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

COMMITTEE ON COMMERCE

Report of Regular Meeting
Tuesday, January 24, 2023
House Hearing Room 3 -- 2:00 P.M.

MINUTES RECEIVED
CHIEF CLERK'S OFFICE
1-25-23

Convened 2:15 P.M.
Recessed
Reconvened
Adjourned 3:05 P.M.

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

Agenda
Original Agenda – Attachment 1

Request to Speak
Report – Attachment 2

Committee Attendance
Report – Attachment 3

Committee Action

Bill	**Action**	**Vote**	**Attachments**
HB2006	DP	10-0-0-0	
HB2197	DP	10-0-0-0	
HB2252	DPA	10-0-0-0	

Susan Nelson

Susan Nelson, Committee Secretary
January 25, 2023

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

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

CONVENE: 2:15PM
ADJOURNED: 3:05PM

REGULAR MEETING AGENDA

COMMITTEE ON COMMERCE

DATE Tuesday, January 24, 2023 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=2023011109

Members:

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

Bills		Short Title	Strike Everything Title
1 HB2006	DP	insurance; liquidity; financial assessment	
		(Livingston)	
	10-0-0-0	COM, RULES	
*~~HB2007~~		~~group excess liability insurance~~	
		~~(Livingston)~~	
		~~COM, RULES~~	
~~HB2066~~		~~banks; financial institutions; personal information~~	
		~~(Carter; Bliss)~~	
		~~COM, RULES~~	
2 HB2197	DP	wills; electronic signatures; requirements	
		(Wilmeth)	
	10-0-0-0	COM, RULES	
~~HB2209~~		~~economic opportunity; industrial development authority~~	
		~~(Wilmeth)~~	
		~~COM, RULES~~	

Attachment 1

Bills	Short Title	Strike Everything Title
3 HB2252 DPA 10.0.0.0	inmates; documentation; workforce reentry (Wilmeth) COM, RULES	

* On previous agenda

ORDER OF BILLS TO BE SET BY THE CHAIRMAN

~~RA~~
JY
~~01/18/2023~~
~~01/19/2023~~
01/24/2023

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 (1/24/2023)

HB2006, insurance; liquidity; financial assessment

Support:

Daniel Schwartzer, representing self; Jeremy Gerlach, AMERICAN PROPERTY CASUALTY INSURANCE ASSOCIATION; Daniel Romm, ALLSTATE INSURANCE CO, AMERICAN FAMILY LIFE ASSURANCE CO (AFLAC), Chubb Insurance , FARMERS INSURANCE GROUP OF COMPANIES, GOVERNMENT EMPLOYEES INSURANCE COMPANY (GEICO), LIBERTY MUTUAL INSURANCE GROUP, NATIONWIDE MUTUAL INSURANCE COMPANY; Courtney Coolidge, representing self; Wendy Briggs, AMERICAN PROPERTY CASUALTY INSURANCE ASSOCIATION

Neutral:

Stephen Briggs, AZ DEPT OF INSURANCE AND FINANCIAL INSTITUTIONS

All Comments:

Daniel Romm, ALLSTATE INSURANCE CO, AMERICAN FAMILY LIFE ASSURANCE CO (AFLAC), Chubb Insurance , FARMERS INSURANCE GROUP OF COMPANIES, GOVERNMENT EMPLOYEES INSURANCE COMPANY (GEICO), LIBERTY MUTUAL INSURANCE GROUP, NATIONWIDE MUTUAL INSURANCE COMPANY: Please support this NAIC Model Act; Stephen Briggs, AZ DEPT OF INSURANCE AND FINANCIAL INSTITUTIONS: This bill is a bipartisan NAIC model law developed by regulators, industry and consumer advocates.

