take action on ozone levels, it may go from a moderate to a serious or severe rating. She explained the mass transit effort does not gain any credits with the EPA whereas the traffic light synchronization and other provisions in the bill do gain credits with the EPA.

Senator Soltero indicated he opposes the amendment without the \$6 million for mass transit.

**The motion to adopt the Bowers amendment dated 4/1/97 at 3:49 p.m.
CARRIED by a division of 6-4-0.**

Ms. Anable explained the Conners amendment dated 4/1/97 at 11:57 a.m. lists those political subdivisions which must convert to alternative fuel and retrofit with approved devices approved by the EPA and also provides a time schedule for the retrofit.

In response to Senator Bowers' inquiry, Ms. Anable explained that special session legislation last year required a ban on diesel engines manufactured prior to 1988 by 2004. She clarified that the amendment requires that a particular emissions device be installed in engines manufactured prior to 1993 to further reduce pollution.

Ms. Anable explained a verbal amendment is necessary to correct a single word in five places in the Conner amendment.

Senator Conner moved his amendment dated 4/1/97 at 11:57 a.m. be adopted.

Senator Conner moved the following verbal amendment to his amendment be adopted: On page 2, line 11, on page 3, line 27, on page 5, line 23, on page 8 line 24 and on page 9, line 31 strike "AFTER" insert "BEFORE". The motion CARRIED by a voice vote.

Senator Conner moved his amendment dated 4/1/97 at 11:57 a.m. as amended be adopted. The motion CARRIED by a voice vote.

Senator Lopez indicated he would not move his amendment dated 3/25/97 at 3:05 p.m. which removes the "smog dog," or remote sensing device program.

Senator Lopez also indicated he would not move his amendment dated 3/24/97 at 2:10 p.m. which increases the appropriation for the voluntary lawn mower replacement program.

He acknowledged the program is being funded with \$500,000 already and emphasized that studies show replacing gas powered lawnmowers is one of the most cost-effective ways to reduce air pollution.

Senator Bowers announced **Nancy Wrona, Director, Air Quality Division, ADEQ; Michael Racy, Pima County; Sandy Bahrs, AZ Audubon Council; David Martin, AZ Rock Products Association; Maria Baier, Governor's Office; Raena Honan, Sierra Club; Diane Sikokis, Maricopa County Board of Supervisors; Martin Shultz and Alan Matheson, AZ Public Service; Tim Lawless, AZ Chamber of Commerce; Ken Driggs, Regional Public Transportation Authority; Knox Kimberly, AZ Association of Industries and Phoenix, Chamber of Commerce; Bart Turner, Valley Citizens League; and John Cioffi, Engelhard Corporation;** were present in support of H.B. 2237

Senator Bowers further announced **Sandy Price, City of Tucson; Mary Manross and Robert Pettycrew, City of Scottsdale,** were present in opposition to the Bowers 3-page amendment dated 4/1/97 at 4:00 p.m.

Senator Cirillo moved H.B. 2237 be returned with a DO PASS AS AMENDED recommendation. The motion CARRIED by a roll call vote of 10-1-3. (Attachment #23)

H.B. 2505 - appropriation; sport training complex - DO PASS

Victoria Tafoya, Senate Assistant Research Analyst, explained H.B. 2505 makes a nonlapsing appropriation of \$190,000 to the Department of Commerce for the high-altitude training complex.

In response to Senator Richardson's inquiry, Ms. Tafoya explained the bill provides a one-time appropriation.

Senator Wettaw explained that outside funding is being secured and guaranteed it would not be a repeated appropriation. He asserted the high-altitude training center in northern Arizona is an enhancement to the State's economic development and stands a good chance to become better than the one in Colorado Springs, Colorado.

Senator Bowers expressed opposition to the bill.

Senator Cirillo moved H.B. 2505 be returned with a DO PASS recommendation. The motion CARRIED by a roll call vote of 9-1-4. (Attachment #24)

H.B. 2307 - air quality; fuels measures - DO PASS AMENDED/STRIKE-EVERYTHING

Susan Anable, Senate Research Analyst, explained H.B. 2307 is an emergency measure requiring the sale of reformulated fuel in Area A (the Maricopa nonattainment area) from June 1, 1998 through September 30, 1998 that will either meet the standards for Federal Phase I Reformulated Gasoline (Federal RFG Phase I) or California Phase 2 Reformulated Gasoline (short-term). Beginning May 1, 1999, gasoline sold year round in Area A must meet standards for Federal Phase II Reformulated Gasoline (Federal RFG Phase II) or California Phase 2 Reformulated Gasoline (long-term). She further indicated if the Environmental Protection Agency (EPA) fails to approve both of the long-term fuel reformulations, the Director of ADEQ must adopt, by rule, either Federal RFG Phase II or California Phase 2 Reformulated Gasoline as the long-term fuel reformulation for Area A.

