ARIZONA HOUSE OF REPRESENTATIVES
Fifty-sixth Legislature - Second Regular Session

COMMITTEE ON COMMERCE

Report of Regular Meeting
Tuesday, March 19, 2024
House Hearing Room 3 -- 2:00 P.M. OR UPON RECESS OR ADJOURNMENT OF FLOOR

Convened 2:08 P.M.
Recessed
Reconvened
Adjourned 5:23 P.M.

MINUTES RECEIVED
CHIEF CLERK'S OFFICE
3/21/24

Members Present
Representative Aguilar
Representative Austin
Representative Carter
Representative Gress
Representative Heap
Representative Hendrix
Representative Lucking
Representative Ortiz
Representative Carbone, Vice-Chairman
Representative Wilmeth, Chairman

Members Absent

Agenda
Original Agenda – Attachment 1

Request to Speak
Report – Attachment 2

Committee Attendance
Report – Attachment 3

Committee Action

Bill	Action	Vote	Attachments
SCR1040	DPA/SE	6-3-0-1	4, 5, 6, 7
SB1053	DPA/SE	5-2-2-1	8, 9, 10
SB1506	DP	6-3-0-1	11, 12
SB1162	DPA/SE	8-1-0-1	13, 14, 15

Susan Hughes
Susan Hughes, Committee Secretary
March 21, 2024

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

REVISED - 3/15/24 **REVISED - 3/15/24** **REVISED - 3/15/24**

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-sixth Legislature - Second Regular Session

CONVENED: 2:07PM

ADJOURNED: 5:23PM

REGULAR MEETING AGENDA

COMMITTEE ON COMMERCE

DATE Tuesday, March 19, 2024 ROOM HHR 3 TIME 2:00 P.M. or upon recess or adjournment of Floor

Members of the public may access a livestream of the meeting here:
https://www.azleg.gov/videoplayer/?clientID=6361162879&eventID=2024031068

Members:

Representative Aguilar	Representative Heap	Representative Ortiz
Representative Austin	Representative Hendrix	Representative Carbone, Vice-Chairman
Representative Carter	Representative Lucking	Representative Wilmeth, Chairman
Representative Gress		

Bills		Short Title	Strike Everything Title
*SB1042	NOT AVAILABLE	cremation (Shope)	
2 SB1053	DPA/SE	metal theft study committee (Carroll)	S/E: Arizona-Ireland trade commission
	5-2-2-1	COM, RULES	
4 *SB1162	DPA/SE	telecommunications fund; report; posting (Shamp)	S/E: residential zoning; housing; assessment; hearings
	8-1-0-1		
3 SB1506	DP	municipalities; housing; commercial redevelopment; zoning (Shamp: Carroll, Gowan, et al)	
	6-3-0-1	COM, RULES	
1 SCR1040	DPA/SE	permanent school fund; distribution; uses (Mesnard)	S/E: tipped workers; wages
	6-3-0-1	COM, RULES	

* If first read and assigned

ORDER OF BILLS TO BE SET BY THE CHAIRMAN

~~VC~~
RA
~~03/13/2024~~
03/15/2024

People with disabilities may request reasonable accommodations such as interpreters, alternative formats, or assistance with physical accessibility. If you require accommodations, please contact the Chief Clerk's Office at (602) 926-3032 or through Arizona Relay Service 7-1-1.

Attachment 1

Information Registered on the Request to Speak System

House Commerce (3/19/2024)

SB1042, cremation

SB1053, metal theft study committee

Support:

Steve Trussell, AZ ROCK PRODUCTS ASSN; Doris Mills, representing self; Mackenzie Shane, GREATER PHOENIX CHAMBER OF COMMERCE

All Comments:

Mackenzie Shane, GREATER PHOENIX CHAMBER OF COMMERCE: Signing in supportive of the striker to SB1053

SB1162, telecommunications fund; report; posting

Support:

Courtney Gilstrap LeVinus, Arizona Multihousing Association; Nick Ponder, LEAGUE OF ARIZONA CITIES & TOWNS; Julie Rees, ARIZONA HOUSING COALITION; Fred Miller, representing self; Courtney Coolidge, AZ CHAMBER OF COMMERCE; Mackenzie Shane, GREATER PHOENIX CHAMBER OF COMMERCE; Clark Princell, VALLEY PARTNERSHIP; John Baumer, ARIZONA CHAPTER OF NAIOP

All Comments:

Nick Ponder, LEAGUE OF ARIZONA CITIES & TOWNS: Supportive of the striker; Courtney Coolidge, AZ CHAMBER OF COMMERCE: Support the strike everything amendment; Mackenzie Shane, GREATER PHOENIX CHAMBER OF COMMERCE: Signing in supportive of the striker language to SB 1162; John Baumer, ARIZONA CHAPTER OF NAIOP: Support the Rep. Gress strike-everything amendment.

SB1506, municipalities; housing; commercial redevelopment; zoning

Support:

Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ; Jake Hinman, ARIZONA NEIGHBORHOOD PROJECT; Gaelle Esposito, ARIZONA NEIGHBORHOOD PROJECT; Harold Bergsma, representing self; Lynn Ludwig, representing self; Teri Grunewald, representing self; Kristin Baumgartner, representing self; James L Simpson, representing self; Mary Evelyn Simpson, representing self; Peter Asencio, representing self

Oppose:

Nick Ponder, LEAGUE OF ARIZONA CITIES & TOWNS, PHOENIX, CITY OF; Mayor Ginny Dickey, representing self; Jackie Rich, representing self; Kathy Pyner, representing self; Fred Miller, representing self; Catherine Kossler,

representing self; Kay Bateman, representing self; Clark Princell, VALLEY PARTNERSHIP; John Baumer, ARIZONA CHAPTER OF NAIOP; Robert Aldous, CASA GRANDE, CITY OF

All Comments:

Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ: support the bill; Mary Evelyn Simpson, Self: Another adaptive housing bill to potentially help with the housing crisis. I would prefer to see this under local jurisdiction not the state; Peter Asencio, Self: I am a PC, Husband & Father.; Mayor Ginny Dickey, Self: I agree with the League's opposition to 1506. Thanks.; Jackie Rich, Self: This bill is drastic overreach. If 75% of commercial, office, retail or parking is used for residential, where will those nonresidential uses be located? Also no clear demand for this type of housing and it doesn't need to be affordable.; Kathy Pyner, Self: Micro management; Catherine Kossler, Self: It forces unrealistic mandates, constrains development flexibility, erodes aesthetic standards, overlooks parking & public infrastructure considerations, & threatens neighborhood harmony. Let's maintain local zoning control!; Kay Bateman, Self: Keep Zoning Local

SCR1040, permanent school fund; distribution; uses

Support:

Dan Bogert, AZ RESTAURANT ASSOCIATION; jaime sarli, representing self; Sultan Stipho, representing self; Beth Cochran, representing self; Don Isaacson, Arizona Licensed Beverage Association; Eric Emmert, Grossman Properties; Joanne Johnson, representing self; Gary Johnson, representing self; Bill Blewster, representing self; Randal Scott, representing self; Mark Logan, representing self; Theresa Logan, representing self; Corinne Haynes, representing self; Marie Isaacson, AZ LICENSED BEVERAGE ASSN; Buffalo Rick Galeener, representing self; Susan Bolt, representing self; Laura Magnus, EXPERIENCE SCOTTSDALE; Bridget Nelke, representing self; Gary Saxhaug, representing self; Lynn Ludwig, representing self; Teri Grunewald, representing self; Kristin Baumgartner, representing self; Carol Kliewer, representing self; Peter Asencio, representing self; Mike Gardner, AZ BEVERAGE ASSOCIATION; Scott Chance, representing self; Pam Throw, representing self; Bev Miller, representing self; Mackenzie Shane, GREATER PHOENIX CHAMBER OF COMMERCE; Gary Zimmerman, representing self; Luis Acosta, Arizona Restaurant Association; Jane Evans, representing self; Ryan Larson, representing self; Nicole LaSlavic, ARIZONA LODGING AND TOURISM ASSOCIATION; Stephanie McQuaid, representing self; Maci Sarli, representing self; Destiny mcquaid, representing self; Cole Turner, representing self; Natalya Streibich, representing self; Samantha Klasinski, representing self; Liz Turner, representing self; Daryn Viser, representing self; Steve Chucri, AZ RESTAURANT ASSOCIATION, Self; Courtney Coolidge, AZ CHAMBER OF COMMERCE; Marlene Leatherwood, representing self

Neutral:

