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## **POLITICS** Stumbling Toward Shutdown

POSTED BY JIM NINTZEL ON MON. JUN 29, 2009 AT 2:29 PM

The budget battle at the Arizona Legislature seems to be going off track, with the *Arizona Republic* reporting that **Republicans and Democrats in the Senate Appropriations Committee have blocked** a **proposal that GOP leadership and Gov. Jan Brewer have agreed on.** Since it strikes us as a stinky compromise—cutting taxes for Arizonans wealthiest citizens while asking them to raise a sales tax that would disproportionately hit the poorest—we're glad to hear it has stalled.

In case you're wondering what's happening with some other bills, here's the latest report from Sierra Club lobbyist Sandy Bahr:

Here is the longest update yet - there is a pretty comprehensive list of key bills we are following at the end. If you do not see a bill and you are wondering about it, just send me an email. As of this evening, the plan at the Legislature is for the House to finish doing the budget trailer bills on Monday and for the Senate to also do them on Monday. All of this could change depending on where the votes are. The trailer bills generally amend the budget the Legislature already passed and then they add in some significant tax changes. It is unclear if they have the votes. They are trying to convince the Democrats to vote for the sales tax referral, but it would make no sense for them to do that, especially in light of how god-awful the rest of the budget is and as the Governor has made no attempt to negotiate with them.

Here are a few of the things they are proposing in these budget trailer bills.

In the strike everything amendment on HCR2037, they are proposing to refer to the ballot a one percent increase in the sales tax with most of the revenues directed to education and health and human services. This does not increase funding for those programs, but just helps to

offset some of the cuts — although nothing would prevent deeper cuts in the future that exceed this new tax. The measure would go to the voters this November and the tax sunsets June 13, 2013. In HB2653, they are proposing a flat income tax. You might wonder why they think doing major tax reform in the last days of the session when no one has time to really digest it, is really a good idea. It is a 2.8% flat tax and only maintains exemptions for mortgages and charity. The fiscal impact from this new tax scheme is approximately \$450 million, when it is fully implemented.

In the strike everything amendment on HB2645, they are modifying the provisions dealing with both impact fees and the building codes. It makes it "less bad" but it is still ridiculous and unnecessary and demonstrates exactly why we cannot make any headway in this state. Rather than a moratorium on impact fees overall, they propose a two-

year moratorium on the imposition a new development impact fee and on any increase in existing development impact fee. God forbid that the cities actually recover the costs of these developments. These provisions come compliments of the Homebuilders. They have helped bring us the current mess and apparently plan to help us dig a deeper hole with provisions like this. The bill sets up a commission to study impact fees as well.

HB2645 also modifies the building code provisions to implement the moratorium for two rather than three years. Why they are freezing building codes is beyond me. We need to implement new energy savings codes, especially during these economically challenging times.

It modifies the rule-making moratorium language relative to any rule that would cost anything to anybody. An agency can't conduct a rule making without the prior written approval of the Governor. It also specifically exempts the Arizona Corporation Commission (ACC) or any agency that is headed by a single elected official — this is an improvement. It modifies the language regarding the exemption for threats to public health and safety — you no longer have to die or get hurt during the fiscal year for that exemption to apply. It exempts rules needed to implement the American Recovery and Reinvestment Act and also to replace archaic or illegal rules. This section is a lot better, although we would argue that the moratorium is unnecessary.

In the striker on HB2651, it modifies the Heritage Fund raid to say that \$3 million of the State Parks Board Heritage Fund "may" be used for fire suppression. It does not automatically transfer it as the current version of the budget does. I guess that is a slight improvement, although the result could end up being the same. It also repeals provisions in the previous budget bill relating to the adoption of best management practices for PM-10 emissions, but they do not need it as they passed a separate bill on this.

I am still reviewing the cuts to important programs, but overall this is terrible budget that is only slightly less terrible than what the legislature passed earlier in the session. We should all let them know we are extremely disappointed in both the process and the product. Whatever happened to that transparency commitment?