HB2197, wills; electronic signatures; requirements

Support:

Marc Osborn, Met Life

HB2252, inmates; documentation; workforce reentry

Support:

Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ; Jeff Taylor, SAGE COUNSELING INC; Kathleen Pettycrew, representing self; Shaun Rieve, JUSTICE ACTION NETWORK; Jeff Sandquist, JUSTICE ACTION NETWORK; Mike Huckins, GREATER PHOENIX CHAMBER OF COMMERCE; Kenneth Bierman, representing self; Dianne Post, representing self; Becky Sayler, representing self; Anna Arnold, representing self; Sharon Lee, representing self; Phyllis Smith, representing self; Kathleen Dubbs, representing self; Marilyn Rodriguez, ACLU Of Arizona , AZ ATTORNEYS FOR CRIMINAL JUSTICE; Marie Thearle, representing self; Christine McLachlan-Comer, representing self; Roger Blain, representing self; Amelia Cramer, STATE CONFERENCE NAACP; David Morris, AMERICANS FOR PROSPERITY AZ

Neutral:

Waldemar Mehner, FRATERNAL ORDER OF POLICE (AZ STATE LODGE); Jessica Roza, ARIZONA DEPARTMENT OF VETERANS' SERVICES

All Comments:

Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ: HBACA supports the bill

ARIZONA STATE LEGISLATURE
Fifty-sixth Legislature - First Regular Session

COMMITTEE ATTENDANCE RECORD

COMMITTEE ON **COMMERCE**

CHAIRMAN: Justin Wilmeth VICE-CHAIRMAN: Michael Carbone

	DATE	01/24/23	/23	/23	/23	/23
	CONVENED	2:15pm	m	m	m	m
	RECESSED					
	RECONVENED					
	ADJOURNED	3:05pm				
MEMBERS						
Aguilar		✓				
Austin		✓				
Carter		✓				
Gress		✓				
Heap		✓				
Hendrix		✓				
Ortiz		✓				
Sun		✓				
Carbone, Vice-Chairman		✓				
Wilmeth, Chairman		✓				

√ Present --- Absent exc Excused

Attachment 3

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
First Regular Session

HB 2006: insurance; liquidity; financial assessment
Sponsor: Representative Livingston, LD 28
Committee on Commerce

Overview

Conforms Insurance Holding Company System statutes to the National Association of Insurance Commissioners (NAIC) Insurance Holding Company System Regulatory Act.

History

The NAIC is the U.S. standard-setting and regulatory support organization governed by the chief insurance regulators from each of the 50 states. The NAIC provides expertise, data and analysis for insurance commissioners to effectively regulate the industry and protect consumers.

According to the NAIC, The Holding Company Act regulates certain activities of entities that are affiliated with insurance companies that would not otherwise be subject to such regulation as well as the acquisition of control of an insurer. The Act contains certain reporting requirements, including the requirement that insurance company subsidiaries file information relating to capital structure, ownership, financial condition and general business operations.

An *insurance holding company system* is statutorily defined as two or more affiliated persons, one or more of whom is an insurer. An insurance holding company system may consist of one company that directly or indirectly controls one or more other companies (A.R.S. § 20-481).

Provisions

1. Includes additional provisions applicable to enterprise risk filings, including:
   a) requiring the ultimate controlling person to file an annual group capital calculation report and outlines the types of insurance holding companies that are exempt from filing the report;
   b) requiring certain ultimate controlling persons to file the results of a liquidity stress test and provides the provisions applicable to the liquidity stress test framework. (Sec. 3)
2. Excludes the group capital calculation and the liquidity stress test framework from the exemption for nonmaterial items relating to a registration statement. (Sec. 4)
3. Prescribes additional standards relating to certain insurance holding company transactions, including:
   a) permitting the Director of DIFI (Director) to require an insurer that is deemed to be in a hazardous financial condition to submit a deposit or a bond to protect the insurer;
   b) asserting that all records and data of the insurer that are held by an affiliate are the property of the insurer;
   c) allowing, at the request of the insurer, the receiver to obtain specified records and access to certain operating systems on which the data is maintained;
   d) specifying the insurer's premiums or other funds that are collected or held by an affiliate are the exclusive property of the insurer. (Sec. 5)

