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

COMMITTEE ON COMMERCE
Report of Regular Meeting
Tuesday, March 25, 2025
House Hearing Room 5 -- 2:00 P.M. OR UPON RECESS OR ADJOURNMENT OF FLOOR

Convened 2:16 P.M.
Adjourned 6:08 P.M.

RECEIVED
CHIEF CLERKS OFFICE

MAR 26 2025

Members Present
Representative Aguilar
Representative Blackman
Representative Cavero
Representative Connolly
Representative Diaz
Representative Hendrix
Representative Villegas
Representative Wilmeth
Representative Way, Vice-Chairman
Representative 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
SB1024	DP	6-4-0-0	4,5
SB1182	DP	10-0-0-0	6,7
SB1235	DPA	9-0-1-0	8,9,10
SB1229	DPA	5-4-1-0	11,12,13,14,15
SB1494	DPA	8-2-0-0	16,17,18
SB1535	DPA	6-3-0-1	19,20,21
SB1094	DP	6-3-0-1	22,23
SB1087	DP	5-3-0-2	24,25
SB1353	DPA	6-3-0-1	26,27,28
SB1057	DPA/SE	6-2-1-1	29,30,31
SB1145	DPA	7-1-1-1	32,33,34

Abby Selvey
Abby Selvey, Committee Secretary
March 26, 2025

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

Conv: 2:16 PM
Adjrn: 6:08 PM

REVISED #3- 3/24/25 **REVISED #3- 3/24/25** **REVISED #3- 3/24/25**

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

REGULAR MEETING AGENDA

COMMITTEE ON COMMERCE

DATE Tuesday, March 25, 2025 ROOM HHR 5 TIME 2:00 P.M. or upon recess or adjournment of Floor

Members of the public may access a livestream of the meeting here:
https://www.azleg.gov/videoplayer/?clientID=6361162879&eventID=2025031113

Members:

Representative Aguilar
Representative Blackman
Representative Cavero
Representative Connolly
Representative Diaz
Representative Hendrix
Representative Villegas
Representative Wilmeth
Representative Way, Vice-Chairman
Representative Weninger, Chairman

Bills		Short Title	Strike Everything Title
SB1024	DP	state agencies; payments; cryptocurrency	
		(Rogers: Weninger)	
	6-4-0-0	COM, RULES	
SB1057	DPA S/E	working animal; harm; classification(now: commerce; trade; passport identification)	**S/E: marijuana; rural opportunity initiative**
		(Gowan: Payne, Shamp)	
	6-2-1-1	COM, RULES	
SB1087	DP	residential contractor assessments; recovery fund	
		(Hoffman: Keshel)	
	5-3-0-2	COM, RULES	
SB1094	DP	business; discrimination prohibition; social criteria	
		(Hoffman: Keshel)	
	6-3-0-1	COM, RULES	
SB1145	DPA	community facilities districts; prompt pay(now: special districts; construction; payments)	
		(Carroll: Gowan, Kavanagh, et al)	
	7-1-1-1	GOV w/d, COM, RULES	

ATTACHMENT 1

Bills		Short Title	Strike Everything Title
SB1182	DP	landlords; property manager; contact information.(now: municipalities; counties; construction hours)	
	10-0-0-0	(Ortiz: Alston, Sandoval)	
		COM, RULES	
SB1229	DPA	planning; home design; restrictions; prohibition.	**S/E: municipalities; development; starter homes**
		(Bolick: Bravo, Diaz, et al)	
	5-4-1-0	COM, RULES	
SB1235	DPA	health profession regulatory boards; membership	
		(Shamp: Carroll, Dunn, et al)	
	9-0-1-0	HHS w/d, COM, RULES	
SB1353	DPA	municipal development; permits; review	
		(Gowan)	
	6-3-0-1	COM, RULES	
SB1494	DPA	common expense liens; foreclosure; amount	
		(Mesnard)	
	8-2-0-0	COM, RULES	
SB1535	DPA	homeowner's associations; address lights	
		(Kavanagh)	
	6-3-0-1	COM, RULES	
~~SB1556~~		~~adult hemp beverages; policies; procedures~~	
		~~(Shope)~~	
		~~COM, APPROP, RULES~~	

ORDER OF BILLS TO BE SET BY THE CHAIRMAN

~~RA~~
~~VC~~
RA
~~03/19/2025~~
~~03/21/2025~~
03/24/2025

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 (3/25/2025)

SB1024, state agencies; payments; cryptocurrency

Oppose:

Sandy Bahr, Sierra Club - Grand Canyon Chapter; Gina Griffiths, representing self; Thomas Krepitch, representing self; Eve Shapiro, representing self; Alisa McMahon, representing self; Michael Fiflis, representing self; Dianne Post, AZ NATIONAL ORGANIZATION FOR WOMEN (NOW), Self; Karen Cusano, representing self; Bettina Bickel, representing self; Darrell Boomgaarden, representing self; Becky Sayler, representing self; Maggie Huntington, representing self; Nancy Santori, representing self; Jana Segal, representing self; Daniel Stormont, representing self; John Neville, representing self; Carol Fiore, representing self; Sherry Massie, representing self; Chris Allen, representing self; Charlene Hoffman, representing self; David Myers, representing self; Monica Bills, representing self; marcia stewart, representing self; Carissa Sipp, representing self; Sharon Ehrlich, representing self; George Ehrlich, representing self; Nancee K Wood, representing self; Kathryn Dorn, representing self; Rivko Knox, representing self; Sally Evans, representing self

All Comments:

Alisa McMahon, Self: Crypto economy raises many concerns. For one, cryptocurrency and cryptomining use enormous amounts of electricity and therefore water. Such a new, high demand for both should be holistically planned for before crypto is embraced.; Michael Fiflis, Self: Accepting crypto is dangerous; crypto is very volatile in price and thus risky. Prudent management of taxpayer funds should not include crypto.; Jana Segal, Self: Allows state agencies to enter into agreements with cryptocurrency service providers. Cryptocurrency and crypto-mining use enormous amounts of electricity - frequently keeping coal fired power plants online to mine crypto.; Daniel Stormont, Self: There is no need for state agencies to accept the bubble currency that is crypto, especially considering the huge energy and water costs of mining crypto. Stick to something that has tangible value.; John Neville, Self: NOT with our money!!! Who is paying whom to bring this bill to the Legislature? Ethics review needed.; Chris Allen, Self: Please do not gamble the economic health of our state on cryptocurrency.; marcia stewart, Self: too high of a risk. Financial institutions do not recommend; Carissa Sipp, Self: This is a path to corruption, under the table payments and possible sever loss of finances for the state. this could lead to scams and overnight making the cost skyrocket as the market play with the value of the crypto currency. Don't bankrupt us.; Kathryn Dorn, Self: "Cryptocurrency service provider" seems like a massive oxymoron; please don't try to involve our state in the ongoing fake-money mess that is crypto.

SB1057, working animal; harm; classification (NOW: commerce; trade; passport identification)

Testified in support:

Nick Simonetta, ARIZONA RURAL OPPORTUNITY ALLIANCE; Jon Udell, representing self

ATTACHMENT 2

Testified as opposed:

Brett Mecum, JARS; Pele Fischer, Arizona Dispensaries Association

Support:

Julie Gunnigle, representing self; AJ Jacobs, ARIZONA NORML; Jessica Rainbow, ARIZONA RURAL OPPORTUNITY ALLIANCE

Oppose:

Wendy Briggs, STORY CANNABIS COMPANY; Douglas Cole, COPPERSTATE FARMS; Robert Dalager, CURALEAF; Kathryn Senseman, AZ Dispensary Association

All Comments:

Jessica Rainbow, ARIZONA RURAL OPPORTUNITY ALLIANCE: supportive of the S/E amendment; Wendy Briggs, STORY CANNABIS COMPANY: Opposed to S/E Amendment; Douglas Cole, COPPERSTATE FARMS: Opposed to S/E Amendment; Robert Dalager, CURALEAF: Opposed to the strike everything.; Pele Fischer, Arizona Dispensaries Association: Opposedto the porposed house commerce strike everything amendment regarding new dispensary licenses.

SB1087, residential contractor assessments; recovery fund

Support:

Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ

SB1094, business; discrimination prohibition; social criteria

Testified in support:

Michael Infanzon, ARIZONA FIREARMS INDUSTRY TRADE ASSOCIATION (AZFITA), AZ CITIZENS DEFENSE LEAGUE, INC

Support:

James Jaskie, representing self; Onita Davis, representing self; Shirley Dye, representing self; Michael Gibbs, representing self; James Delton, representing self; Cathy Schwanke, representing self; Mike Sullivan, representing self; Christine Maceri Genge, representing self; Stephen Wenger, representing self; David Pool, representing self; Fred Bridges, representing self; David Cardon, representing self; kurt keltner, representing self; Julie Revilla, representing self; David Steven, representing self; Donna Willis, representing self; Todd Chesney, representing self; Michael Wixom, representing self; James Warniers, representing self; Michael Kriegel, representing self; John Fischer, representing self; Keith Suleski, representing self; larry berger, representing self; Mike MacDonald, representing self; Peter Alford, representing self; Peter Gromada, representing self; Charles Stury, representing self; Cosme Borunda, representing self; David Riley, representing self; Scott Lolmaugh, representing self; C D Tavares, representing self; Richard Musser, representing self; Philip Cirelli, representing self; David Ginsburg, representing self; Cheryl Caldararo, representing self; Lon Wolff, representing self; Gary Kabrick, representing self; Phillip Conwell, representing self; Norman Trzaskowski, representing self; Thomas Launders, representing self; Greg West, representing self; Donald Scott, representing self; Mickie Davis, representing self; Clyde Ingalsbe, representing self; Mark Logan, representing self; Norman Nipperus, representing self; Lawrence Fleming,

representing self; Sharon Briner, representing self; Erik Anderson, representing self; Kenneth Imthurn, representing self; Gary Horton, representing self; Paul Fitch, representing self; Richard Baker, representing self; Thomas Baggott, representing self; Paul Fisher, representing self; Juan Aquino, representing self; Tony Grenci, representing self; Roger Hobbs, representing self; Alan Bond, representing self; Nicholas Hitchcock, representing self; Steven Pettigrew, representing self; Steve Rainey, representing self; Danny Ray Todd, representing self; Timothy Blaney, representing self; Robert Morrow, representing self; Ryan Adams, representing self; Mark La Scala, representing self; Bill Bracco, representing self; Joann Kiyabu, representing self; Warren Woodward, representing self; Frederick Denson, representing self; Don Marshall, representing self; Michael Markson, representing self; Wayne Moore, representing self; Heather Porter, representing self; Mike Susmark, representing self; Steve Gerland, representing self; Stephen James Petrangelo, representing self; Cindy Sullivan, representing self; Michael Schramm, representing self; Theresa Logan, representing self; Charles McCain, representing self; Milton Schick, representing self; Christopher Fallang, representing self; Jeanne Tavares, representing self; Elwyn Moore, representing self; Anthony Meyer, representing self; Michael Mounsey, representing self; Leonard Shanks, representing self; Mark Clark, representing self; Stephen Harris, representing self; Brian Keen, representing self; MaryAnn Wolff, representing self; Lloyd Tadd, representing self; deana corsa, representing self; Gary Saxhaug, representing self; Phyllis Lester, representing self; Buffalo Rick Galeener, representing self; Stephanie Fontanille, representing self; Donna Booth, representing self; Linda Busam, representing self; Starr Costa, representing self; Cara Kretz, representing self; Pam Throw, representing self; James Adams, representing self; Steve Ware, representing self; Dana Dean, representing self; George Dean, representing self; Steven Roush, representing self; Jeff Carr, representing self; Michael Schultz, representing self; Theodore Cebula, representing self; gary foisset, representing self; Eugene Poole, representing self; Jeffrey Cahill, representing self; Zane Appel, representing self; Matt Weinstein, representing self; Joseph Camilleri, representing self; Robert Lee, representing self; John Oliver, representing self; Pamela Lee, representing self; Don Moran, representing self; bruce emmons, representing self; Clayton Loudon, representing self; Timothy Meza, representing self; Geoffrey Archer, representing self; Steve Snider, representing self; William bronson, representing self; Craig Baldwin, representing self; Robert Moskovitz, representing self; Randy Brown, representing self; Sydney Brown, representing self; PAUL STOCKBURGER, representing self; Craig Petersen, representing self; Mary Petersen, representing self; barry obrien, representing self; Alexander Vanstone, representing self; Ronald Kropp, representing self; William Schlenker, representing self; Andrew Costanzo, representing self; alexia wacks, representing self; Carlton Baxter, representing self; BRUCE W NOGAR, representing self; Dianna Gates, representing self; Doug Stonerock, representing self; Shawn Grammont, representing self; Michael Colman, representing self; Bob Bader, representing self; Charles Weinstein, representing self; Joe Fiumara, representing self; Charles Moffett, representing self; Richard Reitz, representing self; Don Paulsen, representing self; Susan Bolt, representing self; John McInally, representing self; Barbara Cobb, representing self; Dennis Eaton, representing self; Tim Dziuk, representing self; Barry Burkhardt, representing self; Mary Ann Johnston, representing self; Richard Binkowski, representing self; Michael Landis, representing self; Nancy Osgood, representing self

Oppose:

Dianne Post, AZ NATIONAL ORGANIZATION FOR WOMEN (NOW), Self; marcia stewart, representing self; Sharon Ehrlich, representing self; Joan Murphy, representing self; Rivko Knox, representing self; Kathleen Dubbs, representing self; George Ehrlich, representing self; Gina Griffiths, representing self

All Comments:

James Jaskie, Self: Public banks are too easily intimidated by their regulators to de-bank those with different viewpoints over the laughable "Reputation Risk". Simply stop banks from discriminating against legal businesses.; Michael Infanzon, ARIZONA FIREARMS INDUSTRY TRADE ASSOCIATION (AZFITA), AZ CITIZENS DEFENSE LEAGUE,

INC: In Support of the Bill; Shirley Dye, Self: Only income and a good credit rating should be needed to get a loan or insurance policy.; Michael Gibbs, Self: Political ideology is no reason discrimination. Please give this bill a do-pass recommendation.; Fred Bridges, Self: Please stop American companies from violating the US Constitution! Do you support the Constitution?; kurt keltner, Self: Please pass 1094; Michael Kriegel, Self: Please support this bill; Scott Lolmaugh, Self: Please support this important bill.; Greg West, Self: I fully support this Bill; Donald Scott, Self: I support this initiative, please move it forward. Thank you!; Norman Nipperus, Self: This one's a no brainer.; Lawrence Fleming, Self: Thank you.; Steve Rainey, Self: I urge you to strongly support this bill; Timothy Blaney, Self: Mr. & Mrs. Timothy Blaney; Stephen Harris, Self: Banks should be treated like utilities, all should be accepted.; marcia stewart, Self: opens up to discrimination; deana corsa, Self: We need to hire people who are qualified not based on their gender or skin color! PC Prescott; Starr Costa, Self: A person's financial worthiness should be based exclusively on financial strength, ability to pay, and past behavior. Nothing else should matter!; Jeff Carr, Self: We need this bill to prevent discrimination against firearm companies due to political affiliation or other social credit, environmental, social or governmental score or similar values-based or impact criteria. Sadly, we need this law now!; Michael Schultz, Self: Financial institutions should not be making lending or insuring decisions based on the type of legal business. Firearms manufacturers and dealers are legitimate lines of business, and should be treated as such.; Zane Appel, Self: Stop coercion using financial institutions.; Clayton Loudon, Self: Please stop discrimination against lawful and popular businesses.; William bronson, Self: Protects a fundamental right to your opinion on critical issues.; Randy Brown, Self: They are coming for YOU! Buy cigarettes - Blackballed! Buy Alcohol - Blackballed! Buy "junk food" - Blackballed! Donate to the "wrong" political or religious group - Blackballed! Buy a gasoline car - Blackballed! Buy an American Flag - Blackballed!; Sydney Brown, Self: Stop coercion using financial institutions.; William Schlenker, Self: Please support this important bill. Thank you.; Shawn Grammont, Self: As a U.S. citizen and Arizona resident, I highly this bill and give it a favorable review.; Joe Fiumara, Self: We need to stop this discrimination; Richard Reitz, Self: Thanks.; Barry Burkhardt, Self: Financial, insurance, etc institutions should not discriminate in order to push social engineering objectives.; Mary Ann Johnston, Self: How is discrimination even considered when doing business?; Nancy Osgood, Self: As a PC in LD12 I fully support this bill.

