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

**COMMITTEE ON COMMERCE**

Report of Regular Meeting
Tuesday, February 1, 2022
House Hearing Room 3 -- 2:00 P.M.

MINUTES RECEIVED
CHIEF CLERK'S OFFICE
2-4-22

**Convened** 2:09 P.M.
**Adjourned** 5:33 P.M.

| **Members Present** | **Members Absent** |
|---|---|
| Mr. Carter | |
| Mr. Chávez | |
| Mr. Cook | |
| Mr. Espinoza | |
| Mr. Kaiser | |
| Mrs. Liguori | |
| Mr. Meza | |
| Mr. Wilmeth | |
| Mr. Chaplik, Vice-Chairman | |
| Mr. Weninger, Chairman | |

**Agenda**
Original Agenda – Attachment 1
**Request to Speak**
Report – Attachment 2
**Committee Attendance**
Report – Attachment 3
**Presentations**

| **Name** | **Organization** | **Attachments** (Handouts) |
|---|---|---|
| Elliott D. Pollack | Elliott D. Pollack & Co/ Home Arizona | |

**Committee Action**

| **Bill** | **Action** | **Vote** | **Attachments** |
|---|---|---|---|
| HB2399 | HELD | | 4 |
| HB2172 | DP | 10-0-0-0 | 5, 6 |
| HB2183 | DPA/SE | 10-0-0-0 | 7, 8, 9 |
| HB2198 | DP | 5-4-1-0 | 10, 11 |
| HB2275 | DP | 7-3-0-0 | 12, 13, 14 |
| HB2586 | DP | 9-0-0-1 | 15, 16 |
| HB2627 | DPA | 5-3-1-1 | 17, 18, 19, 20 |

Jacqueline Denlinger
Jacqueline Denlinger, Committee Secretary
February 4, 2022

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

convened: 2:09pm
adjourned: 5:33pm

**REVISED - 1/28/22** **REVISED - 1/28/22** **REVISED - 1/28/22**

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

# REGULAR MEETING AGENDA

## COMMITTEE ON COMMERCE

DATE Tuesday, February 1, 2022 ROOM HHR 3 TIME 2:00 P.M.

Members of the public may access a livestream of the meeting here:
https://www.azleg.gov/videoplayer/?clientID=6361162879&eventID=2022021005

Members:

| | | |
|---|---|---|
| Mr. Carter | Mr. Kaiser | Mr. Wilmeth |
| Mr. Chávez | Mrs. Liguori | Mr. Chaplik, Vice-Chairman |
| Mr. Cook | Mr. Meza | Mr. Weninger, Chairman |
| Mr. Espinoza | | |

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- Presentation:
  - Elliott D. Pollack & Co. and Home Arizona - "Current Housing Outlook - Avoiding the Pitfalls"

| Bills | | Short Title | Strike Everything Title |
|---|---|---|---|
| HB2172 (2) | DP 10-0-0-0 | real estate licensees; employers; compensation (Wilmeth) COM, RULES | |
| HB2183 (3) | DPA/SE 10-0-0-0 | fire insurance; flooding; wildfires (Cook: Blackman, Carter, et al) COM, RULES | S/E same subject |
| HB2198 (4) | DP 5-4-1-0 | employee termination; COVID-19 vaccine; compensation (Kaiser) COM, RULES | |
| HB2275 (5) | DP 7-3-0-0 | condominium termination; unit owners; percentage (Weninger: Toma) COM, RULES | |
| *HB2399 (1) | HELD | cosmetologists; hairstylists; licenses; hours (Dunn) COM, RULES | |



Attachment 1

| Bills | | Short Title | Strike Everything Title |
|---|---|---|---|
| HB2586 (6) | DP 9-0-0-1 | electric charging providers (Weninger) COM, RULES | |
| HB2627 (7) | DPA 5-3-1-1 | ready-to-drink spirits products; tax (Weninger) COM, RULES | |

* On previous agenda

**ORDER OF BILLS TO BE SET BY THE CHAIRMAN**

~~DF~~
ra
~~01/26/2022~~
01/28/2022

**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 (2/1/2022)*

## HB2172, real estate licensees; employers; compensation

### Support:
Tom Farley, Arizona Association Of Realtors; Mike Huckins, GREATER PHOENIX CHAMBER OF COMMERCE

## HB2183, fire insurance; flooding; wildfires

### Testified as opposed:
Wendy Briggs, AMERICAN PROPERTY CASUALTY INSURANCE ASSOCIATION

### Support:
Registered Voter Arizona, representing self

### Oppose:
Lanny Hair, INDEPENDENT INSURANCE AGENTS & BROKERS OF AZ; Kerry L. Hayden, UNITED SERVICES AUTOMOBILE ASSN (USAA); J. Michael Low, ALLSTATE INSURANCE CO, AMERICAN FAMILY LIFE INSURANCE COMPANY

### All Comments:
J. Michael Low, ALLSTATE INSURANCE CO, AMERICAN FAMILY LIFE INSURANCE COMPANY: Oppose both the original bill and the strike-everything amendment.

## HB2198, employee termination; COVID-19 vaccine; compensation

### Testified as opposed:
Mike Huckins, GREATER PHOENIX CHAMBER OF COMMERCE; Courtney Coolidge, AZ CHAMBER OF COMMERCE

### Support:
Richard Rutkowski, representing self; Isaac Hung, representing self; Nathan Dailey, representing self; Suzanne Berger, representing self; LD15 Precinct Committeeman, representing self; Lori Huff, representing self; Registered Voter Arizona, representing self; Alison Walukiewicz , representing self; Crystal Smith, representing self; Michelle Sullivan, representing self; Denise Lockwood, representing self; Noella Kuntz, representing self; Will Prorok, representing self; Poppet Frost, representing self; Andrea Reed, representing self; Ben Wells, representing self

### Oppose:
Kelly Rostan, representing self; Tom Farley, Health Systems Alliance Of AZ; kathleen mayer, representing self; Chad Heinrich, NATIONAL FEDERATION OF INDEPENDENT BUSINESS; Pat VanMaanen, representing self; Steve Ramos, representing self; Gina Griffiths, representing self; Judith Simons, representing self; Shirley Muney, representing