Shirley Dye, representing self

Oppose:

Mary Ann Graffagnino, representing self; Francisco "Hugo" Polanco, LIVING UNITED FOR CHANGE IN ARIZONA; Carol Waymire, representing self; Lena Avalos, LIVING UNITED FOR CHANGE IN ARIZONA; Ben Scheel, Opportunity Arizona; Morningstar Bloom, WORKER POWER; Tracy Gunderson, representing self; Meschelle Hornstein, representing self; Holly Pablo, representing self; Dave Long, representing self; Steve Ramos, representing self; Judith Simons, representing self; Janet Larkin, representing self; Steven Linder, representing self; marilyn duerbeck, representing self; Maria Salvucci, representing self; Kevin Brown, representing self; Beverly Janowitz-Price, representing self; Eve Shapiro, representing self; Laurie Stoff, representing self; Beatriz Urrea, representing self;

Claudia Bloom, representing self; Wes Oswald, representing self; Sallie Kladnik, representing self; Christina Mollica, representing self; Dianne Post, representing self; Cynthia Couture, representing self; Carol Maas, representing self; Sherrilynn James, representing self; Donita Ramos, representing self; Daniella Smith, Arizona Coalition For Working Families; Darrell Boomgaarden, representing self; Katherine Doman Sheydayi, representing self; Gail Kamaras, representing self; Charlie Silver, representing self; Barbara Oliver, representing self; Christine Whitley, representing self; Becky Sayler, representing self; Sally Harvey, representing self; Alexei Sheydayi, representing self; Robin LaVoie, representing self; Julie Golding, representing self; Christine Keitges, representing self; Jackie Rich, representing self; David Myers, representing self; Monica Bills, representing self; Erica Hansen, representing self; Christopher Fallon, representing self; Paisley Rossetti, representing self; Joseph Alexander, representing self; Susan Cook, representing self; Nicole Fordey, representing self; Lisa Maczura, representing self; Karolyn Switzer, representing self; Robert Fisher, representing self; Marilyn Murov, representing self; Penny Boone, representing self; Bryan Lane, representing self; Jim Moran, representing self; Jennifer Dawson, representing self; Robert Larson, representing self; Linda Paul, representing self; Jacqueline deSa, representing self; Nelson Morgan, representing self; Libby Stortz, representing self; Steve Gorman-Hackstadt, representing self; Pamela Chittenden, representing self; Kathleen Woessner, representing self; Linda Edwards, representing self; Diane McQueen, representing self; Jan Perozeni Corbus, representing self; Pat Jayson, representing self; Barbara Larson, representing self; Sharon Arnst, representing self; Matthew Nelson, representing self; Kelly Lake-Warnberg, representing self; Kathy Pyner, representing self; ALICE BUCK, representing self; William S. James, representing self; Eileen Goldman, representing self; Katharine Donahue, representing self; Sharon Ehrlich, representing self; Lawrence Peters, representing self; Rebecca Haynes, representing self; Nancy Hancock, representing self; Loretta O'Connor, representing self; Valerie Policastro Edie, representing self; GARY LEW OLIVER, representing self; Cynthia Wagner, representing self; Linda Block, representing self; Gayle Meredith, representing self; Nataly Reed, representing self; Marilyn Rodriguez, Rural Arizona Action (RAZA); Ralph Meredith, representing self; J Nicholas Prestera, representing self; Connie Cockrell, representing self; Susan Heck, representing self; Margaret Adams , representing self; George Ehrlich, representing self; Margaret Tinsley, representing self; Lois Hansen, representing self; Aaron Essif, representing self; Mary Nelson, representing self; Carol Rohe, representing self; antoinette beiser, representing self; Christopher Cerrato, representing self; Emily Norton, representing self; Jerrold Borchardt, representing self; Dawn Norton LD29, representing self; Gary Rulapaugh, representing self; Chris Senko, representing self; Kathleen Dubbs, representing self; leadawn anderton, representing self; Douglas Cain, representing self; Janie Smieszek, representing self; marcia stewart, representing self; Janet Senf, representing self; Kathleen Schanus-Gohl, representing self; Kathleen Butler, representing self; Jason Backman, representing self; LINDA GANTVERG, representing self; Anne Leota Hart, representing self; Jo Ann Caruthers, representing self; Nancee K Wood, representing self; Marcia Tingley, representing self; Marilyn Coyle, representing self; Patricia Brunner, representing self; Patricia Edelen, representing self; Carol Garnett, representing self; Rebel Rice, representing self; Mary-Jeanne Fincher, representing self; JOHN FIENE, representing self; Kirstin Woodburne, representing self; Murdock Holloway, representing self; Roxanna Kearns, representing self; Stephen Coyle, representing self; Claire Bickel, representing self; Barbara Rodman, representing self; Claudia Miller, representing self; Alice Patricia Price, representing self; Donna Walkuski, representing self; Elissa Karn, representing self; Jeannette Scoufos, representing self; Evan Deaubl, representing self; Lisa Koenig, representing self; Michael Levine, representing self; Elizabeth Brauer, representing self; Kathy Fraser, representing self; Victor Peterson, representing self; Caroline Anderson, representing self; Martha O'Connor, representing self; Bart James, representing self; Diane Klock, representing self; Joyce Howard, representing self; Regina Pennington, representing self; Bonnie Oakes, representing self; Alicia Messing, representing self; Lori Taniguchi, representing self; Barbara McGill, representing self; Nancy Santori, representing self; Beth Ballmann, representing self; Eric Harris, representing self; Srinivas Manne, representing self; William Bowlus-Root, representing self; Margaret Cordovano, representing self; Aaron Torrance, representing self; Charlotte Lis, representing self; Salie Travis, representing self; Edna Weigel, representing self; Kathryn Dorn,

representing self; Gail Prestera, representing self; Kathleen Sauer, representing self; Roger Blain, representing self; Carla Roberts, representing self; Fred Miller, representing self; Greg Olszta, representing self; Ginger Lane, representing self; Crystal Bazarnic, representing self; Laurie Munn, representing self; Katherine Lathrop, representing self; Frederick James, representing self; Mary Martiniak, representing self; Brenda Hughey, representing self; Rachel Rulmyr, representing self; Michael Pyska, representing self; Sandra Adler, representing self; Saher Afzal, representing self; Carolyn Watson, representing self; Teresa Gerschutz, representing self; Erin McCamish, representing self; Andrea Luna Cervantes, representing self; Carmen Terrell, representing self

All Comments:

Bill Blewster, Self: This just reallocates funding where it belongs.; Randal Scott, Self: Go with this one; Laura Magnus, EXPERIENCE SCOTTSDALE: Support with the striker amendment; Bridget Nelke, Self: I agree funds should stay with permanent facilities; Peter Asencio, Self: I am a PC, Father, Husband.; Mike Gardner, AZ BEVERAGE ASSOCIATION: Support the strike everything amendment.; Pam Throw, Self: permanent funds need to go to permanent facilities; Bev Miller, Self: it makes sense to use "permanent funds" to be applied to "permanent" facilities before using them elsewhere; Mackenzie Shane, GREATER PHOENIX CHAMBER OF COMMERCE: Signing in supportive of the striker language on SCR1040; Gary Zimmerman, Self: Imposes proper priorities on school funds.; Luis Acosta, Arizona Restaurant Association: N/A; Steve Chucri, AZ RESTAURANT ASSOCIATION, Self: In favor of the strike everything amendment.; Courtney Coolidge, AZ CHAMBER OF COMMERCE: Support strike everything amendment; Mary Ann Graffagnino, Self: This bill is so unfair. IT offers absolutely no protection for tipped workers. Again, POWER AND MONEY AGAINST THE AVERAGE OR POOR PERSON; Francisco "Hugo" Polanco, LIVING UNITED FOR CHANGE IN ARIZONA: Against the striker; Judith Simons, Self: I strongly oppose this striker as being grossly unfair to restaurant wait staff in particular.; Laurie Stoff, Self: The striker added to this bill would set restaurant workers wages UNDER the minimum wage; Beatriz Urrea, Self: This bill purports to protect tipped workers, when in reality it will result in a decrease of their salaries. Please eliminate this bill!; Claudia Bloom, Self: The only ones needing a sub-minimum hourly wage are wealthy Republican legislators.; Dianne Post, Self: NO to striker creating sub minimum wages. I hardly need to say why this is so wrong.; Daniella Smith, Arizona Coalition For Working Families: Against the striker being offered in House Commerce.; Darrell Boomgaarden, Self: Oppose Striker; Gail Kamaras, Self: I oppose this striker bill as a hoax on tip wage workers. It does not protect, it scams.; Barbara Oliver, Self: This bill comes from the lobbyists from restaurant industry. I am firmly against any lobbyist writing bills! Ironically, Th restaurant lobby calls this the "Tipped Workers Protection Act." IT IS NOT!; Christine Whitley, Self: I vehemently oppose strikers that are not in the public interest. This would create a sub-mininum hourly wage for tipped employees. This bill supports the restaurant industry and not Arizonans supplying the labor for them.; Robin LaVoie, Self: I oppose the striker in this bill; Jackie Rich, Self: Give restaurant workers a livable wage so I can stop tipping so much!!!!; David Myers, Self: Protect workers, not just businesses.; Monica Bills, Self: Protection my ***; Susan Cook, Self: This is not a good plan for working people.; Lisa Maczura, Self: Opposing the striker. Everyone has to eat and make rent. And the young people are voting more and more these days...; Karolyn Switzer, Self: This striker is in no way a "protection" of tipped workers. Those workers deserve a base wage at the current statutory minimum, not one based on tips. Tips should be an additional reward for for good service.; Penny Boone, Self: NO. This is a cruel bill that creates more problems and solves none. NO!; Jennifer Dawson, Self: NO STRIKER!! Unfair to restaurant employees.; Linda Paul, Self: I am opposed to the striker to create a sub minimum wage for tipped workers. I resent having to tip people for providing service. Just give them a fair wage - don't expect customers to pick up the slack!; Nelson Morgan, Self: I oppose the striker to make it legal to pay tipped workers less.; Pamela Chittenden, Self: Protect workers; Pat Jayson, Self: exploits servers by denying them a livable minimum wage; Kelly Lake-Warnberg, Self: Underpaid "tipped" employees deserve protection, too. REMOVE THE STRIKER to create a sub-mininum hourly wage for tipped employees!; Kathy Pyner, Self: Renewing 123 is essential, however funding distribution should be in the hands of locally elected school board members. State legislators can not possibly