SB1145, community facilities districts; prompt pay (NOW: special districts; construction; payments)

Testified in support:

Todd Wynn, ASSOCIATED GENERAL CONTRACTORS-AZ CHAPTER

Oppose:

Susie Stevens, VALLEY PARTNERSHIP; Craig McDermott, representing self; John Baumer, ARIZONA CHAPTER OF NAIOP; Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ; Scott Smith, LEAGUE OF ARIZONA CITIES & TOWNS

SB1182, landlords; property manager; contact information. (NOW: municipalities; counties; construction hours)

Testified in support:

Jake Hinman, ARIZONA NEIGHBORHOOD PROJECT; Jessie Atencio, representing self; Melonie Leslie, representing self

Support:

Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ; Chad Heinrich, NATIONAL FEDERATION OF INDEPENDENT BUSINESS; Emily Ryan, Southern Arizona Home Builders Association; Angelica Terrazas, ARIZONA MASONRY COUNCIL; Brian Tassinari, ARIZONA MASONRY COUNCIL

Oppose:

Craig McDermott, representing self

All Comments:

Melonie Leslie, Self: Support on behalf of the Arizona Masonry Council.; Angelica Terrazas, ARIZONA MASONRY COUNCIL: Support sb 1182.

SB1229, planning; home design; restrictions; prohibition.

Testified in support:

Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ; Elaine MacPherson, representing self; Trevor Malzewski, representing self; Dennis J Legere, ARIZONA HOMEOWNERS COALITION; David Morris, AMERICANS FOR PROSPERITY AZ; Jake Hinman, ARIZONA NEIGHBORHOOD PROJECT

Testified as opposed:

Jana Granillo, representing self; Jackie Rich, representing self; Nick Ponder, City Of Phoenix, LEAGUE OF ARIZONA CITIES & TOWNS, YUMA, CITY OF; Neal Haddad, representing self; Susan Edwards, representing self; Kevin Hartke, representing self; Mayor Julia Wheatley, representing self; Paul Davenport, representing self

Support:

Cindy Sullivan, representing self; Stephen Harris, representing self; Francisco "Hugo" Polanco, Rural Arizona Action (RAZA), Self; Buffalo Rick Galeener, representing self; Venus Scott, representing self; Donna Booth, representing self; Pam Throw, representing self; Jonathan Soto Robles, representing self; Tom Farley, Arizona Association Of Realtors; Andrea Hernandez Falcon, representing self; Hunter Anderson, representing self; Sterling Sourk, representing self

Neutral:

Mike Sullivan, representing self; Mark Logan, representing self; Theresa Logan, representing self; Mary Evelyn Simpson, representing self

Oppose:

Amber Wakeman, EL MIRAGE, CITY OF; Shirley Dye, representing self; Richard Rutkowski, representing self; Cathy Schwanke, representing self; Craig McDermott, representing self; Beverly Janowitz-Price, representing self; Christine Maceri Genge, representing self; Michele Smith, representing self; Judith Lohr, representing self; Peter Anello, representing self; Starr Costa, representing self; Janis Schmidt, representing self; Bob Alonzo, representing self; Judy Alonzo, representing self; Patricia Meade, representing self; Margaret Barnes, representing self; Robert Wisler, APACHE JUNCTION, CITY OF; Larry Whitesell, representing self; Debbie Delwiche, representing self; Ryan Bigelow, , representing self; Neil Thibodaux, representing self; Karl Shaddock, ORO VALLEY, TOWN OF

All Comments:

Elaine MacPherson, Self: I would like to be able to own a home at some point, and I think this bill can help me achieve that by lowering barriers to new construction.; Trevor Malzewski, Self: Lot size & HOA requirements act as government mandated unaffordability. There's ample evidence these restrictions lower housing supply, increase sale prices, and force some buyers into artifically large homes, hitting low-income buyers the hardest; Dennis J Legere, ARIZONA HOMEOWNERS COALITION: This bill establishes the state's perspective on property rights, which we support. Yet the state still does far too little to prevent HOAs from restricting homeowners' property rights through rules and design controls outside of the declaration.; Francisco "Hugo" Polanco, Rural Arizona Action (RAZA), Self: .; Venus Scott, Self: AZ needs more options other than restrictive HOA homes.; Tom Farley, Arizona Association Of Realtors: Support the Senate Engrossed bill.; Sterling Sourk, Self: I'm commenting in support of SB1229 as is. With AZ's housing crisis, it's imperative for potential homeowners to have choice in what kind of home they can by. This bill allows for greater choice and diversity of housing for Arizonans' diverse needs.; Jackie Rich, Self: WIthout amendments, this bill will not create low priced homes that will be sold to owner occupants which is the bill's intent; Neal Haddad, Self: SB1229 lacks any mechanisms to ensure these homes actually are affordable. The path to affordable housing isn't through one-size-fits-all mandates that benefit developers while ignoring infrastructure and community needs. Let's help AZ's people.; Susan Edwards, Self: How's this help Sedona,Bisbee, Payson, Jerome, Page, Williams, Lake Havasu City, Pinetop-Lakeside and other places with housing emergencies because of short-term rentals? And why are unincorporated places ignored? One size doesn't fit all.; Paul Davenport, Self: SB1229 has many failings, starting with preemption of cities' voter-approved general plans. The Connolly strike-everything is an improvement. Requiring owner-occupancy would provide homes for families, not investment opportunities for corporations..; Shirley Dye, Self: Every AZ county and municipality has many differences in topography, climate, culture, etc. The state should not regulate home building standards. Let the people make the choices through their councils.; Richard Rutkowski, Self: Retain local control.; Christine Maceri Genge, Self: Do not remove the people's power to decide!; Bob Alonzo, Self: This is terrible please listen to the voters; Judy Alonzo, Self: This is a terrible bill. Please do not vote for it.; Robert Wisler, APACHE JUNCTION, CITY OF: We support the strike-everything amendment offered by Rep. Connolly; Larry Whitesell, Self: This preempts local control. It does not ensure affordability. Many municipalities have already adopted ordinances that remove barriers to more affordable housing. Solutions should be based on research, not just the opinion of developers.; Neil Thibodaux, Self: Update to no; Mary Evelyn Simpson, Self: YavGOP PC There may be unintended consequences to municipalities

SB1235, health profession regulatory boards; membership

Testified as neutral:

Regina Cobb, representing self

Neutral:

Don Isaacson, Arizona Optometric Association, AZ Assn Of Dispensing Opticians; Marie Isaacson, Arizona Optometric Association, AZ Assn Of Dispensing Opticians; Jason Barraza, Associate Director, Arizona Dental Association; Amanda Sheinson, AZ MEDICAL ASSN; Edie Lefevre, Arizona Dental Association; Ryan Sullivan, Arizona Dental Association; Jeremy Browning, AZ OSTEOPATHIC MEDICAL ASSN

Oppose:

Craig McDermott, representing self; Michelle Ahlmer, ARIZONA RETAILERS ASSOCIATION; Kam Gandhi - AZ Board of Pharmacy, representing self

All Comments:

Don Isaacson, Arizona Optometric Association, AZ Assn Of Dispensing Opticians: Changing our position to neutral; Regina Cobb, Self: AZ DENTAL ASSOCIATON with amendment; Jason Barraza, Arizona Dental Association: Neutral on the Bill with the adoption of the Commerce Committee Amendment; Amanda Sheinson, AZ MEDICAL ASSN: neutral w/ 3/25 amendment; Edie Lefevre, Arizona Dental Association: Neutral on the Bill with the adoption of the Commerce Committee Amendment; Ryan Sullivan, Arizona Dental Association: Neutral on the Bill with the adoption of the Commerce Committee Amendment; Jeremy Browning, AZ OSTEOPATHIC MEDICAL ASSN: Neutral with the Chairman's amendment.

SB1353, municipal development; permits; review

Testified in support:

Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ

Testified as opposed:

Scott Smith, City Of Phoenix

Support:

Emily Ryan, Southern Arizona Home Builders Association

Neutral:

Robert Wisler, APACHE JUNCTION, CITY OF; Heather Bernacki Wilkey, QUEEN CREEK, TOWN OF

Oppose:

Sandy Bahr, Sierra Club - Grand Canyon Chapter; Amber Wakeman, EL MIRAGE, CITY OF; Thomas Krepitch, representing self; Craig McDermott, representing self; Eve Shapiro, representing self; Alisa McMahon, representing self; Michael Fiflis, representing self; Karen Cusano, representing self; Bettina Bickel, representing self; Kathy Fraser, representing self; Gail Bliss, representing self; Nancy Santori, representing self; Sherry Massie, representing self; Chris Allen, representing self; Charlene Hoffman, representing self; David Myers, representing self; Monica Bills, representing self; Carissa Sipp, representing self; Carol Wyatt, representing self; Cherie Anello, representing self; Peter Anello, representing self; Patricia Meade, representing self; Nancee K Wood, representing self; Margaret Barnes, representing self; Kathryn Dorn, representing self; Debbie Delwiche, representing self; Neil Thibodaux, representing self; Karl Shaddock, ORO VALLEY, TOWN OF

All Comments:

Alisa McMahon, Self: 1. Special interest bill written by home builders. 2. Preempts local authority. 3. Not in the public interest. 4. Timelines are ridiculously short.; Michael Fiflis, Self: The time limits are far too short, potentially posing a threat to public safety. Unnecessarily ties municipalities' hands. Builders do not need this special interest legislation.; Chris Allen, Self: We elect our government to keep a check on big business.; Carissa Sipp, Self: This is basically downgrading AZ to a third world country by enabling private permits. What is the legality and if this is challenged or the private company gives permits to felons does AZ have to fork over the bill when they are sued into oblivion?; Kathryn Dorn, Self: The Legislature which regularly runs into overtime in order to pass a budget really shouldn't be telling any state agency to finish (potentially lengthy) reviews within only 15 days.; Neil Thibodaux, Self: Update to no

SB1494, common expense liens; foreclosure; amount

Testified in support:

Dennis J Legere, ARIZONA HOMEOWNERS COALITION

Testified as opposed:

Jason Barraza, Associate Director, ARIZONA ASSOCIATION OF COMMUNITY MANAGERS (AACM); Alexis Glascock, COMMUNITY ASSOCIATIONS INSTITUTE

All Comments:

Dennis J Legere, ARIZONA HOMEOWNERS COALITION: While the HOA trade organizations have told the legislature for years that foreclosure is always the last resort, that is not in any way accurate or the complete story. This bill will make foreclosure a remedy of last resort.

SB1535, homeowner's associations; address lights

Testified in support:

Dennis J Legere, ARIZONA HOMEOWNERS COALITION; Andrew Timler, representing self

Testified as opposed:

Jason Barraza, Associate Director, ARIZONA ASSOCIATION OF COMMUNITY MANAGERS (AACM)

All Comments:

Dennis J Legere, ARIZONA HOMEOWNERS COALITION: While I hate that it takes legislative actions to protect what should be a commonsense feature or capability in any community. There is no common sense in HOA communities only absolute power to regulate other people's homes. Please vote yes.; Andrew Timler, Self: This is the first smart address number, designed to make the home easier to identify. This is crucial when there is an emergency such as dialing 911 when seconds and minutes matter most.

ARIZONA STATE LEGISLATURE

Fifty-seventh Legislature - First Regular Session

COMMITTEE ATTENDANCE RECORD

COMMITTEE ON **COMMERCE**

CHAIRMAN: Jeff Weninger VICE-CHAIRMAN: Michael Way

	DATE	03/11/25	3/18/25	3/25/25	/25	/25
	CONVENED	3:20pm	3:26pm	2:16 pm	m	m
	RECESSED					
	RECONVENED					
	ADJOURNED	3:45pm	4:52pm	6:08 PM		
MEMBERS						
Aguilar		✓	✓	✓		
Blackman		✓	✓	✓		
Cavero		✓	✓	✓		
Connolly		✓	✓	✓		
Diaz		✓	✓	✓		
Hendrix		✓	✓	✓		
Villegas		✓	✓	✓		
Wilmeth		✓	✓	✓		
Way, Vice-Chairman		✓	✓	✓		
Weninger, Chairman		✓	✓	✓		

√ Present --- Absent exc Excused

ATTACHMENT 3

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-seventh Legislature
First Regular Session
Senate: FIN DP 4-3-0-0 | 3rd Read 17-11-2-0

SB 1024: state agencies; payments; cryptocurrency
Sponsor: Senator Rogers, LD 7
Committee on Commerce

Overview
Provides a means for a state agency to accept cryptocurrency as a method of payment.

History
Transaction privilege tax (TPT) is a gross receipts tax levied for the privilege of conducting business in Arizona and is imposed under 16 business classifications. Statute requires businesses to pay TPT to ADOR by the 20th day of the following month after the tax is incurred. All TPT payments must be made to ADOR by bank draft, check, cashier's check, money order, cash or electronic funds (A.R.S. §§ 42-5008, 42-5014, 42-5018).

Individual and corporate income tax is levied on taxable income. Income tax may be paid in installments or in one payment, as prescribed. Corporate income tax can be paid by electronic funds transfer and individual income tax can be paid by check, cashier's check, certified check, money order, U.S. currency or by the application of an overpayment from a prior tax return (A.R.S. §§ 43-1011, 43-1111).

Provisions
1. Allows a state agency to enter into an agreement with a cryptocurrency service provider to provide a method for accepting cryptocurrency as a payment method of, and to accept cryptocurrency as a method of payment for, fines, civil penalties, rent, rates, taxes, fees, charges, revenue, financial obligations and special assessments to pay any amount due to that agency or the state. (Sec. 1)
2. Requires the agreement to:
   a) govern the terms and conditions on which cryptocurrency as a means of payment can be accepted or declined; and
   b) provide the manner in and conditions on which a cryptocurrency service provider must pay the state by means of cryptocurrency or United States dollars. (Sec. 1)
3. Specifies a state agency may pay any service fees specified in the agreement for the cryptocurrency transaction or may require a person that pays with cryptocurrency to pay the service fees associated with the cryptocurrency transaction. (Sec. 1)
4. Asserts the person that pays with cryptocurrency is liable for all portions of the payment until the state agency has received final and unconditional payment of the full amount due from the cryptocurrency service provider for the cryptocurrency transaction. (Sec. 1)

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

ATTACHMENT 4

5. Allows the Department of Revenue (DOR) to enter into an agreement with a cryptocurrency service provider to accept cryptocurrency for remittances of TPT and municipal tax. (Sec. 2)
6. Allows remittances for a tax, interest and penalty to be paid to the DOR in the form of cryptocurrency if DOR enters into agreement with a cryptocurrency service provider. (Sec. 3)
7. Defines *cryptocurrency* and *cryptocurrency provider*. (Sec. 1)
8. Makes technical and conforming changes. (Sec. 2, 3)
9. Contains a delayed effective date of January 1, 2026. (Sec. 4)

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1024

DATE March 25, 2025 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar			✓		
Blackman		✓			
Cavero			✓		
Connolly			✓		
Diaz		✓			
Hendrix		✓			
Villegas			✓		
Wilmeth		✓			
Way, Vice-Chairman		✓			
Weninger, Chairman		✓			
		6	4	0	0

Abby Delvey
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 5

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-seventh Legislature
First Regular Session

Senate: RAGE DPA/SE 6-0-1-0 | 3rd Read 24-5-1-0

SB 1182: NOW: municipalities; counties; construction hours
Sponsor: Senator Ortiz, LD 24
Committee on Commerce

Overview

An emergency measure that precludes a local government from enacting any ordinance or rule that prohibits construction activities during specified times of certain months.

History

Current statute enumerates the general powers of cities, towns and counties. These general powers include the following authorities: 1) buying, selling and leasing property; 2) providing for the construction or rehabilitation of housing development projects or areas; 3) preparing and adopting a comprehensive long-range general plan for the orderly growth and development of the municipality or county ; 4) adopting zoning ordinances and codes to protect the health, safety and welfare; 5) regulating the subdivision of all lands within its corporate limits; and 6) issuing building permits (Title 9, Chapter 4, A.R.S., Title 11, Chapter 6, A.R.S.).

