

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

COMMITTEE ON GOVERNMENT

Minutes of Meeting
Tuesday, February 19, 2013
House Hearing Room 4 -- 2:00 p.m.

Chairman Ugenti called the meeting to order at 2:38 p.m. and attendance was noted by the secretary.

Members Present

Mr. Borrelli	Mr. Forese	Mr. Quezada
Mr. Coleman	Ms. Hernández	Mr. Petersen, Vice-Chairman
Ms. Dalessandro	Mr. Kavanagh	Mrs. Ugenti, Chairman

Members Absent

None

Committee Action

HB2200 – DISCUSSED AND HELD	HB2533 – WITHDRAWN
HB2320 – HELD AT SPONSOR'S REQUEST	HB2572 – DP (7-0-0-2)
HB2322 – DP (8-1-0-0)	HB2599 – DPA (8-0-0-1)
HB2343 – DPA (7-2-0-0)	HB2647 – DPA (8-0-0-1)
HB2371 – DPA S/E (8-1-0-0)	HB2648 – DPA (9-0-0-0)
HB2527 – DPA (8-0-0-1)	HCM2007 – DP (6-1-0-2)

CONSIDERATION OF BILLS

HB2320 - rules; statutory review; state agencies – HELD AT SPONSOR'S REQUEST

Chairman Ugenti announced that, at the sponsor's request, HB2320 will be held.

HB2533 - local governments; public notices; website – WITHDRAWN

Chairman Ugenti announced that HB2533 is withdrawn.

HB2322 - rule making; restrictions – DO PASS

Tom Savage, Majority Intern, explained that HB2322 prohibits state agencies from adopting new rules that restrain or burden the free exercise of vested rights (Attachment 1).

Representative Eddie Farnsworth, sponsor, explained that this bill will:

- protect vested rights
- limit rulemaking to administrative issues only
- create a defense so that judicial deference cannot be given to the agency

Mr. Quezada asked for an example of an agency overreaching in its rulemaking; Representative Farnsworth described a situation in which the Pharmacy Board addressed how to deal with "spice".

Nicholas Dranias, Goldwater Institute, explained his support for HB2322, citing concerns about when agencies presume to make law which usurps the Legislature's authority.

Vice-Chairman Petersen announced the names of those who signed up in opposition to HB2322 but did not speak:

Leonard Clark, representing self

Vice-Chairman Petersen moved that HB2322 do pass. The motion carried by a roll call vote of 8-1-0-0 (Attachment 2).

HB2200 - county fire department; authorization – DISCUSSED AND HELD

Michelle Hindman, Deputy Director, Majority Research, explained that HB2200 allows a county board of supervisors to establish a county fire department (Attachment 3).

Ms. Hindman explained that the Borrelli three-page amendment dated 02/08/2013 (Attachment 4) allows a county board to organize a county fire district which may only include unincorporated areas of the county.

Vice Chairman Petersen assumed the Chair.

Mr. Kavanagh asked if this amendment would allow the fire district to be formed without a citizens' vote; Ms. Hindman stated that it allows for consolidation into an existing district.

Mr. Borrelli, sponsor, explained that HB2200 is intended to solve problems of fire districts that have gotten into financial trouble by keeping fire districts within budget.

Chairman Ugenti assumed the Chair.

Lee Miller, Arizona Fire District Association, spoke in opposition to the legislation, explaining that there are already too many fire districts (165) in Arizona and many are experiencing financial difficulties, often because they also function as emergency medical providers. He recommended that the Members consider a Senate bill that will soon be heard in the House.

Todd Madeksza, County Supervisors Association, appeared as neutral but urged the Members to encourage more stakeholder involvement before proceeding.

Vice-Chairman Petersen announced the names of those who signed up in opposition to HB2200 but did not speak:

John Flynn, Arizona Fire District Association
Greg Ferguson, Yuma County Board of Supervisors
Mike Colletto, Professional Fire Fighters of Arizona
Tim Hill, Professional Fire Fighters of Arizona

Mr. Borrelli asked for more information about the Senate bill. Mr. Miller described a bill sponsored by Senator Crandell. Mr. Borrelli requested that HB2200 be held in order for further research and stakeholder work.