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

4. Subjects certain affiliates to the jurisdiction of any supervision, seizure, conservatorship or receivership proceedings against the insurer and to the authority of any appointed supervisor, conservator, rehabilitator or liquidator enforcing or overseeing the affiliate's contractual obligations. (Sec. 5)
5. Allows the Director to require that an agreement or contract for certain services specify that the insurer consents to the jurisdiction of any supervision, seizure, conservatorship or receivership proceedings. (Sec. 5)
6. Adds that all insurance holding companies documents and materials that are in the possession or control of DIFI are considered proprietary and contain trade secrets. (Sec. 6)
7. Directs the Director to maintain the confidentiality of:
   a) the group capital calculation, the group capital ratio and any group capital calculation information received from a supervised insurance holding company system; and
   b) the liquidity stress test results and supporting disclosures and any liquidity stress test framework information received from a supervised insurance holding company system. (Sec. 6)
8. Permits the Director to share and receive specified documents, materials and information, and enter into agreements with, third-party consultants designated by the Director rather than NAIC's affiliates and subsidiaries. (Sec. 6)
9. Allows the Director to prohibit NAIC or a third-party consultant from storing shared information in a permanent database after an underly analysis is completed. (Sec. 6)
10. Allows the Director to provide notification of the identity of any third-party consultant to all applicable insurers. (Sec. 6)
11. Clarifies documents, materials or other information in the possession or control of a third-party consultant designated by the Director, rather than NAIC's affiliates and subsidiaries, are confidential and privileged. (Sec. 6)
12. Asserts the group capital calculation and the liquidity stress test are regulatory tools for assessing group risks and capital adequacy and are not a means to rank insurers or insurance holding companies. (Sec. 6)
13. Specifies publishing or disseminating a statement regarding a group capital calculation or liquidity stress test results in a newspaper or other publication or over radio or any electronic means of communication would be misleading and is prohibited. (Sec. 6)
14. Stipulates an insurer may publish written announcements with the sole purpose of rebutting a materially false statement. (Sec. 6)
15. Defines pertinent terms. (Sec. 1)
16. Makes technical changes. (Sec. 2, 3, 4, 5)

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2006

DATE January 24, 2023 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar		✓			
Austin		✓			
Carter		✓			
Gress		✓			
Heap		✓			
Hendrix		✓			
Ortiz		✓			
Sun		✓			
Carbone, Vice-Chairman		✓			
Wilmeth, Chairman		✓			
		10	0	0	0

APPROVED:

JUSTIN WILMETH, Chairman
MICHAEL CARBONE, Vice-Chairman

Susan Nelson
COMMITTEE SECRETARY

ATTACHMENT 5

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
First Regular Session

HB2197: wills; electronic signatures; requirements
Sponsor: Representative Wilmeth, LD 2
Committee on Commerce

Overview

Allows the witnesses of an electronic will signing to be *electronically present.*

History

An electronic will must: 1) be created and maintained in an electronic record; 2) contain the electronic signature of the testator or the testator's electronic signature made by some other individual in the testator's conscious presence and by the testator's direction; 3) contain the electronic signatures of at least two persons, each of whom were both required to be physically present with the testator when the testator electronically signed the will, acknowledged the testator's signature or acknowledged the will and have electronically signed the will within a reasonable time after the person witnessed the testator signing the will; 4) state the date that the testator and each of the witnesses electronically signed the will; and 5) contain a copy of a government-issued identification card of the testator current at the time of execution of the will (A.R.S. § 14-2518).

Provisions

1. Allows, as a requirement for an electronic will, the persons who are electronically signing to be *electronically present* provided they were physically located within the U.S. at the time of serving as a witness. (Sec. 2)
2. Creates an affidavit for an attested self-proving electronic will. (Sec. 3)
3. Allows a qualified custodian's written statement to be executed by an electronic signature and maintained as an electronic record. (Sec. 4)
4. Clarifies an electronic will must be created and maintained in an electronic record that is *readable as text at the time of signing.* (Sec. 2)
5. Defines *electronically present* as two or more individuals who are in a different physical location and who are communicating in real time by electronic means to the same extent as if the individuals were physically present in the same location. (Sec. 1)
6. Makes clarifying changes. (Sec. 4)

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

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2197

DATE January 24, 2023 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar		✓			
Austin		✓			
Carter		✓			
Gress		✓			
Heap		✓			
Hendrix		✓			
Ortiz		✓			
Sun		✓			
Carbone, Vice-Chairman		✓			
Wilmeth, Chairman		✓			
		10	0	0	0

Susan Nelson
COMMITTEE SECRETARY

APPROVED:

JUSTIN WILMETH, Chairman
MICHAEL CARBONE, Vice-Chairman

ATTACHMENT 7

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
First Regular Session

HB2252: inmates; documentation; workforce reentry
Sponsor: Representative Wilmeth, LD 2
Committee on Commerce

Overview

Prescribes requirements for the Arizona Department of Corrections (ADC) to assist an inmate in workforce reentry.