Provisions

1. Prohibits, for construction work that is being performed in accordance with a validly issued building permit, a municipality or county from enacting any ordinance, rule or regulation that restricts or prohibits general construction activities between May 1 and October 15 of each year between 5:00 A.M. and 7:00 P.M. each business day and between the hours of 7:00 A.M. and 7:00 P.M. on Saturday. (Sec. 1, 2)
2. Asserts that a municipality or county must allow concrete to be poured at least one hour before the time that general construction activities are regularly scheduled to begin. (Sec. 1, 2)
3. Contains an emergency clause. (Sec. 3)

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

ATTACHMENT 6

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1182

DATE March 25, 2025 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar		✓			
Blackman		✓			
Cavero		✓			
Connolly		✓			
Diaz		✓			
Hendrix		✓			
Villegas		✓			
Wilmeth		✓			
Way, Vice-Chairman		✓			
Weninger, Chairman		✓			
		10	0	0	0

Abby Salvey
COMMITTEE SECRETARY

APPROVED:
Jeff Weninger
JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 7

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-seventh Legislature
First Regular Session

Senate: RAGE DP 4-3-0-0 | 3rd Read 16-13-1-0

SB 1235: health profession regulatory boards; membership
Sponsor: Senator Shamp, LD 29
Committee on Commerce

Overview

Restructures the statutory membership of various health profession regulatory boards and Creates the Health Profession Regulatory Board Oversight Council.

History

A health board is any board that regulates one or more health professional in Arizona. The primary purpose of a health board is to protect the public from unlawful, incompetent, unqualified, impaired or unprofessional conduct by practitioners of certain health occupations and professionals. In order for an individual to practice or perform a regulated health occupation or profession or use certain occupational or professional titles in Arizona, a person must meet certain qualifications and apply to the designated health board for the license, certificate or authorization (Title 32 and Title 36, A.R.S.).

Provisions

Health Profession Regulatory Board Restructure

1) Adds, for the following Boards, a stipulation that if:
   a) the Governor fails to fill a public member vacancy within one year after the position becomes vacant, the Board may fill the public member position by a majority vote; and
   b) the Senate fails to confirm or reject an appointee within one year after the Governor's appointment, the appointee is deemed confirmed:
      i) Podiatry Examiners; (Sec. 1)
      ii) Chiropractic Examiners; (Sec. 2)
      iii) Dental Examiners; (Sec. 3)
      iv) Arizona Medical Board; (Sec. 4)
      v) Naturopathic Physicians Medical Board; (Sec. 5)
      vi) Nursing; (Sec. 6)
      vii) Dispensing Opticians; (Sec. 7)
      viii) Optometry; (Sec. 8)
      ix) Osteopathic Examiners; (Sec. 9)
      x) Pharmacy; (Sec. 10)
      xi) Physical Therapy; (Sec. 11)
      xii) Psychologist Examiners; (Sec. 12)
      xiii) Arizona Regulatory Board of Physician Assistants; (Sec. 13)
      xiv) Homeopathic and Integrated Medicine Examiners; (Sec. 15)
      xv) Behavioral Health Examiners; (Sec. 16)
      xvi) Occupational Therapy Examiners; (Sec. 17)

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

ATTACHMENT 8

xvii) Respiratory Care Examiners; (Sec. 18)
xviii) Acupuncture Board of Examiners; (Sec. 19)
xix) Athletic Training; (Sec. 20)
xx) Massage Therapy; (Sec. 21)
xxi) Examiners of Nursing Care Institution Administrators and Assisted Living Facility Managers; (Sec. 22)

2) Restructures the membership of the following Boards by requiring that a specified number of members must be members who have never had their license revoked or suspended or have voluntarily surrendered their license in lieu of suspension or revocation and who are former licensees who are retired from the practice associated with such Board or have a valid license and are not currently practicing:
   a) Podiatry Examiners; (Sec. 1)
   b) Chiropractic Examiners; (Sec. 2)
   c) Arizona Medical Board; (Sec. 4)
   d) Naturopathic Physicians Medical Board; (Sec. 5)
   e) Dispensing Opticians; (Sec. 7)
   f) Optometry; (Sec. 8)
   g) Osteopathic Examiners; (Sec. 9)
   h) Physical Therapy; (Sec. 11)
   i) Psychologist Examiners; (Sec. 12)
   j) Homeopathic and Integrated Medicine Examiners; (Sec. 15)
   k) Occupational Therapy Examiners; (Sec. 17)
   l) Athletic Training; (Sec. 20)

3) Requires at least 50% of the licensed members of the following Boards to be members who never had their license revoked or suspended or have voluntarily surrendered their license in lieu of suspension or revocation and who are former licensees who are retired from the practice associated with such Board or have a valid license and are not currently practicing:
   a) Arizona State Board of Nursing; (Sec. 6)
   b) Arizona Regulatory Board of Physician Assistants; (Sec. 13)
   c) Behavioral Health Examiners; (Sec. 16)
   d) Respiratory Care Examiners; (Sec. 18)
   e) Acupuncture Board of Examiners; (Sec. 19)
   f) Massage Therapy; (Sec. 21)
   g) Examiners of Nursing Care Institution Administrators and Assisted Living Facility Managers; (Sec. 22)

4) Decreases the number of members of the State Board of Dental Examiners from 11 members to 7 members and outlines the membership. (Sec. 3)

5) Increases the number of members of the State Board of Optometry from 7 members to 9 members and outlines the membership. (Sec. 8)

6) Modifies the membership of the Arizona State Board of Pharmacy to consist of 3 pharmacists, rather than 6, and 5 public members, rather than 2. (Sec. 10)

7) Modifies the membership of the State Board of Psychologist Examiners to include:
   a) 1, rather than 2, licensed psychologist who is a full-time faculty member from an Arizona university with a psychology doctoral program;
   b) 2, rather than 3, psychologists in professional practice; and

c) 1, rather than 2, behavioral analyst. (Sec. 12)

Health Profession Regulatory Board Oversight Council

8) Establishes the Health Profession Regulatory Board Oversight Council (Council) consisting of 3 members, each of whom is a current executive director of a health board and appointed by the Governor. (Sec. 14)

9) Requires the initial Council members to be appointed by January 1, 2026, for staggered three-year terms. (Sec. 14)

10) Restricts an executive director from serving on the Council for at least two full terms before reappointment. (Sec. 14)

11) Prohibits an executive director from refusing appointment to the Council. (Sec. 14)

12) Prohibits an executive director of a health profession regulatory board who is serving on the Council from reviewing or overseeing any matter relating to that executive director's health profession regulatory board. (Sec. 14)

13) Allows Council members to use their own health board staff and facilities to facilitate the business of the Council. (Sec. 14)

14) Outlines the Council's duties which include to review and approve or deny market-sensitive action taken or decisions made by a health profession regulatory board on or after January 1, 2026. (Sec. 14)

15) Defines *market-sensitive action* as actions or decisions by a health profession regulatory board that create barriers to market participation and restrict competition, including:
   a) modifying examination passage scores;
   b) adopting or modifying advertising restrictions;
   c) changing fees or civil penalties;
   d) expanding or restricting the scope of practice of licensee or certificate holder; and
   e) demonstrating a pattern of disciplinary or discriminatory actions that create barriers to market participation. (Sec. 14)

16) Defines pertinent terms. (Sec. 14)

Miscellaneous

17) Instructs each health profession regulatory board to submit a report to the Executive and Legislature outlining the laws, rules and internal processes and outlines the contents of the report. (Sec. 23)

18) Provides legislative intent language relating to the reporting requirement. (Sec. 23)

19) Repeals the reporting requirement July 1, 2026. (Sec. 23)

20) Allows all persons serving as health profession regulatory board members to continue to serve until the expiration of their normal terms. (Sec. 24)

21) Requires the Governor to make subsequent appointments in accordance with the restructured health profession regulatory board membership. (Sec. 24)

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1235
(Reference to Senate engrossed bill)

Amendment instruction key:
[GREEN UNDERLINING IN BRACKETS] indicates text added to statute or previously enacted session law.
[Green underlining in brackets] indicates text added to new session law or text restoring existing law.
[~~GREEN STRIKEOUT IN BRACKETS~~] indicates new text removed from statute or previously enacted session law.
[~~Green strikeout in brackets~~] indicates text removed from existing statute, previously enacted session law or new session law.
<<Green carets>> indicate a section added to the bill.
<<~~Green strikeout in carets~~>> indicates a section removed from the bill.

The bill as proposed to be amended is reprinted as follows:

Section 1. Section 32-802, Arizona Revised Statutes, is amended to read:

32-802. State board of podiatry examiners; members; compensation; employees; immunity

A. The state board of podiatry examiners is established consisting of five members who are appointed by the governor PURSUANT TO SECTION 38-211, EXCEPT THAT:

1. IF THE GOVERNOR FAILS TO FILL A PUBLIC MEMBER VACANCY WITHIN ONE YEAR AFTER THE POSITION BECOMES VACANT, THE BOARD MAY FILL THE PUBLIC MEMBER POSITION BY A MAJORITY VOTE.

2. IF THE SENATE FAILS TO CONFIRM OR REJECT AN APPOINTEE WITHIN ONE YEAR AFTER THE GOVERNOR'S APPOINTMENT, THE APPOINTEE IS DEEMED CONFIRMED.

B. Each member shall be appointed for a term of five years, to begin and end on February 1.

~~B.~~ C. Before appointment by the governor OR BOARD, a prospective member of the board shall submit a full set of fingerprints to the governor for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544. The department of public safety may exchange this fingerprint data with the federal bureau of investigation.

~~C.~~ D. [Three members] [~~ONE MEMBER~~] of the board shall have practiced podiatry continuously in this state for ~~not less than~~ AT LEAST two years immediately preceding appointment and shall have A valid ~~licenses~~ LICENSE to practice podiatry. [~~TWO MEMBERS OF THE BOARD SHALL BE MEMBERS WHO HAVE NEVER HAD THEIR LICENSE REVOKED OR SUSPENDED OR HAVE VOLUNTARILY SURRENDERED THEIR LICENSE IN LIEU OF SUSPENSION OR REVOCATION AND WHO ARE FORMER LICENSEES WHO ARE RETIRED FROM THE PRACTICE OF PODIATRY~~

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

ATTACHMENT 9

~~IN THIS STATE OR WHO HAVE A VALID LICENSE TO PRACTICE PODIATRY AND ARE NOT CURRENTLY PRACTICING.~~] Two members of the board shall be ~~lay persons~~ LAYPERSONS. All members of the board shall be citizens of the United States.

~~D.~~ E. A vacancy on the board occurring other than by the expiration of a term shall be filled by appointment by the governor for the unexpired term.

~~E.~~ F. All appointments shall be made promptly, and in the case of the vacancy of a professional member or members, appointment shall be made no later than ninety days from the expiration of the term or vacancy.

~~F.~~ G. The term of any member, at the discretion of the board, may end and the office be declared vacant for the member's failure to attend three consecutive meetings of the board.

~~G.~~ H. Members of the board shall receive compensation of ~~fifty dollars~~ $50 for each day of actual service in the business of the board.

~~H.~~ I. Subject to title 41, chapter 4, article 4, the board may employ personnel, including trained investigators, as it deems necessary to carry out the purposes of this chapter.

~~I.~~ J. Members and personnel of the board are personally immune from suit with respect to all acts done and actions taken in good faith and in furtherance of the purposes of this chapter.

Sec. 2. Section 32-901, Arizona Revised Statutes, is amended to read:

32-901. State board of chiropractic examiners; members; removal; immunity

A. The state board of chiropractic examiners is established consisting of ~~three~~ FIVE MEMBERS WHO ARE APPOINTED BY THE GOVERNOR PURSUANT TO SECTION 38-211, EXCEPT THAT:

1. IF THE GOVERNOR FAILS TO FILL A PUBLIC MEMBER VACANCY WITHIN ONE YEAR AFTER THE POSITION BECOMES VACANT, THE BOARD MAY FILL THE PUBLIC MEMBER POSITION BY A MAJORITY VOTE.

2. IF THE SENATE FAILS TO CONFIRM OR REJECT AN APPOINTEE WITHIN ONE YEAR AFTER THE GOVERNOR'S APPOINTMENT, THE APPOINTEE IS DEEMED CONFIRMED.

B. [~~TWO MEMBERS OF THE BOARD WHO HAVE NEVER HAD THEIR LICENSE REVOKED OR SUSPENDED OR HAVE VOLUNTARILY SURRENDERED THEIR LICENSE IN LIEU OF SUSPENSION OR REVOCATION AND WHO ARE FORMER LICENSEES WHO ARE RETIRED FROM THE PRACTICE OF CHIROPRACTIC IN THIS STATE OR WHO HAVE A VALID LICENSE TO PRACTICE CHIROPRACTIC AND ARE NOT CURRENTLY PRACTICING. ONE MEMBER~~] [THREE MEMBERS] OF THE BOARD SHALL BE [~~A~~] licensed [chiropractors] [~~CHIROPRACTOR~~] and two MEMBERS OF THE BOARD SHALL BE consumer members ~~who are appointed by the governor~~. [One] [~~EACH~~] member shall be appointed each year for a term of five years, to begin and end on July 1.

~~B.~~ C. Before appointment by the governor OR BOARD, a prospective member of the board shall submit a full set of fingerprints to the

governor for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544. The department of public safety may exchange this fingerprint data with the federal bureau of investigation.

~~C.~~ D. Each member of the board shall be a resident of this state, and [each of] the licensed chiropractic [members] [~~MEMBER~~] shall have practiced chiropractic in this state for three years or more. The two consumer members of the board shall not be in any manner connected with, or have an interest in, any college or school of chiropractic or any person practicing any form of healing or treatment of bodily or mental ailments. A board member shall not receive compensation as an agent or employee of or a contractor for an insurance company. This subsection does not prevent ~~a~~ THE board member who is a licensed chiropractor from receiving compensation from an insurance company for patient care as provided for in a patient's insurance policy.

~~D.~~ E. Before taking office, each board member shall take an oath prescribed by law and shall affirm by oath that the board member meets the qualifications as prescribed in this section.

~~E.~~ F. The governor may remove board members for neglect of duty, malfeasance or misfeasance in office. Vacancies occurring on the board other than by expiration of a term shall be filled for the unexpired portion of the term by appointment in the same manner as regular appointments.

~~F.~~ G. A member of the board may not serve more than two consecutive terms.

~~G.~~ H. A board member who acts within the board member's authority is personally immune from civil liability with respect to all actions taken in good faith pursuant to this chapter.

Sec. 3. Section 32-1203, Arizona Revised Statutes, is amended to read:

32-1203. State board of dental examiners; members; qualifications; terms

A. The state board of dental examiners is established consisting of [six] [~~ONE~~] licensed [dentists] [~~DENTIST~~], [two] [~~ONE~~] licensed dental [hygienists] [~~HYGIENIST~~], [two] [~~FOUR~~] public members and one business entity member WHO ARE appointed by the governor PURSUANT TO SECTION 38-211, EXCEPT THAT:

1. IF THE GOVERNOR FAILS TO FILL A PUBLIC MEMBER VACANCY WITHIN ONE YEAR AFTER THE POSITION BECOMES VACANT, THE BOARD MAY FILL THE PUBLIC MEMBER POSITION BY A MAJORITY VOTE.

2. IF THE SENATE FAILS TO CONFIRM OR REJECT AN APPOINTEE WITHIN ONE YEAR AFTER THE GOVERNOR'S APPOINTMENT, THE APPOINTEE IS DEEMED CONFIRMED.

B. EACH MEMBER OF THE BOARD [~~IS~~] [SHALL BE] APPOINTED for a term of four years, to begin and end on January 1.

~~B.~~ C. Before appointment by the governor OR BOARD, a prospective member of the board shall submit a full set of fingerprints to the governor for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544. The department of public safety may exchange this fingerprint data with the federal bureau of investigation.