Please contact your legislators and ask them to oppose this budget deal.

To email your legislators or find their direct phone numbers, click on Legislators or paste http://www.azleg.gov/MemberRoster.asp into your browser. If you are not sure who your legislators are, please go to http://www.vote-smart.org or call the House or Senate information desks. If you're outside the Phoenix area, you can call your legislators' offices toll free at 1-800-352-8404. In the Phoenix area call (602) 926-3559 (Senate) or (602) 926-4221 (House) and ask them to connect you with your legislators.

Please contact House members and ask them to oppose SCR1009 voter-protection; temporary budgetary suspension (R. Pearce, Harper, Burges, et al). It passed out of the House Government Committee 6-2 yesterday and awaits action by the House Committee of the Whole. It refers to the ballot a measure that authorizes the Legislature to appropriate or divert funds created by initiative or referendum in any fiscal year in which the respective budget offices of the Governor and the Legislature issue a written finding, confirmed by the State Treasurer, that the state budget for the preceding two calendar quarters had a deficit of at least one percent of the total state General Fund expenditures. This would significantly undermine the voter protection act as we cannot think of a time when the legislature would not make this finding. Some governors might be slightly more circumspect, but that does not change the fact that this is just a big hole in the constitutional protections for measures that the voters enact.

To email your House Members or find their direct phone numbers, click on Arizona House or paste http://www.azleg.gov/memberRoster.asp?Body=H into your browser. Click on the legislator's name and his or her email will come up. If you are not sure who your legislators are, please go to http://www.vote-smart.org or call the House information desk. If you're outside the Phoenix area, you can call your legislators' offices toll free at 1-800-352-8404 and ask to be connected. In the Phoenix area call (602) 926-4221 (House) and ask them to connect you with your legislators.

Please contact Governor Brewer and ask her to veto SB1225 NOW: dust control; best management practices (S. Pierce), Call her at (602) 542-4331 or toll free at 1-(800) 253-0883. You can email here by clicking on Governor Brewer and then filling in the online form. You can also paste this website into your browser http://azgovernor.gov/Contact.asp.

SB1225 does several things which will contribute to poor air quality. It adds five people to the agricultural best management practices committee — someone representing a cattle feedlot, a dairy, a poultry operation and a swine operation, plus one county person; this just means more foxes guarding the henhouse (see poultry provisions). The bill also shifts the regulation of particulates, such as it is, of poultry and swine operations as well as feedlots and dairies from the county to this state best management practices committee and to limited, if any, real oversight. Members of the best management practices committee are appointed by the Governor and are responsible for adopting an agricultural general permit that outlines best management practices for regulated agricultural activities in order to reduce particulate (PM-10) emissions. As drafted, the bill will mean backsliding on our state implementation plan for particulates and violates the Clean Air Act as there is no guarantee the best management practices will be as strong as or stronger than those required at the county level. These facilities are not your family farms, but represent industrial agriculture and all of its associated environmental problems. They should be regulated as such. Overall the bill is intended to undercut county authority to regulate these facilities and is specifically targeted at

undercutting efforts by Pinal County to regulate these polluting facilities.

Coarse particulates (PM10) are particles that are 10 micrometers in diameter or smaller. (For comparison, the average human hair is about 75 microns.) When these particles are inhaled, they can affect the heart and lungs and increase respiratory symptoms, irritation of the airways, coughing, difficulty breathing, and more. The elderly, children, and those with respiratory or other health issues are at greatest risk relative to particulate pollution. There are many good reasons for opposing this bill, but protecting public health is certainly the most critical one.

Monday, June 29, 2009

Senate Appropriations Committee at 9:30am in SHR109 SB1470, SB1471, SB1472, SB1473, SB1474, SB1475, SB1476, SB1477, SB1480 - budget trailer bills

Senate Committee on Education Accountability and Reform upon adjournment of Appropriations in SHR109 SB1478, SB1479, and SCR1046 — these are the tax bills that are part of the budget. Apparently Pearce would not hear them in Appropriations so they assigned them to a friendlier committee.