understand the needs of each school district.; William S. James, Self: Sub minimum wage; Katharine Donahue, Self: There is a minimum wage for a reason and remember it is a minimum wage - not enough probably to live on. If you hustle and get a good tip, it shouldn't impact the basic wage.; Lawrence Peters, Self: Amending state constitution must be reserved for most vital & universal reasons. Bill is done at behest of special interest group, lobbyists for restaurant industry who oppose sick leave protections. Lawmakers should work for Arizonans betterment.; Rebecca Haynes, Self: A ridiculously misnamed bill. And you wonder why people don't take these jobs?!; Loretta O'Connor, Self: the STRIKER; Cynthia Wagner, Self: Object to striker. Really?! What absurdity.; Linda Block, Self: This is not a protection bill for restaurant workers, but a move by the industry to take advantage of their workers. It is difficult to fill positions now and this bill will make the issue worse.; Marilyn Rodriguez, Rural Arizona Action (RAZA): Opposed to the wage theft striker; Susan Heck, Self: Striker to make a sub minimum wage is atrocious.; Margaret Tinsley, Self: Vote no on the striker please. Tipped workers deserve more protection, not less.; Lois Hansen, Self: restaurant workers dont get benefits or sick leave and now you want to restrict their hourly wages too. not every tipped worker makes alot of money; Aaron Essif, Self: I oppose the striker regarding minimum wage for tipped workers; Dawn Norton LD29, Self: I oppose SCR1040 as it seeks to undermine minimum wage protections for tipped employees, aligning with industry lobbyists over workers' financial security.; Chris Senko, Self: Restaurant workers deserve a living wage.; Kathleen Dubbs, Self: This striker is so egregious there is very little to be said about it. The title is totally ironic.; Janie Smieszek, Self: Wait staff work hard, they have a right to a decent wage.; marcia stewart, Self: THis striker is NOT a protection for workers. This will add additional burdens to the small business owners.; Jason Backman, Self: No to the striker; Anne Leota Hart, Self: I oppose the striker; Jo Ann Caruthers, Self: No on striker.; Marcia Tingley, Self: Creating a sub-minimum hourly wage for tipped employees is a terrible idea and will make it harder for restaurant employees to be able to afford much. Something like should also NEVER be in the AZ Constitution.; Marilyn Coyle, Self: Pay tipped employees minimum hourly wages...tips are not an hourly wage; Patricia Edelen, Self: Get rid of the striker that punishes restaurant workers and uses the misnomer "protection" in it's title.; Carol Garnett, Self: Not an issue that should not be in the Constitution never to be changed later when circumstances change. A gift to the restaurant industry and not the workers.; Rebel Rice, Self: Against Striker - Tipped employees deserve better than this; Mary-Jeanne Fincher, Self: The number of ballot referrals is out of control! We don't want a 2 or 3 card ballot!; JOHN FIENE, Self: Opposed to this and the STRIKER, now called (unbelievably) Tip Workers Protection Act. Create a sub-minimum wage for tipped employees, and call it that? SHAMEFUL! LD1 voter; Kirstin Woodburne, Self: I oppose the striker that would amend the AZ Constitution to create a sub-minimum hourly wage for tipped employees. Stop making it harder for restaurant workers to make a living!; Roxanna Kearns, Self: As the parent of two "tipped" food service employees I know how hard they work. Paying them less than the minimum wage would treat them as subhuman. Oppose this bill!; Alice Patricia Price, Self: striker; Michael Levine, Self: Subject to a striker that would create a sub-mininum hourly wage for tipped employees of up to 25% less than statutory minimum wage. The measure comes from lobbyists for the restaurant industry.; Elizabeth Brauer, Self: I oppose the striker; Nancy Santori, Self: I believe all workers should be paid a fair minimum wage by their employers whether they get tipped or not.; Beth Ballmann, Self: I am against sub-minimum hourly wage for tipped employees which may replace this bill as a striker.; Srinivas Manne, Self: My kids have worked restaurant jobs for long hours and got paid a subsistence wage, even counting tips. This bill would strip wages even further by allowing restaurants to pay less than minimum wage. Why does the bill's sponsor hate tipped workers?; Shirley Dye, Self: This should not be a concurrent resolution! If you cannot get a bill through the legislature as a bill it is not a good bill. I do support the distribution of Trust Land monies to schools but many voters will not understand if you put it to a vote.; Margaret Cordovano, Self: I oppose the striker, allowing tipped employees to be paid less than minimum wage.; Charlotte Lis, Self: No to less than minimum wage for tipped workers; Salie Travis, Self: This proposal does NOT protect workers one bit. Oppose!; Edna Weigel, Self: oppose striker; Kathryn Dorn, Self: Please actually protect restaruant workers and other currently-tipped workers by keeping their minimum wage equal to the statutory minimum wage (and raising that wage)!; Carla Roberts, Self:

Minimum wage is a Human Right! Give the people a livable wage - we aren't slaves.; Fred Miller, Self: Wildy inaccurate title. I am a bartender and this is a terrible bill put up by the restaurant industry.; Crystal Bazarnic, Self: Opposing the striker that would create a low minimum wage for employees who receive tips. Please don't do this to people who are already struggling. Vote no. Thank you.; Rachel Rulmyr, Self: I oppose the language of the striker to change the Arizona Constitution to create a sub minimum hourly wage for tipped employees. This is a ridiculous Bill and should not be voted on to change the Arizona Constitution.; Erin McCamish, Self: All workers deserve a fair wage. I am against the striker.; Carmen Terrell, Self: People are trying to maintain and establish a living until something else comes along. How would anyone like it if one is paid menial wages, knowing tips can be the difference between having the rent paid or not. This is unfair to hardworking people.