HB2343 - public employees; compensation; union activities - DO PASS AMENDED

Tom Savage, Majority Intern, explained that HB2343 directs public employers to compensate employees only for work that benefits the employer or the general public (Attachment 5).

Mr. Savage explained that the Borrelli 16-line amendment dated 02/14/2013 (Attachment 6) inserts language specifying what public employers cannot provide paid release time for. It also removes other language, definitions, and the severability clause.

Chairman Ugenti informed the Members that HB2343 was heard in a previous meeting and that the Borrelli 16-line amendment is new. She will take testimony on the amendment only.

Joseph Witt Jr., representing self, appeared in opposition to the Borrelli amendment which will prohibit union release time for any representatives or stewards to work with management.

Mike Williams, Arizona Police Association, Phoenix Law Enforcement Association, explained that his position on the bill will shift from "opposed" to "neutral" with the amendment.

AJ LaFaro, representing self, explained his support for HB2343 but his opposition to the amendment. He stated that employees' release time costs the city taxpayers' money.

Don Isaacson, Arizona Fraternal Order of Police, registered as neutral but stated that he could change to "support" with the Borrelli amendment.

Chet Kite, representing self, stated that he is in favor of the amendment.

David Mendoza, AFSCME, stated his opposition to the legislation explaining that the practice of compensating employees for union activities goes back decades and there has been no request for this legislation. He cited the City of Phoenix as an award-winning employer.

In response to questions, Mr. Mendoza stated that the issues this bill deals with should be left to the city councils.

Tim Hill, President, Professional Fire Fighters of Arizona, explained his opposition to the legislation, stressing the importance of safety in his profession and his objection to the wording in the bill regarding "taking positions contrary to the employers". He stated that budget cutting can affect the safety of both fire fighters and citizens.

Discussion ensued about employees using company time to lobby, dues collection, and the fact that the system has worked well up to this time.

Vice-Chairman Petersen announced the names of those who signed up in support of HB2343 but did not speak:

Staci Burk, representing self
Joyce Hill, representing self
Vince Leach, representing self
Thomas Holding, representing self
Ronald Schott, representing self
Gary Johnson, representing self
Tom Dorn, East Valley Chambers of Commerce Alliance
Lynne Weaver, representing self
Antoinette Lane, representing self
Fred Fischer, representing self
Nancy Zimmerman, representing self
Lorie Denapoli, representing self
Lucy Caldwell, Goldwater Institute
Tom Jenney, Americans for Prosperity - Arizona

Vice-Chairman Petersen announced the names of those who signed up in opposition to HB2343 but did not speak:

Mike Colletto, Executive Director, Professional Fire Fighters of Arizona
Levi Bolton, Phoenix Law Enforcement Association, Arizona Police Association
Rebekah Friend, Arizona AFL-CIO
Luis Ebratt, AZPOA, Combined Law Enforcement Associations of Arizona
Joseph Seelye, representing self
Mike Gardner, Professional Fire Fighters of Arizona
Norman Moore, Fraternal Order of Police
Jennifer Loreda, Arizona Education Association
Bruce Frizzell, representing self
Adriana Martinez, City of Tucson
Jimmy Chavez, Arizona Highway Patrol Association
Paul Castaneda, CWA

Vice-Chairman Petersen announced the names of those who signed up as neutral on HB2343 but did not speak:

Leonard Clark, representing self

Mr. Coleman asked if the sponsor of the bill supports the Borrelli amendment; Vice-Chairman Petersen indicated that he supports the amendment. Discussion ensued regarding the interpretation of "release time" and if that can be of benefit to the city and to the taxpayers.

Rob Dalager, Goldwater Institute, signed up in support of the bill, but stated that he has not yet reviewed the amendment.

Vice-Chairman Petersen moved that HB2343 do pass.

Vice-Chairman Petersen moved that the Borrelli 16-line amendment dated 02/14/2013 (Attachment 6) be adopted. The motion carried.

Vice-Chairman Petersen moved that HB2343 as amended do pass. The motion carried by a roll call vote of 7-2-0-0 (Attachment 7).