Senator Bowers announced the following people were present in support of the strike-everything amendment: **Ken Quarterwain, AZ Rock Products Association; Raena Honan, Sierra Club; Alan Matheson, Arizona Public Service; Martin Schultz, Arizona Public Service; Bob Fannin, representing Mobil; Knox Kimberly, AZ Association of Industries and Phoenix Chamber of Commerce; Debra Margraf, AZ Automotive Trade Organization; Nancy Wrona, Director, Air Quality Division, ADEQ; Allan Stanton, General Motors Corp and Renewable Fuels Association; Chuck Morgan, Mobil; Dan Muchow, Mobil; George Seitts, Giant Industries/ Giant Refining; Maria Baier, Policy Advisor, Governor's Office; and David Feverherd, American Lung Association**

Senator Bowers announced the following people were present in opposition to the strike-everything amendment: **Jim Bush, representing ARCO; John Pearce, Chevron; John Magnum, representing Tosco/Circle K; Leanne Wilhardt, Tosco/Circle K; and Sandy Bahr, Arizona Audubon Council.**

Senator Cirillo moved H.B. 2307 be returned with a DO PASS recommendation.

Senator Cirillo moved the Conner strike-everything amendment dated 3/31/97 at 4:37 p.m. to H.B. 2307 be adopted.

Jim Bush, representing ARCO, and the positions of Chevron, Tosco/Circle K and Texaco, related that a Governor's task force considered the use of three fuels to reduce emissions and the Governor's bill introduced in the House mandated that a single fuel be selected based on reduced emissions (choosing the cleanest fuel) and its overall effectiveness. He indicated the bill passed 56-1-0 in the House and also passed the Senate Natural Resources Agriculture and Environment Committee and only now at this late stage, the Governor requested the selection of two fuels. Mr. Bush asserted that with an offering of two fuels, the marketplace will choose the least expensive, not the cleanest fuel. He emphasized there is no evidence that consumers will pay more for a cleaner fuel,

and that passage of the Conner amendment will result in the production cost of a fuel, not its cleanliness, determining whether it is purchased by the public. Mr. Bush noted that in every category CARB is the cleanest fuel while RFG II is the least expensive to produce. He emphasized that the move to offer a choice, really offers no choice, because only the cheaper RFG II will be produced in response to market demand. Mr. Bush argued that more modeling should be done and a determination should be made to choose one fuel based on which is the cleanest in order to protect the public health and avoid being upgraded to "serious" by the EPA.

Bob Fannin, representing Mobil, deferred to Allan Stanton, representing the Renewable Fuels Association, General Motors Corporation and the position of those in support of the strike-everything amendment. Mr. Stanton asserted the issue is one of market-place dominance and not one of clean air. He argued that the marketplace controls the price and which product that is brought into the State. Mr. Stanton asserted that a product will be priced to recover the greater percentage of the cost of production and acknowledged that a more expensive gas, perhaps a cleaner gas, may be priced out of the market. He noted however, that testing has not conclusively proven that CARB is cleaner than RFG II. Mr. Stanton argued that if RFG II is adequate and less expensive, this is what the State should be looking for. He emphasized that the fundamental question should be one of how the choice will impact the consumer.

In response to a request for clarification, Senator Bowers explained the strike-everything amendment will mandate that two fuels be made available to the public.

The motion to adopt the Conner strike-everything amendment CARRIED by a division of 7-4-0.

Senator Cirillo moved H.B. 2307 be returned with a DO PASS AS AMENDED recommendation. The motion CARRIED by a roll call vote of 8-3-3. (Attachment #25)

H.B. 2532 - sex offenders; community notification omnibus - HELD (continued from page 12)

Senator Bowers announced he would hold H.B. 2532 as the sponsor was not present to respond to questions.

H.B. 2305 - state budget procedures; program review - FAILED

Lance Johnson, Senate Research Analyst, explained the strike-everything amendment to H.B. 2305 establishes a cause of action for parties to an action by a state agency, department, board or commission that is unreasonable, arbitrary, capricious or not in

accordance with law. He further noted the bill defines "unreasonable action" and awards costs and fees to the prevailing party. Mr. Johnson explained that "unreasonable action" is defined as being investigated for one year or more without a final determination of potential liability or violation of a law.