COMPLETE FORM FOR PUBLIC RECORD

STATE OF ARIZONA

HOUSE OF REPRESENTATIVES

REQUEST TO SPEAK

Committee on SCR 1040 Date: 3/19/24 Bill Number: _____

Name: Holly Pablo | ❑ Support ☒ Oppose ❑ Neutral | Need to Speak: ☒ Yes ❑ No

Representing: _____ Registered Lobbyist ❑ Yes ❑ No

Address: 2018 W. Jefferson St City/State: Phoenix, AZ Zip Code: 85009

Email Address: HollyPablo3@gmail.com Phone Number: 623-212-9509

Comments: _____

SPEAKING TIME DETERMINED BY THE CHAIRMAN

ARIZONA STATE LEGISLATURE

Fifty-sixth Legislature - Second Regular Session

COMMITTEE ATTENDANCE RECORD

COMMITTEE ON **COMMERCE**

CHAIRMAN: Justin Wilmeth VICE-CHAIRMAN: Michael Carbone

	DATE	03/19/24	/24	/24	/24	/24
	CONVENED	2:07p m	m	m	m	m
	RECESSED					
	RECONVENED					
	ADJOURNED	5:23pm				
MEMBERS						
Aguilar		✓				
Austin		✓				
Carter		✓				
Gress		✓				
Heap		✓				
Hendrix		✓				
Lucking		✓				
Ortiz		✓				
Carbone, Vice-Chairman		✓				
Wilmeth, Chairman		✓				

√ Present --- Absent exc Excused

Attachment 3

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
Second Regular Session
Senate: ED DP 4-3-1-0 | 3rd Read 16-12-2-0

SCR1040: permanent school fund; distribution; uses
S/E: tipped workers; wages
Sponsor: Senator Mesnard, LD 13
Committee on Commerce

Summary of the Strike-Everything Amendment to SCR 1040

Overview
Subject to voter approval, adds a new section to the State Constitution relating to wages of tipped workers.

History
In 2016, voters approved The Fair Wages and Healthy Families Act (Proposition 206) which established statutory law governing the requirements for a state minimum wage.

Pursuant to A.R.S. § 23-363, employers are required to pay employees a minimum wage. The minimum wage is annually increased based on the cost of living which is measured by the percentage increase as of August of the immediately preceding year over the level as of August of the previous year of the consumer price index (all urban consumers, U.S. city average for all items) as published by the U.S. Department of Labor, with the amount of the minimum wage increase rounded to the nearest multiple of five cents.

Employers are permitted to pay an employee who customarily and regularly receives tips or gratuities from patrons or others a wage up to $3 per hour less than the minimum wage provided the employer can establish by its records of charged tips or by the employee's declaration for Federal Insurance Contributions Act purposes that for each week, when adding tips received to wages paid, the employee received not less than the minimum wage for all hours worked. Compliance must be determined by averaging tips received by the employee over the course of the employer's payroll period or any other period selected by the employer that complies with regulations adopted by the Industrial Commission of Arizona.

According to the Industrial Commission of Arizona, the current state minimum wage is $14.35 per hour.

Provisions
1. Allows an employer, for any employee who customarily and regularly receives tips or gratuities from patrons or others, to pay a wage up to 25% per hour less than the statutorily set minimum wage provided the employer can establish by the employer's records of charged tips or gratuities or by the employee's declaration for Federal Insurance Contributions Act purposes that for each week, when adding tips or gratuities

☐ Prop 105 (45 votes)	☐ Prop 108 (40 votes)	☐ Emergency (40 votes)	☐ Fiscal Note

received to wages paid, the employee received not less than the minimum wage plus $2 for all hours worked.

2. Asserts that compliance is determined by averaging tips or gratuities received by the employee over the course of the employer's payroll period or any other period selected by the employer that complies with laws enacted by the Legislature.
3. Cities this act as the "Tipped Workers Protection Act."
4. Requires the Secretary of State to submit this proposition to the voters at the next general election.

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.C.R. 1040

(Reference to Senate engrossed resolution)

Strike everything after the resolving clause and insert:

"1. Article XVIII, Constitution of Arizona, is proposed to be amended by adding section 11 as follows if approved by the voters and on proclamation of the Governor:

11. Tipped workers; wages

SECTION 11. FOR ANY EMPLOYEE WHO CUSTOMARILY AND REGULARLY RECEIVES TIPS OR GRATUITIES FROM PATRONS OR OTHERS, THE EMPLOYER MAY PAY A WAGE UP TO TWENTY-FIVE PERCENT PER HOUR LESS THAN THE MINIMUM WAGE ESTABLISHED BY STATUTE IF THE EMPLOYER CAN ESTABLISH BY THE EMPLOYER'S RECORDS OF CHARGED TIPS OR GRATUITIES OR BY THE EMPLOYEE'S DECLARATION FOR FEDERAL INSURANCE CONTRIBUTIONS ACT PURPOSES THAT FOR EACH WEEK, WHEN ADDING TIPS OR GRATUITIES RECEIVED TO WAGES PAID, THE EMPLOYEE RECEIVED NOT LESS THAN THE MINIMUM WAGE PLUS $2 FOR ALL HOURS WORKED. COMPLIANCE WITH THIS SECTION IS DETERMINED BY AVERAGING TIPS OR GRATUITIES RECEIVED BY THE EMPLOYEE OVER THE COURSE OF THE EMPLOYER'S PAYROLL PERIOD OR ANY OTHER PERIOD SELECTED BY THE EMPLOYER THAT COMPLIES WITH LAWS ENACTED BY THE LEGISLATURE.

Sec. 2. Short title

This act may be cited as the "Tipped Workers Protection Act".

2. The Secretary of State shall submit this proposition to the voters at the next general election as provided by article XXI, Constitution of Arizona."

Amend title to conform

JUSTIN WILMETH

SCR1040WILMETH SE.docx
03/15/2024
12:39 PM
H: PB/ls

Adopted ✓ # of Verbals _____
Failed _____ Withdrawn _____
Not Offered ____ Analysts Initials ___

Attachment 5

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-sixth Legislature - Second Regular Session

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SCR 1040

DATE March 19, 2024 MOTION: DPA / SE

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar					✓
Austin			✓		
Carter		✓			
Gress		✓			
Heap		✓			
Hendrix		✓			
Lucking			✓		
Ortiz			✓		
Carbone, Vice-Chairman		✓			
Wilmeth, Chairman		✓			
		6	3	0	1

APPROVED:

JUSTIN WILMETH, Chairman
MICHAEL CARBONE, Vice-Chairman

Susan Hughes
COMMITTEE SECRETARY

ATTACHMENT 6

SCR 1040

RESTAURANT WORKERS OF AMERICA

- **Tips will decrease.** A 2016 Census Bureau study showed that as the base wage for tipped workers increased, our tips decreased. This is laid bare in a Bureau of Labor Statistics study that found tipped workers are making less even as their base wage goes up.
- **Kitchen workers will suffer the most.** With tipped workers being given a raise that they are not asking for, how long will a kitchen employee have to wait for their annual raise? Will they ever see one?
- **A monumental shift towards quick service restaurants/counter service.** In the seven states without a tip credit, you may see restaurants opening, but it's important to note that few of them are full-service restaurants. Ultimately, getting rid of the tip credit will eliminate our jobs entirely.
- **Automation.** All over the country we're seeing more iPads at dining tables—a move like this eliminates 80-90 percent of waitstaff. Without a tip credit, more restaurants will turn to automation to keep costs down, meaning countless jobs will be lost.
- **Service charges will be implemented.** Unlike tips, service charges are property of the business—not tipped workers. Those monies can be given out in any way that the business sees fit, and may not be given out as gratuities at all.

On top of how COVID-19 has ravaged our industry over the last year, eliminating the tipped wage system could be the final nail in the coffin for a large swath of our industry, and would ultimately be irresponsible legislation. **This is not a broken system in need of fixing, and we, tipped workers, are not asking to be saved.**

Who we are

The Restaurant Workers of America (RWA) is an employee advocacy organization dedicated to the preservation of tip income, and to the well-being of employees in the full-service restaurant industry.

Our focus is to educate both members and non-members about economic and legislative issues pertaining to the restaurant industry. Specifically, RWA is dedicated to preserving the freedom and flexibility of America's restaurant workers by advocating for a tip credit in states without one and to protect it where it is currently in place.

Learn more at RestaurantWorkersofAmerica.org.

Attachment 7

RESTAURANT WORKERS OF AMERICA

Restaurant Workers Say NO to Eliminating the Tip Credit

"It's important to recognize that when we hear minimum wage bills, we don't hear minimum wage workers saying 'we don't want this." But in this instance, it is in fact, the tipped workers who are saying exactly that. They want to keep the tip credit."

—Chairman of the Washington, DC City Council

What is the tip credit, and why does it matter?

Federal law and most states allow tipped workers to be paid a lower minimum wage, as long as they earn at least the full minimum wage when tips are included. (The difference between the tipped wage and the full minimum wage is called the "tip credit.") If tips plus the tipped wage does not equal at least the current minimum wage, then businesses are legally required to make up that amount. **Under this current model, most servers and bartenders make well above the minimum wage when their tips are included.**

Tipped workers prefer the current tipped wage system, and have fought to preserve it

When the tip credit was eliminated in Maine and Washington, D.C., restaurant workers came out in droves to testify. After hearing from tipped workers, legislators in both places voted in a bipartisan way to reinstate the tip credit and restore the tipped wage system.

