

ARIZONA STATE SENATE

50TH LEGISLATURE
FIRST REGULAR SESSION

MINUTES OF COMMITTEE ON FINANCE

DATE: March 24, 2011 **TIME:** 9:00 a.m. **ROOM:** SHR 1

CHAIRMAN: Senator Yarbrough **VICE-CHAIRMAN:** Senator Bundgaard

ANALYST: Carolyn Speroni **INTERN:** Katherine Cullinane

**COMMITTEE
SECRETARY:** Toy Brown

ATTENDANCE

BILLS

<u>Committee Members</u>	<u>Pr</u>	<u>Ab</u>	<u>Ex</u>	<u>Bill Number</u>	<u>Disposition</u>
Senator Aboud	X			HB 2023	DPA/SE
Senator Gould	X			HB 2024	DPA
Senator Jackson	X			HB 2289	HELD
Senator Klein	X			HB 2397	DP
Senator McComish	X			HB 2556	DP
Senator Bundgaard, Vice-Chairman	X			HB 2619	DPA/SE
Senator Yarbrough, Chairman	X			HB 2631	FAILED
				HB 2636	DPA

Chairman Yarbrough called the meeting to order at 9:10 a.m. and attendance was noted.

APPROVAL OF MINUTES

Senator Yarbrough stated that without objection, the minutes of March 17, 2011 were approved.

CONSIDERATION OF BILLS

HB 2289 – technical correction; elections; special districts (now: real property rental; municipal taxes) – HELD

Senator Yarbrough announced that HB 2289 would be HELD.

HB 2397 – sale of trust lands; taxes (now: taxes; sale of trust lands) – DO PASS

Katherine Cullinane, Finance Committee Intern, explained HB 2397 and the 2-line Gould amendment dated 3/23/11 at 3:43 p.m. (Attachment A) and answered questions posed by the Committee.

Representative Jones, bill sponsor, further explained HB 2397 and answered questions posed by the Committee.

Michael Preston Green, Aloravita I and II, testified in support of HB 2397 and answered questions posed by the Committee.

Spencer Kamps, Deputy Director, Home Builder Association of Central Arizona, testified in opposition to HB 2397 except for lines 5 thru 29, Home Builders Association of Central Arizona will support that portion of the bill. Mr. Kamps, Home Builder Association of Central Arizona supports the 2-line Gould amendment dated 3/23/11 at 3:43 p.m. (Attachment A). Mr. Kamps answered questions posed by the Committee.

Vanessa Hickman, Arizona State Land Department, testified in support of HB 2397 and answered questions posed by the Committee.

Senator Bundgaard moved HB 2397 be returned with a DO PASS recommendation.

Senator Gould moved the 2-line Gould amendment dated 3/23/11 at 3:43 p.m. (Attachment A) be ADOPTED. The motion FAILED by voice vote.

The motion that HB 2397 be returned with a DO PASS recommendation CARRIED with a roll call vote of 6-1-0 (Attachment 1).

HB 2619 – fund transfer; Arizona historical society – DO PASS AMENDED/STRIKE EVERYTHING

Jennifer Thomsen, Commerce and Energy Committee Research Analyst, explained the 3-page Yarbrough strike everything amendment dated 3/22/11 at 3:20 p.m. (Attachment B) and the 4-line

Bundgaard amendment dated 3/23/11 at 2:55 p.m. (Attachment C) to the 3-page Yarbrough strike everything amendment dated 3/22/11 at 3:20 p.m. (Attachment B). Ms. Thomsen answered questions posed by the Committee.

Representative Jones, bill sponsor, supported the 3-page Yarbrough strike everything amendment dated 3/22/11 at 3:20 p.m. (Attachment B) and answered questions posed by the Committee.

Marcus Osborn, Manager of Government and Public Affairs, Arizona Manufacturers Council, Arizona Chamber, testified in support of HB 2619 and answered questions posed by the Committee.

Eric Emmert, East Valley Chambers of Commerce Alliance, testified in support of HB 2619 and answered questions posed by the Committee.

Kathy Seeglitz Ber, DES Director of Legislative Services, testified as neutral to HB 2619 and answered questions posed by the Committee.

Mark Darmer, Assistant Deputy Director, DES, answered questions posed by the Committee.

Senator Bundgaard moved HB 2619 be returned with a DO PASS recommendation.

Senator Bundgaard moved the 3-page Yarbrough strike everything amendment dated 3/22/11 at 3:20 p.m. (Attachment B) be ADOPTED.

Senator Bundgaard moved the 4-line Bundgaard amendment dated 3/23/11 at 2:55 p.m. (Attachment C) to the 3-page Yarbrough strike everything amendment dated 3/22/11 at 3:20 p.m. (Attachment B) be ADOPTED. The motion CARRIED with a voice vote.

Senator Bundgaard moved the 3-page Yarbrough strike everything amendment dated 3/22/11 at 3:20 p.m. (Attachment B) AS AMENDED be ADOPTED. The motion CARRIED with a voice vote.

Senator Bundgaard moved HB 2619 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 6-1-0 (Attachment 2).