House Appropriations at 11:00am in HHR1 HB2652, Hb2653, and HCR2037 — these are also the tax bills. This committee heard the other budget bills on Saturday.

Here are some bill updates:

SB1077 technical correction; state trust lands (Nelson) has a strike everything amendment on state trust land reform. It passed out of committee, but has not moved since. This is the companion bill to SCR1030. It identifies specific lands to be conserved, but leaves out key lands, including lands near Walnut Canyon, Arroyo Grande, Oracle, and the Rincon Valley lands, among others. SB1077 also restricts the use of impact fees for acquiring lands, which makes no sense. There is nothing that has greater impact on the lands, the habitat they provide, and the wildlife, than development. Developers should be assessed impact fees for conserving these areas. The definition of "conservation" in this bill is the same as in SCR1030 and is very weak — it merely means restricting the use of the land against "development." If you then read the definition of development, it does not include a lot of things that can harm the conservation values of the land. The following are not considered development: utility lines and associated facilities, canals, roadways, etc. OPPOSE.

SB118 NOW: air quality; begin actual construction (S. Allen) has not been assigned to a House Committee. We are watching for it to show up in an amendment. This bill addresses permits under the Clean Air Act including Class I permits which are required for facilities with the potential to emit 100 tons per year of any criteria air pollutant, 10 tons per year of any single Hazardous Air Pollutant (HAPS) or 25 tons per year of any combination of HAPS. It redefines "begin actual construction" relative to these permits by excluding activities that you would normally associate with beginning actual construction. They include clearing and grading, demolition, installation of roads, installations of pipes, installation of warehouses, office building, installation of concrete forms, footers, foundations and the list goes on. None of it would be considered beginning actual construction which triggers permitting. It is ridiculous and is again one of those bills that is being promoted to help a facility that violated the law and now wants to get out of it. ADEQ can't consider any of these activities or how they perform them in addressing the company's permit if this is passed. This bill is contrary to the Clean Air Act and to improving air quality. OPPOSE.

SB1147 greenhouse emissions; regulations; fuel economy (S. Allen, Gould, R. Pearce, et al) has been assigned to a House Environment Committee, but a Committee Hearing has not yet been scheduled. It requires express legislative authorization in order for any state agency to adopt or enforce a state or regional program to regulate greenhouse gas emissions or motor vehicle fuel economy. This is a silly bill that will likely have limited impact as most of this will end up being enacted by the federal government, but it will tie the hands of the state on some key issues. It will have a negative impact on air quality by sidetracking the Clean Car Standards. OPPOSE.

SB1157 department of environmental quality; continuation (Nelson, Allen C, Huppenthal, et al) awaits action in House Rules. It continues the ADEQ for five years. SUPPORT.

SB1183 recreational corridor districts; termination date (Burns) awaits action in House Rules. It allows people in these areas where there are sand and gravel operations to continue to form new taxing districts for these recreational corridors for another five years (at least it is no longer indefinitely). These districts are effectively channelization programs for the sand and gravel operations and are a way of shifting reclamation responsibilities away from the companies. OPPOSE.

SB1259 aggregate mine reclamation; initiation; extension (Allen S) passed the Senate 17-11-2 and the House 36-14-10, and will now go to the Governor. It includes one more factor for allowing reclamation of sand and gravel operations to be delayed. The state mine inspector can extend the period in which to initiate reclamation with up to three subsequent five year extensions, if the owner or operator of an exploration operation or aggregate mining unit demonstrates a reasonable likelihood that the project or operation will resume, based on a consideration of changing market conditions and demand for the commodity being mined, in addition to the factors already in law. Do we really need to weaken our already weak reclamation provisions? OPPOSE.