~~C.~~ D. The business entity member and the public members may participate in all board proceedings and determinations, except in preparing, giving or grading examinations for licensure. THE dental hygienist board [members] [~~MEMBER~~] may participate in all board proceedings and determinations, except in preparing, giving and grading examinations that do not relate to dental hygiene procedures.

~~D.~~ E. A board member shall not serve more than two consecutive terms.

~~E.~~ F. For the purposes of this section, the business entity member must be an employee or owner of a registered business entity pursuant to section 32-1213 and may not include a person who is licensed pursuant to this chapter.

Sec. 4. Section 32-1402, Arizona Revised Statutes, is amended to read:

32-1402. Arizona medical board; members; appointment; qualifications; term; removal; compensation; immunity; report

A. The Arizona medical board is established. The board consists of twelve members, four of whom ~~shall~~ represent the public, [and eight] [~~FOUR~~] of whom ~~shall be~~ ARE actively practicing medicine [~~AND FOUR OF WHOM HAVE NEVER HAD THEIR LICENSE REVOKED OR SUSPENDED OR HAVE VOLUNTARILY SURRENDERED THEIR LICENSE IN LIEU OF SUSPENSION OR REVOCATION AND WHO ARE FORMER LICENSEES WHO ARE RETIRED FROM THE PRACTICE OF MEDICINE IN THIS STATE OR WHO HAVE A VALID LICENSE TO PRACTICE MEDICINE AND ARE NOT CURRENTLY PRACTICING~~]. One of the four public members shall be a licensed practical nurse or a professional nurse, as defined in chapter 15 of this title, with at least five years' experience. The eight physicians must be from at least three different counties of ~~the~~ THIS state. Not more than five of the board members may be from any one county. Members of the board are appointed by the governor. All appointments shall be made promptly. The governor shall make all appointments pursuant to section 38-211, EXCEPT THAT:

1. IF THE GOVERNOR FAILS TO FILL A PUBLIC MEMBER VACANCY WITHIN ONE YEAR AFTER THE POSITION BECOMES VACANT, THE BOARD MAY FILL THE PUBLIC MEMBER POSITION BY A MAJORITY VOTE.

2. IF THE SENATE FAILS TO CONFIRM OR REJECT AN APPOINTEE WITHIN ONE YEAR AFTER THE GOVERNOR'S APPOINTMENT, THE APPOINTEE IS DEEMED CONFIRMED.

B. [~~EXCEPT AS PROVIDED IN SUBSECTION A OF THIS SECTION,~~] Each doctor of medicine who is appointed to the board shall have been a

resident of this state and actively engaged in the practice of medicine as a licensed physician in this state for at least the five years before appointment.

C. The term of office of a member of the board is five years, commencing on July 1 and terminating on July 1 of the fifth year. Each member is eligible for reappointment for not more than one additional term. However, the term of office for a member of the board appointed to fill a vacancy occasioned other than by expiration of a full term is for the unexpired portion of that term. Each member may be appointed only once to fill a vacancy caused other than by expiration of a term. The governor may reappoint that member to not more than two additional full terms. Each member of the board shall continue to hold office until the appointment and qualification of that member's successor, subject to the following exceptions:

1. A member of the board, after notice and a hearing before the governor, may be removed on a finding by the governor of continued neglect of duty, incompetence~~,~~ or unprofessional or dishonorable conduct, in which event that member's term shall end when the governor makes this finding.

2. The term of any member automatically ends:

(a) On death.

(b) On written resignation submitted to the board chairman or to the governor.

(c) On absence from ~~the~~ THIS state for a period of more than six months.

(d) For failure to attend three consecutive meetings of the board.

(e) Five years after retirement from the active practice of medicine.

D. The board shall annually elect, from among its membership, a ~~chairman~~ CHAIRPERSON, a ~~vice-chairman~~ VICE CHAIRPERSON and a secretary, who shall hold their respective offices at the pleasure of the board.

E. Board members are eligible to receive compensation in the amount of up to ~~two hundred fifty dollars~~ $250 per day for each day of actual service in the business of the board, including time spent in preparation for and attendance at board meetings, and all expenses necessarily and properly incurred in attending meetings of the board.

F. Members of the board are personally immune from suit with respect to all acts done and actions taken in good faith and in furtherance of the purposes of this chapter.

G. The [ARIZONA MEDICAL] board shall submit a written report to the governor, the Arizona regulatory board of physician assistants and the members of the health and human services committee of the senate and the health committee of the house of representatives, or their successor committees, ~~no~~ NOT later than August 31 of each year on the [ARIZONA

MEDICAL] board's licensing and disciplinary activities for the previous fiscal year. The report must include both of the following:

1. Information regarding staff turnover that indicates whether the person was temporary, part-time or full-time and in which department or division the person worked.

2. The number of investigators who have been hired and how many of them have completed the investigator training program required by section 32-1405.

H. Public members appointed to the board may submit a separate written report to the governor ~~by~~ ON OR BEFORE August 31 of each year setting forth their comments relative to the board's licensing and disciplinary activities for the previous fiscal year.

Sec. 5. Section 32-1502, Arizona Revised Statutes, is amended to read:

32-1502. Naturopathic physicians medical board; members; appointment; qualifications; terms; immunity

A. The naturopathic physicians medical board is established consisting of the following members:

1. [Four] [~~TWO~~] physician members WHO ARE appointed by the governor. Each physician member shall be:

(a) A resident of this state for at least five years immediately preceding the appointment.

(b) A doctor of naturopathic medicine with a degree from a naturopathic school or college approved by the board who has engaged in full-time practice of naturopathic medicine for at least five years immediately preceding the appointment.

[~~2. TWO MEMBERS WHO HAVE NEVER HAD THEIR LICENSE REVOKED OR SUSPENDED OR HAVE VOLUNTARILY SURRENDERED THEIR LICENSE IN LIEU OF SUSPENSION OR REVOCATION AND WHO ARE FORMER LICENSEES WHO ARE RETIRED FROM THE PRACTICE OF NATUROPATHIC MEDICINE IN THIS STATE OR WHO HAVE A VALID LICENSE TO PRACTICE NATUROPATHIC MEDICINE AND ARE NOT CURRENTLY PRACTICING.~~]

[2.] [~~3.~~] Three public members [WHO ARE] appointed by the governor. Each public member shall:

(a) Be a resident of this state for at least five years immediately preceding the appointment.

(b) Not be connected, in any manner, with or have any interest in a school of medicine, a health care institution or any person practicing any form of healing or treatment of bodily or mental ailments.

(c) Demonstrate an interest in the health problems in this state.

B. ALL MEMBERS OF THE BOARD SHALL BE APPOINTED BY THE GOVERNOR PURSUANT TO SECTION 38-211, EXCEPT THAT:

1. IF THE GOVERNOR FAILS TO FILL A PUBLIC MEMBER VACANCY WITHIN ONE YEAR AFTER THE POSITION BECOMES VACANT, THE BOARD MAY FILL THE PUBLIC MEMBER POSITION BY A MAJORITY VOTE.

2. IF THE SENATE FAILS TO CONFIRM OR REJECT AN APPOINTEE WITHIN ONE YEAR AFTER THE GOVERNOR'S APPOINTMENT, THE APPOINTEE IS DEEMED CONFIRMED.

~~B.~~ C. Before appointment by the governor OR BOARD, a prospective member of the board shall submit a full set of fingerprints to the governor for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544. The department of public safety may exchange this fingerprint data with the federal bureau of investigation.

~~C.~~ D. The terms of office of the physician members and the public members are five years to begin and end on June 30. Each physician member and each public member continue to hold office until the appointment and qualification of their successors, subject to the following exceptions:

1. A member of the board may be removed from office if the governor finds the member was guilty of malfeasance, misfeasance or dishonorable conduct.

2. The term of any member automatically ends on resignation, permanent removal from this state or removal from this state for a period of more than six months.

~~D.~~ E. There shall be no monetary liability on the part of and no cause of action shall arise against the members of the board, the secretary-treasurer or permanent or temporary personnel of the board for any act done or proceeding undertaken or performed in good faith and in furtherance of the purposes of this chapter.

Sec. 6. Section 32-1602, Arizona Revised Statutes, is amended to read:

32-1602. Arizona state board of nursing; members; terms; immunity

A. The Arizona state board of nursing is established consisting of eleven members who are appointed by the governor PURSUANT TO SECTION 38-211, EXCEPT THAT:

1. IF THE GOVERNOR FAILS TO FILL A PUBLIC MEMBER VACANCY WITHIN ONE YEAR AFTER THE POSITION BECOMES VACANT, THE BOARD MAY FILL THE PUBLIC MEMBER POSITION BY A MAJORITY VOTE.

2. IF THE SENATE FAILS TO CONFIRM OR REJECT AN APPOINTEE WITHIN ONE YEAR AFTER THE GOVERNOR'S APPOINTMENT, THE APPOINTEE IS DEEMED CONFIRMED.

B. Six members shall be registered nurses, including at least one registered nurse practitioner, clinical nurse specialist or certified registered nurse anesthetist. One member shall be a nursing assistant or a nursing assistant educator. Two members shall represent the public and two members shall be licensed practical nurses. [~~AT LEAST FIFTY PERCENT OF THE LICENSED OR CERTIFIED MEMBERS OF THE BOARD SHALL BE MEMBERS WHO HAVE NEVER HAD THEIR LICENSE REVOKED OR SUSPENDED OR HAVE VOLUNTARILY SURRENDERED THEIR LICENSE IN LIEU OF SUSPENSION OR REVOCATION AND FORMER LICENSEES WHO ARE RETIRED FROM THE PRACTICE OF NURSING IN THIS STATE OR WHO HAVE A VALID LICENSE TO PRACTICE NURSING AND ARE NOT CURRENTLY~~

~~PRACTICING.~~] Members shall be appointed for a term of five years, to begin and end on June 30.

~~B.~~ C. Before appointment by the governor OR BOARD, a prospective member of the board shall submit a full set of fingerprints to the governor for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544. The department of public safety may exchange this fingerprint data with the federal bureau of investigation.

~~C.~~ D. On or before May 1 each year and at any other time a vacancy on the board occurs, the governor shall make an appointment or appointments to the board. AN appointment to fill a vacancy other than by expiration shall be for the unexpired term. A person shall not serve more than two consecutive terms as a member of the board.

~~D.~~ E. The governor may remove any person from the board for neglect of any duty imposed by law or for incompetency or unprofessional or dishonorable conduct.

~~E.~~ F. A board member's term automatically ends:

1. On the death of the member.

2. On the member's written resignation submitted to the board president or to the governor.

3. On the member's failure to attend three consecutive board meetings.

~~F.~~ G. A board member who acts within the scope of board duties, without malice and in the reasonable belief that the member's action is warranted by law is not subject to civil liability.

Sec. 7. Section 32-1672, Arizona Revised Statutes, is amended to read:

32-1672. State board of dispensing opticians; members; qualifications; terms; removal; immunity

A. The state board of dispensing opticians is established consisting of seven members WHO ARE appointed by the governor PURSUANT TO SECTION 38-211, EXCEPT THAT:

1. IF THE GOVERNOR FAILS TO FILL A PUBLIC MEMBER VACANCY WITHIN ONE YEAR AFTER THE POSITION BECOMES VACANT, THE BOARD MAY FILL THE PUBLIC MEMBER POSITION BY A MAJORITY VOTE.

2. IF THE SENATE FAILS TO CONFIRM OR REJECT AN APPOINTEE WITHIN ONE YEAR AFTER THE GOVERNOR'S APPOINTMENT, THE APPOINTEE IS DEEMED CONFIRMED.

B. [Five] [~~THREE~~] members of the board [~~SHALL BE MEMBERS WHO HAVE NEVER HAD THEIR LICENSE REVOKED OR SUSPENDED OR HAVE VOLUNTARILY SURRENDERED THEIR LICENSE IN LIEU OF SUSPENSION OR REVOCATION AND WHO ARE FORMER LICENSEES WHO ARE RETIRED IN THIS STATE OR WHO HAVE A VALID LICENSE TO PRACTICE AND ARE NOT CURRENTLY PRACTICING. TWO MEMBERS~~] shall be licensees in good standing under this chapter. Two members of the board shall be public members.

~~B.~~ C. Before appointment by the governor OR BOARD, a prospective member of the board shall submit a full set of fingerprints to the governor for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544. The department of public safety may exchange this fingerprint data with the federal bureau of investigation.

~~C.~~ D. Each member shall serve for a term of five years expiring on the first day in January of the appropriate year. A member shall not serve for more than two complete consecutive terms.

~~D.~~ E. The board shall elect from among its membership a ~~chairman~~ CHAIRPERSON and such other officers as it deems necessary, who shall hold their offices at the pleasure of the board.

~~E.~~ F. Members of the board are eligible to receive compensation in the amount of ~~fifty dollars~~ $50 for each day of actual service in the business of the board.

~~F.~~ G. The governor may remove a board member from office if the governor determines that the member is guilty of malfeasance, misfeasance or dishonorable conduct.

~~G.~~ H. The board, the secretary-treasurer of the board and permanent and temporary board personnel are immune from civil liability for any act the board, its officers and board personnel perform in good faith and in furtherance of this chapter.

Sec. 8. Section 32-1702, Arizona Revised Statutes, is amended to read:

32-1702. State board of optometry; members; appointment; qualifications; terms; removal; meetings

A. The state board of optometry is established consisting of the following members who are appointed by the governor to staggered four-year terms that end on July 1:

1. [Five] [~~THREE~~] members [~~WHO HAVE NEVER HAD THEIR LICENSE REVOKED OR SUSPENDED OR HAVE VOLUNTARILY SURRENDERED THEIR LICENSE IN LIEU OF SUSPENSION OR REVOCATION AND WHO ARE FORMER LICENSEES WHO ARE RETIRED FROM THE PRACTICE OF OPTOMETRY IN THIS STATE OR WHO HAVE A VALID LICENSE TO PRACTICE OPTOMETRY AND ARE NOT CURRENTLY PRACTICING.~~

~~2. TWO MEMBERS~~] who have been licensed and engaged in the active practice of optometry in this state for at least three years immediately before the appointment.

[2.] [~~3.~~] [Two] [~~FOUR~~] public members who do not have a direct or indirect interest in the practice of optometry, opticianry or medicine.

B. THE MEMBERS OF THE BOARD SHALL BE APPOINTED BY THE GOVERNOR PURSUANT TO SECTION 38-211, EXCEPT THAT:

1. IF THE GOVERNOR FAILS TO FILL A PUBLIC MEMBER VACANCY WITHIN ONE YEAR AFTER THE POSITION BECOMES VACANT, THE BOARD MAY FILL THE PUBLIC MEMBER POSITION BY A MAJORITY VOTE.

2. IF THE SENATE FAILS TO CONFIRM OR REJECT AN APPOINTEE WITHIN ONE YEAR AFTER THE GOVERNOR'S APPOINTMENT, THE APPOINTEE IS DEEMED CONFIRMED.

~~B.~~ C. Before appointment by the governor OR BOARD, a prospective member of the board shall submit a full set of fingerprints to the governor for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544. The department of public safety may exchange this fingerprint data with the federal bureau of investigation.

~~C.~~ D. The governor may remove any professional member for incompetency or unprofessional conduct or if the member's license has been revoked or suspended or if the member has been censured or placed on probation. The governor may remove any member for neglect of duty or improper conduct. The unexcused absence of a member for more than two consecutive meetings is justification for removal. Appointment by the governor to fill a vacancy caused other than by expiration of a term is for the unexpired portion of the term.

~~D.~~ E. A member of the board is ineligible to serve more than two consecutive full terms. The completion of the unexpired portion of a full term does not constitute a full term for purposes of this subsection.

~~E.~~ F. The board shall conduct regular meetings at least six times each year at times and places designated by the board or the governor. Special meetings may be called that the president determines are necessary to carry out the functions of the board, including meetings using communications equipment that allows all members participating in the meetings to hear each other.

~~F.~~ G. A majority of the members of the board constitutes a quorum and a majority vote of a quorum present at any meeting governs all actions taken by the board.

