ARIZONA HOUSE OF REPRESENTATIVES
Fifty-fifth Legislature - First Regular Session

COMMITTEE ON COMMERCE

Report of Regular Meeting
Tuesday, January 26, 2021
House Hearing Room 3 -- 2:00 P.M.

Convened 2:03 P.M.
Recessed
Reconvened
Adjourned 4:04 P.M.

MINUTES RECEIVED
CHIEF CLERK'S OFFICE
1-28-21

Members Present
Mr. Chaplik
Mr. Cook
Mr. Espinoza
Mrs. Fernandez
Mr. Meza
Ms. Nutt
Ms. Powers Hannley
Mr. Wilmeth
Mr. Kaiser, Vice-Chairman
Mr. Weninger, 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
HB2118	DPA	9-0-1-0	4, 5, 6
HB2119	DP	10-0-0-0	7, 8
HB2120	DP	10-0-0-0	9, 10
HB2160	DP	9-1-0-0	11, 12
HB2161	DP	7-2-1-0	13, 14,15
HB2172	DP	10-0-0-0	16, 17
HB2243	DP	9-1-0-0	18, 19
HB2267	DP	10-0-0-0	20, 21
HCR2014	DP	8-2-0-0	22, 23

Iris Mc Mahon
Iris McMahon, Committee Secretary
January 28, 2021

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

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-fifth Legislature - First Regular Session

Convened: 2:03pm

Adjourned 4:04pm

REGULAR MEETING AGENDA

COMMITTEE ON COMMERCE

DATE Tuesday, January 26, 2021 ROOM HHR 3 TIME 2:00 P.M.

This meeting will be held via teleconference software. Members of the public may access a livestream of the meeting here:
https://www.azleg.gov/videoplayer/?clientID=6361162879&eventID=2021011129

Members:

Mr. Chaplik
Mr. Cook
Mr. Espinoza
Mrs. Fernandez
Mr. Meza
Ms. Nutt
Ms. Powers Hannley
Mr. Wilmeth
Mr. Kaiser, Vice-Chairman
Mr. Weninger, Chairman

Bills		Short Title	Strike Everything Title
HB2118	DPA	furnishing tobacco; minors; enterprise penalties	
		(Bolick)	
	9-0-1-0	COM, RULES	
HB2119	DP	health care insurance; amendments	
		(Bolick)	
	10-0-0-0	COM, RULES	
*HB2120	DP	timeshares; public reports; purchase contracts	
		(Bolick)	
	10-0-0-0	COM, RULES	
*HB2160	DP	occupational safety; advisory committee; enforcement	
	9-1-0-0	(Kaiser)	
		COM, RULES	
*HB2161	DP	tourism marketing authorities.	
		(Kaiser: Blackman, Cobb, et al)	
	7-2-1-0	COM, RULES	

Attachment 1

Bills		Short Title	Strike Everything Title
HB2172	DP	wireless providers; authority; applicability	
		(Dunn: Osborne, Kerr)	
	10-0-0-0	COM, RULES	
HB2243	DP	occupational and professional licensure; notice	
		(Grantham)	
	9-1-0-0	COM, RULES	
HB2267	DP	professional licensure fees; waiver; reduction	
		(Grantham)	
	10-0-0-0	COM, RULES	
HCR2014	DP	United States; Taiwan; partnership.	
		(Kavanagh)	
	8-2-0-0	COM, RULES	

* On previous agenda

ORDER OF BILLS TO BE SET BY THE CHAIRMAN

Any person desiring to be heard in-person in committee concerning legislation shall email that request to the House committee email address (HouseCOM@azleg.gov) at least 24 hours, excluding weekends and holidays, in advance of committee, if practicable. The request to participate in-person shall be in addition to requesting to speak via the Request to Speak system.

DF
01/21/2021

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.

Information Registered on the Request to Speak System

House Commerce (1/26/2021)

HB2118, furnishing tobacco; minors; enterprise penalties

Testified in support:
Doug Lau, representing self

Testified as neutral:
Kyle Sawyer, AZ HEALTH CARE COST CONTAINMENT SYSTEM

Testified as opposed:
Mike Williams, CIRCLE K; Mark Miller, representing self

Support:
Edith Lefevre, AZ ATTORNEY GENERAL'S OFFICE; Dr. Ryan A. Starzyk, representing self

Neutral:
Brian Hummell, American Cancer Society Cancer Action Network; Don Isaacson, RAI SERVICES COMPANY; Steve Barclay, CIGAR ASSOCIATION OF AMERICA; JoAnna Strother, AMERICAN LUNG ASSOCIATION IN ARIZONA; Nicole Olmstead, American Heart Association