In many other states that have tried to eliminate the tip credit, including New York, Virginia, Maryland, Massachusetts, and New Mexico, legislators have listened to the workers who would be most intimately impacted by tip credit elimination, often included in legislation that's meant to increase the minimum wage.

We are real tipped workers, not big money lobbyists

It's critical that legislators listen to tipped workers, facts, math, and common sense instead of relying on an anti-tipping "narrative" that's being pushed forward by big money lobbyists like "One Fair Wage" (OFW). What OFW and its sister organization the Restaurant Opportunities Center (ROC) lack in true worker representation and facts, they certainly make up for in big money donors.

Unintended Consequences of Eliminating the Tip Credit:

- **Entry level jobs will be the first to go.** Positions like bussers, food runners, expos, and barbacks will no longer exist. As a result, servers & bartenders will be spread too thin to deliver the quality of service that we strive for.

Protect Tips in Arizona

Outside special interest groups are gathering signatures to pass a voter initiative in November 2024 that will raise the minimum wage for tipped and non-tipped employees and eliminate the tip credit that is so important to restaurant servers and tipped workers, Arizona's restaurant and hospitality industry, Arizona Restaurant Association members, the dining public, local communities and Arizona's economic vitality.

What is a Tip Credit?

In Arizona, restaurants may pay tipped employees $3 less than the nominal minimum wage (currently $14.35). Tipped employees are still legally guaranteed to earn the full minimum wage, and the vast majority earn substantially more through our tipping system. According to the National Restaurant Association, tipped employees earn between $19 and $41 per hour, with the average being $27 per hour. When employers take the $3 tip credit, they have more revenue to invest in the business and hire more staff.

How would the elimination of the tip credit impact the restaurant business?

With historic inflation over the past few years, in addition to soaring food costs and wage rates, rising credit card fees and supply chain issues, many restaurants are already struggling to survive. This measure would further cripple the restaurant industry, which already operates on thin margins.

If passed, this measure will increase labor expenses for tipped employes by nearly 60% while giving zero benefit to tipped employees. Additionally, it could force restaurant operators to reduce or cut employee benefits and insurance, decrease their workforce, raise prices charged to guests or close their doors altogether. Eliminating the tipped wage would be especially harmful to small and independent Arizona restaurant operators, their employees, and to those in Arizona's smaller cities and towns.

What has happened in jurisdictions that have eliminated the tip credit?

Similar measures have passed in seven states and territories, including California, Guam, Minnesota, Montana, Nevada, Oregon and Washington, and larger cities such as Chicago and Washington D.C. The negative impacts have been immediate and felt by both operators and employees.

We see a massive spike in service charges, operators shifting to counter service, decreased hours, laid off workers, and huge price increases for customers. Most worrisome for employees is that these jurisdictions see lower tip percentages, resulting in lower hourly earnings for our tipped employees. A National Restaurant Association survey of 1,000 D.C.-area adults found more than half are dining out less because of higher prices and when they do, are more reluctant to leave an additional tip for their server due to higher prices or mandatory service charges.

> *"It's important to recognize that when we hear minimum wage bills, we don't hear minimum wage workers saying 'we don't want this.' But, in this instance, it is in fact, the tipped workers who are saying exactly that. They want to keep the tip credit."*
>
> - Chairman of the Washington, DC City Council (hearing on elimination of the tip credit)

What is the Strike Everything Amendment to SCR 1040?

A proposed amendment to SCR 1040 will be heard in the Arizona House Commerce Committee on Tuesday, February 19, 2024, at 2:00PM. The amendment will give voters the opportunity to protect the tip credit while increasing the guaranteed base wage to servers. By giving the tip credit constitutional protection, SCR 1040 will protect the tipping system in Arizona and will help us fight back against the attempt to eliminate the tip credit and tipping in Arizona.

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
Second Regular Session
Senate: FICO DP 6-0-1-0 | 3rd Read 22-6-2-0

SB 1053: metal theft study committee
S/E: Arizona-Ireland trade commission
Sponsor: Senator Carroll, LD 28
Committee on Commerce

Summary of the Strike-Everything Amendment to SB 1053

Overview
Creates the Arizona-Ireland Trade Commission.

History
The Arizona Commerce Authority's (ACA) mission is to provide private sector leadership in growing and diversifying the economy of Arizona, creating high quality employment in Arizona through expansion, attraction and retention of businesses and marketing Arizona for the purpose of expansion, attraction and retention of businesses (A.R.S. § 41-1502).

Statute outlines the responsibilities of the ACA which include to establish and supervise the operations of full-time or part-time offices in other states and foreign countries for the purpose of expanding direct investment and export trade opportunities for businesses and industries in this state if, based on objective research, the authority determines that the effort would be beneficial to the economy of this state (A.R.S. § 41-1504).

Provisions
1. Establishes, within the ACA, the 9-member Arizona-Ireland Trade Commission (Commission) which consists of four members who are appointed by the Legislature and five members who are appointed by the Governor. (Sec. 1)
2. Requires the appointments to be made by December 31, 2024. (Sec. 1)
3. Specifies members serve 4-year terms and vacancies must be filled in the same manner as the initial appointment. (Sec. 1)
4. Authorizes members of the Commission to receive compensation and reimbursement of expenses as provided by statute. (Sec. 1)
5. Allows the Commission to accept gifts, grants, donations, monies from fundraising activities, bequests and other forms of voluntary contributions to carry out the Commission's purposes. (Sec. 1)
6. Directs the Commission to:
   a) advance bilateral trade and investment between Arizona and Ireland;
   b) initiate joint action on policy issues of mutual interest between Arizona and Ireland;
   c) promote business and academic exchanges between Arizona and Ireland;

☐ Prop 105 (45 votes)	☐ Prop 108 (40 votes)	☐ Emergency (40 votes)	☐ Fiscal Note

d) encourage mutual economic support between Arizona and Ireland;
e) encourage mutual investment in the infrastructure of Arizona and Ireland; and
f) meet at least annually and at the call of the member-elected chairperson. (Sec. 1)

7. Instructs the Commission, by December 31, 2025, and each year thereafter, to submit an annual findings, results and recommendations report to the Governor and Legislature and provide a copy of the report to the Secretary of State. (Sec. 1)

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1053

(Reference to Senate engrossed bill)

Strike everything after the enacting clause and insert:

"Section 1. Title 41, chapter 10, article 1, Arizona Revised Statutes, is amended by adding section 41-1527, to read:

41-1527. Arizona-Ireland trade commission; membership; duties; annual report

A. THE ARIZONA-IRELAND TRADE COMMISSION IS ESTABLISHED IN THE AUTHORITY. THE COMMISSION MEMBERSHIP CONSISTS OF:

1. TWO MEMBERS WHO HAVE KNOWLEDGE OF OR ANY INVOLVEMENT IN ORGANIZATIONS THAT PROMOTE IRISH AFFAIRS OR WHO HAVE INTEREST IN THE WELL-BEING OF TRADE RELATIONS BETWEEN THIS STATE AND IRELAND. THE PRESIDENT OF THE SENATE SHALL APPOINT THESE MEMBERS.

2. TWO MEMBERS WHO HAVE KNOWLEDGE OF OR ANY INVOLVEMENT IN ORGANIZATIONS THAT PROMOTE IRISH AFFAIRS OR WHO HAVE INTEREST IN THE WELL-BEING OF TRADE RELATIONS BETWEEN THIS STATE AND IRELAND. THE SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL APPOINT THESE MEMBERS.

3. FIVE MEMBERS WHO ARE APPOINTED BY THE GOVERNOR, INCLUDING:

(a) AT LEAST ONE MEMBER FROM A PUBLIC INSTITUTION OF HIGHER EDUCATION.

(b) THE CHIEF EXECUTIVE OFFICER OR THE CHIEF EXECUTIVE OFFICER'S DESIGNEE.

(c) AT LEAST TWO MEMBERS OF THE PUBLIC WHO ARE FROM DIFFERENT POLITICAL PARTIES AND WHO REPRESENT IRISH-AMERICAN COMMUNITIES OR INTERESTS IN THIS STATE.