Sec. 9. Section 32-1801, Arizona Revised Statutes, is amended to read:

32-1801. Arizona board of osteopathic examiners in medicine and surgery; members; qualifications; oath; removal

A. The Arizona board of osteopathic examiners in medicine and surgery is established consisting of seven members WHO ARE appointed by the governor PURSUANT TO SECTION 38-211, EXCEPT THAT:

1. IF THE GOVERNOR FAILS TO FILL A PUBLIC MEMBER VACANCY WITHIN ONE YEAR AFTER THE POSITION BECOMES VACANT, THE BOARD MAY FILL THE PUBLIC MEMBER POSITION BY A MAJORITY VOTE.

2. IF THE SENATE FAILS TO CONFIRM OR REJECT AN APPOINTEE WITHIN ONE YEAR AFTER THE GOVERNOR'S APPOINTMENT, THE APPOINTEE IS DEEMED CONFIRMED.

B. [One] [~~EACH~~] member of the board shall be appointed each year for a term of five years, to begin and end on April 15.

~~B.~~ C. Before appointment by the governor OR BOARD, a prospective member of the board shall submit a full set of fingerprints to the

governor for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544. The department of public safety may exchange this fingerprint data with the federal bureau of investigation.

~~C.~~ D. Two members of the board shall be public members who ~~shall~~ ARE not ~~be~~ in any manner connected with, or DO NOT have an interest in, any school of medicine or any person practicing any form of healing or treatment of bodily or mental ailments and who ~~has~~ HAVE demonstrated an interest in the health problems of ~~the~~ THIS state. [The other five] [~~THREE~~] members of the board [~~SHALL BE MEMBERS WHO HAVE NEVER HAD THEIR LICENSE REVOKED OR SUSPENDED OR HAVE VOLUNTARILY SURRENDERED THEIR LICENSE IN LIEU OF SUSPENSION OR REVOCATION AND WHO ARE FORMER LICENSEES WHO ARE RETIRED FROM THE PRACTICE OF OSTEOPATHIC MEDICINE IN THIS STATE OR WHO HAVE A VALID LICENSE TO PRACTICE OSTEOPATHIC MEDICINE AND ARE NOT CURRENTLY PRACTICING. TWO MEMBERS~~] shall have engaged in the practice of medicine as an osteopathic physician in this state for at least five years preceding their appointments, hold active licenses in good standing and, at the time of appointment, be practicing medicine with direct patient contact. In making appointments of each professional member of the board, the governor shall consider a list of qualified persons submitted by the Arizona osteopathic medical association and recommendations by any other person. Members of the board shall continue in office until their successors are appointed and qualified. Each board member, before entering on ~~his~~ THE MEMBER'S duties, shall take an oath prescribed by law and in addition thereto shall make an oath as to ~~his~~ THE MEMBER'S qualifications as prescribed in this section. ~~No~~ A board member may NOT serve more than two consecutive [~~five year~~] [FIVE-YEAR] terms.

~~D.~~ E. The governor may remove A board ~~members if they fail~~ MEMBER WHO FAILS to attend three or more board meetings within twelve months. This does not include telephonic meetings of the board. The governor may also remove A board ~~members~~ MEMBER for malfeasance, misfeasance or incompetence in ~~their~~ office, unprofessional or dishonorable conduct in ~~their~~ office or unprofessional or dishonorable conduct. The governor shall appoint a qualified replacement to fill a vacant position for the unexpired portion of the term.

Sec. 10. Section 32-1902, Arizona Revised Statutes, is amended to read:

32-1902. Arizona state board of pharmacy; members; qualifications; terms; oath; immunity

A. The Arizona state board of pharmacy is established consisting of the following members who are appointed by the governor:

1. [Six] [~~THREE~~] pharmacists, at least one of whom is a pharmacist employed by a licensed hospital and at least one of whom is employed by a community pharmacy and engaged in the day-to-day practice of pharmacy.

2. One pharmacy technician.

3. [Two] [~~FIVE~~] public members.

B. THE MEMBERS OF THE BOARD SHALL BE APPOINTED BY THE GOVERNOR PURSUANT TO SECTION 38-211, EXCEPT THAT:

1. IF THE GOVERNOR FAILS TO FILL A PUBLIC MEMBER VACANCY WITHIN ONE YEAR AFTER THE POSITION BECOMES VACANT, THE BOARD MAY FILL THE PUBLIC MEMBER POSITION BY A MAJORITY VOTE.

2. IF THE SENATE FAILS TO CONFIRM OR REJECT AN APPOINTEE WITHIN ONE YEAR AFTER THE GOVERNOR'S APPOINTMENT, THE APPOINTEE IS DEEMED CONFIRMED.

~~B.~~ C. To be qualified for appointment:

1. A pharmacist must be licensed as a pharmacist in this state or any other jurisdiction for a period of at least ten years and licensed as a pharmacist and a resident in this state for a period of at least five years immediately before the date of appointment.

2. Each public member must be a resident of this state for a period of at least five years immediately before the date of appointment.

3. A pharmacy technician must be a practicing pharmacy technician in this state or any other jurisdiction for at least five years and be licensed as a pharmacy technician and a resident of this state for at least five years immediately before the date of appointment. A pharmacy technician appointed before July 1, 2009 does not have to meet the minimum five year licensure requirement of this paragraph.

~~C.~~ D. Each pharmacist and pharmacy technician member shall serve for a term of five years. Public members may serve for a term of five years unless removed by the governor. The public members shall after the first of every year present a written report to the governor. Vacancies occurring on the board other than by expiration of term of office shall be filled for the unexpired portion of the term only.

~~D.~~ E. On or before January 15 of each year in which a pharmacist or a pharmacy technician is to be appointed, the executive director of the pharmacy association of Arizona may submit to the governor a list of the names of at least seven of its members who have been nominated by the association~~,~~ and who meet the requirements as provided in this section for the next occurring vacancy on the board. The governor may make appointments of licensed pharmacists and pharmacy technicians to the board from the nominees on the list or from others having the necessary qualifications.

~~E.~~ F. Appointees to the board within thirty days after their appointment shall take and subscribe to an oath or affirmation, before a properly qualified officer, that they will faithfully and impartially perform the duties of their office. The executive director shall file the oath or affirmation with the secretary of state.

~~F.~~ G. Members of the board are personally exempt from suit with respect to all acts done and actions taken in good faith and in furtherance of this chapter.

Sec. 11. Section 32-2002, Arizona Revised Statutes, is amended to read:

32-2002. Board of physical therapy; members; appointment; qualifications; terms; removal; reimbursement; immunity

A. The board of physical therapy is established consisting of members WHO ARE appointed by the governor pursuant to section 38-211, EXCEPT THAT:

1. IF THE GOVERNOR FAILS TO FILL A PUBLIC MEMBER VACANCY WITHIN ONE YEAR AFTER THE POSITION BECOMES VACANT, THE BOARD MAY FILL THE PUBLIC MEMBER POSITION BY A MAJORITY VOTE.

2. IF THE SENATE FAILS TO CONFIRM OR REJECT AN APPOINTEE WITHIN ONE YEAR AFTER THE GOVERNOR'S APPOINTMENT, THE APPOINTEE IS DEEMED CONFIRMED.

B. [Four] [~~TWO~~] members [~~SHALL BE MEMBERS WHO HAVE NEVER HAD THEIR LICENSE REVOKED OR SUSPENDED OR HAVE VOLUNTARILY SURRENDERED THEIR LICENSE IN LIEU OF SUSPENSION OR REVOCATION AND WHO ARE FORMER LICENSEES WHO ARE RETIRED FROM THE PRACTICE OF PHYSICAL THERAPY IN THIS STATE OR WHO HAVE A VALID LICENSE TO PRACTICE PHYSICAL THERAPY AND ARE NOT CURRENTLY PRACTICING. TWO MEMBERS~~] shall be physical therapists who are residents of this state, possess an unrestricted license to practice physical therapy in this state and have been practicing in this state for at least five years before their appointment. One member shall be a physical therapist assistant who is a resident of this state, possesses an unrestricted license issued pursuant to this chapter and has been performing selected interventions in this state for at least five years before the person's appointment. The governor shall also appoint two public members who are residents of this state and who are not affiliated with, and do not have a financial interest in, any health care profession but who have an interest in consumer rights.

~~B.~~ C. Board members serve staggered four-year terms. Board members shall not serve for more than two successive four-year terms or for more than ten consecutive years. By approval of a majority of the board, a member's service may extend at the completion of a four-year term until a new member is appointed or the current member is reappointed.

~~C.~~ D. If requested by the board, the governor may remove a board member for misconduct, incompetence or neglect of duty.

~~D.~~ E. Board members are eligible for reimbursement of expenses pursuant to title 38, chapter 4, article 2 to cover necessary expenses for attending each board meeting or for representing the board in an official ~~board approved~~ BOARD-APPROVED activity.

~~E.~~ F. A board member who acts within the scope of board duties, without malice and in the reasonable belief that the person's action is warranted by law is immune from civil liability.

Sec. 12. Section 32-2062, Arizona Revised Statutes, is amended to read:

32-2062. State board of psychologist examiners; members; qualifications; appointments; terms; compensation; immunity

A. The state board of psychologist examiners is established consisting of ten members WHO ARE appointed by the governor pursuant to section 38-211, EXCEPT THAT:

1. IF THE GOVERNOR FAILS TO FILL A PUBLIC MEMBER VACANCY WITHIN ONE YEAR AFTER THE POSITION BECOMES VACANT, THE BOARD MAY FILL THE PUBLIC MEMBER POSITION BY A MAJORITY VOTE.

2. IF THE SENATE FAILS TO CONFIRM OR REJECT AN APPOINTEE WITHIN ONE YEAR AFTER THE GOVERNOR'S APPOINTMENT, THE APPOINTEE IS DEEMED CONFIRMED.

B. Each member of the board shall be a citizen of the United States and a resident of this state at the time of appointment. [Seven] [~~THREE~~] members shall be licensed pursuant to this chapter. ~~, and~~ [~~FOUR MEMBERS SHALL BE MEMBERS WHO HAVE NEVER HAD THEIR LICENSE REVOKED OR SUSPENDED OR HAVE VOLUNTARILY SURRENDERED THEIR LICENSE IN LIEU OF SUSPENSION OR REVOCATION AND WHO ARE FORMER LICENSEES WHO ARE RETIRED IN THIS STATE OR WHO HAVE A VALID LICENSE UNDER THIS CHAPTER AND ARE NOT CURRENTLY PRACTICING.~~] Three MEMBERS shall be public members who are not eligible for licensure. The board shall have at all times, except for the period when a vacancy exists, [at least two members who are] [~~ONE MEMBER WHO IS~~] licensed as [psychologists] [~~A PSYCHOLOGIST~~] and who [are] [~~IS A~~] full-time faculty [members from universities] [~~MEMBER FROM A UNIVERSITY~~] in this state with a doctoral program in psychology that meets the requirements of section 32-2071, [at least three] [~~TWO~~] members who are psychologists in professional practice and [at least two members who are] [~~ONE MEMBER WHO IS A~~] behavior [analysts] [~~ANALYST~~] in professional practice and who [are members] [~~IS A MEMBER~~] of the committee on behavior analysts. The public members shall not have a substantial financial interest in the health care industry and shall not have a household member who is eligible for licensure under this chapter.

C. Each member shall serve for a term of five years beginning and ending on the third Monday in January.

D. A vacancy on the board occurring other than by the expiration of term shall be filled by appointment by the governor for the unexpired term as provided in subsection C of this section. The governor, after a hearing, may remove any member of the board for misconduct, incompetency or neglect of duty.

E. Board members shall receive compensation in the amount of ~~one hundred dollars~~ $100 for each cumulative eight hours of actual service in the business of the board and reimbursement of all expenses pursuant to title 38, chapter 4, article 2.

F. Members of the board and its employees, consultants and test examiners are personally immune from suit with respect to all acts done and actions taken in good faith and in furtherance of the purposes of this chapter.

Sec. 13. Section 32-2502, Arizona Revised Statutes, is amended to read:

32-2502. Arizona regulatory board of physician assistants; members; appointment; terms; immunity

A. The Arizona regulatory board of physician assistants is established consisting of the following members:

1. Five physician assistants who hold a current regular license pursuant to this chapter. The governor may appoint these members from a list of qualified candidates submitted by the Arizona state association of physician assistants. The governor may seek additional input and nominations before the governor makes the physician assistant appointments.

2. Two public members who are appointed by the governor.

3. Two physicians who are actively engaged in the practice of medicine and who are licensed pursuant to chapter 17 of this title, one of whom supervises or collaborates with a physician assistant at the time of appointment~~,~~ and who are appointed by the governor.

4. Two physicians who are actively engaged in the practice of medicine and who [are] [~~IS~~] licensed pursuant to chapter 13 of this title, one of whom supervises or collaborates with a physician assistant at the time of appointment[.] and who are appointed by the governor.

B. THE MEMBERS OF THE BOARD SHALL BE APPOINTED BY THE GOVERNOR PURSUANT TO SECTION 38-211, EXCEPT THAT:

1. IF THE GOVERNOR FAILS TO FILL A PUBLIC MEMBER VACANCY WITHIN ONE YEAR AFTER THE POSITION BECOMES VACANT, THE BOARD MAY FILL THE PUBLIC MEMBER POSITION BY A MAJORITY VOTE.

2. IF THE SENATE FAILS TO CONFIRM OR REJECT AN APPOINTEE WITHIN ONE YEAR AFTER THE GOVERNOR'S APPOINTMENT, THE APPOINTEE IS DEEMED CONFIRMED.

[~~C. NOTWITHSTANDING SUBSECTION A OF THIS SECTION, AT LEAST FIFTY PERCENT OF THE LICENSED MEMBERS OF THE BOARD SHALL BE MEMBERS WHO HAVE NEVER HAD THEIR LICENSE REVOKED OR SUSPENDED OR HAVE VOLUNTARILY SURRENDERED THEIR LICENSE IN LIEU OF SUSPENSION OR REVOCATION AND WHO ARE FORMER LICENSEES WHO ARE RETIRED FROM PRACTICE IN THIS STATE OR WHO HAVE A VALID LICENSE TO PRACTICE AND ARE NOT CURRENTLY PRACTICING.~~]

~~B.~~ [~~D.~~] [C.] Before appointment by the governor OR BOARD, a prospective member of the board shall submit a full set of fingerprints to the governor for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544. The department of public safety may exchange this fingerprint data with the federal bureau of investigation.

~~C.~~ [~~E.~~] [D.] The term of office of members of the board is four years, to begin and end on July 1.

~~D.~~ [~~F.~~] [E.] Each board member is eligible for appointment to not more than two full terms, except that the term of office for a member WHO IS appointed to fill a vacancy that is not caused by the expiration of a full term is for the unexpired portion of that term and the governor may reappoint that member to not more than two additional full terms. Each board member may continue to hold office until the appointment and qualification of that member's successor. The governor may remove a member after notice and a hearing on a finding of continued neglect of duty, incompetence or unprofessional or dishonorable conduct. That member's term ends when the finding is made.

~~E.~~ [~~G.~~] [F.] A board member's term automatically ends:

1. On written resignation submitted to the board chairperson or to the governor.

2. If the member is absent from this state for more than six months during a one-year period.

3. If the member fails to attend three consecutive regular board meetings.

4. [~~EXCEPT AS PROVIDED IN SUBSECTION C OF THIS SECTION,~~] Five years after retirement from active practice.

~~F.~~ [~~H.~~] [G.] Board members are immune from civil liability for all good faith actions they take pursuant to this chapter.

Sec. 14. Title 32, Arizona Revised Statutes, is amended by adding chapter 27, to read:

CHAPTER 27

HEALTH PROFESSION REGULATORY BOARD OVERSIGHT COUNCIL

ARTICLE 1. OVERSIGHT COUNCIL

32-2701. Definitions

IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "HEALTH PROFESSIONAL" MEANS A PERSON WHO IS CERTIFIED OR LICENSED PURSUANT TO CHAPTER 7, 8, 11, 13, 14, 15, 15.1, 16, 17, 18, 19, 19.1, 25, 29, 33, 34, 35, 39, 41 OR 42 OF THIS TITLE OR TITLE 36, CHAPTER 4, ARTICLE 6.

2. "HEALTH PROFESSION REGULATORY BOARD" MEANS ANY BOARD THAT REGULATES ONE OR MORE HEALTH PROFESSIONALS IN THIS STATE.