Senator Lopez indicated he would not offer his amendment dated 4/1/97 at 4:06 p.m.

Senator Tom Patterson spoke in support of the strike-everything amendment which provides a cause of action to citizens who are investigated to the extent it takes more than a reasonable amount of personal resources and time in terms of compliance costs. He noted that a well-known example of this is the case of Gary Abrams of Abrams Airborne Manufacturing, Tucson, Arizona, who has been investigated for eight and one-half years at a personal cost of \$1.5 million and is yet to be charged with anything. Senator Patterson explained the problem is that there has been no finality to the situation and the lack of a determination has made it difficult for Mr. Abrams to obtain federal and other government contracts or get credit to conduct business.

In response to Senator Gnant's request to know why all the other state agencies have not been precluded, Senator Patterson indicated that it was felt by members that limiting the provision to ADEQ was too narrow.

Suzanne Dallimore, Assistant Attorney General, Attorney General's Office, expressed opposition to the strike-everything amendment, emphasizing that the regulatory reform legislation passed last year provides recourse for citizens such as Gary Abrams. She asserted the strike-everything amendment would open the door to lawsuits by prison inmates who feel overcrowded, lawsuits related to securities fraud and all manner of litigation seeking fee claims rather than alternative solutions, emphasizing it would be a great waste of judicial time.

In response to Senator Bowers' request to know what needs to be changed, Ms. Dallimore clarified that existing law provides ways to challenge every malicious prosecution and H.B. 2305 as proposed to be amended cannot accomplish what it proposes.

Jim Vierreg, Quarles and Brady, representing Abrams Airborne Manufacturing, Tucson, AZ, expressed support for the strike-everything amendment, relating the investigations which his client has been undergoing and asserting he has been the subject of arbitrary, unreasonable, capricious and illegal conduct on the part of ADEQ.

Senator Bowers expressed sympathy for Mr. Abrams and asked if Mr. Vierreg agrees his problem cannot be addressed by the proposal under discussion. Mr. Vierreg responded that he does not, asserting "exceptions" can be carved out and acknowledged it would take time to develop this list. He agreed to consider narrowing the exceptions in a floor amendment.

Senator Bowers announced **Gary Abrams, President, Abrams Airborne Manufacturing, Inc.; Jim Vierreg, representing Abrams Airborne Manufacturing; Samantha Fearn, National Federation of Independent Business, and Scott Burge, Tempe, AZ,** were present in support of the strike-everything amendment to H.B. 2305.

Senator Bowers further announced **Gregory Harris, AZ Department of Insurance; Janice Burnett, AZ Consulting Engineers Association; Spencer Kamps, AZ Department of Administration; Sandy Price, City of Tucson; Melissa Cornelius, Registrar of Contractors; Jerry Holt, AZ Department of Real Estate; Mark Speicher, AZ Board of Medical Examiners; Tim Dorn, AZ Department of Transportation; Jerry Landau, Maricopa County Attorney's Office; Maria Baier, Governor's Office; Jane Werth, AZ Board of Nursing; Jim Norton, ADEQ; Rick Knight, AZ Department of Public Safety; Bea Casey, AZ Department of Revenue; James Griffith, AZ Department of Health Services; Jim Higginbottom, AZ Department of Racing; Russell Pearce, Motor Vehicle Division; Jim Sawyer, Attorney General's Office; Steve Olson, AZ Department of Water Resources; Sandy Bahr, AZ Audubon Council; Mike Smith, AZ Department of Economic Services; Myron Musfeldt, AZ Liquor Licenses; Donald Dalrymple, AZ Board of Technical Registration; George Beard, AZ State Board of Funeral Directors & Embalmers; Shirley Berry, AZ Board of Appraisal, and Raena Honan, Sierra Club,** were present in opposition to the strike-everything amendment to H.B. 2305.

Senator Cirillo moved H.B. 2305 be returned with a DO PASS recommendation.

Senator Cirillo moved the strike-everything amendment dated 3/31/97 at 12:46 p.m. be adopted. The motion CARRIED by a voice vote.

Senator Cirillo moved H.B. 2305 be returned with a DO PASS AS AMENDED recommendation. The motion FAILED by a roll call vote of 5-6-3. (Attachment #26)

Senator Bowers thanked Committee members and without objection, adjourned the meeting at 8:30 p.m.

Respectfully submitted,

Alice Kloppel,
Committee Secretary

(Tapes and attachments on file in the Office of the Senate Secretary)