B. ALL APPOINTMENTS SHALL BE MADE NOT LATER THAN DECEMBER 31, 2024, AND SHALL BE FOR A TERM OF FOUR YEARS. ALL VACANCIES SHALL BE FILLED IN

Attachment 9

Adopted ✓ # of Verbals ____
Failed ____ Withdrawn ____
Not Offered ____ Analysts Initials ____

THE SAME MANNER AS THE INITIAL APPOINTMENT. APPOINTED MEMBERS OF THE COMMISSION SHALL RECEIVE COMPENSATION AS DETERMINED PURSUANT TO SECTION 38-611 FOR EACH DAY ACTUALLY SPENT IN THE PERFORMANCE OF OFFICIAL DUTIES AND ARE ELIGIBLE FOR REIMBURSEMENT OF EXPENSES PURSUANT TO TITLE 38, CHAPTER 4, ARTICLE 2.

C. THE COMMISSION MAY ACCEPT GIFTS, GRANTS, DONATIONS, MONIES FROM FUNDRAISING ACTIVITIES, BEQUESTS AND OTHER FORMS OF VOLUNTARY CONTRIBUTIONS TO CARRY OUT THE PURPOSES OF THE COMMISSION.

D. THE COMMISSION SHALL:

1. ANNUALLY ELECT A CHAIRPERSON AND VICE CHAIRPERSON FROM AMONG ITS MEMBERS.

2. MEET AT LEAST ANNUALLY AND AT THE CALL OF THE CHAIRPERSON.

3. ADVANCE BILATERAL TRADE AND INVESTMENT BETWEEN THIS STATE AND IRELAND.

4. INITIATE JOINT ACTION ON POLICY ISSUES OF MUTUAL INTEREST BETWEEN THIS STATE AND IRELAND.

5. PROMOTE BUSINESS AND ACADEMIC EXCHANGES BETWEEN THIS STATE AND IRELAND.

6. ENCOURAGE MUTUAL ECONOMIC SUPPORT BETWEEN THIS STATE AND IRELAND.

7. ENCOURAGE MUTUAL INVESTMENT IN THE INFRASTRUCTURE OF THIS STATE AND IRELAND.

8. ON OR BEFORE DECEMBER 31, 2025 AND EACH YEAR THEREAFTER, SUBMIT AN ANNUAL REPORT CONTAINING THE COMMISSION'S FINDINGS, RESULTS AND RECOMMENDATIONS TO THE GOVERNOR, THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND PROVIDE A COPY OF THIS REPORT TO THE SECRETARY OF STATE."

Amend title to conform

JUSTIN WILMETH

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ARIZONA HOUSE OF REPRESENTATIVES
Fifty-sixth Legislature - Second Regular Session

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1053

DATE March 19, 2024 MOTION: DPA /SE

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar					✓
Austin				✓	
Carter			✓		
Gress		✓			
Heap			✓		
Hendrix				✓	
Lucking		✓			
Ortiz		✓			
Carbone, Vice-Chairman		✓			
Wilmeth, Chairman		✓			
		5	2	2	1

Susan Hughes
COMMITTEE SECRETARY

APPROVED:

JUSTIN WILMETH, Chairman
MICHAEL CARBONE, Vice-Chairman

ATTACHMENT 10

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
Second Regular Session
Senate: FICO DP 4-3-0-0 | 3rd Read 17-13-0-0

SB 1506: municipalities; housing; commercial redevelopment; zoning
Sponsor: Senator Shamp, LD 29
Committee on Commerce

Overview
Requires certain municipalities to allow residential or mixed use on a portion of its land zoned for commercial, office, retail or parking use. Outlines development standards for residential or mixed use projects.

History
Statute authorizes municipalities to adopt zoning ordinances and codes to conserve and promote the public health, safety, convenience and general welfare. A municipality may: 1) regulate the use of buildings, structures and land between agriculture residence, industry and business; 2) regulate the location, height, bulk, number of stories and size of buildings and structures, the size and use of lots, yards, courts and other open spaces, the percentage of a lot that may be occupied by a building or structure, access to incident solar energy and the intensity of land use; 3) establish requirements for off-street parking and loading; 4) establish and maintain building setback lines; and 5) establish floodplain and age-specific community zoning districts and districts of historical significance (A.R.S. § 9-462.01).

Provisions
1. Stipulates certain municipalities must adopt regulations that allow, as a permitted use, residential or mixed use on at least 75% of municipal land that is zoned for commercial, office, retail or parking use. (Sec. 1)
2. Outlines restrictions that a municipality may impose, with regards to a maximum height, length and width, a minimum building separation and setbacks, on:
   a) new structures being developed into a residential use or mixed use project; and
   b) structures being converted to residential use or mixed use through an adaptive reuse project. (Sec. 1)
3. Allows a municipality, for a commercial redevelopment area, to impose specified restrictions relating to:
   a) a maximum lot size;
   b) parking space specifications; and
   c) requirements for the location of and access to public rights-of-ways, sidewalks and parks. (Sec. 1)
4. Prohibits a municipality, for a commercial redevelopment area, from adopting or enforcing any code, ordinance, regulation or other requirements that require:
   a) zoning restrictions related to density beyond those allowed by statute;
   b) screening, walls or fences; or

☐ Prop 105 (45 votes) ☐ Prop 108 (40 votes) ☐ Emergency (40 votes) ☐ Fiscal Note

c) a shared feature or amenity requiring an association to maintain the shared feature or amenity, unless necessary for stormwater management. (Sec. 1)

5. Specifies the specified development regulations do not supersede applicable building codes, fire codes or public health and safety regulations. (Sec. 1)
6. Stipulates residential housing must be allowed on all land zoned for office, retail, parking or other commercial use without limitations beginning January 2, 2025, if the municipality fails to adopt the specified development regulations by January 1, 2025. (Sec. 1)
7. Defines pertinent terms. (Sec. 1)

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-sixth Legislature - Second Regular Session

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1506

DATE March 19, 2024 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar					✓
Austin		✓			
Carter			✓		
Gress			✓		
Heap			✓		
Hendrix		✓			
Lucking		✓			
Ortiz		✓			
Carbone, Vice-Chairman		✓			
Wilmeth, Chairman		✓			
		6	3	0	1

Susan Hughes
COMMITTEE SECRETARY

APPROVED:

JUSTIN WILMETH, Chairman
MICHAEL CARBONE, Vice-Chairman

ATTACHMENT 12

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
Second Regular Session
Senate: TTMC DP 4-2-1-0 | 3rd Read 24-4-2-0

SB 1162: telecommunications fund; report; posting
S/E: residential zoning; housing; assessment; hearings
Sponsor: Senator Shamp, LD 29
Committee on Commerce

Summary of the Strike-Everything Amendment to SB 1162

Overview
Establishes requirements relating to zoning ordinances and a housing needs assessment.

History
Statute authorizes municipalities to adopt zoning ordinances and codes to conserve and promote the public health, safety and general welfare and outlines zoning guidelines and requirements. Municipalities must adopt, by ordinance, a citizen review process that applies to all rezoning and specific plan applications that require a public hearing (A.R.S. §§ 9-462.01 and 9-462.03).

If a municipality has a planning commission or a hearing officer, the commission or officer must hold a public hearing on any zoning ordinance. If 20% or more of the owners of the property within the zoning area of the affected property file a written protest against a proposed amendment, the change can only become effective by a favorable vote of three-fourths of all members of the governing body. If any members of the governing body are unable to vote on such a question, then the required number of votes for passage of the question is three-fourths of the remaining membership of the governing body, provided that such required number of votes cannot be less than a majority of the full membership of the legally established governing body (A.R.S. § 9-462.04).

Municipalities are statutory required to have in place an overall time frame for issuing licenses during which the municipality will either grant or deny each type of license that it issues. The overall time frame for each license type must separately state the administrative completeness review and the substantive review time frame. The municipality must issue a notice of administrative completeness or deficiencies to a license applicant within the administrative completeness review time frame. If the municipality determines that an application for a license is not administratively complete, the municipality must include a comprehensive list of the specific deficiencies in the notice to the applicant. If the municipality does not issue a notice of administrative completeness or deficiencies within the time frame, the application for the license is deemed administratively complete. If the municipality issues a timely notice of deficiencies, an application is not complete until all requested information has been received by the municipality (A.R.S. § 9-835).