3. "MARKET-SENSITIVE ACTION" MEANS ACTIONS OR DECISIONS BY A HEALTH PROFESSION REGULATORY BOARD THAT CREATE BARRIERS TO MARKET PARTICIPATION AND RESTRICT COMPETITION, INCLUDING:

(a) MODIFYING EXAMINATION PASSAGE SCORES.

(b) ADOPTING OR MODIFYING ADVERTISING RESTRICTIONS.

(c) CHANGING FEES OR CIVIL PENALTIES.

(d) EXPANDING OR RESTRICTING THE SCOPE OF PRACTICE OF A LICENSEE OR CERTIFICATE HOLDER.

(e) DEMONSTRATING A PATTERN OF DISCIPLINARY OR DISCRIMINATORY ACTIONS THAT CREATE BARRIERS TO MARKET PARTICIPATION.

32-2702. Health profession regulatory board oversight council; appointment; terms

A. THE HEALTH PROFESSION REGULATORY BOARD OVERSIGHT COUNCIL IS ESTABLISHED CONSISTING OF THREE MEMBERS, EACH OF WHOM IS A CURRENT EXECUTIVE DIRECTOR OF A HEALTH PROFESSION REGULATORY BOARD. THE GOVERNOR SHALL APPOINT EACH MEMBER OF THE OVERSIGHT COUNCIL BY LOT AND IN THE PRESENCE OF ALL CURRENT EXECUTIVE DIRECTORS OF THE HEALTH PROFESSION REGULATORY BOARDS. THE INITIAL OVERSIGHT COUNCIL MEMBERS SHALL BE APPOINTED ON OR BEFORE JANUARY 1, 2026 FOR STAGGERED THREE-YEAR TERMS. AN EXECUTIVE DIRECTOR MAY NOT SERVE ON THE OVERSIGHT COUNCIL FOR AT LEAST TWO FULL TERMS BEFORE REAPPOINTMENT. AN EXECUTIVE DIRECTOR MAY NOT REFUSE APPOINTMENT TO THE COUNCIL.

B. AN EXECUTIVE DIRECTOR OF A HEALTH PROFESSION REGULATORY BOARD WHO IS SERVING ON THE OVERSIGHT COUNCIL MAY NOT REVIEW OR OVERSEE ANY MATTER RELATING TO THAT EXECUTIVE DIRECTOR'S HEALTH PROFESSION REGULATORY BOARD.

C. OVERSIGHT COUNCIL MEMBERS MAY USE THEIR OWN BOARD STAFF AND FACILITIES TO FACILITATE THE BUSINESS OF THE OVERSIGHT COUNCIL.

32-2703. Oversight council duties

A. THE OVERSIGHT COUNCIL SHALL REVIEW AND APPROVE OR DENY MARKET-SENSITIVE ACTION TAKEN OR DECISIONS MADE BY A HEALTH PROFESSION REGULATORY BOARD ON AND AFTER JANUARY 1, 2026. THE OVERSIGHT COUNCIL SHALL MEET AT LEAST ONCE EACH MONTH UNLESS THERE IS NO BUSINESS FOR THE OVERSIGHT COUNCIL TO CONSIDER.

B. A HEALTH PROFESSION REGULATORY BOARD SHALL FORWARD ANY MARKET-SENSITIVE ACTION TAKEN OR DECISION MADE TO THE OVERSIGHT COUNCIL FOR REVIEW. THE OVERSIGHT COUNCIL MAY RECEIVE INFORMATION RELATING TO MARKET-SENSITIVE ACTIONS TAKEN OR DECISIONS MADE BY A HEALTH PROFESSION REGULATORY BOARD FROM ANY LICENSEE, CERTIFICATE HOLDER OR OTHER AFFECTED PERSON. THE OVERSIGHT COUNCIL SHALL NOTIFY THE HEALTH PROFESSION REGULATORY BOARD WITHIN TEN BUSINESS DAYS AFTER RECEIVING A REQUEST TO REVIEW AN ALLEGED MARKET-SENSITIVE ACTION. THE OVERSIGHT COUNCIL SHALL EITHER AGREE WITH THE ACTION TAKEN OR DECISION MADE OR REFER THE ISSUE BACK TO THE HEALTH PROFESSION REGULATORY BOARD FOR RECONSIDERATION WITHIN NINETY DAYS AFTER RECEIVING THE MARKET-SENSITIVE ACTION FOR REVIEW. THE OVERSIGHT COUNCIL'S DECISION SHALL INCLUDE A SUMMARY OF THE DECISION AND THE JUSTIFICATION FOR THE DECISION.

Sec. 15. Section 32-2902, Arizona Revised Statutes, is amended to read:

32-2902. Board of homeopathic and integrated medicine examiners; members; terms; removal; immunity

A. The board of homeopathic and integrated medicine examiners is established consisting of the following members WHO ARE appointed by the governor:

1. Two public members.

~~2. Until January 1, 2017, four members who are licensed pursuant to section 32-2912, subsection A.~~

~~3.~~ 2. ~~Beginning January 1, 2017,~~ [Five] [~~THREE~~] members [~~WHO HAVE NEVER HAD THEIR LICENSE REVOKED OR SUSPENDED OR HAVE VOLUNTARILY SURRENDERED THEIR LICENSE IN LIEU OF SUSPENSION OR REVOCATION AND WHO ARE FORMER LICENSEES WHO ARE RETIRED FROM THE PRACTICE OF HOMEOPATHIC MEDICINE IN THIS STATE OR WHO HAVE A VALID LICENSE TO PRACTICE HOMEOPATHIC MEDICINE AND ARE NOT CURRENTLY PRACTICING.~~

~~3. TWO MEMBERS~~] who are licensed pursuant to this chapter, one of whom is licensed pursuant to section 32-2912, subsection B.

B. THE MEMBERS OF THE BOARD SHALL BE APPOINTED BY THE GOVERNOR PURSUANT TO SECTION 38-211, EXCEPT THAT:

1. IF THE GOVERNOR FAILS TO FILL A PUBLIC MEMBER VACANCY WITHIN ONE YEAR AFTER THE POSITION BECOMES VACANT, THE BOARD MAY FILL THE PUBLIC MEMBER POSITION BY A MAJORITY VOTE.

2. IF THE SENATE FAILS TO CONFIRM OR REJECT AN APPOINTEE WITHIN ONE YEAR AFTER THE GOVERNOR'S APPOINTMENT, THE APPOINTEE IS DEEMED CONFIRMED.

~~B.~~ C. Before appointment by the governor OR BOARD, a prospective member of the board shall submit a full set of fingerprints to the governor for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544. The department of public safety may exchange this fingerprint data with the federal bureau of investigation.

~~C.~~ D. Board members serve staggered three-year terms ending on June 30. Board members shall not serve more than three consecutive terms. A board member may continue to serve until that member's replacement takes office.

~~D.~~ E. Board members shall be residents of this state for at least three consecutive years immediately before their appointment.

~~E.~~ F. The governor may remove a board member from office because of that member's neglect of duty, malfeasance, misfeasance, incompetence or unprofessional or dishonorable conduct.

~~F.~~ G. A board member's term of office automatically ends if that member is absent from this state for more than six months or if that member fails to attend three consecutive regularly scheduled board meetings.

~~G.~~ H. Board members and board employees are immune from civil liability for any good faith action they take to implement this chapter.

Sec. 16. Section 32-3252, Arizona Revised Statutes, is amended to read:

32-3252. Board of behavioral health examiners; members; appointment; qualifications; terms; compensation; immunity; training program

A. The board of behavioral health examiners is established consisting of the following members WHO ARE appointed by the governor:

1. The following professional members:

(a) Two members who are licensed in social work pursuant to this chapter, at least one of whom is a licensed clinical social worker.

(b) Two members who are licensed in counseling pursuant to this chapter, at least one of whom is a licensed professional counselor.

(c) Two members who are licensed in marriage and family therapy pursuant to this chapter, at least one of whom is a licensed marriage and family therapist.

(d) Two members who are licensed in addiction counseling pursuant to this chapter, at least one of whom is a licensed independent addiction counselor.

2. Four public members.

B. THE MEMBERS OF THE BOARD SHALL BE APPOINTED BY THE GOVERNOR PURSUANT TO SECTION 38-211, EXCEPT THAT:

1. IF THE GOVERNOR FAILS TO FILL A PUBLIC MEMBER VACANCY WITHIN ONE YEAR AFTER THE POSITION BECOMES VACANT, THE BOARD MAY FILL THE PUBLIC MEMBER POSITION BY A MAJORITY VOTE.

2. IF THE SENATE FAILS TO CONFIRM OR REJECT AN APPOINTEE WITHIN ONE YEAR AFTER THE GOVERNOR'S APPOINTMENT, THE APPOINTEE IS DEEMED CONFIRMED.

[~~C. NOTWITHSTANDING SUBSECTION A OF THIS SECTION, AT LEAST FIFTY PERCENT OF THE LICENSED MEMBERS OF THE BOARD SHALL BE MEMBERS WHO HAVE NEVER HAD THEIR LICENSE REVOKED OR SUSPENDED OR HAVE VOLUNTARILY SURRENDERED THEIR LICENSE IN LIEU OF SUSPENSION OR REVOCATION AND FORMER LICENSEES WHO ARE RETIRED FROM PRACTICE IN THIS STATE OR WHO HAVE A VALID LICENSE TO PRACTICE AND ARE NOT CURRENTLY PRACTICING.~~]

~~B.~~ [~~D.~~] [C.] Before appointment by the governor OR BOARD, a prospective member of the board shall submit a full set of fingerprints to the governor for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544. The department of public safety may exchange this fingerprint data with the federal bureau of investigation.

~~C.~~ [~~E.~~] [D.] Each professional board member shall:

1. Be a resident of this state for at least one year before appointment.

2. [~~EXCEPT AS PROVIDED IN SUBSECTION C OF THIS SECTION,~~] Be an active licensee in good standing.

3. Have at least five years of experience in an area of behavioral health licensed pursuant to this chapter.

~~D.~~ [~~F.~~] [E.] Each public board member shall:

1. Be a resident of this state for at least one year before appointment.

2. Be at least twenty-one years of age.

3. Not be licensed or eligible for licensure pursuant to this chapter unless the public member has been retired from active practice for at least five years.

4. Not currently have a substantial financial interest in an entity that directly provides behavioral health services.

5. Not have a household member who is licensed or eligible for licensure pursuant to this chapter unless the household member has been retired from active practice for at least five years.

~~E.~~ [~~G.~~] [F.] The term of office of board members is three years, to begin and end on the third Monday in January. A member shall not serve more than two full consecutive terms.

~~F.~~ [~~H.~~] [G.] The board shall annually elect a ~~chairman~~ CHAIRPERSON and secretary-treasurer from its membership.

~~G.~~ [~~I.~~] [H.] Board members are eligible to receive compensation of not more than $85 for each day actually and necessarily spent in the performance of their duties.

~~H.~~ [~~J.~~] [I.] Board members and personnel are personally immune from suit with respect to all acts done and actions taken in good faith and in furtherance of the purposes of this chapter.

~~I.~~ [~~K.~~] [J.] Each board member must complete a twelve-hour training program that emphasizes responsibilities for administrative management, licensure, judicial processes and temperament within one year after appointment to the board.

Sec. 17. Section 32-3402, Arizona Revised Statutes, is amended to read:

32-3402. Board of occupational therapy examiners; members; qualifications; terms; compensation; immunity

A. The board of occupational therapy examiners is established and consists of five members WHO ARE appointed by the governor PURSUANT TO SECTION 38-211, EXCEPT THAT:

1. IF THE GOVERNOR FAILS TO FILL A PUBLIC MEMBER VACANCY WITHIN ONE YEAR AFTER THE POSITION BECOMES VACANT, THE BOARD MAY FILL THE PUBLIC MEMBER POSITION BY A MAJORITY VOTE.

2. IF THE SENATE FAILS TO CONFIRM OR REJECT AN APPOINTEE WITHIN ONE YEAR AFTER THE GOVERNOR'S APPOINTMENT, THE APPOINTEE IS DEEMED CONFIRMED.

B. Each board member shall be a resident of ~~the~~ THIS state at the time of appointment. The governor shall appoint [~~THE FOLLOWING MEMBERS:~~

~~1.~~] two persons who are not engaged, directly or indirectly, in the provision of health care services to serve as public members. [The other three]

[~~2. TWO~~] members [shall have] [~~WHO HAVE NEVER HAD THEIR LICENSE REVOKED OR SUSPENDED OR HAVE VOLUNTARILY SURRENDERED THEIR LICENSE IN LIEU OF SUSPENSION OR REVOCATION AND WHO ARE FORMER LICENSEES WHO ARE RETIRED FROM THE PRACTICE OF OCCUPATIONAL THERAPY IN THIS STATE OR WHO HAVE A VALID LICENSE TO PRACTICE OCCUPATIONAL THERAPY AND ARE NOT CURRENTLY PRACTICING.~~

~~3. ONE MEMBER WHO HAS~~] at least three years of experience in occupational therapy or teaching in an accredited occupational therapy education program in this state immediately before appointment and ~~shall be~~ WHO IS licensed under this chapter.

C. The governor may select board members from a list of licensees submitted by the Arizona occupational therapy association~~, inc.~~ or any other appropriate organization.

~~B.~~ D. Before appointment by the governor OR BOARD, a prospective member of the board shall submit a full set of fingerprints to the governor for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544. The department of public safety may exchange this fingerprint data with the federal bureau of investigation.

~~C.~~ E. The term of office of board members is three years to begin and end on the third Monday in January. A member shall not serve more than two consecutive terms.

~~D.~~ F. The board, at its first regular meeting after the start of each calendar year and as necessary, shall elect a chairperson and other officers from among its members. The board shall meet at least once each quarter in compliance with the open meeting requirements of title 38, chapter 3, article 3.1 and shall keep an official record of these meetings. Other meetings may be convened at the call of the chairperson or the written request of any two board members. A majority of the members of the board shall constitute a quorum.

~~E.~~ G. Each member of the board is eligible to receive compensation in the amount of ~~one hundred dollars~~ $100 for each regular or special board meeting the member attends and is eligible for reimbursement for all expenses necessarily and properly incurred in attending board meetings.

~~F.~~ H. A board member is immune from civil liability for any actions that are within the scope of the board member's duties if they are taken without malice and in the reasonable belief that they are warranted by law.

Sec. 18. Section 32-3502, Arizona Revised Statutes, is amended to read:

32-3502. Board of respiratory care examiners; members; appointment; qualifications; removal

A. The board of respiratory care examiners is established consisting of seven members WHO ARE appointed by the governor PURSUANT TO SECTION 38-211, EXCEPT THAT:

1. IF THE GOVERNOR FAILS TO FILL A PUBLIC MEMBER VACANCY WITHIN ONE YEAR AFTER THE POSITION BECOMES VACANT, THE BOARD MAY FILL THE PUBLIC MEMBER POSITION BY A MAJORITY VOTE.

2. IF THE SENATE FAILS TO CONFIRM OR REJECT AN APPOINTEE WITHIN ONE YEAR AFTER THE GOVERNOR'S APPOINTMENT, THE APPOINTEE IS DEEMED CONFIRMED.

B. Each board member shall be a resident of this state at the time of appointment. The governor shall appoint:

1. Three licensed respiratory care practitioners, at least one of whom is a technical director of a respiratory care department or respiratory care corporation or an officer or faculty member of a college, school or institution engaged in respiratory therapy education and at least one of whom is involved in direct patient care.

2. A physician who is licensed pursuant to chapter 13 or 17 of this title and who is knowledgeable in respiratory care.

3. Two public members who are not engaged, directly or indirectly, in the provision of health care services.

4. One hospital administrator.

[~~C. NOTWITHSTANDING SUBSECTION B OF THIS SECTION, AT LEAST FIFTY PERCENT OF THE LICENSED MEMBERS OF THE BOARD SHALL BE MEMBERS WHO HAVE NEVER HAD THEIR LICENSE REVOKED OR SUSPENDED OR HAVE VOLUNTARILY SURRENDERED THEIR LICENSE IN LIEU OF SUSPENSION OR REVOCATION AND WHO ARE FORMER LICENSEES WHO ARE RETIRED FROM PRACTICE IN THIS STATE OR WHO HAVE A VALID LICENSE TO PRACTICE AND ARE NOT CURRENTLY PRACTICING.~~]

~~B.~~ [~~D.~~] [C.] Before appointment by the governor OR BOARD, a prospective member of the board shall submit a full set of fingerprints to the governor for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544. The department of public safety may exchange this fingerprint data with the federal bureau of investigation.