self; Deanna Kupcik, BUCKEYE VALLEY CHAMBER OF COMMERCE; Janet Larkin, representing self; Rebecca Smith Gross, representing self; marilyn duerbeck, representing self; Maria Salvucci, representing self; Craig McDermott, representing self; Kevin Brown, representing self; Alyce Simpson, representing self; Judith Keagy, representing self; Jeanne Casteen, SECULAR COALITION FOR ARIZONA, Self; Mary Ann Graffagnino, representing self; Beatriz Urrea, representing self; Sallie Kladnik, representing self; Christina Mollica, representing self; Sandra Weir, representing self; Aimee Yentes, AZ FREE ENTERPRISE CLUB; Susan Bickel, representing self; Cynthia Couture, representing self; Michelle Pabis, HONORHEALTH; Sherrilynn James, representing self; Kathleen Pettycrew, representing self; Jenise Porter, representing self; Donita Ramos, representing self; Bryna Koch, representing self; Mary Grove, representing self; Margaret Owen, representing self; Abby Brill, representing self; Marie Thearle, representing self; Mary Ellen Beaurain, representing self; Marilyn Coyle, representing self; Stephen Coyle, representing self; Allison Jackson, representing self; Cynthia Wagner, representing self; Gail Kamaras, representing self; Janet Senf, representing self; Patricia Mullenix, representing self; Caroline Anderson, representing self; Rebecca Haynes, representing self; William S. James, representing self; Joan Murphy, representing self; Susan Phelps, representing self; Nancy Santori, representing self; Christine Keitges, representing self; John Babicz, representing self; Vickey Finger, representing self; Murdock Holloway, representing self; Eileen Hollowell, representing self; Elizabeth Brauer, representing self; Claudia Oreck-Teplitsky, representing self; Amy Pedotto, representing self; Elizabeth Goff, representing self; Charlotte Lis, representing self; Jo Ann Caruthers, representing self; Janet Wilson, representing self; Carolyn Pommier, representing self; Sally Harvey, representing self; Bruce Flocken, representing self; Nancy Hancock, representing self; Jeri Dow, representing self; Linda Guarino, representing self; Gail Block, representing self; Patricia Mentz, representing self; Margaret Adams , representing self; Barbara Fraboni, representing self; CAROL R BLACKMAN, representing self; Diane Leischow, representing self; Nancy Branham, representing self; Robin LaVoie, representing self; Sharon Gerrard, representing self; Kathy Fraser, representing self; Jessie Spalding, representing self; Whitney Johnson, representing self; Sandra Adler, representing self; Margrit McIntosh, representing self; Mary Martiniak, representing self; Truly Bone, representing self; Sue Thorne, representing self; LaMista Schultz, representing self; Lisa Koenig, representing self; Darrell Boomgaarden, representing self; Elizabeth Schauer, representing self; Linda Block, representing self; Katherine Warren, representing self; ALICE BUCK, representing self; Janet Johnson, representing self; Angela J. Miller, representing self; Kirstin Woodburne, representing self; Penny Boone, representing self; Susan Morris, representing self; Gail Bird, representing self; Katherine Doman Sheydayi, representing self; Anne Leota Hart, representing self; Rachel Rulmyr, representing self; Erin McCamish, representing self; Roy Verdery, representing self; Ryan Anderson, representing self; Gail Prestera, representing self; Saher Afzal, representing self; Becky Sayler, representing self; James Stein, representing self; Brenda Nelson, representing self; Sandra Rizzo, representing self; Robert Fisher, representing self; Linda Edwards, representing self; Barbara Larson, representing self; William Yohey, representing self; Kathleen O'Neill, representing self; Edna Weigel, representing self; Diane Nevill, representing self; Teresa Akrish, representing self; Teresa Neiberg, representing self; Barbara Oliver, representing self; Elizabeth Lyons, representing self; Peter Coston, representing self; Lawrence Peters, representing self; Alice Patricia Price, representing self; Stephanie Romero, representing self; Greer Warren, representing self; Laurie Munn, representing self; Linda Reichert, representing self; Laura Huenneke, representing self; GARY LEW OLIVER, representing self; Heather Schlemmer, representing self; Walter Marcus, representing self; Barbara Hutchinson, representing self; Margaret Bruns, representing self; Mary-Jeanne Fincher, representing self; Gary Rulapaugh, representing self; Sandra Rode, representing self; DEBRA GORDON, representing self; Marilyn Murov, representing self; Theresa Prichard, representing self; Barbara Hollway, representing self; Julia Olson, representing self; Lori Taniguchi, representing self; Shelley Stephenson, representing self; Linda Cooke, representing self; Sheila Green, representing self; J Nicholas Prestera, representing self; Patricia Brunner, representing self; Amanda Coltman, representing self; Christine McLachlan-Comer, representing self; Janie Smieszek, representing self; Dan Schwartzstein, representing self; Carol Campbell, representing self; Francine Saccio, representing self; Nigel Taplin, representing self; Karen DeLay, representing self; Laura Libman, representing self; RITA DEPUYDT, representing self; Tina Kilcullen, representing self; Tami Butters, representing self; Linda Paul, representing self; Charles Turner, representing self; Donna Johnson, representing self; Anne Rohweder, representing self; Helen Abrahamson, representing self; Kim Buckley, representing self; Dora Vasquez, AZ ALLIANCE FOR RETIRED AMERICANS; Marcia Tingley, representing self; Celeste Rogers, representing self; Douglas Cain, representing self; Aaron Essif, representing self; Gabe Leadley, representing self; Teresa Gerschutz, representing self; Joseph Alexander, representing self; Susan Collopy, representing self; Christopher Cerrato, representing self; David Myers, representing self; Catherine Hopkins, representing self; Peggy Church, representing self; Lisa Maczura, representing self; Nelson Morgan, representing self; John Propster, representing self; Robert Larson, representing self; Dieter Knecht, representing self; Cynthia Paster, representing self; Jacqueline Bauer, representing self; Alicia Vaughan, representing self; Sharon Ehrlich, representing self; Mary Marcus, representing self; Denise Hudson, representing self; Robert Medler, WESTERN GROWERS ASSN; Patricia Brown, representing self; Margaret Knecht, representing self; Jillian Ballard, representing self; Caitlin Absher, representing self; Carissa Sipp, representing self; Meghan McCabe, AZ HOSPITAL & HEALTHCARE ASSN