☐ Prop 105 (45 votes)	☐ Prop 108 (40 votes)	☐ Emergency (40 votes)	☐ Fiscal Note

Provisions

Zoning Ordinance Amendment

1. Instructs a municipality, by January 1, 2025, to adopt an amendment to the zoning ordinance that requires the determination of whether a zoning application is administratively complete within 30 after receiving the application. (Sec. 2)
2. Stipulates the municipality that determines the application is not administratively complete must follow the statutory procedures relating to administrative completeness until the application is administratively complete. (Sec. 2)
3. Instructs a municipality to determine whether a resubmitted application is administratively complete within 15 days after receiving the resubmitted application. (Sec. 2)
4. Requires the municipality to approve or deny the application within 180 days after determining that the application is administratively complete. (Sec. 2)
5. Provides reasons for which a municipality may extend the time frame to approve or deny the request beyond 180 days. (Sec. 2)
6. Specifies the requirements for a zoning ordinance amendment do not apply to:
   a) land that is designated as a district of historical significance;
   b) an area that is designated as historic on the national register of historic places; or
   c) planned area developments. (Sec. 2)

Housing Needs Assessment; Annual Report

7. Instructs a municipality, beginning January 1, 2025, and every five years thereafter, to publish a housing needs assessment. (Sec. 3)
8. Outlines information that must be included in the housing needs assessment. (Sec. 3)
9. Instructs a municipality, beginning January 1, 2025, and every year thereafter, to submit an annual report to the Arizona Department of Housing which accounts for the total number of:
   a) proposed residential housing units submitted to the municipality;
   b) net new residential housing units submitted to the municipality; and
   c) new residential housing units that are entitled, platted, permitted and have received a certificate of occupancy. (Sec. 3)
10. Outlines information that must be included in the annual report. (Sec. 3)
11. Requires a municipality that has previously conducted a housing needs assessment report to amend the report to include the required information as outlined. (Sec. 3)
12. Adds that the Arizona Department of Housing must submit the compiled reports relating to residential housing units to the Governor and the Legislature. (Sec. 3)
13. Specifies a municipality is not obligated to fulfill the projections in the housing needs assessment. (Sec. 3)
14. Exempts a municipality that is located on tribal land or has a population of less than 30,000 persons from the housing needs assessment and annual reporting requirements. (Sec. 3)

Miscellaneous

15. Specifies the property for which property owners within a zoning area may file a protest against a proposed zoning amendment excludes government owned property. (Sec. 1)

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1162

(Reference to Senate engrossed bill)

Strike everything after the enacting clause and insert:

"Section 1. Section 9-462.04, Arizona Revised Statutes, is amended to read:

9-462.04. Public hearing required; definition

A. If the municipality has a planning commission or a hearing officer, the planning commission or hearing officer shall hold a public hearing on any zoning ordinance. Notice of the time and place of the hearing including a general explanation of the matter to be considered and including a general description of the area affected shall be given at least fifteen days before the hearing in the following manner:

1. The notice shall be published at least once in a newspaper of general circulation published or circulated in the municipality, or if there is none, it shall be posted on the affected property in such a manner as to be legible from the public right-of-way and in at least ten public places in the municipality. A posted notice shall be printed so that the following are visible from a distance of one hundred feet: the word "zoning", the present zoning district classification, the proposed zoning district classification and the date and time of the hearing.

2. In proceedings involving rezoning of land that abuts other municipalities or unincorporated areas of the county or a combination of a municipality and an unincorporated area, copies of the notice of public hearing shall be transmitted to the planning agency of the governmental unit abutting such land. In proceedings involving rezoning of land that is located within the territory in the vicinity of a military airport or ancillary military facility as defined in section 28-8461, the

Adopted ✓ # of Verbals _____
Failed _____ Withdrawn _____
Not Offered ____ Analysts Initials ___

Attachment 14

municipality shall send copies of the notice of public hearing by first class mail to the military airport. In addition to notice by publication, a municipality may give notice of the hearing in any other manner that the municipality deems necessary or desirable.

3. In proceedings that are not initiated by the property owner involving rezoning of land that may change the zoning classification, notice by first class mail shall be sent to each real property owner, as shown on the last assessment of the property, of the area to be rezoned and all property owners, as shown on the last assessment of the property, within three hundred feet of the property to be rezoned.

4. In proceedings involving one or more of the following proposed changes or related series of changes in the standards governing land uses, notice shall be provided in the manner prescribed by paragraph 5 of this subsection:

(a) A ten percent or more increase or decrease in the number of square feet or units that may be developed.

(b) A ten percent or more increase or reduction in the allowable height of buildings.

(c) An increase or reduction in the allowable number of stories of buildings.

(d) A ten percent or more increase or decrease in setback or open space requirements.

(e) An increase or reduction in permitted uses.

5. In proceedings governed by paragraph 4 of this subsection, the municipality shall provide notice to real property owners pursuant to at least one of the following notification procedures:

(a) Notice shall be sent by first class mail to each real property owner, as shown on the last assessment, whose real property is directly governed by the changes.

(b) If the municipality issues utility bills or other mass mailings that periodically include notices or other informational or advertising materials, the municipality shall include notice of the changes with such utility bills or other mailings.

(c) The municipality shall publish the changes before the first hearing on such changes in a newspaper of general circulation in the municipality. The changes shall be published in a "display ad" covering not less than one-eighth of a full page.

6. If notice is provided pursuant to paragraph 5, subdivision (b) or (c) of this subsection, the municipality shall also send notice by first class mail to persons who register their names and addresses with the municipality as being interested in receiving such notice. The municipality may charge a fee not to exceed $5 per year for providing this service and may adopt procedures to implement this paragraph.

7. Notwithstanding the notice requirements in paragraph 4 of this subsection, the failure of any person or entity to receive notice does not constitute grounds for any court to invalidate the actions of a municipality for which the notice was given.

B. If the matter to be considered applies to territory in a high noise or accident potential zone as defined in section 28-8461, the notice prescribed in subsection A of this section shall include a general statement that the matter applies to property located in the high noise or accident potential zone.

C. After the hearing, the planning commission or hearing officer shall render a decision in the form of a written recommendation to the governing body. The recommendation shall include the reasons for the recommendation and be transmitted to the governing body in the form and manner prescribed by the governing body.

D. If the planning commission or hearing officer has held a public hearing, the governing body may adopt the recommendations of the planning commission or hearing officer without holding a second public hearing if there is no objection, request for public hearing or other protest. The governing body shall hold a public hearing if requested by the party aggrieved or any member of the public or of the governing body, or, in any case, if a public hearing has not been held by the planning commission or hearing officer. The governing body may consider the testimony of any party aggrieved when making its decision. In municipalities with

territory in the vicinity of a military airport or ancillary military facility as defined in section 28-8461, the governing body shall hold a public hearing if, after notice is transmitted to the military airport pursuant to subsection A of this section and before the public hearing, the military airport provides comments or analysis concerning the compatibility of the proposed rezoning with the high noise or accident potential generated by military airport or ancillary military facility operations that may have an adverse impact on public health and safety, and the governing body shall consider and analyze the comments or analysis before making a final determination. Notice of the time and place of the hearing shall be given in the time and manner provided for the giving of notice of the hearing by the planning commission as specified in subsection A of this section. A municipality may give additional notice of the hearing in any other manner as the municipality deems necessary or desirable. For the purposes of this subsection, "party aggrieved" means any property owner within the notification area prescribed by subsection A, paragraph 3 of this section.

E. A municipality may enact an ordinance authorizing county zoning to continue in effect until municipal zoning is applied to land previously zoned by the county and annexed by the municipality, but not longer than six months after the annexation.

F. A municipality is not required to adopt a general plan before the adoption of a zoning ordinance.

G. If there is no planning commission or hearing officer, the governing body of the municipality shall perform the functions assigned to the planning commission or hearing officer.

H. If the owners of twenty percent or more of the property by area and number of lots, tracts and condominium units within the zoning area of the affected property, EXCLUDING GOVERNMENT OWNED PROPERTY, file a protest in writing against a proposed amendment, the change shall not become effective except by the favorable vote of three-fourths of all members of the governing body of the municipality. If any members of the governing body are unable to vote on such a question because of a conflict of

interest, then the required number of votes for passage of the question shall be three-fourths of the remaining membership of the governing body, provided that such required number of votes shall not be less than a majority of the full membership of the legally established governing body. For the purposes of this subsection, the vote shall be rounded to the nearest whole number. A protest filed pursuant to this subsection shall be signed by the property owners, EXCLUDING GOVERNMENT OWNED PROPERTY, opposing the proposed amendment and filed in the office of the clerk of the municipality not later than 12:00 noon one business day before the date on which the governing body will vote on the proposed amendment or on an earlier time and date established by the governing body.

I. In applying an open space element or a growth element of a general plan, a parcel of land shall not be rezoned for open space, recreation, conservation or agriculture unless the owner of the land consents to the rezoning in writing.