SB1260 aggregate mine reclamation law; exemption (Allen S) passed the Senate 17-11-2 and the House 34-15-11, and is on its way to the Governor. It exempts sand and gravel pits that are intermittently used for specific governmental projects from aggregate mine regulatory and reclamation mandates. It is difficult to see why the bill is necessary or why someone doing government projects should get special consideration. There is already a provision in law which allows the mine inspector to grant three subsequent five year extensions before any reclamation has to begin, so someone can delay fixing a problem for 15 years. This additional exemption is unnecessary and provides another loophole for avoiding reclamation and cleaning up a mess. There are plenty of opportunities for delays and exemptions in our mining laws; we should not add another. OPPOSE.

SB1269 rezoning; majority vote (S. Pierce, Tobin, S. Allen, et al) awaits a Third Read in the Senate. It allows a change in a zoning ordinance by a majority vote of a county board of supervisors rather than the current requirement, which allows property owners within a zoning area to file a protest to a proposed rezoning, and if twenty percent of the property owners file protests, an affirmative vote of three fourths of all members of the board of supervisors is required. The three-fourths vote is only triggered by controversial measures. That is right and appropriate. There was a Garcia Floor amendment which applies this change only to three-member boards of supervisors and then sets up a different process for five-member boards. OPPOSE.

SB1401 NOW: Arizona energy park authority (Verschoor) awaits a Third Read in the House. It allows the Arizona Power Authority Commission to establish "Sustainable Energy Parks" and provide loan programs for building new "sustainable" energy. Sustainable energy is defined to include nuclear power as well as some renewable energy resources. This proposal has so many flaws, it is difficult to know where to start, but the first is that it is ridiculous to think that nuclear power can or should be built in such a manner; this is not a viable mechanism for constructing these facilities. Where will the money come from for constructing these facilities in these "Energy Parks?" Ratepayers? If so, they are treading into the Arizona Corporation Commission's area of responsibility as outlined in the Arizona Constitution. In fact the bill really muddles the water relative to the role of the Arizona Corporation Commission. This bill could establish vet another set of rules and significantly expand the role of the Arizona Power Authority. OPPOSE.

SB1403 renewable, high-wage industries incentives (Leff, Mason, Reagan, et al) passed 16-12-2 in the Senate and 39-12-9 in the House and will go to the Governor. It provides income and property tax incentives for new or expanded renewable energy businesses in Arizona when certain job creation, wage and capital investment requirements are met, and terminates on December 31, 2015. The idea is to promote manufacturing of renewable components while also providing good jobs. This is another important step in moving us away from our fossil fuel-based economy. SUPPORT.

SCR1006 state appropriation limit; reduction (R. Pearce, Gorman, Court, et al) is one of the bad bills they actually defeated. It failed in the Senate 14-15-1. It refers to the ballot a measure to prevent the state from appropriating state revenues in excess of seven percent of the total personal income in FY 2010-2011and 6.4 percent in FY 2011-2012. Already, the legislature is finding it impossible to develop a decent budget. This is the last thing we need. OPPOSE.

SCR1030 technical correction; bond elections (Nelson) has a strike everything amendment on state trust land reform that I believe is dead for the session as it has not moved and time is running out. It did pass out of committee 4-3. The striker is a proposed constitutional amendment that allows for "conservation" of some state trust lands. There are several problems with the measure including that it allows for land exchanges, which seldom are in the best interest of the public, let alone the trust, and it allows for destructive activities to continue on lands that are in theory conserved. For example, it requires that existing leases be renewed on lands that are conveyed for conservation and that the lease be renewed for up to twenty-five years. That makes no sense whatsoever. They get to continue leases on land that is no longer in the trust. The way it reads, it applies to all leases — mining, agricultural, grazing, etc. OPPOSE.

HB2141 homeowners' associations; sun screens (Ch. Campbell, Meyer, Sinema, et al) awaits action in the House Committee of the Whole, so it is dead for the session. It prohibits homeowners' associations and condo associations from preventing the installation or use of solar screens or shade structures that are intended to act as an energy saving device. This will make it easier for homeowners to make their homes more energy efficient. SUPPORT.