HB2371 - technical correction; materials; resident preference – DO PASS AMENDED S/E
S/E: homeowners' associations; omnibus

Michelle Hindman, Deputy Director, Majority Research, explained that the proposed strike-everything amendment to HB2371 makes numerous changes to the homeowners association (HOA) statutes (Attachment 8).

Chairman Ugenti, sponsor, stated that this is an omnibus bill to combine all of the HOA bills into one. She explained that there were many stakeholders' meetings to work out and clarify the issues and to reach a consensus, which this legislation represents.

Tom Farley, Arizona Association of REALTORS®, expressed his support for the bill which states that an owner in an association need not reveal to the management company details about a tenant. A rental is a contractual relationship between owner and tenant, not between the HOA and the tenant.

Elizabeth Murray, representing self, explained her opposition to HB2371 which will allow unlicensed management companies to continue to not be held accountable. She is also concerned about the change in voter methods from hard-copy to faxes and email.

Pat Haruff, CHORE, stated that she is neutral on the legislation. She distributed information which detailed some of her concerns (Attachment 9):

- treats management companies as if they are employees of the HOA
- provides no oversight of management companies
- gives management companies more authority

Kevin B. DeMenna, Community Associations Institute, appeared as neutral on the bill, stating that many elements are good, but that he does have some concern about the blending of all the elements.

Jeff Sandquist, Arizona Association of Community Managers, stated his support for the legislation; he is working on some fine-tuning of the language. He is in favor of the registry portion of the bill which will ensure that HOAs are registered and that title companies can perform the appropriate searches. He added that his Association issues certifications, but that he is not opposed to licensure of management companies.

Marcus Osborn, Public Affairs Specialist, Town of Queen Creek, testified against HB2371, specifically the language restricting the ability of cities to require certain things; he described an example of a developer building a right-of-way as part of a project and subsequently maintaining that right-of-way. If that is resolved, the Town will be neutral.

Vice-Chairman Petersen announced the names of those who signed up in support of HB2371 but did not speak:

Linda Lang, Executive Director, Arizona Association of Community Managers
Spencer Kamps, Deputy Director, Home Builders Association of Central Arizona
Tim Garvin Jr., representing self
Brian Lincks, representing self
Richard Hubbard, President/CEO, Valley Partnership
George Staropoli, representing self
Jason Barraza, Associate Director, Arizona Association of Community Managers
Amanda Shaw, representing self
Paul Senseman, City Property Management
Nicole Laslavic, Arizona Association of REALTORS®

Vice-Chairman Petersen announced the names of those who signed up in opposition to HB2371 but did not speak:

Greg Eisert, representing self
Fran Noe, representing self
Mary Arnold, representing self

Vice-Chairman Petersen announced the names of those who signed up as neutral on HB2371 but did not speak:

Holly Textor, Arizona Department of Fire, Building and Life Safety
Scott Carpenter, Attorney, Community Associations Institute
Fred Fischer, representing self
Ryan DeMenna, Community Associations Institute
Dale Wiebusch, Legislative Associate, League of Arizona Cities and Towns

Vice-Chairman Petersen moved that HB2371 do pass.

Vice-Chairman Petersen moved that the Ugenti 18-page strike-everything amendment to HB2371 dated 02/15/2013 (Attachment 10) be adopted. The motion carried.

Vice-Chairman Petersen moved that HB2371 as amended do pass. The motion carried by a roll call vote of 8-1-0-0 (Attachment 11).

HB2527 - elections; revisions – DO PASS AMENDED

Virginia Carico, Assistant Majority Research Analyst, explained that HB2527 removes the section of law that allows a county recorder to prohibit electioneering at any polling place in which emergency conditions exist and outlines requirements for the display of political signs for condominiums in a homeowners' association (Attachment 12).

Ms. Carico explained that the Ugenti two-page amendment dated 2/18/13 (Attachment 13) addresses emergency designations of polling places. It also enacts session law.

Chairman Ugenti, sponsor, explained that this bill will consolidate election issues.

Rene Guillen, Legislative Associate, League of Arizona Cities and Towns, testified in support of the bill and the amendment. He added that the smaller communities also support the legislation.

Jen Sweeney, Deputy Director, Arizona Association of Counties, explained that, with the amendment, the Association is neutral on the bill. She added that the "emergency" is on the county's end when it must find a facility willing to be a polling place. Discussion ensued about emergency polling places banning electioneering.