Oppose:
Gibson McKay, Representing The Vapor Technology Association; Amanda Gray, Arizona Petroleum Marketers Association; Amanda Wheeler, representing self

All Comments:
Doug Lau, Self: On behalf of the Arizona Attorney General's Office.; Gibson McKay, Representing The Vapor Technology Association: Represent: AZ Smokefree Business Alliance, American Vapor Manufacturers,; Brian Hummell, American Cancer Society Cancer Action Network: Commend the sponsor for this bill. Increasing penalties on retailers who sell tobacco to kids and conforming with Feds on sales age are important. However, additional resources are needed to do more compliance checks and adequately track retailers.; Don Isaacson, RAI SERVICES COMPANY: Changing our position to neutral. No need to testify.; Steve Barclay, CIGAR ASSOCIATION OF AMERICA: CAA does not and has never supported selling tobacco to minors; their cigars and pipe tobacco are for adults only. Bigger fines for multiple offenses by retailers may help. Responsible retailers should have no cause for concern - obey the T-21 laws.

HB2119, health care insurance; amendments

Support:
Elizabeth Hatch, CVS HEALTH; Chuck Bassett, Blue Cross Blue Shield Of AZ

Neutral:
Stephen Briggs, AZ DEPT OF INSURANCE AND FINANCIAL INSTITUTIONS

HB2120, timeshares; public reports; purchase contracts

Support:
Louis Dettorre, Legislative Liaison, Arizona Department of Real Estate, AZ DEPT OF REAL ESTATE; Dr. Ryan A. Starzyk, representing self

HB2160, occupational safety; advisory committee; enforcement

Support:
Brian Tassinari, ARIZONA MASONRY COUNCIL; Steve Trussell, AZ ROCK PRODUCTS ASSN; Courtney Coolidge, AZ CHAMBER OF COMMERCE; Trevor Laky, INDUSTRIAL COMMISSION OF AZ

Oppose:
Ryan Kelly, representing self

All Comments:
Ryan Kelly, Self: Easing citation violation standards on employers in the midst of COVID-19 is an absolutely absurd idea, that goes against sound public health logic. This will put at-risk workers even further in harms way.

HB2161, tourism marketing authorities.

Support:
Barry Aarons, VISIT MESA, VISIT PHOENIX, VISIT TUCSON; Kim Sabow, Arizona Lodging & Tourism Association; Laura Magnus, EXPERIENCE SCOTTSDALE; Kevin DeMenna, ARIZONA DUDE RANCH ASSOCIATION; Brian Tassinari, LAKE HAVASU CITY; James Hamilton, Phoenix Raceway/ NASCAR; Jaime Molera, ARIZONA LODGING AND TOURISM ASSOCIATION; Joe DeMenna, ARIZONA DUDE RANCH ASSOCIATION; Glenn Hamer, Arizona Chamber Of Commerce And Industry; Steve Barclay, BEER & WINE DISTRIBUTORS OF ARIZONA; Mike Huckins, GREATER PHOENIX CHAMBER OF COMMERCE; Jessie Armendt, Republic National Distributing Company Of Arizona; Lourdes Peña, TUCSON AIRPORT AUTHORITY; Dawn Schumann, TEAMSTERS LOCAL UNION 104; Courtney Coolidge, AZ CHAMBER OF COMMERCE; Stuart Graff, representing self; John Holdsworth, representing self; Andrew Chippindall, representing self; Gerd Wuestemann, representing self; Dena Roady, representing self; Linda Dillenbeck, representing self; Dr. Ryan A. Starzyk, representing self

Oppose:
Aimee Yentes, representing self; Jenise Porter, representing self; Nancy C. Faria, representing self; Ben Beckhart, REPUBLICAN LIBERTY CAUCUS OF ARIZONA; Leah Martineau, representing self; Stephanie Bader, representing self

All Comments:
Lourdes Peña, TUCSON AIRPORT AUTHORITY: TAA is in strong support of HB2161, this is a great tool to support the tourism industry.; Dawn Schumann, TEAMSTERS LOCAL UNION 104: I am in agreement of this bill to bring monies

into communities that can open up for more tourism , especially the film industry return. Monies should be allocated to small businesses as well. This is a good bill.; Aimee Yentes, Self: This delegates taxing authority to private industry.; Ben Beckhart, REPUBLICAN LIBERTY CAUCUS OF ARIZONA: This bill grows government bureaucracy and allows for new tax increases on hotels. We believe this is not the proper role of government and this should be left up to the private sector. We respectfully oppose HB2161 and ask for a No vote.