## All Comments:

Alison Walukiewicz , Self: Severance for wrongful termination due to medical decisions is only right; Crystal Smith, Self: EMPHATIC YES! We must have deterrent for companies that fire people based on PERSONAL MEDICAL DECISIONS - not every company has enough employees to do a class action against them (and I know a couple that are planning it as we speak); Michelle Sullivan, Self: I think you should add that employee reserves the right to sue for wrongful termination. Many people don't make much money in a year, but would be entitled to more for having been violated in this way.; Ben Wells, Self: I support as an Arizona resident for 25 years. No employer has the right to enforce a vaccine mandate. If an employee is terminated because of not being vaccinated, that employee should have the right to receive compensation as a vaccinated person; Alyce Simpson, Self: Supporters of this bill are clearly members of a pro-death cult. Families of the many people who have died from Covid in AZ should be able to sue these legislators and the Governor.; Judith Keagy, Self: Ridiculous legislative overreach. It's up to employer's to determine the need for vaccinations in their specific environment. Give us a break!!!; Mary Ann Graffagnino, Self: AS a physician, we who are eligible and do not have a religious exemption need to get the COVID vaccines. Vaccines save millions of lives as history has shown. Unvaccinated people who lose their jobs should not be rewarded for their unsafe choice.; Christina Mollica, Self: I am a registered voter in LD21; Cynthia Couture, Self: This reduces an employer's rights. For me, if I'm being treated by healthcare workers, I want to know that they have been vaccinated and will not transmit covid. No money or reinstatement for hurting society.; Bryna Koch, Self: Vote no on this bill.; Gail Kamaras, Self: No taxpayer money for vaccine refusers; Patricia Mullenix, Self: Having spent a career in healthcare I find this incredibly short sighted. Most people dying are unvaccinated. Most people unvaccinated are Republican. Therefore most people dying are Republican. Why are we killing off our own voters???; Rebecca Haynes, Self: Makes no sense to pay people for risking all of our public's health.; Eileen Hollowell, Self: Unnecessary burden on businesses. Why would Republicans do that?; Elizabeth Brauer, Self: We should be doing everything possible to encourage people to get a safe, effective vaccine, not encouraging irresponsible behavior.; Charlotte Lis, Self: Employers a right to require vaccination. Employees are required to follow the rules.; Jo Ann Caruthers, Self: EVERYONE needs to get vaccinated! Don't pay people to opt out!; Bruce Flocken, Self: Please oppose this bill. Vaccination requirements have been a part of my 60+ years of life, with only benefits and no harm. People choosing to give up their job because of vaccination requirements should not be rewarded with compensation.; Linda Guarino, Self: Business owners have the right and responsibility to make their workplaces safe. Don't reward workers who fail to care about others.; Nancy Branham, Self: If you are mandated to be vaccinated and do not get vaccinated you need to accept the consequences. Vaccination saves lives and resources. There should be NO reward for not getting vaccinated!!; Sharon Gerrard, Self: Unvaccinated people cause death and disease. Many or most do not wear masks. Anemployer has a right to insist on both or at least a mask and regular testing if the person is anti-vaccine.; Sue Thorne, Self: This bill encourages bad behavior when any employer is trying to keep workers safe by creating herd immunity in the workplace. So many employers in past have set up rules for employees that are much more egregious than protecting health of the whole; Linda Block, Self: Being vaccinated serves the public good. The unvaccinated should not be rewarded for their personal choice.; Janet Johnson, Self: Respectfully, this seems to be a bit of government overreach. The majority of us want to be protected in places of business and support businesses that are proactive in requiring vaccinations which are also vital to keeping their businesses open.; Angela J. Miller, Self: An employee may by law get a religious or medical exemption. Any other employee who would refuse to protect co-workers/clients/ customers by vaccinating/testing should not get a reward of any type.; Penny Boone, Self: Vaccination is a choice. Employee mandate for vax is public health protection. Choosing no vax has a consequence an employee must accept. I oppose this bill.; Susan Morris, Self: If vaccines are mandated and someone decides not to get one, why reward them?; Anne Leota Hart, Self: This is a dangerous bill that will reward those who do not care about others and prefer to ignore public health measures endangering us all. Where is the funding coming from for this- the taxpayers? This is a terrible bill.; Erin McCamish, Self: Ridiculous. Get an exemption or get a shot.; Roy Verdery, Self: As a physician, I know that anyone who refuses to be vaccinated puts themselves, their family, and their coworkers at risk of illness, disabiluty and death. They should be fired and they certainly don't deserve money. An easily abused law.; Gail Prestera, Self: This amounts to rewarding someone who is violating company policy regarding the health of all employees. Ridiculous!; James Stein, Self: HB2198; Brenda Nelson, Self: Stop wasting time & money with ridiculous bills like this that incentivize people to refuse being vaccinated against COVID. OPPOSE!!!; Sandra Rizzo, Self: The employee has made a choice to endanger themselves and fellow citizens - if they are terminated due to that choice, they shouldn't receive compensation for this choice. Tired of members of the legislature excusing measures to fight COVID.; Diane Nevill, Self: I do not agree that anyone fired for refusing to get vaccinated for COVid-19 should be paid a year's salary. That vaccine protects not only the employee and his family, but his fellow employees.; Barbara Oliver, Self: An anti-vaccer bill!; Lawrence Peters, Self: AZ has 5th highest death rate per capita ; 26,000 have died to date. Without vaccines deaths would be vastly higher. How does this square with party that is pro-life? VACCINES SAVES LIVES! Where is compensation for person infected by an antivaxxer?; Greer Warren, Self: Who is paying for this "one year salary"? The business owners? The state?; Laurie Munn, Self: Arizona has the second-highest death rate from COVID in the country. We need more people vaccinated, not fewer. And once again the party of "personal responsibility" doesn't really want personal responsibility. Kill this bill.; Mary-Jeanne Fincher, Self: Private businesses have the right to determine whether their business environment requires that employees be vaccinated. This interferes, or really, nullifies that right. Let business owners run their businesses!; Gary Rulapaugh, Self: Stop being on the side of the virus!; Sandra Rode, Self: Failure to maintain vaccination status to protect the health of coworkers and customers should NOT be rewarded with compensation. Oppose vigorously.; Marilyn Murov, Self: I do not think this bill should apply to health care or public safety workers/employers. Otherwise masking and testing requirements should suffice to allow the employee to remain on the job. If the employ then quits, they can look for another job; Theresa Prichard, Self: Overreach by the legislature. Individual businesses that require vaccination to protect their employees and customers should not be penalized for making a business decision.; Patricia Brunner, Self: An absurd bill, a waste of committee and legislators time. Rewarding people who deny science, defy medical and scientific recommendations, endanger themselves/family/friends/coworkers by refusing vaccination? NO. OPPOSE.; Dan Schwartzstein, Self: When did Rep Kaiser become pro-handouts? This sets a dangerous precedent for government interference in private business.; Carol Campbell, Self: Arizona is a "at will" employment state.; Karen DeLay, Self: Keep politics out of public health decisions. Employers have a right to set conditions of employment.; RITA DEPUYDT, Self: The state shouldn't pay unemployment benefits for people choosing to not get vaccinated. It's their choice. Unvaccinated people are putting co-workers' lives at risk.; Tami Butters, Self: We should not be deterring employers from having employees wear masks. Masks work! Stop this pandemic now.; Linda Paul, Self: This is crazy! Why should my tax money be given to someone who has put my life at risk by failing to follow public health guidelines?; Aaron Essif, Self: People have a right to be protected from others who might spread the disease as well as be a vector of a new variant.; Teresa Gerschutz, Self: AZ has unemployment benefits, therefore such employees shall collect unemployment. Why add the this bill's burden to AZ businesses? Again, these unemployed folks should collect state unemployment, not businesses' funds. 2198 hurts our businesses.; Catherine Hopkins, Self: You were elected to do what is best for the people. This is the worst possible thing. People need to be vaccinated to protect their fellow citizens. Not be rewarded for stupidity. STOP. Come up with a positive idea to help citizens not hurt us.; Lisa Maczura, Self: Even in healthcare settings? Like visiting nurse companies or nursing homes? This would force some biz to fail because some employees aren't considerate of at-risk coworkers & their families. Not good.; Dieter Knecht, Self: Please oppose; this is an overreach by government into the private sector.; Jacqueline Bauer, Self: So an employee can be fired without compensation for almost any reason EXCEPT this one? This is dumb and intrusive and more overreach AGAIN from the legislature.; Alicia Vaughan, Self: Isn't this at "at-will" work state?; Mary Marcus, Self: As a customer, I like to feel safe from exposure to deadly diseases. Why would we ever want to punish an employer who wants to keep the customers safe?; Margaret Knecht, Self: Why reward people who refuse to protect themselves and others from a potentially deadly disease and unnecessary sick time out? This doesn't support businesses' freedom to require employees to be vaccinated for reasons pertinent to the business.; Caitlin Absher, Self: vaccination saves lives - employers should have the right to request that employees be vaccinated.; Carissa Sipp, Self: contradicts right to work state doctrine- this would move all type of high paying companies out of AZ if they are penalized for a year salary- even if they only worked 1month? this will be challenged in court and most likely AZ will loose

## HB2275, condominium termination; unit owners; percentage

### Testified in support:

Dennis J Legere, ARIZONA HOMEOWNERS COALITION

### Testified as neutral:

kaitlin verdura, representing self

### Testified as opposed:

Alexis Glascock, COMMUNITY ASSOCIATIONS INSTITUTE; Greg Patterson, representing self; Charles Markle, representing self; Doug Fisher, representing self; Scott Knauer, representing self

### Support:

Tom Farley, Arizona Association Of Realtors; Sean Baguley, representing self; Paul Fitch, representing self; Catherine McGurk, representing self; William & Mary Jurica, representing self; Roseanne and Steve Elson, representing self; Debra Lynn Corey, representing self; Pierre Desombre, representing self; Raymond Wasson, representing self; Kathleen Harden-Wasson, representing self; Douglas Kupel, representing self

### Oppose:

Matt Mason, representing self; Boots Dunlap, representing self; Tim Barrett, representing self; Christopher Canter, representing self; Jena Markle, representing self; Brett Polachek, representing self; Mike Levin, representing self; Blake Little, representing self; Jay Healy, representing self; Chris Jurasek, representing self; Eva Lo, representing self; Selena Stirien, representing self; Rick King, representing self; Sydney Love, representing self; Lorrie Lampson, representing self; Ed Thilman, representing self; Jason Fishleder, representing self; Matt Welke, representing self;

Lauri Feldman, representing self; Bill Schreiber, representing self; Marty O'Connel, representing self; Kevin Girard, representing self; Lily Hauf, representing self; Jane Himmelvo, representing self; Erin Powers, representing self; Engelbert Ortega, representing self; Chrstine Dalton, representing self; Michael Marotta, representing self; Kathleen Powers, representing self; Amanda Marko, representing self; Andrew Fishleder, representing self; Sally Hinkle, representing self; Warren Baker, representing self; Dan Slack, representing self; Kristie Welke, representing self; Mike Gardner, ROCKWELL PROPERTY CO; Brad Goff, representing self; Chad Miesen, representing self

### All Comments:

Dennis J Legere, ARIZONA HOMEOWNERS COALITION: This bill finally gets it right and assures that private property cannot be taken without the consent of the owner. To assume 80% of a community can, decide to end the condo and transfer title without the consent of the owner is ridiculous.; Raymond Wasson, Self: Please support this bill so we can prevent the taking of property without the consent of its owner. Thank you.; Douglas Kupel, Self: Current law allows an 80 percent vote to terminate a condominium agreement. If a person is not supportive of the sale and is the 20 percent, their property could be sold without their consent. This is taking of property without consent. Vote yes.; Greg Patterson, Self: Requesting to speak first for the opposition.

## HB2586, electric charging providers

### Testified in support:

Amanda Gray, Arizona Petroleum Marketers Association; Mike Williams, AZ PETROLEUM MARKETERS ASSN

### Testified as opposed:

Meghaen Dell'Artino, TESLA MOTORS, INC.

### Support:

Trish Hart, AZ FOOD MARKETING ALLIANCE

### All Comments:

Meghaen Dell'Artino, TESLA MOTORS, INC.: Needs amendment

## HB2627, ready-to-drink spirits products; tax

### Testified in support:

Jason Barraza, Associate Director, DIAGEO; Mike Williams, DISTILLED SPIRITS OF US INC (DISCUS)

### Testified as opposed:

Janna Day, ANHEUSER-BUSCH COMPANIES; Steve Barclay, BEER & WINE DISTRIBUTORS OF ARIZONA; Laura Magnus, Mark Anthony Brewing ; Rob Fullmer, ARIZONA CRAFT BREWERS GUILD

### Support:

Wendy Briggs, DIAGEO; Amanda Gray, Arizona Petroleum Marketers Association

### Neutral:

Tom Farley, Wine Spirits Wholesalers Association Of Arizona

## Oppose:

Todd Baughman, WINE INSTITUTE; Meghaen Dell'Artino, Hensley; Trish Hart, Molson Coors

## All Comments:

Jason Barraza, DIAGEO: Support; Tom Farley, Wine Spirits Wholesalers Association Of Arizona: Neutral with the adoption of the Weninger amendment.