Chairman Ugenti clarified that this legislation will correct inconsistencies in polling places and ensure that voters will have the same experience at all polling places. Ms. Dalessandro concurred that civic engagement should be standardized.

Vice-Chairman Petersen announced the names of those who signed up in support of HB2527 but did not speak:

Matthew Busby, Assistant to the City Manager, City of Apache Junction
Leah Hubbard, Intergovernmental Relations Coordinator, Town of Gilbert
Jennifer Pena, Deputy City Clerk, City of Litchfield Park
John Cassella, Intergovernmental Coordinator, City of Goodyear
Amber Wakeman, Intergovernmental and Public Relations Manager, City of El Mirage
Nicholas Gioello, representing self
Marcus Osborn, Public Affairs Specialist, Town of Queen Creek
Paul Jepson, Assistant to the City Manager, City of Maricopa
Ryan Judy, Deputy Town Manager, Town of Prescott Valley
Richard Travis, City of Flagstaff
Glenn Nichols, City Manager, City of Benson
Ruth Osuna, City Manager, City of Eloy
Jacqueline Walker, City of Kingman

Vice-Chairman Petersen announced the names of those who signed up in opposition to HB2527 but did not speak:

Leonard Clark, representing self
Rebekah Friend, Arizona AFL-CIO
Karen Osborne, Elections Director, Maricopa County Elections

Vice-Chairman Petersen moved that HB2527 do pass.

Vice-Chairman Petersen moved that the Ugenti two-page amendment dated 2/18/13 (Attachment 13) be adopted. The motion carried.

Vice-Chairman Petersen moved that HB2527 as amended do pass. The motion carried by a roll call vote of 8-0-0-1 (Attachment 14).

HB2599 - procurement code; amendments – DO PASS AMENDED

Michelle Hindman, Deputy Director, Majority Research, explained that HB2599 makes various changes to the Arizona Procurement Code (Attachment 15).

Ms. Hindman explained that the Ugenti three-line amendment dated 2/18/13 (Attachment 16) clarifies the definition of "nonprofit corporation".

Alan Ecker, Program Associate, Arizona Department of Administration, explained his support for HB2599 which will modernize the state procurement code to save the state, vendors and taxpayers money while increasing transparency. It addresses procurement lobbying by requiring registration with the Secretary of State's Office and limits state employees being hired by vendors. Mr. Ecker described other features of the legislation.

Jean Clark, State Procurement Officer, Department of Administration (DOA), explained that the DOA Director is the central procurement authority for the state and delegates to her office to manage operations on a daily basis. Her office then delegates certain levels of procurement to about 100 agencies. She commented that larger agencies have unlimited procurement authority.

Ms. Clark addressed Members' questions, explaining that the statutory change is needed to alleviate inconsistencies and that DOA employees will be stationed at the agencies. She stated that the total dollar amount spent on procurement is \$4 billion per year.

Vice-Chairman Petersen assumed the Chair.

Mr. Ecker explained that this is the Governor's proposal and all the agencies have signed up in support of HB2599, although there will be further stakeholder meetings to clarify the intent.

Jennifer Woods, TriAdvocates, expressed her support for HB2599 which provides transparency in the purchasing process.

Chairman Ugenti assumed the Chair.

Vice-Chairman Petersen announced the names of those who signed up in support of HB2599 but did not speak:

Jim Drake, Assistant Secretary of State, Secretary of State's Office

Aubrey Godwin, Director, Arizona Radiation Regulatory Agency

Charles Flanagan, Deputy Director, Arizona Department of Juvenile Corrections

Charles Ryan, Director, Arizona Department of Corrections

Robert Halliday, Director, Arizona Department of Public Safety

Bill Boyd, Legislative Policy Administrator, Arizona State Land Department

Louis Dettorre, Arizona Department of Financial Institutions, Arizona Department of Real Estate