HB2172, wireless providers; authority; applicability

Support:
Rodney Short, Self, YUMA, CITY OF

All Comments:
Rodney Short, Self, YUMA, CITY OF: City of Yuma supports. The exclusion for border communities has been swallowed by new FCC regs. The exemption may undermine the national objective of deployment of new technologies. New fed regs should take national security objectives into account.

HB2243, occupational and professional licensure; notice

Support:
Jenna Bentley, BARRY GOLDWATER INSTITUTE FOR PUBLIC POLICY RESEARCH; Chuck Fitzgerald, representing self

HB2267, professional licensure fees; waiver; reduction

Support:
Jenna Bentley, BARRY GOLDWATER INSTITUTE FOR PUBLIC POLICY RESEARCH; Aimee Yentes, representing self

All Comments:
Aimee Yentes, Self: Great bill - we should not let regulatory boards stockpile monies they have assessed from licensees.

HCR2014, United States; Taiwan; partnership.

Support:
Caroline Anderson, representing self; Chuck Fitzgerald, representing self; Courtney Coolidge, AZ CHAMBER OF COMMERCE

Oppose:
Jane Adrian, representing self; Robert Stansfield, representing self; Marvin Mccollum, representing self; Suzanne Mead, representing self; Nancy Branham, representing self; William Yohey, representing self; Don Howard, representing self; J Nicholas Prestera, representing self; John Sandoz, representing self; William Bowlus-Root, representing self; Ann Johnson, representing self; Dr. Ryan A. Starzyk, representing self

All Comments:

Ann Johnson, Self: Stop Dark Money

ARIZONA STATE LEGISLATURE

Fifty-fifth Legislature - First Regular Session

COMMITTEE ATTENDANCE RECORD

COMMITTEE ON **COMMERCE**

CHAIRMAN: Jeff Weninger VICE-CHAIRMAN: Steve Kaiser

	DATE	1/19/21	1/26/21	/21	/21	/21
	CONVENED	2:05pm	2:03pm	m	m	m
	RECESSED					
	RECONVENED					
	ADJOURNED	4:27pm	4:04pm			
MEMBERS						
Chaplik		✓	✓			
Cook		✓	✓			
Espinoza		✓	✓			
Fernandez		✓	✓			
Meza		✓	✓			
Nutt		✓	✓			
Powers Hannley		✓	✓			
Wilmeth		✓	✓			
Kaiser, Vice-Chairman		✓	✓			
Weninger, Chairman		✓	✓			

√ Present --- Absent exc Excused

Attachment 3

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

HB 2118: furnishing tobacco; minors; enterprise penalties
Sponsor: Representative Bolick, LD 20
Committee on Commerce

Overview

Prescribes penalties and restrictions for enterprises that violate law relating to furnishing of tobacco and vapor products.

History

A person who knowingly sells, gives or furnishes cigars, cigarettes or cigarette papers or smoking and chewing tobacco (tobacco products), a vapor product or any instrument or paraphernalia that is specifically designed for the smoking or ingestion of tobacco or shisha, including hookah or waterpipe, to a minor is guilty of a petty offense.

A minor who buys or possesses or knowingly accepts or receives tobacco product, vapor product or any instrument or paraphernalia that is specifically designed for the smoking or ingestion of tobacco or shisha, including hookah or waterpipe, is guilty of a petty offense (A.R.S. § 13-3622).

Statute defines a *minor* as a person under 18 years of age (A.R.S. § 1-215).

Statute defines "Shisha" as any mixture of tobacco leaf and honey, molasses or dried fruit or any other sweetener. "Vapor product" means a noncombustible tobacco-derived product containing nicotine that employs a mechanical heating element, battery or circuit, regardless of shape or size, that can be used to heat a liquid nicotine solution contained in cartridges. Vapor product does not include any product that is regulated by the United States Food and Drug Administration (A.R.S. § 13-3622)

In 2019, The Federal Food, Drug, and Cosmetic Act was amended by legislation which established that it is unlawful for any retailer to sell tobacco products to any person younger than 21 years of age.

Provisions

Furnishing of Tobacco Products (Sec. 1)

1. Replaces *minor* with *a person who is under the minimum age of sale for tobacco products as set by the Federal Food, Drug, and Cosmetic Act.*
2. Establishes penalties and restrictions for enterprises that violate law relating to furnishing of tobacco and vapor products within a 3-year period as follows:
   a) First Violation: Mandatory tobacco retailer educational course in lieu of or in addition to a $500 to $750 fine;
   b) Second Violation: Mandatory tobacco retailer educational course; $1,000 to $1,500 fine; 30-day prohibition of tobacco related transactions;
   c) Third Violation: Mandatory tobacco retailer educational course; $2,000 to $2,500 fine; 90-day prohibition of tobacco related transactions;
   d) Fourth or subsequent Violation: Mandatory tobacco retailer educational course; $3,000 to $5,000 fine; 1-year prohibition of tobacco related transactions.