# HB2399, cosmetologists; hairstylists; licenses; hours

## Support:

Kelsey Lundy, ARIZONA COSMETOLOGY SCHOOLS COALITION; Ben Beckhart, REPUBLICAN LIBERTY CAUCUS OF ARIZONA; David Kahn, REPUBLICAN LIBERTY CAUCUS OF ARIZONA; Charles Schinke, representing self; Bill Brown, representing self; DEBRA SCHINKE, representing self; Registered Voter Arizona, representing self

## Oppose:

cathy koluch, representing self; Ruth Wilson, representing self

## All Comments:

Ben Beckhart, REPUBLICAN LIBERTY CAUCUS OF ARIZONA: HB2399 is a good bill to reduce onerous and unnecessary occupational licensing requirements. These requirements make it harder for people to enter the workforce. Let's reduce these barriers and make it easier for people to work. We support HB2399.; David Kahn, REPUBLICAN LIBERTY CAUCUS OF ARIZONA: Occupational licensing hurt people more than they help. We would prefer a bill that abolished these requirements altogether. But HB2399 is still a good bill to reduce unnecessary and onerous occupational licensing requirements.; Bill Brown, Self: I'd prefer the abolition of the requirement, but a reduction is a step in the right direction.

# ARIZONA STATE LEGISLATURE

Fifty-fifth Legislature - Second Regular Session

# COMMITTEE ATTENDANCE RECORD

COMMITTEE ON **COMMERCE**

CHAIRMAN: Jeff Weninger VICE-CHAIRMAN: Joseph Chaplik

| | | | | | |
|---|---|---|---|---|---|
| DATE | 02/01/22 | /22 | /22 | /22 | /22 |
| CONVENED | 2:09pm | m | m | m | m |
| RECESSED | | | | | |
| RECONVENED | | | | | |
| ADJOURNED | 5:33pm | | | | |
| MEMBERS | | | | | |
| Carter | √ | | | | |
| Chávez | √ | | | | |
| Cook | √ | | | | |
| Espinoza | √ | | | | |
| Kaiser | √ | | | | |
| Liguori | √ | | | | |
| Meza | √ | | | | |
| Wilmeth | √ | | | | |
| Chaplik, Vice-Chairman | √ | | | | |
| Weninger, Chairman | √ | | | | |

√ Present --- Absent exc Excused

Attachment 3

**ARIZONA HOUSE OF REPRESENTATIVES**
**Fifty-fifth Legislature - Second Regular Session**

**ROLL CALL VOTE**

COMMITTEE ON Commerce BILL NO. HB 2399

DATE February 01, 2022 MOTION: HELD

| | PASS | AYE | NAY | PRESENT | ABSENT |
|---|---|---|---|---|---|
| Carter | | | | | |
| Chávez | | | | | |
| Cook | | | | | |
| Espinoza | | | | | |
| Kaiser | | | | | |
| Liguori | | | | | |
| Meza | | | | | |
| Wilmeth | | | | | |
| Chaplik, Vice-Chairman | | | | | |
| Weninger, Chairman | | | | | |
| | | | | | |

Jacqueline Daly
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
JOSEPH CHAPLIK, Vice-Chairman

ATTACHMENT 4

## ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
Second Regular Session

**HB 2172: real estate licensees; employers; compensation**
**Sponsor: Representative Wilmeth, LD 15**
**Committee on Commerce**

**Overview**

Allows a real estate licensee to receive compensation from an employer to which the licensee is not licensed to if specified conditions are met.

**History**

A licensed real estate broker engages in selling, negotiating offers to sell and listing for sale real estate properties. A broker employs licensed real estate salespersons who, on behalf of a broker, engage in real estate transactions. A licensee is statutorily restricted to receive compensation only from a licensed broker to whom the licensee is licensed (A.R.S. § 32-2155).

In order to qualify for a real estate license an applicant must be at least 18 years of age, show evidence satisfactory to the Commissioner of the Department of Real Estate of honesty, truthfulness, good character and competency and has not had a real estate license denied within one year or revoked within two years immediately preceding the application (A.R.S. § 32-2124).

Statute outlines criteria for denial, revocation or suspension of a real estate license, which includes accepting compensation as a licensee from any person other than: 1) the licensed broker the licensee is licensed to; 2) the licensed professional corporation of which the licensee is an officer and shareholder; or 3) the licensed professional limited liability company of which the licensee is a member or manager (A.R.S. § 32-2153).

**Provisions**

1. Allows a real estate licensee to receive compensation from an employer, other than the employing broker that the licensee is licensed to, if all of the following apply:
   a) the employer holds a license;
   b) the licensee is the employer's employee and receives a federal W-2 form and tax statement;
   c) The employer has the same employing broker as the licensee; and
   d) The employer receives written permission from the employing broker to pay the licensee. (Sec. 3)
2. Clarifies the criteria for denial, suspension or revocation of a license for accepting compensation from a person who is not authorized to provide compensation. (Sec. 2)
3. Makes technical and conforming changes. (Sec. 1, 2, 3)

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



Attachment 5

# ARIZONA HOUSE OF REPRESENTATIVES
## Fifty-fifth Legislature - Second Regular Session

## ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2172

DATE February 01, 2022 MOTION: DP

| | PASS | AYE | NAY | PRESENT | ABSENT |
|---|---|---|---|---|---|
| Carter | | ✓ | | | |
| Chávez | | ✓ | | | |
| Cook | | ✓ | | | |
| Espinoza | | ✓ | | | |
| Kaiser | | ✓ | | | |
| Liguori | | ✓ | | | |
| Meza | | ✓ | | | |
| Wilmeth | | ✓ | | | |
| Chaplik, Vice-Chairman | | ✓ | | | |
| Weninger, Chairman | | ✓ | | | |
| | | 10 | 0 | 0 | 0 |

Jacqueline Denly
COMMITTEE SECRETARY

APPROVED:
Jeff Weninger
JEFF WENINGER, Chairman
JOSEPH CHAPLIK, Vice-Chairman

ATTACHMENT 6

# ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
Second Regular Session

**HB 2183: fire insurance; flooding; wildfires**
**S/E: same subject**
**Sponsor: Representative Cook, LD 8**
**Committee on Commerce**

## Summary of the Strike-Everything Amendment to HB 2183

**Overview**
Outlines certain perils that must be covered under the Arizona Standard Fire Policy.

**History**
An insurance policy is a contract in which an insurer indemnifies an insured against losses from specific contingencies or perils. Fire insurance policies, which insure against perils of fire or lightning, are written under the Arizona Standard Fire Policy. Statute requires the Arizona Standard Fire Policy to conform with the New York Standard Fire Policy. Additional coverage against perils other than those of fire and lightning may be used in connection with the standard fire policy in the form of riders or endorsements (A.R.S §§ 20-1503 & 20-1507).

The New York Standard Fire Policy contains standard policy provisions for fire insurance contracts which have become the basic policy for various states, with some states using slight variations. The main provisions include: 1) concealment and fraud; 2) uninsurable and excepted property; 3) perils not included; 4) other insurance; 5) conditions suspending or restricting insurance; 6) other perils or subjects; 7) waiver provisions; 8) cancellation of policy; 9) pro rata liability; 10) requirements in case loss occurs; 11) when loss payable; and 12) subrogation.

**Provisions**
1. Requires coverage for direct loss by fire under the Arizona standard fire policy to include coverage for loss or damage resulting from a landslide, mudslide, mudflow or debris flow if:
   a) a fire is the efficient proximate cause of the loss or damage;
   b) the fire ended within 180 days after the loss or damage; and
   c) coverage would otherwise be provided for the fire. (Sec. 1)
2. Requires coverage for such perils to be provided under the same terms and conditions as would be provided for the fire. (Sec. 1)

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



Attachment 7

Fifty-fifth Legislature
Second Regular Session

Commerce
H.B. 2183

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2183

(Reference to printed bill)

Strike everything after the enacting clause and insert:

"Section 1. Section 20-1503, Arizona Revised Statutes, is amended to read:

20-1503. Arizona standard fire policy

A. ~~No~~ A policy of fire insurance covering property located in this state shall NOT be made, issued or delivered unless it conforms as to all provisions and the sequence thereof with the basic policy commonly known as the New York standard fire policy, edition of 1943. Such policy is designated as the Arizona standard fire policy.