Scott Hunt, Arizona State Forester

Colby Bower, Arizona Department of Health Services

Daniel Romm, Legislative Liaison, Arizona Department of Housing

Don Butler, Director, Arizona Department of Agriculture

Jack Peterson, Office of Pest Management

Lorna Romero, Director of Government Relations, Governor's Office

Ryan Narramore, representing self

Jake Logan, Vice President, United Healthcare of Arizona

Tyler Palmer, Legislative Liaison, Registrar of Contractors

Courtney Coolidge, Arizona Department of Gaming

Holly Textor, Arizona Department of Fire, Building and Life Safety

Karen Bach, Arizona Lottery
Paul Senseman, Policy Development Group
Kevin Biesty, Legislative Liaison, Arizona Department of Transportation
Dean Gray, School Facilities Board
Ed Sanchez, Director of Government & Legislative Affairs, Arizona Commerce Authority
Meghaen Duger, Vantage Point Consulting Group
Andrew Carlson, Executive Assistant for Policy Affairs, Arizona Department of Insurance
Jeff Hatch-Miller, Executive Director, Arizona Lottery
Dale Wiebusch, Legislative Associate, League of Arizona Cities and Towns

Vice-Chairman Petersen announced the names of those who signed up in opposition to HB2599 but did not speak:
Leonard Clark, representing self

Vice-Chairman Petersen announced the names of those who signed up as neutral on HB2599 but did not speak:
Michael Preston Green, Arizona Capitol Times
John Moody, Attorney, Jennings Strouss & Salmon PLC

Vice-Chairman Petersen moved that HB2599 do pass.

Vice-Chairman Petersen moved that the Ugenti three-line amendment dated 2/18/13 (Attachment 16) be adopted. The motion carried.

Vice-Chairman Petersen moved that HB2599 as amended do pass. The motion carried by a roll call vote of 8-0-0-1 (Attachment 17).

HB2572 - fire districts; financial standards – DO PASS

Virginia Carico, Assistant Majority Research Analyst, explained that HB2572 requires fire districts to maintain revenues and fund accounts with the county servicing bank and outlines specific requirements for these accounts (Attachment 18).

Mr. Coleman, sponsor, explained that this bill will help the fire districts avoid financial difficulties.

John Flynn, Arizona Fire District Association, explained his support for HB2572 which will implement standard financial practices for fire districts. He explained that there will be separate accounts for payroll or ambulance revenues.

Vice-Chairman Petersen announced the names of those who signed up in support of HB2572 but did not speak:
Lee Miller, Arizona Fire District Association
Todd Madeksza, Director of Legislative Affairs, County Supervisors Association
Tim Hill, President, Professional Fire Fighters of Arizona

Vice-Chairman Petersen moved that HB2572 do pass. The motion carried by a roll call vote of 7-0-0-2 (Attachment 19).

HB2647 - special taxing districts – DO PASS AMENDED

Virginia Carico, Assistant Majority Research Analyst, explained that HB2647 repeals Laws 2011, Chapter 269, relating to noncontiguous county island fire districts and makes various changes relating to petition hearings in fire, sanitary, hospital and community park maintenance districts (Attachment 20).

Ms. Carico explained that the Ugenti 12-line amendment dated 02/18/2013 (Attachment 21) clarifies that this is session law.

Chairman Ugenti, sponsor, explained that this bill will repeal the old law which was confusing and add a new definition of non-contiguous county island fire districts.

Vice-Chairman Petersen announced the names of those who signed up in support of HB2647 but did not speak:

Lee Miller, Arizona Fire District Association

John Flynn, Arizona Fire District Association

Leonard Clark, representing self

Mike Colletto, Executive Director, Professional Fire Fighters of Arizona

Annie Hodgkins, representing self

Vice-Chairman Petersen moved that HB2647 do pass.

Vice-Chairman Petersen moved that the Ugenti 12-line amendment dated 02/18/2013 (Attachment 21) be adopted. The motion carried.

Vice-Chairman Petersen moved that HB2647 as amended do pass. The motion carried by a roll call vote of 8-0-0-1 (Attachment 22).

HB2648 - police functions; revocation; officer misconduct – DO PASS AMENDED

Virginia Carico, Assistant Majority Research Analyst, explained that HB2648 allows the county sheriff to assume control of a municipality's law enforcement functions under specific conditions and makes various changes to the Arizona Peace Officer Standards and Training Board's powers, duties and membership requirements (Attachment 23).