3. Stipulates an enterprise that violates a prohibition of tobacco related transactions is guilty of a petty offense and is required to pay an additional fine of $3,000 to $5,000 and will be subject to an extension of the prohibition period of tobacco related transactions.
4. Prohibits the court from waiving fines for a second or subsequent violation outside of the 3-year period.
5. Requires at least one owner or person serving in a managerial position and one person in a nonmanagerial position to attend the mandatory tobacco retailer educational course.
6. Makes technical changes.

Fifty-fifth Legislature
First Regular Session

Commerce
H.B. 2118

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2118

(Reference to printed bill)

Page 2, after line 44, insert:

"I. THE PENALTY ON AN ENTERPRISE THAT HAS MORE THAN ONE LOCATION PURSUANT TO SUBSECTION E, F, G OR H OF THIS SECTION APPLIES ONLY TO THE SPECIFIC LOCATION IN WHICH THE VIOLATION OCCURRED."

Reletter to conform

Amend title to conform

JEFF WENINGER

2118WENINGER
01/22/2021
02:22 PM
H: PRB/ls

Attachment 5

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

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-fifth Legislature - First Regular Session

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2118

DATE January 26, 2021 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Chaplik		✓			
Cook	✓			✓	
Espinoza	✓	✓			
Fernandez		✓			
Meza		✓			
Nutt		✓			
Powers Hannley		✓			
Wilmeth		✓			
Kaiser, Vice-Chairman		✓			
Weninger, Chairman		✓			
		9	0	1	0

Iris McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 6

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

HB 2119: health care insurance; amendments
Sponsor: Representative Bolick, LD 20
Committee on Commerce

Overview
Makes various changes to statute governing Health Care Insurers.

History
Hospital, medical, dental and optometric service corporations (Service Corporations) is defined as corporations organized under the laws of this state for the purpose of establishing, maintaining and operating nonprofit hospital service or medical or dental or optometric service plans, or a combination of such plans, whereby hospital, medical or dental or optometric service may be provided by hospitals, physicians, podiatrists, dentists or optometrists with which the corporations have contracted for such purpose (A.R.S. § 20-822).

Health care services organization (HCSO) means any person that undertakes to conduct one or more health care plans. Unless the context otherwise requires, health care services organization includes a provider sponsored health care services organization (A.R.S. § 20-1051).

Utilization review means a system for reviewing the appropriate and efficient allocation of inpatient hospital resources, inpatient medical services and outpatient surgery services that are being given or are proposed to be given to a patient, and of any medical, surgical and health care services or claims for services that may be covered by a health care insurer depending on determinable contingencies, including without limitation outpatient services, in-office consultations with medical specialists, specialized diagnostic testing, mental health services, emergency care and inpatient and outpatient hospital services (A.R.S. § 20-2501).

Provisions

Service Organizations

1. Applies statute relating to assignment of benefits to a hospital and medical service corporation. (Sec. 3)
2. Applies laws governing insurance company holding systems to Service Corporations. (Sec. 4)
3. Allows a corporation to pay any agent or employee any salary, compensation or emolument without preauthorization from the board of directors of the corporation. (Sec. 6)

Health Care Services Organizations

4. Requires an HCSO to submit quarterly, rather than monthly, to the Department of Insurance and Financial Institutions, a list of all provider contracts that have been terminated during the previous three months, rather than the previous month. (Sec. 8)

Accountable Health Plans

5. Expands the definition of *COBRA continuation provision* to include statute relating to small group health plan continuation coverage. (Sec. 9)

6. Excludes a policy or contract made available to persons eligible for AHCCCS from the definition of *creditable coverage*. (Sec. 9)
7. Excludes a small employer who obtains a health benefits plan that is subject to and complies with federal from statute governing accountable health care plan premium rate practices. (Sec. 10)
8. Repeals laws relating to basic health benefit plans and exchange of information by electronic means. (Sec. 11)

Utilization Review

9. Exempts a person from specified laws relating to certification requirements provided certain criteria are met. (Sec. 12)
10. Allows a provider or enrollee to appeal a denial of a formulary exception for a plan covered by federal law through the process prescribed in federal rule. (Sec. 13)

Miscellaneous

11. Repeals laws relating to contracts and forms in effect prior to January 1, 1955. (Sec. 1)
12. Clarifies statute relating to prohibitive actions of a *person* applies to Service Corporations and HCSOs. (Sec. 2)
13. Makes a conforming change. (Sec. 5, 7, 9, 14)

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-fifth Legislature - First Regular Session

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2119

DATE January 26, 2021 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Chaplik		✓			
Cook		✓			
Espinoza		✓			
Fernandez		✓			
Meza		✓			
Nutt		✓			
Powers Hannley		✓			
Wilmeth		✓			
Kaiser, Vice-Chairman		✓			
Weninger, Chairman		✓			
		10	0	0	0

Iris Mc Mahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 8

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

HB 2120: timeshares; public reports; purchase contracts
Sponsor: Representative Bolick, LD 20
Committee on Commerce

Overview
Updates statutory references regarding the timeframe for canceling a timeshare to reflect 10 days rather than 7 days.