~~C.~~ [~~E.~~] [D.] [~~EXCEPT AS PROVIDED IN SUBSECTION C OF THIS SECTION,~~] The respiratory care practitioner members shall:

1. Have at least five years of experience in respiratory care or respiratory therapy education.

2. Have been employed actively in direct patient care, respiratory therapy education or management or supervision of respiratory care for at least three years immediately preceding appointment.

3. Be licensed pursuant to this chapter.

~~D.~~ [~~F.~~] [E.] The governor may appoint the licensed respiratory care practitioners from a list of seven qualified persons submitted to the governor by the Arizona society for respiratory care.

~~E.~~ [~~G.~~] [F.] The governor may appoint the physician member from a list of three qualified persons submitted to the governor by the Arizona medical association and the Arizona osteopathic medical association.

~~F.~~ [~~H.~~] [G.] The governor may appoint the hospital administrator member from a list of three qualified persons submitted to the governor by the Arizona hospital association.

~~G.~~ [~~I.~~] [H.] The term of office of each member is three years, to begin and end on June 30. A member shall not serve for more than two consecutive terms.

~~H.~~ [~~J.~~] [I.] The governor may remove board members for neglect of duty, malfeasance or misfeasance.

Sec. 19. Section 32-3902, Arizona Revised Statutes, is amended to read:

32-3902. Acupuncture board of examiners; members; qualifications; terms; removal; compensation; immunity

A. The acupuncture board of examiners is established consisting of the following members who are appointed by the governor:

~~1. Through January 16, 2022, four members who are licensed to practice acupuncture pursuant to this chapter and who have practiced acupuncture in this state or any other state for at least one year. Not more than two of these members may be graduates of the same school or college of acupuncture. The governor may make these appointments from a list of names submitted by a statewide acupuncture society.~~

~~2. Through January 17, 2022, three consumers who:~~

~~(a) Are not employed in a health profession.~~

~~(b) Do not have any pecuniary interest in a school of medicine or health care institution.~~

~~(c) Demonstrate an interest in health issues in this state.~~

~~3. Through January 17, 2022, two members who are licensed pursuant to chapter 8, 13, 14, 17 or 29 of this title. These members shall not be licensed pursuant to the same chapter.~~

~~4.~~ 1. ~~Beginning January 17, 2022,~~ One member who is certified or licensed to practice auricular acupuncture or acupuncture pursuant to this chapter.

~~5.~~ 2. ~~Beginning January 20, 2022,~~ Three members who are licensed to practice acupuncture pursuant to this chapter and who have practiced acupuncture in this or any other state for at least one year. ~~Not more than~~ Two of these members may NOT be graduates of the same school or college of acupuncture. The governor may make these appointments from a list of names submitted by a statewide acupuncture society.

~~6. For appointments made on or after January 18, 2022, two~~

3. TWO consumers who meet all of the following:

(a) Are not employed in a health profession.

(b) Do not have any pecuniary interest in a school of medicine or health care institution.

(c) Demonstrate an interest in health issues in this state.

~~7.~~ 4. ~~For appointments made on or after January 18, 2022,~~ One member who is licensed pursuant to chapter 8, 13, 14, 17 or 29 of this title.

B. THE MEMBERS OF THE BOARD SHALL BE APPOINTED BY THE GOVERNOR PURSUANT TO SECTION 38-211, EXCEPT THAT:

1. IF THE GOVERNOR FAILS TO FILL A PUBLIC MEMBER VACANCY WITHIN ONE YEAR AFTER THE POSITION BECOMES VACANT, THE BOARD MAY FILL THE PUBLIC MEMBER POSITION BY A MAJORITY VOTE.

2. IF THE SENATE FAILS TO CONFIRM OR REJECT AN APPOINTEE WITHIN ONE YEAR AFTER THE GOVERNOR'S APPOINTMENT, THE APPOINTEE IS DEEMED CONFIRMED.

[~~C. NOTWITHSTANDING SUBSECTION A OF THIS SECTION, AT LEAST FIFTY PERCENT OF THE LICENSED MEMBERS OF THE BOARD SHALL BE MEMBERS WHO HAVE NEVER HAD THEIR LICENSE REVOKED OR SUSPENDED OR HAVE VOLUNTARILY SURRENDERED THEIR LICENSE IN LIEU OF SUSPENSION OR REVOCATION AND WHO ARE FORMER LICENSEES WHO ARE RETIRED FROM PRACTICE IN THIS STATE OR WHO HAVE A VALID LICENSE TO PRACTICE AND ARE NOT CURRENTLY PRACTICING.~~]

~~B.~~ [~~D.~~] [C.] Before appointment by the governor OR BOARD, a prospective member of the board shall submit a full set of fingerprints to the governor for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544. The department of public safety may exchange this fingerprint data with the federal bureau of investigation.

~~C.~~ [~~E.~~] [D.] Board members shall be residents of this state for at least one year immediately preceding their appointment.

~~D.~~ [~~F.~~] [E.] Board members serve three-year terms to begin and end on the third Monday in January. A member shall not serve more than two consecutive terms.

~~E.~~ [~~G.~~] [F.] The board shall meet in January of each year to elect a chairperson and vice chairperson.

~~F.~~ [~~H.~~] [G.] The board shall meet quarterly and at the call of the chairperson or a majority of board members.

~~G.~~ [~~I.~~] [H.] Board members are eligible to receive compensation in an amount not to exceed $50 per day for each day of actual service in the business of the board and are eligible for reimbursement of expenses necessarily and properly incurred in attending board meetings.

~~H.~~ [~~J.~~] [I.] The governor may remove a board member from office for malfeasance, dishonorable conduct or unprofessional management of board duties.

~~I.~~ [~~K.~~] [J.] The term of any member automatically ends on resignation or absence from this state for a period of at least six

months. The governor shall fill vacancies for an unexpired portion of a term in the same manner as regular appointments.

~~J.~~ [~~I.~~] [K.] Board members and board employees are not subject to civil liability for any act done or proceeding undertaken or performed in good faith and in furtherance of the purposes of this chapter.

Sec. 20. Section 32-4102, Arizona Revised Statutes, is amended to read:

32-4102. Board of athletic training; members; terms; removal; compensation; immunity

A. The board of athletic training is established consisting of the following members WHO ARE appointed by the governor:

1. [Three] [~~TWO~~] athletic trainers [~~WHO BOTH:~~

~~(a) ARE RESIDENTS OF THIS STATE.~~

~~(b) HAVE NEVER HAD THEIR LICENSE REVOKED OR SUSPENDED OR HAVE VOLUNTARILY SURRENDERED THEIR LICENSE IN LIEU OF SUSPENSION OR REVOCATION AND WHO ARE FORMER LICENSEES WHO ARE RETIRED FROM THE PRACTICE OF ATHLETIC TRAINING IN THIS STATE OR WHO HAVE A VALID LICENSE TO PRACTICE ATHLETIC TRAINING AND ARE NOT CURRENTLY PRACTICING.~~

~~2. ONE MEMBER~~] who [are residents] [~~IS A RESIDENT~~] of this state, WHO [possess] [~~POSSESSES~~] an unrestricted license to practice athletic training in this state and WHO [have] [~~HAS~~] been practicing in this state for at least five years immediately preceding ~~their~~ appointment. [The governor may make these appointments from a list of names submitted by a statewide athletic training association or any other group or person. The initial three appointees are not required to be licensed pursuant to this chapter at the time of selection but shall meet all of the qualifications for licensure as prescribed by this chapter.]

[2.] [~~3.~~] Two public members who are residents of this state and who are not affiliated with and do not have any financial interest in any health care profession but who have an interest in consumer rights.

[~~B. THE GOVERNOR MAY MAKE THE APPOINTMENTS PURSUANT TO SUBSECTION A, PARAGRAPHS 1 AND 2 OF THIS SECTION FROM A LIST OF NAMES SUBMITTED BY A STATEWIDE ATHLETIC TRAINING ASSOCIATION OR ANY OTHER GROUP OR PERSON.~~]

[~~C.~~] [B.] THE MEMBERS OF THE BOARD SHALL BE APPOINTED BY THE GOVERNOR PURSUANT TO SECTION 38-211, EXCEPT THAT:

1. IF THE GOVERNOR FAILS TO FILL A PUBLIC MEMBER VACANCY WITHIN ONE YEAR AFTER THE POSITION BECOMES VACANT, THE BOARD MAY FILL THE PUBLIC MEMBER POSITION BY A MAJORITY VOTE.

2. IF THE SENATE FAILS TO CONFIRM OR REJECT AN APPOINTEE WITHIN ONE YEAR AFTER THE GOVERNOR'S APPOINTMENT, THE APPOINTEE IS DEEMED CONFIRMED.

~~B.~~ [~~D.~~] [C.] Board members serve staggered ~~five year~~ FIVE-YEAR terms that begin and end on the third Monday in January. Board members shall not serve for more than two successive five year terms or for more than ten consecutive years.

~~C.~~ [~~E.~~] [D.] If requested by the board, the governor may remove a board member for misconduct, incompetence or neglect of duty.

~~D.~~ [~~F.~~] [E.] Board members are eligible for reimbursement of expenses pursuant to title 38, chapter 4, article 2 to cover necessary expenses for attending each board meeting or for representing the board in an official ~~board approved~~ BOARD-APPROVED activity.

~~E.~~ [~~G.~~] [F.] A board member who acts within the scope of board duties, without malice and in the reasonable belief that the person's action is warranted by law is not subject to civil liability.

Sec. 21. Section 32-4202, Arizona Revised Statutes, is amended to read:

32-4202. Board of massage therapy; members; terms; compensation; immunity

A. The board of massage therapy is established consisting of the following members appointed by the governor:

1. Two massage therapists who are residents of this state, who possess an unrestricted license to practice massage therapy in this state and who have been practicing in this state for at least five years immediately preceding their appointment. The governor may make these appointments from a list of names submitted by a statewide massage or bodywork therapy association, or both, or any other group or person.

2. Three public members who are residents of this state and who are not affiliated with and do not have any financial interest in any health care profession but who have an interest in consumer rights or have a background in compliance or law enforcement issues. At least one public member must be actively involved in programs or services that help to reduce or prevent human trafficking.

B. ALL MEMBERS OF THE BOARD SHALL BE APPOINTED BY THE GOVERNOR PURSUANT TO SECTION 38-211, EXCEPT THAT:

1. IF THE GOVERNOR FAILS TO FILL A PUBLIC MEMBER VACANCY WITHIN ONE YEAR AFTER THE POSITION BECOMES VACANT, THE BOARD MAY FILL THE PUBLIC MEMBER POSITION BY A MAJORITY VOTE.

2. IF THE SENATE FAILS TO CONFIRM OR REJECT AN APPOINTEE WITHIN ONE YEAR AFTER THE GOVERNOR'S APPOINTMENT, THE APPOINTEE IS DEEMED CONFIRMED.

[~~C. AT LEAST FIFTY PERCENT OF THE LICENSED MEMBERS OF THE BOARD SHALL BE MEMBERS WHO HAVE NEVER HAD THEIR LICENSE REVOKED OR SUSPENDED OR HAVE VOLUNTARILY SURRENDERED THEIR LICENSE IN LIEU OF SUSPENSION OR REVOCATION AND WHO ARE FORMER LICENSEES WHO ARE RETIRED FROM THE PRACTICE OF MASSAGE THERAPY IN THIS STATE OR WHO HAVE A VALID LICENSE TO PRACTICE MASSAGE THERAPY AND ARE NOT CURRENTLY PRACTICING.~~]

~~B.~~ [~~D.~~] [C.] Board members serve staggered five-year terms that begin and end on the third Monday in January. Board members shall not serve for more than two successive five-year terms or for more than ten consecutive years, except that the term of office for a member of the board appointed to fill a vacancy that occurs before the expiration of a

full term is for the unexpired portion of that term, and the governor may reappoint that member to not more than two additional full terms.

~~C.~~ [~~E.~~] [D.] If requested by the board, the governor may remove a board member for misconduct, incompetence or neglect of duty.

~~D.~~ [~~F.~~] [E.] Board members are eligible to receive compensation in the amount of $100 per day for each day of actual service in the business of the board and for reimbursement of expenses pursuant to title 38, chapter 4, article 2 to cover necessary expenses for attending each board meeting or for representing the board in an official board approved activity.

~~E.~~ [~~G.~~] [F.] A board member who acts within the scope of board duties, without malice and in the reasonable belief that the member's action is warranted by law is not subject to civil liability.

Sec. 22. Section 36-446.02, Arizona Revised Statutes, is amended to read:

36-446.02. Board of examiners; members; terms; meetings; quorum; vacancies; compensation

A. The board of examiners of nursing care institution administrators and assisted living facility managers is established consisting of eleven members WHO ARE appointed by the governor PURSUANT TO SECTION 38-211, EXCEPT THAT:

1. IF THE GOVERNOR FAILS TO FILL A PUBLIC MEMBER VACANCY WITHIN ONE YEAR AFTER THE POSITION BECOMES VACANT, THE BOARD MAY FILL THE PUBLIC MEMBER POSITION BY A MAJORITY VOTE.

2. IF THE SENATE FAILS TO CONFIRM OR REJECT AN APPOINTEE WITHIN ONE YEAR AFTER THE GOVERNOR'S APPOINTMENT, THE APPOINTEE IS DEEMED CONFIRMED.

B. The board shall include:

1. One administrator who holds an active license issued pursuant to this article or who is retired.

2. One assisted living facility manager who holds an active license issued pursuant to this article or who is retired.

3. One administrator of a nonprofit or faith-based skilled nursing facility who ~~either~~ holds an active license issued pursuant to this article or who is retired.

4. One administrator of a proprietary skilled nursing facility who ~~either~~ holds an active license issued pursuant to this article or who is retired.

5. Two managers of an assisted living center who ~~either~~ hold an active license issued pursuant to this article or who are retired.

6. One manager of an assisted living home who ~~either~~ holds an active license issued pursuant to this article or who is retired.

7. One public member who represents an organization that advocates for the elderly.

8. One person who is a family member of EITHER a resident or a person who was a resident in the previous three years in either a skilled

nursing facility or an assisted living facility at the time the person is appointed to the board.

9. One person who is a current or former resident of a skilled nursing facility or an assisted living facility.

10. One public member who represents an organization that advocates for individuals with Alzheimer's disease, dementia or other related neurocognitive diseases or disorders.

[C. The board may not have more than three board members who are appointed pursuant to subsection B, paragraphs 1 through 6 of this section and who are retired. Each board member specified in subsection B, paragraphs 1 through 6 of this section who is retired must have had an active license issued pursuant to this article within the previous two years at the time of appointment to the board and may not have had any disciplinary action taken against the person's license or had a license issued pursuant to this article revoked.]

[~~C. AT LEAST FIFTY PERCENT OF THE LICENSED MEMBERS OF THE BOARD SHALL BE MEMBERS WHO HAVE NEVER HAD THEIR LICENSE REVOKED OR SUSPENDED OR HAVE VOLUNTARILY SURRENDERED THEIR LICENSE IN LIEU OF SUSPENSION OR REVOCATION AND FORMER LICENSEES WHO ARE RETIRED FROM PRACTICE IN THIS STATE OR WHO HAVE A VALID LICENSE TO PRACTICE AND ARE NOT CURRENTLY PRACTICING.~~]

D. Board members who are not affiliated with a nursing care institution or an assisted living facility shall not have a direct financial interest in nursing care institutions or assisted living facilities.

E. A board member shall not serve on any other board relating to long-term care during the member's term with the board.

F. The term of a board member automatically ends when that member no longer meets the qualifications for appointment to the board. The board shall notify the governor of the board vacancy.