B. The Arizona standard fire policy may exclude coverage for loss by fire or other perils insured against if the loss is caused directly or indirectly by terrorism and involves risks other than a type of risk to which article 12 of this chapter applies.

C. COVERAGE FOR DIRECT LOSS BY FIRE UNDER THE ARIZONA STANDARD FIRE POLICY SHALL INCLUDE COVERAGE FOR LOSS OR DAMAGE THAT RESULTS FROM A LANDSLIDE, MUDSLIDE, MUDFLOW OR DEBRIS FLOW IF A FIRE IS THE EFFICIENT PROXIMATE CAUSE OF THE LOSS OR DAMAGE, THE FIRE ENDED WITHIN ONE HUNDRED EIGHTY DAYS AFTER THE LOSS OR DAMAGE AND COVERAGE WOULD OTHERWISE BE PROVIDED FOR THE FIRE. COVERAGE SHALL BE PROVIDED UNDER THE SAME TERMS AND CONDITIONS AS WOULD BE PROVIDED FOR THE FIRE.

~~C.~~ D. The director shall file in ~~his~~ THE office and ~~thereafter~~ maintain ~~so~~ on file~~,~~ a true copy of the Arizona standard fire policy, designated as such and bearing the director's authenticating certificate

Attachment 8

Adopted ✓ # of Verbals
Failed Withdrawn
Not Offered Analysts Initials

and signature and the date of filing. Provisions to be contained on the first page of the policy may be rewritten, supplemented and rearranged to facilitate policy issuance and to include matter ~~which~~ THAT may otherwise properly be added by endorsement."

Amend title to conform

DAVID L. COOK

2183COOK
01/28/2022
09:30 AM
C: SK

## ARIZONA HOUSE OF REPRESENTATIVES
### Fifty-fifth Legislature - Second Regular Session

## ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2183

DATE February 01, 2022 MOTION: DPA/SE

| | PASS | AYE | NAY | PRESENT | ABSENT |
|---|---|---|---|---|---|
| Carter | | ✓ | | | |
| Chávez | | ✓ | | | |
| Cook | | ✓ | | | |
| Espinoza | ✓ | ✓ | | | |
| Kaiser | | ✓ | | | |
| Liguori | | ✓ | | | |
| Meza | | ✓ | | | |
| Wilmeth | | ✓ | | | |
| Chaplik, Vice-Chairman | | ✓ | | | |
| Weninger, Chairman | | ✓ | | | |
| | | 10 | 0 | 0 | 0 |

APPROVED:

JEFF WENINGER, Chairman
JOSEPH CHAPLIK, Vice-Chairman

COMMITTEE SECRETARY

ATTACHMENT 9

**HB 2198: employee termination; COVID-19 vaccine; compensation**
**Sponsor: Representative Kaiser, LD 15**
**Committee on Commerce**

## Overview

Provides severance compensation or reemployment for employees who were terminated due to refusal to receive the COVID-19 vaccine as a condition of employment.

## History

Coronaviruses are a family of viruses that can cause illnesses such as the common cold, severe acute respiratory syndrome (SARS) and Middle East respiratory syndrome (MERS). A novel coronavirus is a new coronavirus that has not been previously identified. The newly identified novel coronavirus (SARS-CoV-2), has caused a worldwide pandemic of respiratory illness called COVID-19.

Pursuant to A.R.S. 23-353, if an employee is discharged from service, an employer must pay the employee the wages they are due within seven days or the current pay period, whichever is sooner.

## Provisions

1. Stipulates employees terminated for not receiving a COVID-19 vaccine as a condition of employment must receive:
   a) severance compensation; or
   b) reemployment at the same or similar position. (Sec. 1)
2. Applies retroactively to December 1, 2021. (Sec. 2)

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



Attachment 10

# ARIZONA HOUSE OF REPRESENTATIVES
## Fifty-fifth Legislature - Second Regular Session

## ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2198

DATE February 01, 2022 MOTION: DP

| | PASS | AYE | NAY | PRESENT | ABSENT |
|---|---|---|---|---|---|
| Carter | | ✓ | | | |
| Chávez | | | ✓ | | |
| Cook | ✓ | | | ✓ | |
| Espinoza | | | ✓ | | |
| Kaiser | | ✓ | | | |
| Liguori | | | ✓ | | |
| Meza | | | ✓ | | |
| Wilmeth | | ✓ | | | |
| Chaplik, Vice-Chairman | | ✓ | | | |
| Weninger, Chairman | | ✓ | | | |
| | | 5 | 4 | 1 | 0 |

APPROVED:

JEFF WENINGER, Chairman
JOSEPH CHAPLIK, Vice-Chairman

COMMITTEE SECRETARY

ATTACHMENT 11

# ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
Second Regular Session

**HB 2275: condominium termination; unit owners; percentage**
**Sponsor: Representative Weninger, LD 17**
**Committee on Commerce**

## Overview

Increases the number of votes required to terminate a condominium.

## History

A *condominium* is a real estate development, portions of which are designated for separate ownership and the remainder of which is designated for common ownership solely by the owners of the separate portions (A.R.S. § 33-1202).

Except in the case of taking all units by eminent domain, a condominium may be terminated only by an agreement of at least 80% of the unit owners in the association. If any real estate in a condominium is to be sold following termination, the termination agreement must establish the minimum terms of sale and the title to all real estate vests in the association. Proceeds of the sale must be distributed to the unit owners and lienholders in proportion to the respective interest of the unit owners.

Upon termination of a condominium, the interests of unit owners are the fair market values of their units, limited common elements, common element interests immediately before the termination, their pro rata share of any monies in the association's reserve fund and the operating account and five percent of the total amount of relocation costs for owner-occupied units. An independent appraiser selected by the association must determine the fair market value, but any unit owner may obtain a second independent appraisal at their own expense. If the unit owners' appraisal differs from the associations by five percent or less, the higher appraisal is final. If the appraisals differ by more than five percent the unit owner must submit to arbitration at the association's expense and the arbitration amount is the final sale amount (A.R.S. § 33-1228).

## Provisions

1. Increases the percentage of votes by unit owners, from at least 80% to 100%, necessary to terminate a condominium.
2. Repeals the section of Laws 2021, Chapter 405 relating to terminating a condominium. (Sec. 3)
3. Makes technical and conforming changes. (Sec. 1, 2)

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



Attachment 12

# ARIZONA HOUSE OF REPRESENTATIVES
## Fifty-fifth Legislature - Second Regular Session

## ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2275

DATE February 01, 2022 MOTION: DP

| | PASS | AYE | NAY | PRESENT | ABSENT |
|---|---|---|---|---|---|
| Carter | ✓ | | ✓ | | |
| Chávez | | ✓ | | | |
| Cook | | ✓ | | | |
| Espinoza | ✓ | ✓ | | | |
| Kaiser | | ✓ | | | |
| Liguori | | | ✓ | | |
| Meza | | | ✓ | | |
| Wilmeth | | ✓ | | | |
| Chaplik, Vice-Chairman | | ✓ | | | |
| Weninger, Chairman | | ✓ | | | |
| | | 7 | 3 | 0 | 0 |

COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
JOSEPH CHAPLIK, Vice-Chairman

ATTACHMENT 13

# Form 1076

*Condominium Project Questionnaire*

Fannie Mae

ADDENDUM ADDED DECEMBER 2021

## Instructions

**Lender:** Complete the first table below and enter the date on which the form should be returned to you.

**Homeowners' Association (HOA) or Management Company:** This form has been sent to you on behalf of an individual seeking mortgage financing to purchase or refinance a unit in this project. The mortgage lender needs this information to determine the eligibility of the project for mortgage financing purposes. Complete and return this form by ____________ (DATE) to the lender listed below. Questions about this form should be directed to the lender contact.

| | |
|---|---|
| **Lender Name:** | **Lender Phone Number:** |
| **Contact Name:** | **Lender Fax Number:** |
| **Lender Address:** | **Lender Email Address:** |

### I. Basic Project Information

1 Project Legal Name:

2 Project Physical Address:

3 HOA Management Address:

4 HOA Name (if different from Project Legal Name):

5 HOA Tax ID #:

6 HOA Management Company Tax ID #:

7 Name of Master or Umbrella Association (if applicable):

8 Does the project contain any of the following? Check all that apply:

- a ☐ Hotel/motel/resort activities, mandatory or voluntary rental-pooling arrangements, or other restrictions on the unit owner's ability to occupy the unit
- b ☐ Deed or resale restrictions
- c ☐ Manufactured homes
- d ☐ Mandatory fee-based memberships for use of project amenities or services
- e ☐ Non-incidental income from business operations
- f ☐ Supportive or continuing care for seniors or for residents with disabilities