History
Pursuant to A.R.S. § 32-2197.03, a purchaser of a timeshare may rescind the purchase agreement without any cause by sending a written notice of rescission to the developer within 10 calendar days after the date the purchaser signs the agreement, unless the agreement discloses a longer period of time.

The Real Estate Commissioner must approve a public report authorizing the sale or lease of the timeshare interests within the timeshare plan. The public report must include a statement regarding rescission rights of the purchaser. Currently, the statement's language references 7 calendar days for cancelation (A.R.S. § 32-2197.08).

Provisions
1. Conforms certain statutory references regarding the timeframe for canceling a timeshare purchase agreement to reflect the statutorily allowed amount of time of 10 days. (Sec. 1, 2)
2. Requires the prescribed statement on the timeshare reservation form relating to the prohibition on offering to sell or purchase a timeshare interest before issuance of a public report to be *above the purchaser's signature.* (Sec. 2)
3. Makes technical changes. (Sec. 1, 2)

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-fifth Legislature - First Regular Session

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2120

DATE January 26, 2021 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Chaplik		✓			
Cook		✓			
Espinoza		✓			
Fernandez		✓			
Meza		✓			
Nutt		✓			
Powers Hannley		✓			
Wilmeth		✓			
Kaiser, Vice-Chairman		✓			
Weninger, Chairman		✓			
		10	0	0	0

Iris McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 10

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

HB 2160: occupational safety; advisory committee; enforcement
Sponsor: Representative Kaiser, LD 15
Committee on Commerce

Overview
Allows the Director of the Division of the Occupational Safety and Health (Director) to excuse a late notification regarding a citation contestation for safety and health standards and regulation violations.

History
The Industrial Commission of Arizona Division of Occupational Safety and Health is responsible for formulating safety and health standards and rules by either: 1) proposing adoption of national consensus standards or federal standards; or 2) draft such rules as it considers necessary and through consultation with the Occupational Safety and Health Advisory Committee (A.R.S. § 23-410).

Employers must comply with occupational safety and health standards and all regulations. Employers who are found in noncompliance, after an inspection and investigation by the Director, are issued a citation. After receiving a notification of a citation, the employer has 15 days to notify the Director of the desire to contest the citation. Failure to notify the Direction on contesting within the 15 day period results in the citation being final and not subject to review (A.R.S., Title 23, Article 10)

Provisions
1. Removes the requirement for the Occupational Safety and Health Advisory Committee to recommend names to the governor for consideration as members of the Review Board. (Sec. 1)
2. Permits the Director to excuse any late notification to contest a citation provided the employer to whom the notice was sent shows by clear and convincing evidence that the notice was not received. (Sec. 2)
3. Contains a conditional enactment clause. (Sec. 4, 5)

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

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-fifth Legislature - First Regular Session

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2160

DATE January 26, 2021 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Chaplik		✓			
Cook		✓			
Espinoza			✓		
Fernandez		✓			
Meza		✓			
Nutt		✓			
Powers Hannley		✓			
Wilmeth		✓			
Kaiser, Vice-Chairman		✓			
Weninger, Chairman		✓			
		9	1	0	0

Kris McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 12

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

HB 2161: tourism marketing authorities.
Sponsor: Representative Kaiser, LD 15
Committee on Commerce

Overview
Allows for the formation of a tourism marketing authority (Authority).

History
The Arizona Office of Tourism (AOT) is responsible for promoting and developing tourism in Arizona. AOT is led by a director, appointed by the governor, along with an assistant director chosen by the director with the governor's approval. The director must have at least five years of management experience in the tourism and travel industry, understanding of the technical elements of the tourism industry, and experience in marketing or public relations. The director is responsible for promoting and developing tourism business, conducting a marketing campaign on the attractions of the state, and promoting this information through state, national and international media (A.R.S., Title 41, Chapter 19).