J. Notwithstanding section 19-142, subsection B, a decision by the governing body involving rezoning of land that is not owned by the municipality and that changes the zoning classification of such land may not be enacted as an emergency measure and the change shall not be effective for at least thirty days after final approval of the change in classification by the governing body.

K. For the purposes of this section, "zoning area" means both of the following:

1. The area within one hundred fifty feet, including all rights-of-way, of the affected property subject to the proposed amendment or change.

2. The area of the proposed amendment or change.

Sec. 2. Title 9, chapter 4, article 6.1, Arizona Revised Statutes, is amended by adding section 9-462.10, to read:

9-462.10. Residential zoning; amendment; applications; deadline; extensions; applicability

A. ON OR BEFORE JANUARY 1, 2025, A MUNICIPALITY SHALL ADOPT AN AMENDMENT TO THE MUNICIPALITY'S ZONING ORDINANCE THAT REQUIRES THE

MUNICIPALITY TO DETERMINE WHETHER A ZONING APPLICATION IS ADMINISTRATIVELY COMPLETE WITHIN THIRTY DAYS AFTER RECEIVING THE APPLICATION. IF THE MUNICIPALITY DETERMINES THAT THE APPLICATION IS NOT ADMINISTRATIVELY COMPLETE, THE MUNICIPALITY SHALL FOLLOW THE PROCEDURES PRESCRIBED IN SECTION 9-835, SUBSECTION E UNTIL THE APPLICATION IS ADMINISTRATIVELY COMPLETE. THE MUNICIPALITY SHALL DETERMINE WHETHER A RESUBMITTED APPLICATION IS ADMINISTRATIVELY COMPLETE WITHIN FIFTEEN DAYS AFTER RECEIVING THE RESUBMITTED APPLICATION. AFTER DETERMINING THAT THE APPLICATION IS ADMINISTRATIVELY COMPLETE, THE MUNICIPALITY SHALL APPROVE OR DENY THE APPLICATION WITHIN ONE HUNDRED EIGHTY DAYS.

B. NOTWITHSTANDING SUBSECTION A OF THIS SECTION, THE MUNICIPALITY MAY EXTEND THE TIME FRAME TO APPROVE OR DENY THE REQUEST BEYOND ONE HUNDRED EIGHTY DAYS FOR EITHER OF THE FOLLOWING REASONS:

1. FOR EXTENUATING CIRCUMSTANCES, THE MUNICIPALITY MAY GRANT A ONETIME EXTENSION OF NOT MORE THAN THIRTY DAYS.

2. IF AN APPLICANT REQUESTS AN EXTENSION, THE MUNICIPALITY MAY GRANT EXTENSIONS OF THIRTY DAYS FOR EACH EXTENSION GRANTED.

C. THIS SECTION DOES NOT APPLY TO LAND THAT IS DESIGNATED AS A DISTRICT OF HISTORICAL SIGNIFICANCE PURSUANT TO SECTION 9-462.01, SUBSECTION A, PARAGRAPH 10 OR AN AREA THAT IS DESIGNATED AS HISTORIC ON THE NATIONAL REGISTER OF HISTORIC PLACES OR PLANNED AREA DEVELOPMENTS.

Sec. 3. Title 9, chapter 4, article 6.4, Arizona Revised Statutes, is amended by adding section 9-469, to read:

9-469. Municipal housing needs assessment; annual report; applicability

A. BEGINNING JANUARY 1, 2025 AND EVERY FIVE YEARS THEREAFTER, A MUNICIPALITY SHALL PUBLISH A HOUSING NEEDS ASSESSMENT THAT INCLUDES THE FOLLOWING:

1. THE TOTAL POPULATION GROWTH PROJECTED FOR THE SUBSEQUENT FIVE-YEAR PERIOD.

2. THE TOTAL JOB GROWTH PROJECTED FOR THE SUBSEQUENT FIVE-YEAR PERIOD.

3. THE TOTAL AMOUNT OF RESIDENTIALLY ZONED LAND WITH DETAIL ON LAND ZONED AS SINGLE-FAMILY AND MULTIFAMILY.

4. THE TOTAL NEED FOR ADDITIONAL RESIDENTIAL HOUSING UNITS FOR RENT AND FOR SALE IN THE MUNICIPALITY TO MEET:

(a) ANY DEFICIENCIES IN HOUSING THE EXISTING POPULATION.

(b) ANY DEFICIENCIES IN HOUSING THE EXISTING WORKFORCE.

(c) POPULATION GROWTH PROJECTIONS.

(d) JOB GROWTH PROJECTIONS.

(e) HOUSING NEEDS ACROSS ALL VARIOUS INCOME LEVELS.

B. BEGINNING JANUARY 1, 2025 AND EVERY YEAR THEREAFTER, EACH MUNICIPALITY SHALL SUBMIT AN ANNUAL REPORT TO THE ARIZONA DEPARTMENT OF HOUSING ACCOUNTING FOR THE TOTAL NUMBER OF PROPOSED RESIDENTIAL HOUSING UNITS SUBMITTED TO THE MUNICIPALITY, THE TOTAL NUMBER OF NET NEW RESIDENTIAL HOUSING UNITS SUBMITTED TO THE MUNICIPALITY AND THE TOTAL NUMBER OF NEW RESIDENTIAL HOUSING UNITS THAT ARE ENTITLED, HAVE BEEN PLATTED, HAVE BEEN ISSUED A BUILDING PERMIT AND HAVE RECEIVED A CERTIFICATE OF OCCUPANCY BY THE MUNICIPALITY. THE ANNUAL REPORT SHALL INCLUDE ALL OF THE FOLLOWING:

1. THE NUMBER OF HOUSING DEVELOPMENT APPLICATIONS RECEIVED IN THE PRIOR YEAR.

2. THE NUMBER OF LOTS AND MULTIFAMILY UNITS INCLUDED IN ALL DEVELOPMENT APPLICATIONS IN THE PRIOR YEAR.

3. THE NUMBER OF LOTS AND MULTIFAMILY UNITS APPROVED AND DISAPPROVED OR OTHERWISE NOT APPROVED IN THE PRIOR YEAR.

4. A THRESHOLD PERCENTAGE REQUIREMENT OF MULTIFAMILY ZONED LAND VERSUS SINGLE-FAMILY ZONED LAND NEEDED TO MEET POPULATION DEMAND IN EACH MUNICIPALITY.

5. THE STATUS AND PROGRESS IN MEETING THE MUNICIPALITY'S HOUSING NEEDS.

6. A PLAN THAT SPECIFIES HOW THE MUNICIPALITY INTENDS TO SATISFY THE IDENTIFIED NEED FOR ADDITIONAL HOUSING UNITS WITHIN THE MUNICIPALITY.

C. A MUNICIPALITY THAT HAS CONDUCTED A HOUSING NEEDS ASSESSMENT REPORT AS OF JANUARY 1, 2021 SHALL AMEND ALL EXISTING REPORTS TO INCLUDE THE INFORMATION REQUIRED IN SUBSECTION A OF THIS SECTION.

D. THE ARIZONA DEPARTMENT OF HOUSING SHALL COMPILE THE REPORTS RECEIVED PURSUANT TO SUBSECTION B OF THIS SECTION AND SUBMIT THE REPORTS TO THE GOVERNOR, THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

E. THIS SECTION DOES NOT REQUIRE A MUNICIPALITY TO FULFILL THE PROJECTIONS IN THE HOUSING NEEDS ASSESSMENT REQUIRED BY SUBSECTION A OF THIS SECTION.

F. THIS SECTION DOES NOT APPLY TO A MUNICIPALITY THAT IS LOCATED ON TRIBAL LAND OR A MUNICIPALITY WITH A POPULATION OF LESS THAN THIRTY THOUSAND PERSONS."

Amend title to conform

MATT GRESS

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ARIZONA HOUSE OF REPRESENTATIVES
Fifty-sixth Legislature - Second Regular Session

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1162

DATE March 19, 2024 MOTION: DPA/SE

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar					✓
Austin		✓			
Carter		✓			
Gress		✓			
Heap		✓			
Hendrix		✓			
Lucking		✓			
Ortiz			✓		
Carbone, Vice-Chairman		✓			
Wilmeth, Chairman		✓			
		8	1	0	1

Susan Hughes
COMMITTEE SECRETARY

APPROVED:

JUSTIN WILMETH, Chairman
MICHAEL CARBONE, Vice-Chairman

ATTACHMENT 15