HB 2024 – ASRS; amendments – DO PASS AMENDED

Carolyn Speroni, Finance Committee Research Analyst, explained HB 2024 and the 10-page Yarbrough amendment dated 3/18/11 at 2:34 p.m. (Attachment D). Ms. Speroni answered questions posed by the Committee.

Representative Robson, bill sponsor, further explained HB 2024 and answered questions posed by the Committee.

Lesli Sorensen, Government Relations Officer, Arizona State Retirement System, testified in support of HB 2024 and answered questions posed by the Committee.

Jennifer Loreda, Arizona Education Association, testified in support of HB 2024 and answered questions posed by the Committee..

Senator Bundgaard moved HB 2024 be returned with a DO PASS recommendation.

Senator Bundgaard moved the 10-page Yarbrough amendment dated 3/18/11 at 2:34 p.m. (Attachment D) be ADOPTED. The motion CARRIED with a voice vote.

Senator Bundgaard moved HB 2024 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 7-0-0 (Attachment 3).

HB 2023 – ASRS; long-term disability amendments – DO PASS AMENDED/STRIKE EVERYTHING

Carolyn Speroni, Finance Committee Research Analyst, explained the 5-page McComish strike everything amendment dated 3/22/11 at 2:56 p.m. (Attachment E) and answered questions posed by the Committee.

Senator McComish, further explained the 5-page McComish strike everything amendment dated 3/22/11 at 2:56 p.m. (Attachment E) and answered questions posed by the Committee.

Morgan Olsen, representing self, testified in support of HB 2023 and answered questions posed by the Committee.

Michael Haener, Director of Legislative Affairs, Arizona State University, testified in support of HB 2023 and answered questions posed by the Committee.

Senator Bundgaard moved HB 2023 be returned with a DO PASS recommendation.

Senator Bundgaard moved the 5-page McComish strike everything amendment dated 3/22/11 at 2:56 p.m. (Attachment E) be ADOPTED. The motion CARRIED with a voice vote.

Senator Bundgaard moved HB 2023 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 5-2-0 (Attachment 4).

Senators Gould and Yarbrough explained their votes.

HB 2631 – tax; aircraft; foreign governments – FAILED

Katherine Cullinane, Finance Committee Intern, explained HB 2631 and answered questions posed by the Committee.

Representative Olson, bill sponsor, further explained HB 2631 and answered questions posed by the Committee.

Jim Norton, President, Arizona Manufacturers Council, testified in support of HB 2631 and answered questions posed by the Committee.

Senator Bundgaard moved HB 2631 be returned with a DO PASS recommendation. The motion FAILED with a roll call vote of 3-3-1 (Attachment 5).

HB 2556 – health savings accounts; tax incentives – DO PASS

Katherine Cullinane, Finance Committee Intern, explained HB 2556 and answered questions posed by the Committee.

Representative Court, bill sponsor, further explained HB 2556 and answered questions posed by the Committee.

Farrell Quinlan, State Director, National Federation of Independent Business, testified in support of HB 2556 and answered questions posed by the Committee.

Senator Bundgaard moved HB 2556 be returned with a DO PASS recommendation. The motion CARRIED with a roll call vote of 6-0-1 (Attachment 6).

Senator About explained her vote.

HB 2636 – flat income tax – DO PASS AMENDED

Carolyn Speroni, Finance Committee Research Analyst, explained HB 2636 and answered questions posed by the Committee.

Ms. Speroni explained the 4-page Yarbrough amendment dated 3/21/11 at 8:55 a.m. (Attachment F) and the 6-line Yarbrough amendment dated 3/23/11 at 3:27 p.m. (Attachment G). Ms. Speroni answered questions posed by the Committee.

Representative Court, bill sponsor, further explained HB 2636 and answered questions posed by the Committee.

Ryan DeMenna, Arizona Society of Certified Public Accountants, testified as neutral to HB 2636 and answered questions posed by the Committee.

Jeffrey Hill, Arizona Society of Practicing Accountants, testified as neutral to HB 2636 and answered questions posed by the Committee.

Walter Dudley, Accountant, representing self, testified as neutral to HB 2636 and answered questions posed by the Committee.

Byron Schlomach, Economist, Goldwater Institute, testified in support of HB 2636 and answered questions posed by the Committee.

David Freeland, representing self, testified as neutral to HB 2636 and answered questions posed by the Committee.

Eric Billings, JLBC Staff, answered questions posed by the Committee.

Senator Bundgaard moved HB 2636 be returned with a DO PASS recommendation.

Senator Bundgaard moved the 4-page Yarbrough amendment dated 3/21/11 at 8:55 a.m. (Attachment F) be ADOPTED. The motion CARRIED with a voice vote.

Senator Bundgaard moved the 6-line Yarbrough amendment dated 3/23/11 at 3:27 p.m. (Attachment G) be ADOPTED. The motion CARRIED with a voice vote.

Senator Bundgaard moved HB 2636 be returned with an AS AMENDED, DO PASS recommendation. The motion CARRIED with a roll call vote of 4-2-1 (Attachment 7).

Senators Aboud, Jackson, Klein, McComish, Bundgaard and Yarbrough explained their votes.

Attached is a list noting the individuals who registered their position on the agenda items (Attachment H).

There being no further business, the meeting was adjourned at 11:45 a.m.

Respectfully submitted,

Toy Brown
Committee Secretary

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