Provide additional detail here, if applicable (optional):



Attachment 14

## II. Project Completion Information

| | | | |
|---|---|---|---|
| 1 | Is the project 100% complete, including all construction or renovation of units, common elements, and shared amenities for all project phases? | ☐ YES | ☐ NO |
| | If **No**, complete lines a-f: | | |
| a | Is the project subject to additional phasing or annexation? | ☐ YES | ☐ NO |
| b | Is the project legally phased? | ☐ YES | ☐ NO |
| c | How many phases have been completed? | | |
| d | How many total phases are legally planned for the project? | | |
| e | How many total units are planned for the project? | | |
| f | Are all planned amenities and common facilities fully complete? | ☐ YES | ☐ NO |
| 2 | Has the developer transferred control of the HOA to the unit owners? | ☐ YES | Date transferred: ______________ |
| | | ☐ NO | Estimated date the transfer will occur: ______________ |

## III. Newly Converted or Rehabilitated Project Information

| | | | |
|---|---|---|---|
| 1 | Is the project a conversion within the past 3 years of an existing structure that was used as an apartment, hotel/resort, retail or professional business, industrial or for other non-residential use? | ☐ YES | ☐ NO |
| | If **Yes**, complete lines a-g: | | |
| a | In what year was the property built? | | |
| b | In what year was the property converted? | | |
| c | Was the conversion a full gut rehabilitation of the existing structure(s), including replacement of all major mechanical components? | ☐ YES | ☐ NO |
| d | Does the report from the licensed engineer indicate that the project is structurally sound, and that the condition and remaining useful life of the project's major components are sufficient? | ☐ YES | ☐ NO |
| e | Are all repairs affecting safety, soundness, and structural integrity complete? | ☐ YES | ☐ NO |
| f | Are replacement reserves allocated for all capital improvements? | ☐ YES | ☐ NO |
| g | Are the project's reserves sufficient to fund the improvements? | ☐ YES | ☐ NO |

## IV. Financial Information

1 How many unit owners are 60 or more days delinquent on common expense assessments?

2 In the event a lender acquires a unit due to foreclosure or a deed-in-lieu of foreclosure, is the mortgagee responsible for paying delinquent common expense assessments? ☐ YES ☐ NO

If **Yes**, for how long is the mortgagee responsible for paying common expense assessments? (*Select one*)

☐ 1 to 6 months
☐ 7 to 12 months
☐ More than 12 months

3 Is the HOA involved in any active or pending litigation? ☐ YES ☐ NO

If **Yes,** attach documentation regarding the litigation from the attorney or the HOA. Provide the attorney's name and contact information:

Attoney Name:

Attorney Phone Number:

## V. Ownership & Other Information

1 Complete the following information concerning ownership of units:

| | Entire Project | Subject Legal Phase (in which the unit is located) *If Applicable* |
|---|---|---|
| Total number of units | | |
| Total number of units sold and closed | | |
| Total number of units under bona-fide sales contracts | | |
| Total number of units sold and closed or under contract to owner-occupants | | |
| Total number of units sold and closed or under contract to second home owners | | |
| Total number of units sold and closed or under contract to investor owners | | |
| Total number of units being rented by developer, sponsor, or converter | | |
| Total number of units owned by the HOA | | |

2 Complete the following table if more than one unit is owned by the same individual or entity.

| Individual / Entity Name | Developer or Sponsor (Yes or No) | Number of Units Owned | Percentage Owned of Total Project Units | Number Leased at Market Rent | Number Leased under Rent Control |
|---|---|---|---|---|---|
| | ☐ YES ☐ NO | | % | | |
| | ☐ YES ☐ NO | | % | | |
| | ☐ YES ☐ NO | | % | | |
| | ☐ YES ☐ NO | | % | | |

3 Do the unit owners have sole ownership interest in and the right to use the project amenities and common areas? ☐ YES ☐ NO

If **No**, explain who has ownership interest in and rights to use the project amenities and common areas:

4 Are any units or any part of the building used for non-residential or commercial space? ☐ YES ☐ NO

If **Yes**, complete the following table:

| Type of Commercial or Non-Residential Use | Name of Owner or Tenant | Number of Units | Square Footage | % Square Footage of Total Project Square Footage |
|---|---|---|---|---|
| | | | | % |
| | | | | % |
| | | | | % |
| | | | | % |

5 What is the total square footage of commercial space in the building that is separate from the residential HOA?
Include above and below grade space used for commercial purposes, such as public parking facilities, retail space, apartments, commercial offices, and so on.

Total square footage of commercial space:

## VI. Insurance Information & Financial Controls

1 Are units or common elements located in a flood zone? ☐ YES ☐ NO

If **Yes**, flood coverage is in force equaling (*Select only one option below*):

- ☐ 100% replacement cost
- ☐ Maximum coverage per condominium available under the National Flood Insurance Program
- ☐ Some other amount (*Enter amount here*): $ ____________________

2 Check all of the following that apply regarding HOA financial accounts:

- ☐ HOA maintains separate accounts for operating and reserve funds.
- ☐ Appropriate access controls are in place for each account.
- ☐ The bank sends copies of monthly bank statements directly to the HOA.
- ☐ Two members of the HOA Board of Directors are required to sign any check written on the reserve account.
- ☐ The Management Company maintains separate records and bank accounts for each HOA that uses its services.
- ☐ The Management Company does not have the authority to draw checks on, or transfer funds from, the reserve account of the HOA.

3 Supply the information requested below. Do NOT enter "contact agent."

| Type of Insurance | Carrier/Agent Name | Carrier/Agent Phone Number | Policy Number |
|---|---|---|---|
| Hazard | | | |
| Liability | | | |
| Fidelity | | | |
| Flood | | | |

## VII. Contact Information

**Name of Preparer:**

**Title of Preparer:**

**Preparer's Phone:**

**Preparer's Email:**

**Preparer's Company Name:**

**Preparer's Company Address:**

**Date Completed:**

# Condominium Project Questionnaire Addendum

This Addendum is applicable to both condominium and cooperative projects. It must be completed by an authorized representative of the HOA/Cooperative Corporation.

## Project Information

Project Name:

Project Address:

## Building Safety, Soundness, Structural Integrity, and Habitability

1 When was the last building inspection by a licensed architect, licensed engineer, or any other building inspector?

2 Did the last inspection have any findings related to the safety, soundness, structural integrity, or habitability of the project's building(s)? ☐ YES ☐ NO

2a If **Yes**, have recommended repairs/replacements been completed? ☐ YES ☐ NO

If the repairs/replacements have not been completed:

2b What repairs/replacements remain to be completed?

2c When will the repairs/replacements be completed?

*Provide a copy of the inspection and HOA or cooperative board meeting minutes to document findings and action plan.*

3 Is the HOA/Cooperative Corporation aware of any deficiencies related to the safety, soundness, structural integrity, or habitability of the project's building(s)? ☐ YES ☐ NO

3a If **Yes**, what are the deficiencies?

3b Of these deficiencies, what repairs/replacements remain to be completed?

3c Of these deficiencies, when will the repairs/replacements be completed?

## Building Safety, Soundness, Structural Integrity, and Habitability

4 Are there any outstanding violations of jurisdictional requirements (zoning ordinances, codes, etc.) related to the safety, soundness, structural integrity, or habitability of the project's building(s)? ☐ YES ☐ NO

If **Yes**, *provide notice from the applicable jurisdictional entity.*

5 Is it anticipated the project will, in the future, have such violation(s)? ☐ YES ☐ NO

If **Yes**, *provide details of the applicable jurisdiction's requirement and the project's plan to remediate the violation.*

6 Does the project have a funding plan for its deferred maintenance components/items to be repaired or replaced? ☐ YES ☐ NO

7 Does the project have a schedule for the deferred maintenance components/items to be repaired or replaced? ☐ YES ☐ NO

If **Yes**, *provide the schedule.*

8 Has the HOA/Cooperative Corporation had a reserve study completed on the project within the past 3 years? ☐ YES ☐ NO

9 What is the total of the current reserve account balance(s)? $

10 Are there any current special assessments unit owners/cooperative shareholders are obligated to pay? If **Yes**: ☐ YES ☐ NO

10a What is the total amount of the special assessment(s)? $

10b What are the terms of the special assessment(s)?