Provisions

Formation of the Authority (Sec. 1)

1. Enables, by a petition, the governing body of one or more municipalities or one or more municipalities and a county with a population of less than two million persons to adopt a resolution forming a tourism marketing authority.
   a. Specifies the contents of the petition.
2. Stipulates the governing body of each participating municipality and county by affirmative vote may approve the formation of the Authority if a petition is signed by the owners of at least 67% of the transient lodging rooms within the Authority which includes two or more properties with transient lodging rooms.

Powers and Duties

3. Requires the governing body of each municipality and county participating in the Authority to contract with a recognized nonprofit (501(c)(6)) tourism promotion agency.
   a. Stipulates if there is no recognized agency, the municipality may contract with the municipality's tourism promotion office.
   b. Requires the municipality and any participating county, through the contract, to distribute all monies received from assessments to the recognized tourism promotion agency.

Tax Assessment

4. Directs the Authority to charge and collect assessments on transient lodging rooms and allows the Authority to levy an assessment of not more than $5 dollars per room sold per night on the transient lodging rooms in the Authority.

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

a. Specifies the assessment rate may be tiered based on the average daily room rate for the affected transient lodging.

5. Requires the transient lodging room owner to pay the assessment to the Arizona Department of Revenue (ADOR) at the same time as paying the transaction privilege tax.
   a. Specifies the assessment is delinquent and payable to ADOR if not paid.
6. Directs ADOR to report the amount of monies collected from the assessment to the State Treasurer.
7. Requires the State Treasurer to transmit to the participating municipality or county treasurer's the amount collected from properties within the Authority.
   a. Defines the municipal location of a property in the Authority.
8. Directs ADOR to separately account for the monies paid and deposit the net revenues collected into the state General Fund.
9. Requires the Board and any participating municipality or county to supply ADOR and the State Treasurer with all requested information necessary relating to the administration of the assessment.

Authority Governance

10. Requires an Authority be governed by the board of directors of the recognized tourism promotion agency and at least one member of one or more of the governing bodies must participate in the Authority.
11. Permits the Authority to:
    a. Employ staff and consultants;
    b. Reimburse a municipality or county for staff, services and facilities;
    c. Enter into contracts; and
    d. Accept Grants.
12. Prohibits the Authority from financing or facilitating the acquisition, maintenance, construction or operation of a hotel, motel, resort or other transient lodging or any sports or entertainment facility.
13. Requires the Authority and its Board to maintain the records of the Authority.
14. Directs the Authority and its Board to keep monies and operations separate from the tourism promotion agency's other monies and activities.
15. Requires the Board to comply with public meetings and public records laws.
16. Requires the Board to report, at least annually, to the governing bodies on activities and expenditures and the impacts of the expenditures and activities.

Termination

17. Outlines the criteria and process for termination of the Authority.
18. Terminates the Authority 10 years after formation unless renewed.
19. Provides criteria for renewing an Authority and modifying its boundaries.
    a. Allows for an additional 10-year renewal.

Miscellaneous

20. Defines the following terms: *authority, board, governing body, municipality and transient lodging rooms.*

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-fifth Legislature - First Regular Session

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2161

DATE January 26, 2021 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Chaplik			✓		
Cook	✓			✓	
Espinoza	✓	✓			
Fernandez		✓			
Meza		✓			
Nutt		✓			
Powers Hannley			✓		
Wilmeth		✓			
Kaiser, Vice-Chairman		✓			
Weninger, Chairman		✓			
		7	2	1	0

Iris McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 14

Arizona Senate Bill 1101 & House Bill 2161 - 2021 Legislative Session

Tourism Marketing Authorities

There are over 187 jurisdictions across the United States that have created tourism marketing authorities (TMAs). These authorities are formed through a public-private partnership between the local government and the hoteliers in the district that will be paying the assessment.

How does the Tourism Marketing Authority (TMA) work?
Through an assessment on sold hotel and resort guest rooms, hoteliers would remit revenue to the Arizona Department of Revenue, which would allocate it to the applicable municipalities and/or counties. Then, the revenue would be passed through to TMAs. Destination Marketing Organizations (DMOs), in jurisdictions with TMAs would use the money for new sales, marketing and promotional projects that augment their existing programs of work.

Why are Destination Marketing Organizations pursuing TMAs?
A major advantage of a TMA is that it increases the amount of funding available for tourism-related programs. Local tourism agencies want to bring more meetings and leisure travel to participating hotels and resorts by generating additional money for sales, marketing, promotion, events or new airline routes.

Given the impact of COVID-19 on the Tourism Industry, TMAs will provide a much-needed revenue source to allow the industry to recover when mass travel and large-scale events resume.