HB2167 S/E RRD-Transportation omnibus (Biggs) awaits a Third Read in the Senate. It has numerous provisions including allowing a city or town to construct, operate or finance the construction of toll roads within the corporate limits of the city or town. We object to this as we see toll roads as a means of constructing controversial projects that the public would not otherwise finance. OPPOSE.

HB2258 consumer fireworks; novelties, sales (Biggs, Ableser, Quelland) awaits a Third Read in the Senate. It makes sparklers and other related fireworks legal in Arizona. Don's we have enough fire hazards? The fire chiefs and Forest Service have consistently opposed this. We have consistently joined them in doing so. OPPOSE.

HB2278 NOW: tires; abandoned mines (Jones) has not been assigned to a committee in the Senate, so I think it is dead. It allows waste tires to be used to fill abandoned mines. This is a recycled bad idea from last year that was rejected. Last year's bill did allow the filling of these abandoned mines with inert waste materials, however. There are several environmental concerns with filling a bandoned mines with tires. First of all, tires are flammable and create a fire hazard. Tire fires produce a lot of smoke and toxic chemicals that are produced when rubber compounds break down via combustion. Tires present a threat to water quality. Many abandoned mines were abandoned because they filled with water. Tires leach hazardous substances into the soil and water as well, especially subsequent to burning. Abandoned mines also provide habitat for bats and other wildlife. Before filling them, we should do an assessment. If bats are utilizing the mine, then a bat-friendly gate should be installed rather than filling with materials, OPPOSE.

HB2329 solar energy; permit fees (Boone, Mason) is dead for the session. It establishes a maximum fee that can be charged for various solar systems including solar hot water (\$150) and solar photo voltaic (\$375), plus it includes an inflation factor for the fee and provisions for charging more if it is a more complicated system. The fee cap sunsets in 2013. Right now it is difficult for those who are installing solar panels or solar hot water to know what the fee will be from city to city — it can vary from nothing to \$1000. This bill will would have brought some consistency to that and removed one more barrier for distributed solar energy generation. SUPPORT.

HB2332 schools; energy contracts (Boone) awaits a Third Read in the Senate. It allows school districts to enter into energy performance and renewable energy power purchase contracts and utilize the savings realized from these contracts to purchase energy saving and renewable energy measures. It allows schools to establish an energy savings account that consists of a designated pool of capital investment monies to fund energy saving projects in school facilities. The bill states that they can use these dollars on projects or measures that save energy in a school facility, including technical assistance by a qualified provider or a utility, energy or water service company, as well as repayment of capital investment monies to the qualified provider plus reasonable carrying charges. This bill will help schools save energy, water, and money. HB2332 was amended on the Senate Floor to include the provisions for energy saving appliance standards for pool pumps and portable electric spas. SUPPORT.

HB2336 NOW: county renewable energy incentive districts (Mason) awaits a Third Read in the Senate. There was an attempt to revive HB2335 (note, that bill is dead), a measure which will help more with distributed generation of renewable, but it was defeated in Committee of the Whole. HB2336 authorizes county boards of supervisors to designate renewable energy incentive districts in any unincorporated area of the counties, provided the areas consist of vacant or underused parcels, or other property the board deems suitable for renewable energy equipment, and are the appropriate size for the construction and operation of renewable energy equipment. It must also be compatible with the surrounding uses. SUPPORT.

HB2341 renewable energy production tax credit (Mason) awaits Third Read action in the Senate. It allows for a tax credit for production of renewable energy, but among the qualifying renewable energy sources is biomass, which itself is not a problem, but the definition of biomass in this bill makes it a problem. The definition of biomass includes municipal solid waste, animal waste, and pretty much everything but the kitchen sink. We are particularly concerned about the inclusion of municipal solid waste as incineration of municipal waste produces unacceptable toxic and hazardous air emissions, including dioxins and furans, as well as trace metals such as lead, cadmium and mercury. All of these have negative human health impacts. The public can be exposed via direct inhalation or via the food chain, including via deposition to growing crops. Why would you want to subsidize that? There was supposed to be an amendment to remove this provision, which would significantly improve the bill, but it looks as if it was not adopted on the Floor. OPPOSE.