10c What is the purpose of the special assessment(s)?

## Building Safety, Soundness, Structural Integrity, and Habitability

11 Are there any planned special assessments that unit owners/ cooperative shareholders will be obligated to pay? **If Yes:** ☐ YES ☐ NO

11a What will be the total amount of the special assessments? $

11b What will be the terms of the special assessments?

11c What will be the purpose of the special assessments?

12 Has the HOA obtained any loans to finance improvements or deferred maintenance? ☐ YES ☐ NO

12a Amount borrowed? $

12b Terms of repayment?

## Additional Comments:

## Contact Information

**Name of Preparer:**

**Title of Preparer:**

**Preparer's Phone:**

**Preparer's Email:**

**Preparer's Company Name:**

**Preparer's Company Address:**

**Date Completed:**

Fannie Mae

# Lender Letter (LL-2021-14)

Oct.13, 2021

## To: All Fannie Mae Single-Family Sellers
## Temporary Requirements for Condo and Co-op Projects

Our condo and co-op project standards policies are designed to support the ongoing viability of condo and co-op projects. In the wake of the tragic collapse of the Champlain South Tower in Surfside, Florida, residential buildings with aging infrastructure and significant deferred maintenance are a growing concern across the nation. This concern is expected to increase over the next decade as the majority of residential condo and co-op buildings were built more than twenty years ago. Lenders and other industry stakeholders have asked for clear guidance on how to manage emerging risk related to residential projects.

In response to the concerns about projects with significant deferred maintenance, we are issuing temporary requirements that impact the eligibility of condo and co-op projects containing attached units. These requirements apply to all loans secured by units in projects with five or more attached units, regardless of the type of project review or review waiver.

**Effective:** Unless otherwise noted below, these requirements are effective for whole loans purchased on or after Jan. 1, 2022 and for loans delivered into MBS pools with issue dates on or after Jan. 1, 2022 and will remain in effect until further notice.

## Significant deferred maintenance and unsafe conditions

Loans secured by units in condo and co-op projects with significant deferred maintenance or in projects that have received a directive from a regulatory authority or inspection agency to make repairs due to unsafe conditions are not eligible for purchase. These projects will remain ineligible until the required repairs have been made and documented. Acceptable documentation may include a satisfactory engineering or inspection report, certificate of occupancy, or other substantially similar documentation that shows the repairs have been completed in a manner that resolves the building's safety, soundness, structural integrity, or habitability concerns.

Significant deferred maintenance includes deficiencies that meet one or more of the following criteria:

- full or partial evacuation of the building to complete repairs is required for more than seven days or an unknown period of time;
- the project has deficiencies, defects, substantial damage, or deferred maintenance that
  - is severe enough to affect the safety, soundness, structural integrity, or habitability of the improvements;
  - the improvements need substantial repairs and rehabilitation, including many major components; or
  - impedes the safe and sound functioning of one or more of the building's major structural or mechanical elements, including but not limited to the foundation, roof, load bearing structures, electrical system, HVAC, or plumbing.

Additionally, projects that have failed to obtain an acceptable certificate of occupancy or pass local regulatory inspections or re-certifications are not eligible.

These policies do not apply to routine maintenance or repairs that a homeowners' association (HOA) undertakes to maintain or preserve the integrity and condition of its property. Also, if damage or deferred maintenance is isolated to one or a few units and does not affect the overall safety, soundness, structural integrity, or habitability of the improvements then these project eligibility requirements do not apply. Examples of this scenario include water damage to a unit due to a leaky pipe that is isolated or damage from a small fire impacting the interior of a specific unit. However, if the subject property unit is affected, our standard requirements for property condition apply.

## Special assessments

Any current or planned special assessment, even if paid in full for the subject unit, must be reviewed to determine acceptability. The lender must document the loan file with the following:

- the reason for the special assessment;
- the total amount assessed and repayment terms;
- documentation to support no negative impact to the financial stability, viability, condition, and marketability of the project; and
- borrower qualification with any outstanding special assessment payment.

The lender is expected to obtain the financial documents necessary to confirm the association has the ability to fund any repairs. If the special assessment is related to safety, soundness, structural integrity, or habitability, all related repairs must be fully completed or the project is not eligible. Additionally, If the lender or appraiser is unable to determine that there is no adverse impact, the project is ineligible.

## Condo Project Manager "Unavailable" status

We are changing the status of projects in Condo Project Manager™ (CPM™) to "Unavailable" when we become aware of projects that do not meet these temporary eligibility requirements or that do not meet our standard *Selling Guide* requirements for project eligibility. Effective immediately, loans secured by units in any project with a CPM status of "Unavailable" are ineligible for purchase, regardless of the project review process used in underwriting the loan. Lenders can check the status of a particular project by accessing CPM. If a lender has documentation to resolve eligibility issues for projects noted as unavailable in CPM, they are encouraged to submit that documentation for consideration using the CPM mailbox: CPM_manage@fanniemae.com

## Reserve requirements

We are also suspending the *Selling Guide* flexibility that allows a lender to obtain a reserve study in lieu of the condo project meeting our 10% budget reserve requirement. Reserve studies are an important tool to help HOAs plan for future needs. It is best practice for HOAs to obtain a reserve study, keep it updated, and follow its recommendations for reserves and maintenance schedules. However, projects that budget less than 10% of the HOA's assessment income may be at increased risk for significant deferred maintenance and special assessments. Lenders may submit exception requests to us through the Project Eligibility Review Service (PERS) process for established projects that do not meet our minimal reserve requirements but that have a reserve study demonstrating sufficient reserves. We will not consider such requests for new projects at this time.

## Project eligibility waivers

Effective immediately Project Eligibility Waivers (PEWs) will not be issued for significant deferred maintenance, failure to obtain a certificate of occupancy, failure to complete or pass a regulatory inspection, or projects subject to large special assessments as described above. Additionally, all new requests related to PEWs for project insurance policy deficiencies are suspended.

## Best practices and reminders

As a best practice, the lender should review the past six months of a project's HOA meeting minutes and obtain information about any maintenance or construction that may have significant safety, soundness, structural integrity, or habitability impacts on the unit or the project. References to items such as improvements, renovations, inadequate reserve funding, budget deficits, and negative cash-flows should be researched to determine if these items are related to deferred maintenance or other conditions that impact the safety, soundness, structural integrity, or habitability

We recommend that lenders review any available inspection, engineering, or other certification reports completed within the past five years to identify deferred maintenance that may need to be addressed. As a reminder, projects engaged in construction defect or other material litigation are ineligible.

We are reminding lenders that their appraisers must document any special assessments or deferred maintenance that may impact the safety, soundness, structural integrity, or habitability of the unit or the overall project and its amenities. We have issued separate guidance about this to appraisers; lenders are encouraged to review the information on our website.

Regardless of review type, projects must comply with all policies described in the *Selling Guide*, B4-2.1-03, Ineligible Projects, including when completing a Limited Review or an appraisal waiver is used. Using an appraisal waiver does not exempt the lender from completing the required project review. Additionally, relying solely on the appraisal to complete a project review is not recommended. The appraisal often does not have sufficient information for a lender to determine whether the project meets our eligibility requirements.

Finally, homeowners impacted by disasters, such as the recent condo collapse or other similar circumstances, may be eligible to use disaster-related servicing flexibilities as outlined in the *Selling Guide*, B2-3-05, Properties Affected by a Disaster and *Servicing Guide*, D1-3-01, Evaluating the Impact of a Disaster Event and Assisting a Borrower. For additional guidance, review the Disaster Relief FAQs.

## Additional Resources

Refer to the following resources for more information about our project policies, the PERS process, and CPM:

- Protecting Condos as a Sustainable Housing Option
- Condo, Co-Op, and PUD Eligibility
- PERS Getting Started Guide and PERS Overview
- Condo Project Manager
- Appraising and Underwriting Condo and Co-op Projects

Lenders may also contact their Fannie Mae Account Team if they have questions about this Lender Letter.
Have guide questions? Get answers to all your policy questions, straight from the source. Ask Poli.

**Let your voice be heard!** We want your feedback on our policy communications to help us improve the clarity of new and updated policy and understand any implications to borrowers. Click below to take a short survey regarding this Lender Letter.