Ms. Carico explained that the Ugenti 16-line amendment dated 02/18/2013 (Attachment 24) makes this act an emergency measure.

Chairman Ugenti, sponsor, explained that this legislation is an effort to deal with potentially corrupt police departments. She stressed that there is a very high threshold required to invoke the controls authorized in this legislation.

Andy Swann, Arizona Attorney General's Office, explained his support for HB2648, stating that every citizen has the right to expect equal treatment. He stressed that there are a number of safeguards built into the legislation that will ensure that it will not see widespread use, for

instance, the majority of officers in a department must have their AZPOST certifications revoked first.

Lyle Mann, Deputy Director, Arizona Peace Officer Standards and Training Board (AZPOST), appeared as neutral on the legislation. He provided the Members with background leading up to this legislation and stressed that this bill will differentiate between large city and small city law enforcement agencies through the use of a mathematical formula which is applied to certification loss.

Discussion ensued on the Colorado City situation which necessitated this legislation. Chairman Ugenti assured the Members that this bill will not be applied retroactively; the timer will start with the legislation enactment and will require a pattern of misconduct for five consecutive years.

Mr. Kavanagh asked what would happen if 12 of 16 officers are indicted in year one; the mathematical formula could not be invoked for five years. Chairman Ugenti commented that additional language must be found to deal with the situation if the 50 percent threshold is reached before five years.

Mike Williams, Arizona Police Association, Phoenix Law Enforcement Association, stated his opposition to the bill. He stressed that small agencies with fewer than 20 officers are very concerned about HB2648.

Buster Johnson, Mohave County Supervisor, explained his support for HB2648, although he stated that he never would have thought this legislation would be necessary. It is not special legislation and will protect those who cannot protect themselves and address the rare possibility of a renegade police department.

Blake Hamilton, Colorado City/Hildale Marshal's Office, testified in opposition to HB2648, listing several areas of disagreement:

- It eliminates due process for officers.
- It is too vague.
- It is arbitrary.
- It is not rational.
- It unfairly targets small law enforcement agencies.

Chairman Ugenti explained that the state must address systemic corruption in a department as AZPOST can only address individual officers.

Mr. Kavanagh stated that Mr. Hamilton's "due process" point does not apply as this legislation is about police departments, not civil rights. A town council or mayor sets the tone for its police department.

Discussion ensued. The possibility of the Department of Justice handling these cases was discussed.

Vice-Chairman Petersen announced the names of those who signed up in support of HB2648 but did not speak:

Leonard Clark, representing self

Art Harding, Legislative Affairs Director, Attorney General's Office

John Thomas, Arizona Association of Chiefs of Police

Vice-Chairman Petersen announced the names of those who signed up in opposition to HB2648 but did not speak:

Levi Bolton, Phoenix Law Enforcement Association, Arizona Police Association

Lydia Guzman, representing self

Luis Ebratt, Combined Law Enforcement Associations of Arizona

Vice-Chairman Petersen moved that HB2648 do pass.

Vice-Chairman Petersen moved that the Ugenti 16-line amendment dated 02/18/2013 (Attachment 24) be adopted. The motion carried.

Vice-Chairman Petersen moved that HB2648 as amended do pass. The motion carried by a roll call vote of 9-0-0-0 (Attachment 25).

HCM2007 - Cherrybell; mail processing center – DO PASS

Tom Savage, Majority Intern, explained that HCM2007 urges the Congress of the United States to protest the proposed closing of Cherrybell Postal Processing and Distribution Center in Tucson (Attachment 26).

Ms. Dalessandro, sponsor, spoke of the importance of the post office and of its constitutional mandate. It employs more veterans than any other agency and impacts two national not-for-profit industries in the Tucson area. She added that many seniors receive prescriptions through the mail.

Mr. Coleman announced the names of those who signed up in support of HCM2007 but did not speak:

Leonard Clark, representing self

Rebekah Friend, Arizona AFL-CIO

Mr. Coleman moved that HCM2007 do pass. The motion carried by a roll call vote of 6-1-0-2 (Attachment 27).

Without objection, the meeting adjourned at 6:12 p.m.

Jane Dooley, Committee Secretary
March 15, 2013

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