HB2401 administrative rules oversight committee (Williams, Barnes, Burns, et al) awaits a Third Read in the Senate. This bill reestablishes the Administrative Rules Oversight Committee (AROC), a committee that has oversight on rules and consists of 10 legislators and a representative from the governor's office. This committee was an ineffective mechanism for addressing concerns about rules when it existed previously and merely adds more bureaucracy to an already cumbersome process. There were good reasons that Governor Hull vetoed a bill to keep the AROC around — no one has really missed it since. Governor Napolitano vetoed an identical bill last session. The entity is duplicative as there are many mechanisms for resolving issues with the rules currently. Rules are reviewed by assistant attorneys general for compliance with the laws and must go through the Governor's Regulatory Review Council. OPPOSE.

HB2424 illegal dumping; penalties (McGuire, Barnes, M. Garcia, et al) awaits action in the Senate Committee of the Whole. It increases the penalty for illegal dumping of trash to a class 1 misdemeanor and a \$1,800 fine, among other things, SUPPORT.

HCM 2006 state land; natural resources (Jones, Konopnicki: Barto, et al) awaits a Third Read in the Senate. It is a memorial that asks Congress to "... refrain from passing any new legislation to withdraw any lands in Arizona from mining, and refrain from enacting any wilderness designations in Arizona without the unanimous support of Arizona's congressional delegation." It asks, "That the Bureau of Land Management and the United States Forest Service not limit the public's access to public lands under

their jurisdiction for mining, grazing, recreation or other uses." We do not need more trashed public lands, polluted ground and surface water, and a big mess for the public to clean up. Concerns about surface- and ground-water contamination of Grand Canyon National Park and the Colorado River have been expressed by former Arizona Gov. Janet Napolitano; the Los Angeles Water District; the Southern Nevada Water Authority; the Arizona Game and Fish Department; the Navajo Nation, Hopi, Havasupai, Hualapai and Kaibab Paiute tribes; and Coconino County. While we recognize it is only a "postcard" to congress and does not affect the law, it is a truly bad message to send — to Congress or anyone. The memorial is disrespectful of the many local and tribal entities that have been working to protect the Grand Canyon area from uranium mining. OPPOSE.

HCR2030 NOW: Arizona's water protection (Stevens, Gowan, Antenori, et al) awaits a Third Read in the Senate. It is ironically titled as it advocates no protection for most of our rivers and streams and specifically objects to Clean Water Act protections for ephemeral and intermittent streams. HCR2030 encourages members of Congress to oppose the "expansion of the federal Point Source Discharge Program" as current legislation proposes and "oppose any legislation that would result in the expansion of federal jurisdiction and emasculation of the states' jurisdiction." The legislation they mention is called the Clean Water Restoration Act and it hardly "emasculates" state jurisdiction, but it does ensure that waters have the minimal protections afforded by the Clean Water Act, rather than weak, if any, protections at the state level. The Clean Water Restoration Act restores the traditional scope of protection intended by Congress. Americans need these safeguards to achieve the goal of restoring and maintaining the chemical, physical and biological integrity of the nation's waters. HCR2030 is merely a "postcard" to Congress, but it again sends a bad message. OPPOSE.

If you made it this far, you deserve major kudos. Thank you for all you do and all of your great support! For more information on bills we are tracking, click on Legislative Tracker or paste http://arizona.sierraclub.org/political\_action/tracker/ into your browser.

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Time for little less Pancho and a little more Cisco, Arizona?

Posted by Red Star on June 29, 2009 at 4:00 PM | Report this comment