Provide feedback

# ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
Second Regular Session

**HB 2586: electric charging providers**
**Sponsor: Representative Weninger, LD 17**
**Committee on Commerce**

**Overview**
Asserts that electric charging providers are not public service corporations.

**History**
The Constitution of Arizona defines *public service corporations* as non-municipal corporations that provide: 1) gas, oil or electricity for light, fuel or power; 2) water for irrigation, fire protection or other public purposes; 3) hot or cold air or steam for heating or cooling purposes; 4) sewage treatment and disposal services; or 5) public telegraph or telephone service (Arizona Constitution article XV, Section 2).

Public service corporations are regulated by the Arizona Corporation Commission who prescribes just and reasonable prices for public service corporations to charge for their service (Arizona Constitution article XV Section 3).

**Provisions**
1. Specifies that electric charging providers are not public service corporations. (Sec. 1)
2. Permits electric charging providers, in addition to charging fees assessed for the quantity of electricity sold, to charge fees for other services. (Sec. 1)
3. Defines *electric charging providers.* (Sec. 1)

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



Attachment 15

## ARIZONA HOUSE OF REPRESENTATIVES
## Fifty-fifth Legislature - Second Regular Session

## ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2586

DATE February 01, 2022 MOTION: DP

| | PASS | AYE | NAY | PRESENT | ABSENT |
|---|---|---|---|---|---|
| Carter | | ✓ | | | |
| Chávez | | ✓ | | | |
| Cook | | ✓ | | | |
| Espinoza | | ✓ | | | |
| Kaiser | | ✓ | | | |
| Liguori | | ✓ | | | |
| Meza | | ✓ | | | |
| Wilmeth | | | | | ✓ |
| Chaplik, Vice-Chairman | | ✓ | | | |
| Weninger, Chairman | | ✓ | | | |
| | | 9 | 0 | 0 | 1 |

APPROVED:

JEFF WENINGER, Chairman
JOSEPH CHAPLIK, Vice-Chairman

COMMITTEE SECRETARY

ATTACHMENT 16

# ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
Second Regular Session

**HB 2627: ready-to-drink spirits products; tax**
**Sponsor: Representative Weninger, LD 17**
**Committee on Commerce**

**Overview**

Defines *ready-to-drink spirits products* as a new type of spiritous liquor and provides for its sale, regulation and taxation.

**History**

The Department of Liquor Licenses and Control regulates the manufacture, distribution and sale of liquor in this state through the issuance of 21 license types or series. The series 10 *beer and wine store license* permits the sale of beer and wine, but no other kind of spirituous liquor.

A liquor tax is imposed on all producers and wholesalers who sell spirituous liquor in Arizona. The tax is paid by wholesalers when the spirituous liquor is sold and added to the sales price. For the purpose of taxation, wholesalers must report to the Department of Revenue (DOR) each month the amount of spiritous liquor sold. Additionally, all wholesalers of spirituous liquor are required to file a bond with DOR as surety for payment of taxes (A.R.S. Title 42, Chapter 3, Article 8).

In statute, *distilled spirits* is defined as including: alcohol, brandy, whiskey, rum, tequila, mescal, gin, absinthe, a compound or mixture of any of them or of any of them with any vegetable or other substance, alcohol bitters, bitters containing alcohol, fruits preserved in ardent spirits, and any alcoholic mixture or preparation, that may in sufficient quantities produce intoxication. *Spirituous liquor* is a broader term which encompasses everything in distilled spirits and additionally includes: wine, porter, ale, beer, any malt liquor or malt beverage and beverages containing more than one-half of one percent of alcohol by volume (A.R.S. § 4-101).

**Provisions**

1. Allows a beer and wine store to sell, and take orders for delivery off the premises, ready-to-drink spirits products. (Sec. 2)
2. Specifies if a beer and wine store license and a bar license are issued at the same premises, that for the purpose of reporting liquor purchases, all ready-to-drink spirits products are to be presumed purchased under the beer and wine store license. (Sec. 3)
3. Applies, to ready-to-drink spirits products, a tax rate of $0.84 per gallon. (Sec. 5)
4. Directs wholesalers to pay the $0.84 tax on ready-to-drink spirits products and add that amount to the sales price. (Sec. 7)
5. Instructs craft distillers, who both manufacture and sell ready-to-drink spirits products, to pay the $0.84 tax on ready-to-drink spirits products and add that amount to the sales price. (Sec. 8)
6. Includes, to the list of liquors for which wholesalers must file a bond with DOR, ready-to-drink spirits products. (Sec. 6)



Attachment 17

7. Requires wholesalers to include, in their monthly sworn statements to DOR showing the amount of liquors sold, the amount of ready-to-drink spirits products sold in Arizona. (Sec. 7)
8. Includes ready-to-drink spirits products in the definition of *distilled spirits*. (Sec. 1)
9. Defines *ready-to-drink spirits products* as distilled spirits mixed with other beverages that: a) may contain flavoring or coloring materials and other ingredients; b) do not exceed 12% alcohol by volume; and c) are sold in the manufacturer's original packaging. (Sec. 1, 4)
10. Makes technical and conforming changes. (Sec. 1, 2, 3, 4, 5, 6, 7)

Fifty-fifth Legislature
Second Regular Session

Commerce
H.B. 2627

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2627

(Reference to printed bill)

Page 12, line 28, strike ", ~~and~~" insert "and"; strike "AND"

Line 29, strike "READY-TO-DRINK SPIRITS PRODUCTS"

Amend title to conform

JEFF WENINGER

2627WENINGER
01/26/2022
04:04 PM
H: LG/ra

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

Attachment 18

# ARIZONA HOUSE OF REPRESENTATIVES
## Fifty-fifth Legislature - Second Regular Session

## ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2627

DATE February 01, 2022 MOTION: DPA

| | PASS | AYE | NAY | PRESENT | ABSENT |
|---|---|---|---|---|---|
| Carter | | ✓ | | | |
| Chávez | | | ✓ | | |
| Cook | ✓ | | | ✓ | |
| Espinoza | ✓ | | ✓ | | |
| Kaiser | | ✓ | | | |
| Liguori | | | ✓ | | |
| Meza | | | | | ✓ |
| Wilmeth | | ✓ | | | |
| Chaplik, Vice-Chairman | | ✓ | | | |
| Weninger, Chairman | | ✓ | | | |
| | | 5 | 3 | 1 | 1 |

COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
JOSEPH CHAPLIK, Vice-Chairman

ATTACHMENT 19

# SPIRITS-BASED READY-TO-DRINK (RTD) PRODUCTS

*Spirits-based RTDs – known to some as "canned cocktails" – are products made with distilled spirits that can be single-serve and portable.*

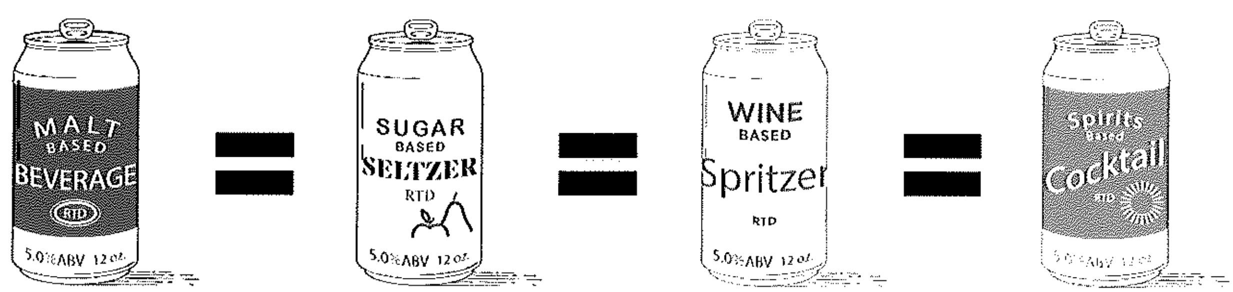
This market for products 12% ABV and under is growing at a 190% annual rate as many adult consumers have become interested in recreating the cocktail experience at home.

U.S. distillers of all sizes are joining this growing market. In a 2021 DISCUS survey, 45% of craft distillers respondents reported they are actively producing spirits-based RTDs and an additional 20% plan to do so.

Consumers opting for a spirits-based product shouldn't have to pay nearly 20 times more for a product with the exact same alcohol content as its malt- and wine-based counterparts.

# AZ RTD TAX RATE

At 5% ABV, the Arizona tax rate on spirits-based RTDs is more than **18 times** the malt- and sugar-based state tax rate.




| 1.5 cents | 1.5 cents | 7.9 cents | 28.1 cents |
|---|---|---|---|

DISTILLED SPIRITS COUNCIL
OF THE UNITED STATES

Attachment 20