Benefits

- Recover travel-related **jobs** lost during COVID-19.
- **More visitor dollars** to participating communities.
- **More** state, county and municipal **tax revenue** from visitors.
- More **visitor revenue** to pay for public education, public safety and health care.
- New visitor **marketing**, sales and promotion tailored to the needs of participating communities.
- **Hoteliers vote** on this assessment and have input on how the dollars are invested.
- **Accountability**—Destination Marketing Organization boards oversee TMAs and provide performance reports to participating local/county governments.
- This is **enabling legislation**. DMOs have to come together with area hoteliers and local/county governments through a petition process to proceed. Communities that do not want to create a TMA are not compelled to do so.

Arizona Senate Bill 1101 & House Bill 2161 - 2021 Legislative Session

Tourism Marketing Authorities

Updated: January 26, 2021

Strong Industry Support



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

HB 2172: wireless providers; authority; applicability
Sponsor: Representative Dunn, LD 13
Committee on Commerce

Overview
Removes the exemption for qualifying Authorities from laws governing wireless providers use of right-of-way.

History
Laws 2017, Chapter 124 established regulations for wireless providers for the use of a right-of-way to construct, install, maintain or replace utility poles or monopoles or the collocation of a small wireless facility. The law prohibits an Authority from entering into an exclusive arrangement with a wireless provider for the construction, installation, maintenance or replacement of a utility poles or monopoles or their collocation. Any Authority located within 10 miles of the border of Mexico that is negotiating or has a contract in place by July 1, 2018 and that contract assists and supports national security objectives along the border is exempt from laws governing wireless providers use of a right-of-way (A.R.S. § 9-591 et al.).

A.R.S. § 9-591 defines an *Authority* as any city, town, special district or political subdivision of this state that is authorized to make legislative, quasi-judicial or administrative decisions concerning an application.

Provisions
1. Removes the exemption for any Authority located within 10 miles of the border of Mexico, who was negotiating or in contract by July 1, 2018 that assists and supports national security objectives, from laws governing wireless providers use of right-of-way. (Sec. 1)

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

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-fifth Legislature - First Regular Session

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2172

DATE January 26, 2021 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Chaplik		✓			
Cook		✓			
Espinoza		✓			
Fernandez		✓			
Meza		✓			
Nutt		✓			
Powers Hannley		✓			
Wilmeth		✓			
Kaiser, Vice-Chairman		✓			
Weninger, Chairman		✓			
		10	0	0	0

Lisa McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 17

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

HB 2243: occupational and professional licensure; notice
Sponsor: Representative Grantham, LD 12
Committee on Commerce

Overview
Directs a licensing and certifying regulating entity to print a specified notice on all license and certificate applications and regulating entity websites.

History
Pursuant to A.R.S. § 32-4302, an individual, who has an out-of-state occupational or professional license or certificate, who establishes residency in this state and who applies for a license or certificate in the same discipline and at the same practice level as determined by the regulating entity shall be issued that occupational or professional license or certificate provided specified qualifications are met.

To qualify for licensure or certification, the individual must meet outlined requirements including that the person: 1) has been licensed or certified for at least one year in another state and is in good standing in all states the person holds a license; 2) met minimum education requirements and, if applicable, work experience and clinical supervision requirements of the other state in which the person was licensed or certified; 3) passed any required examination for licensure or certification in the other state; 4) has not had a license or certificate revoked or voluntarily suspended while under investigation for unprofessional conduct or had disciplinary action imposed by a regulating entity; 5) does not have a pending complaint, allegation or investigation that relates to unprofessional conduct; 6) does not have a disqualifying criminal history as determined by the regulating entity; and 7) pays required fees.

The regulating entity that administers an examination on the laws of this state may require an applicant to take and pass an exam.

Provisions
1. Requires an occupational or professional regulating entity to prominently print on all license and certificate applications and regulating entity websites the following statement:

   Pursuant to section 32-4302, Arizona Revised Statutes, a person shall be granted an occupational or professional license or certificate if the person has been licensed or certified in another state for at least twelve months, the license or certificate is in the same discipline and at the same practice level as the license or certificate for which the person is applying in this state and the person meets other conditions prescribed by section 32-4302, Arizona Revised Statutes.

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

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-fifth Legislature - First Regular Session

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2243

DATE January 26, 2021 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Chaplik		✓			
Cook		✓			
Espinoza		✓			
Fernandez		✓			
Meza		✓			
Nutt		✓			
Powers Hannley			✓		
Wilmeth		✓			
Kaiser, Vice-Chairman		✓			
Weninger, Chairman		✓			
		9	1	0	0

Lisa McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 19

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

HB 2267: professional licensure fees; waiver; reduction
Sponsor: Representative Grantham, LD 12
Committee on Commerce

Overview
Requires a regulatory board or agency (regulatory entity) to reduce or waive fees when its licensing fund exceeds 50% of the appropriations from the same year.

