



The motion carried.

### **ADOPTION OF COMMITTEE RULES AND REGULATIONS**

Mr. Richard Stavneak, JLBC Staff, stated that the rules and regulations remain the same as last session with 2 exceptions: 1) Given the difficulty of acquiring a quorum during the interim, the Committee would delete the requirement that there be a quarterly meeting although that is the ongoing intent. 2) The JLBC Staff Director's salary could be set by either the Committee or the Chairman and Vice Chairman.

*Senator Biggs moved that the Committee adopt the revised JLBC Committee Rules and Regulations.*  
The motion carried.

### **STATE LAND DEPARTMENT - Review of Establishing Fees in Rule.**

Mr. Ted Nelson, JLBC Staff, stated that this item is a review of the State Land Department's fee amounts. Laws 2010, 2<sup>nd</sup> Regular Session, Chapter 243 requires that the Committee review the department's fees when they are established by rule. The JLBC Staff recommended a favorable review.

*Senator Biggs moved that Committee give a favorable review to the State Land Department's request to establish its current statutory fees in rule.* The motion carried.

### **JLBC STAFF - Consider Approval of Index for School Facilities Board Construction Costs.**

Mr. Jack Brown stated this item is for approval of an index for School Facilities Board (SFB) construction costs. A.R.S. § 15-2041D3(c) requires that the cost-per-square-foot factors used in SFB formulas be adjusted at least once annually for construction market conditions. Any adjustment made would have no short-term fiscal impact as the FY 2012 budget includes both the suspension of the building renewal formula and also a new school construction moratorium. The JLBC Staff presented options to the Committee.

*Senator Biggs moved that the Committee approve a 0% adjustment in the cost-per-square-foot factors, based on the latest 1-year change in the Rider Levett Bucknall (RLB) national construction cost index.*  
The motion carried.

### **ATTORNEY GENERAL (AG) - Review of Allocation of Settlement Monies.**

Mr. Richard Stavneak, stated this item is a review of allocation of settlement monies from 5 settlements:

- 1) A \$3,471,900 settlement resulting from an agreement with Wells Fargo Bank as a result of alleged misrepresentations in the marketing of adjustable rate mortgages, of which \$2,168,500 will be deposited into the Court Ordered Trust Fund and \$1,303,400 will go toward AG costs and investigative expenses;
- 2) A \$1,500,000 settlement from a consent judgment with Home Loan Center as a result of alleged misrepresentations in the marketing of adjustable rate mortgages, of which \$1,150,000 will be deposited into the Court Ordered Trust Fund, \$300,000 will go toward AG costs and investigative expenses, and \$50,000 will go to the Department of Financial Institutions;
- 3) A \$188,800 settlement from a consent judgment with Amerix Corp. as a result of alleged deceptive practices while offering and selling debt management services, which will be deposited into the Consumer Fraud Fund;

(Continued)

- 4) A \$861,100 settlement from a consent judgment with Dannon Co. as a result of alleged misleading product advertising, which will be deposited into the Court Ordered Trust Fund; and
- 5) A \$185,000 settlement from a consent judgment with DirecTV Inc. as a result of alleged misleading advertising, which will be deposited into the Consumer Fraud Fund.

The JLBC Staff recommended a favorable review.

*Senator Biggs moved that the Committee give a favorable review to the Attorney General's allocation plans of settlement monies totaling \$6,206,800. The motion carried.*

Without objection, the meeting adjourned at 9:45 a.m.

Respectfully submitted:

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Sandy Schumacher, Secretary

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Richard Stavneak, Director

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Representative John Kavanagh, Chairman

NOTE: A full audio recording of this meeting is available at the JLBC Staff Office, 1716 W. Adams.  
A full video recording of this meeting is available at <http://www.azleg.gov/jlbc/meeting.htm>.