History

ADC was established by statute with the objective of encompassing the various institutions, facilities and programs which are now or may become a part of the correctional program of the state, and to provide the supervisory staff and administrative functions of all matters relating to the institutionalization, rehabilitation and community supervision functions of all adult offenders (A.R.S. § 41-1602).

On receipt of an application from a person who does not have a valid driver license issued by this state or whose driving privilege is suspended, the Arizona Department of Transportation (ADOT) must issue a nonoperating identification license containing: 1) a distinguishing number assigned to the licensee; 2) the full legal name; 3) the date of birth; 4) the residence address; 5) a brief description of the licensee; and 6) either a facsimile of the signature of the licensee or a space on which the licensee is required to write the licensee's usual signature with pen and ink. A nonoperating identification license issued to a person whose driving privilege is suspended must not be valid for more than 180 days from the date of issuance (A.R.S. § 28-3165).

Provisions

1. Requires ADC to provide an inmate who is discharged from imprisonment for a felony offense and who intends to reside in this state with relevant documentation to assist the inmate in obtaining postrelease employment. (Sec. 1)
2. Directs ADC, in coordination with ADOT, to replace the inmate's current nonoperating identification license or driver license (License) or to provide the inmate with a nonoperating identification license if the inmate does not possess a current License. (Sec. 1)
3. Requires ADC, in coordination with ADOT, to determine whether the inmate possesses a current and valid license nine months before the inmate's release. (Sec. 1)
4. Mandates ADC to begin gathering the documentation required for obtaining a nonoperating identification license if the inmate does not possess a current and valid License. (Sec. 1)
5. Instructs ADC, in coordination with ADOT, to provide a nonoperating identification license to each eligible inmate on release from custody who does not possess a current or valid License. (Sec. 1)
6. Stipulates a License that is issued to an inmate to be issued, replaced, canceled and denied in the same manner as a statutorily prescribed License. (Sec. 1)

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

7. Requires ADOT to allow copies of birth certificates along with an ADC issued record card to serve as a valid form of photo identification to obtain a License. (Sec. 1)
8. Specifies a nonoperating identification license issued to an inmate is valid for four years from the month of issuance and is nonrenewable and nontransferable. (Sec. 1)
9. Specifies the fee for an eligible inmate's nonoperating identification license is determined by ADOT. (Sec. 1)
10. Requires ADC to provide any inmate who has served in the US military with the contact information of the Department of Veteran's Services and its benefits guide. (Sec. 1)
11. Allows ADC to use any monies available, including inmate trust fund monies, existing ADC fund monies and donations, to cover costs associated with implementing and administering licensing requirements for released inmates and to pay associated license fees. (Sec. 1)
12. Requires ADC to notify an inmate, if eligible, to apply for a license or certificate from a state agency that oversees occupational licenses or certifications. (Sec. 1)
13. Outlines specified documentation that ADC must provide to an inmate in assistance in obtaining postrelease employment. (Sec. 1)
14. Excludes the following inmates from receiving specified documentation provided by ADC:
    a) 65 years of age or older;
    b) released for medical reasons or who are discharged from a prison infirmary;
    c) released to the custody of another jurisdiction on a warrant or detainer; or
    d) determined by ADC to be physically or mentally unable to return to the workforce on release from incarceration. (Sec. 1)
15. Allows ADC, the Arizona Department of Health and ADOT to adopt rules to implement the regulations for inmate workforce and reentry. (Sec. 1)

Fifty-sixth Legislature
First Regular Session

Commerce
H.B. 2252

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2252

(Reference to printed bill)

1 Page 1, line 11, strike "NECESSARY" insert "APPLICABLE"

2 Page 2, line 14, after the second "CARD" insert ", IF OBTAINABLE"

3 Amend title to conform

JUSTIN WILMETH

2252WILMETH.docx
01/23/2023
09:20 AM
H: LG/ra

Attachment 9

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

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2252

DATE January 24, 2023 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar		✓			
Austin		✓			
Carter		✓			
Gress		✓			
Heap		✓			
Hendrix		✓			
Ortiz		✓			
Sun		✓			
Carbone, Vice-Chairman		✓			
Wilmeth, Chairman		✓			
		10	0	0	0

Susan Nelson
COMMITTEE SECRETARY

APPROVED:

JUSTIN WILMETH, Chairman
MICHAEL CARBONE, Vice-Chairman

ATTACHMENT 10