History
To practice or perform a regulated occupation or profession or use certain occupational or professional titles in Arizona, a person must meet certain qualifications and apply to the designated board or agency for the license, certificate or authorization. The initial application and renewal processes, including initial and renewal licensing certification fees, vary across the professions and occupations (A.R.S., Title 32).

Provisions
1. Requires, by September 1 of each year, a regulatory entity to determine whether the entity expects its licensing fund ending balance to exceed 50% of the current FY appropriation from that fund by reviewing:
   a) Incurred costs;
   b) Monies in its funds; and
   c) Collected fee revenues. (Sec. 2)
2. Stipulate a regulatory entity that determines its licensing fund balance would exceed 50% of its current FY licensing fund appropriation must provide a one-time licensure or certification renewal fees waiver or reduction to reduce the licensing fund balance to below 50% of its licensing fund appropriation:
   a) In the upcoming FY; or
   b) Within the normal schedule for license or certification renewal, if longer than one year. (Sec. 2)
3. Directs a regulatory entity, in determining the amount of the waiver or reduction, to attempt to ensure that all existing licensees or certificate holders receive one waiver or reduction.
   a) Specifies fees for new licensees or certificate holders to be waived or reduced for the subsequent FY.
   b) Requires a regulatory entity to attempt to ensure that fee reductions are the same for initial and renewal licenses and certificates. (Sec. 2)
4. Allows a regulatory entity to temporarily reduce or waive any initial or renewal licensure or certification fees. (Sec. 2)
5. Requires a regulatory entity to annually report fee plans to the Governor, President of the Senate and Speaker of the House of Representatives by September 1.
   a) Requires the annual report to include at a minimum: 1) the amount of revenues and expenditures expected in the current FY, 2) projected ending balances for the licensing

fund, and 3) reasoning and justification for how the waiver or reduction plan will achieve required fee reductions. (Sec. 2)

6. Requires a regulatory entity, by July 1 of the FY in which the reduction or waiver becomes effective, to:
   a) notify existing licensees or certificate holders of the intended reduction or waiver; and
   b) prominently announce the fee reduction or waiver for new and existing licensees or certificate holders on its website homepage. (Sec. 2)
7. Allows a regulatory entity that believes it will require onetime monies greater than 50% of its annual appropriation for onetime capital, information technology or similar costs to include a report of this expected need in its statutorily required budget estimates submission to the Governor. (Sec. 2)
8. Delineates applicatory regulatory entities. (Sec. 2)
9. Makes a technical change. (Sec. 1)

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-fifth Legislature - First Regular Session

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2267

DATE January 26, 2021 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Chaplik		✓			
Cook		✓			
Espinoza		✓			
Fernandez		✓			
Meza		✓			
Nutt		✓			
Powers Hannley		✓			
Wilmeth		✓			
Kaiser, Vice-Chairman		✓			
Weninger, Chairman		✓			
		10	0	0	0

Iris McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 21

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

HCR2014: United States; Taiwan; partnership.
Sponsor: Representative Kavanagh, LD 23
Committee on Commerce

Overview
Expresses support for a U.S.-Taiwan partnership.

History
In 2018, Congress expressed the sense that the U.S. government should encourage visits between U.S. and Taiwanese officials at all level. Federal law states that it should be U.S. policy to: 1) allow U.S. officials at all levels to travel to Taiwan to meet their Taiwanese counterparts; 2) permit high-level Taiwanese officials to enter the U.S. under respectful conditions; and 3) encourage the Taipei Economic and Cultural Representative Office and any other instrumentality established by Taiwan to conduct business in the U.S.

Provisions
1. Expresses the Legislature's support for:
   a) The negotiation of the U.S.-Taiwan Bilateral Trade Agreement and for Taiwan's meaningful participation in international organizations.
   b) A future official visit, at his discretion, to Taiwan by the Governor.
2. Proclaims the Legislature's acknowledgement of the achievements made by Arizona and Taiwan in the fields of economy, trade, technology, education and culture since the establishment of their sister-state relations on July 28, 1980 and encourage continued bilateral cooperation and exchanges.

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-fifth Legislature - First Regular Session

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HCR 2014

DATE January 26, 2021 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Chaplik		✓			
Cook		✓			
Espinoza		✓			
Fernandez			✓		
Meza		✓			
Nutt		✓			
Powers Hannley			✓		
Wilmeth		✓			
Kaiser, Vice-Chairman		✓			
Weninger, Chairman		✓			
		9	2	0	0

Erin McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 23