G. Board members who are not affiliated with a nursing care institution or an assisted living facility shall be appointed for two-year terms. Board members who are the administrator of a nursing care institution or the manager of an assisted living facility shall be appointed for three-year terms.

H. A board member shall not serve for more than two consecutive terms.

I. The board shall meet at least twice a year.

J. A majority of the board members constitutes a quorum.

K. Board members are eligible to receive compensation as determined pursuant to section 38-611 for each day actually spent performing their duties under this chapter.

L. A board member who is absent from three consecutive regular meetings or who fails to attend more than fifty percent of board meetings

over the course of one calendar year vacates the board member's position. The board shall notify the governor of the vacancy.

Sec. 23. Health profession regulatory boards; report; intent; delayed repeal

A. On or before November 1, 2025, each health profession regulatory board shall submit a report to the governor, the president of the senate and the speaker of the house of representatives, and shall provide a copy to the secretary of state, outlining the laws, rules and internal processes that dictate the following:

1. All requirements for each type of license or certificate issued by the board, including:

(a) Education and training requirements.

(b) Continuing education requirements.

(c) Initial and renewal licensure and certification application processes and time frames.

(d) Application and initial and renewal licensing and certification fees.

(e) Required background checks and any offenses that would preclude licensure or certification.

2. How the board receives and investigates complaints and the types of disciplinary authority the board possesses, including appeal processes.

3. The number of full-time employees of the board and their corresponding duties.

4. Hiring, onboarding and termination of employees of the board.

5. A description of documents and discipline records retention.

6. A description of current contracts with third-party vendors and the services being provided by the vendors.

7. A description of board positions, including qualifications, term length and any prohibitions on consecutive appointments.

B. This legislature intends that this report provide the legislature adequate information to facilitate the revision and consolidation of statutes governing each health profession regulatory board in an effort to create uniformity and consistency in application while allowing for necessary exceptions essential to the operation and regulatory authority of each board.

C. This section is repealed from and after June 30, 2026.

~~<<Sec. 24. Retention of members~~

~~A. Notwithstanding section 32-802, Arizona Revised Statutes, as amended by this act, all persons serving as members of the state board of podiatry examiners on the effective date of this act may continue to serve until the expiration of their normal terms. The governor shall make all subsequent appointments as prescribed by statute.~~

~~B. Notwithstanding section 32-901, Arizona Revised Statutes, as amended by this act, all persons serving as members of the state board of chiropractic examiners on the effective date of this act may continue to~~

~~serve until the expiration of their normal terms. The governor shall make all subsequent appointments as prescribed by statute.~~

~~C. Notwithstanding section 32-1203, Arizona Revised Statutes, as amended by this act, all persons serving as members of the state board of dental examiners on the effective date of this act may continue to serve until the expiration of their normal terms. The governor shall make all subsequent appointments as prescribed by statute.~~

~~D. Notwithstanding section 32-1402, Arizona Revised Statutes, as amended by this act, all persons serving as members of the Arizona medical board on the effective date of this act may continue to serve until the expiration of their normal terms. The governor shall make all subsequent appointments as prescribed by statute.~~

~~E. Notwithstanding section 32-1502, Arizona Revised Statutes, as amended by this act, all persons serving as members of the naturopathic physicians medical board on the effective date of this act may continue to serve until the expiration of their normal terms. The governor shall make all subsequent appointments as prescribed by statute.~~

~~F. Notwithstanding section 32-1602, Arizona Revised Statutes, as amended by this act, all persons serving as members of the Arizona state board of nursing on the effective date of this act may continue to serve until the expiration of their normal terms. The governor shall make all subsequent appointments as prescribed by statute.~~

~~G. Notwithstanding section 32-1672, Arizona Revised Statutes, as amended by this act, all persons serving as members of the state board of dispensing opticians on the effective date of this act may continue to serve until the expiration of their normal terms. The governor shall make all subsequent appointments as prescribed by statute.~~

~~H. Notwithstanding section 32-1702, Arizona Revised Statutes, as amended by this act, all persons serving as members of the state board of optometry on the effective date of this act may continue to serve until the expiration of their normal terms. The governor shall make all subsequent appointments as prescribed by statute.~~

~~I. Notwithstanding section 32-1801, Arizona Revised Statutes, as amended by this act, all persons serving as members of the Arizona board of osteopathic examiners in medicine and surgery on the effective date of this act may continue to serve until the expiration of their normal terms. The governor shall make all subsequent appointments as prescribed by statute.~~

~~J. Notwithstanding section 32-1902, Arizona Revised Statutes, as amended by this act, all persons serving as members of the Arizona state board of pharmacy on the effective date of this act may continue to serve until the expiration of their normal terms. The governor shall make all subsequent appointments as prescribed by statute.~~

~~K. Notwithstanding section 32-2002, Arizona Revised Statutes, as amended by this act, all persons serving as members of the board of~~

~~physical therapy on the effective date of this act may continue to serve until the expiration of their normal terms. The governor shall make all subsequent appointments as prescribed by statute.~~

~~L. Notwithstanding section 32-2062, Arizona Revised Statutes, as amended by this act, all persons serving as members of the state board of psychologist examiners on the effective date of this act may continue to serve until the expiration of their normal terms. The governor shall make all subsequent appointments as prescribed by statute.~~

~~M. Notwithstanding section 32-2502, Arizona Revised Statutes, as amended by this act, all persons serving as members of the Arizona regulatory board of physician assistants on the effective date of this act may continue to serve until the expiration of their normal terms. The governor shall make all subsequent appointments as prescribed by statute.~~

~~N. Notwithstanding section 32-2902, Arizona Revised Statutes, as amended by this act, all persons serving as members of the board of homeopathic and integrated medicine examiners on the effective date of this act may continue to serve until the expiration of their normal terms. The governor shall make all subsequent appointments as prescribed by statute.~~

~~O. Notwithstanding section 32-3252, Arizona Revised Statutes, as amended by this act, all persons serving as members of the board of behavioral health examiners on the effective date of this act may continue to serve until the expiration of their normal terms. The governor shall make all subsequent appointments as prescribed by statute.~~

~~P. Notwithstanding section 32-3402, Arizona Revised Statutes, as amended by this act, all persons serving as members of the board of occupational therapy examiners on the effective date of this act may continue to serve until the expiration of their normal terms. The governor shall make all subsequent appointments as prescribed by statute.~~

~~Q. Notwithstanding section 32-3502, Arizona Revised Statutes, as amended by this act, all persons serving as members of the board of respiratory care examiners on the effective date of this act may continue to serve until the expiration of their normal terms. The governor shall make all subsequent appointments as prescribed by statute.~~

~~R. Notwithstanding section 32-3902, Arizona Revised Statutes, as amended by this act, all persons serving as members of the acupuncture board of examiners on the effective date of this act may continue to serve until the expiration of their normal terms. The governor shall make all subsequent appointments as prescribed by statute.~~

~~S. Notwithstanding section 32-4102, Arizona Revised Statutes, as amended by this act, all persons serving as members of the board of athletic training on the effective date of this act may continue to serve until the expiration of their normal terms. The governor shall make all subsequent appointments as prescribed by statute.~~

~~T. Notwithstanding section 32-4202, Arizona Revised Statutes, as amended by this act, all persons serving as members of the board of massage therapy on the effective date of this act may continue to serve until the expiration of their normal terms. The governor shall make all subsequent appointments as prescribed by statute.~~

~~U. Notwithstanding section 36-446.02, Arizona Revised Statutes, as amended by this act, all persons serving as members of the board of examiners of nursing care institution administrators and assisted living facility managers on the effective date of this act may continue to serve until the expiration of their normal terms. The governor shall make all subsequent appointments as prescribed by statute.~~>>

Enroll and engross to conform
Amend title to conform

JEFF WENINGER

1235WENINGER
03/24/2025
11:09 AM
C: MH

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1235

DATE March 25, 2025 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar		✓			
Blackman		✓			
Cavero				✓	
Connolly		✓			
Diaz		✓			
Hendrix		✓			
Villegas		✓			
Wilmeth		✓			
Way, Vice-Chairman		✓			
Weninger, Chairman		✓			
		9	0	1	0

Abby Silvey
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 10

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-seventh Legislature
First Regular Session

Senate: RAGE DP 5-2-0-0 | 3rd Read 16-13-1-0

SB 1229: planning; home design; restrictions; prohibition.
Sponsor: Senator Bolick, LD 2
Committee on Commerce

Overview

Prescribes municipal restrictions relating to home design and development standards for single-family homes.

History

Statute requires each municipality's planning agency and governing body to prepare and adopt, in coordination with the Arizona State Land Department, a comprehensive, long range general plan for the development of the municipality. The general plan must include a statement of community goals and development policies, including maps and plan proposals (A.R.S. § 9-461.05).

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

Provisions

Home Design

1. Prohibits a municipality from interfering with a home buyer's right to choose the features, amenities, structure, floor plan and interior and exterior design of a home. (Sec. 1)
2. Prohibits a municipality from requiring:
   a) a shared feature or amenity that would require certain associations to maintain or operate the feature or amenity, unless required by federal law; or
   b) screening, walls or fences on residential property. (Sec. 1)
3. Specifies the home design provisions:
   a) do not supersede applicable building codes, fire codes or public health and safety regulations;
   b) do not apply to lots or parcels that are located on tribal land, land in a high noise or accident potential zone of a military airport or ancillary military facility; and
   c) apply to developments constructed after the effective date, in a municipality with a population of more than seventy thousand persons. (Sec. 1)

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

ATTACHMENT 11

Home Size

4. Prohibits municipalities from adopting or enforcing any code, ordinance, regulation or other legal requirement establishing:
   a) minimum lot sizes that are greater than 3,000 square feet for new developments that are 5 or more acres in size and that will be platted and located in an area zoned as single-family residential;
   b) minimum square footage or dimensions for a single-family home that are more than the minimum square footage or dimensions the municipality requires for any other type of dwelling unit;
   c) maximum or minimum lot coverage for a single-family home and any accessory structures on a lot less than 10,000 square feet;
   d) minimum building setbacks for a single-family home that are more than 5 feet from the side lot lines and 10 feet from the front and rear lot lines; and
   e) design, architectural or aesthetic elements for a single-family home, except for a single-family home on land that is designated as a district of historical significance or an area that is designated as historic on the national register of historic places. (Sec. 1)

5. Authorizes a municipality to:
   a) enforce adopted minimum lot sizes greater than 3,000 square feet where multiple lots smaller than 5 acres with existing dwelling units are aggregated together;
   b) enforce adopted minimum setbacks for a portion of a home that is occupied by a garage facing the street in which the minimum front setback may not exceed 18 feet from the back of the sidewalk or lot line; and
   c) allow smaller lot sizes and smaller setbacks than those prescribed. (Sec. 1)

6. Allows a municipality to require:
   a) the preparation and submission of acceptable electric and water utility plans and specifications; and
   b) the construction of or payment for necessary public services needed to serve the new single-family homes. (Sec. 1)

7. Specifies the home size provisions:
   a) do not supersede applicable building codes, fire codes, utility clearance requirements, utility easements, minimum parking requirements or public health and safety regulations;
   b) do not apply to lots or parcels that are located on tribal land, on land in high noise or accident potential zone of a military airport or ancillary military facility; and
   c) apply to developments constructed after the effective date, in a municipality with a population of more than seventy thousand persons. (Sec. 1)

Miscellaneous

8. Includes language relating to Legislative findings and determinations regarding housing shortages, municipal restrictive regulations, property rights and preemption of further regulating a property owner's right to use their property. (Sec. 1)

9. Defines *building code, fire code, fire code official* and *shared feature or amenity*. (Sec. 1)

10. Cites act as the "Arizona Starter Homes Act". (Sec. 2)

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1229

(Reference to Senate engrossed bill)

Strike everything after the enacting clause and insert:

"Section 1. Title 9, chapter 4, article 6, Arizona Revised Statutes, is amended by adding section 9-461.19, to read:

9-461.19. Municipalities; starter homes; development; restrictions; applicability; definitions

A. BEGINNING JANUARY 1, 2027, A MUNICIPALITY WITH A POPULATION OF MORE THAN THIRTY THOUSAND PERSONS SHALL ADOPT ZONING REGULATIONS THAT PROVIDE A THIRTY PERCENT DENSITY BONUS TO ANY NEW SINGLE-FAMILY RESIDENTIAL DEVELOPMENT LARGER THAN FIVE CONTIGUOUS ACRES THAT DEDICATES AT LEAST THIRTY PERCENT OF THE DEVELOPMENT FOR THE CONSTRUCTION OF STARTER HOMES. THE DENSITY BONUS DOES NOT REQUIRE OR PROHIBIT A MUNICIPALITY FROM APPROVING MORE THAN THIRTY PERCENT OF ANY DEVELOPMENT AS STARTER HOMES.

B. THE ZONING REGULATIONS OF A MUNICIPALITY WITH A POPULATION OF MORE THAN THIRTY THOUSAND PERSONS MAY NOT REQUIRE FOR A STARTER HOME THAT IS DEVELOPED PURSUANT TO SUBSECTION A OF THIS SECTION ANY OF THE FOLLOWING:

1. A MINIMUM LOT SIZE THAT IS THREE THOUSAND SQUARE FEET OR MORE.

2. A MINIMUM FRONT SETBACK THAT IS TWENTY FEET OR MORE.

3. A MINIMUM REAR SETBACK THAT IS TEN FEET OR MORE.

4. SIDE SETBACKS THAT HAVE A COMBINED TOTAL OF FIFTEEN FEET OR MORE, EXCEPT AS NECESSARY TO COMPLY WITH PUBLIC HEALTH AND SAFETY STANDARDS.

5. REAR YARD PATIOS.

6. REAR YARD LANDSCAPING, NOT INCLUDING STORMWATER DRAINAGE REQUIREMENTS AND WATER CONSERVATION REQUIREMENTS.

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

ATTACHMENT 12

7. APPROVAL OF THE INTERIOR FLOORPLAN, EXCEPT FOR THE PURPOSE OF ENSURING COMPLIANCE WITH ALL APPLICABLE BUILDING CODES AND FIRE CODES.

8. MINIMUM OR MAXIMUM LOT COVERAGE.

C. THE ZONING REGULATIONS OF A MUNICIPALITY WITH A POPULATION OF MORE THAN THIRTY THOUSAND PERSONS MAY NOT REQUIRE FOR A NEW SINGLE-FAMILY RESIDENTIAL DEVELOPMENT THAT IS DEVELOPED PURSUANT TO SUBSECTION A OF THIS SECTION ANY OF THE FOLLOWING:

1. PRIVATELY OWNED COMMON IMPROVEMENTS OR COMMUNITY-OWNED FACILITIES THAT INCLUDE:

(a) A MONUMENT ENTRY SIGN.

(b) A WATER FOUNTAIN.

(c) A COMMUNITY POOL, CLUBHOUSE, COMMUNITY CENTER OR SPORT COURT.

2. NONFUNCTIONAL TURF.

3. LANDSCAPING OF NONNATIVE PLANTS AND TREES.

4. A FREESTANDING SIDE WALL, EXCEPT TO PROVIDE SCREENING ALONG ARTERIAL STREETS OR TO SEPARATE A NONRESIDENTIAL AREA OR AREAS OF INCOMPATIBLE USE.

D. THIS SECTION DOES NOT APPLY TO LAND THAT IS LOCATED IN ANY OF THE FOLLOWING:

1. AN AREA THAT IS DESIGNATED AS A DISTRICT OF HISTORICAL SIGNIFICANCE PURSUANT TO SECTION 9-462.01, SUBSECTION A, PARAGRAPH 10.

2. AN AREA THAT IS DESIGNATED AS HISTORIC BY A MUNICIPALITY.

3. AN AREA THAT IS DESIGNATED AS HISTORIC ON THE NATIONAL REGISTER OF HISTORIC PLACES.

4. AN AREA THAT IS LOCATED IN THE VICINITY OF A MILITARY AIRPORT OR ANCILLARY MILITARY FACILITY AS DEFINED IN SECTION 28-8461.

5. AN AREA THAT IS LOCATED IN THE VICINITY OF A FEDERAL AVIATION ADMINISTRATION COMMERCIALLY LICENSED AIRPORT OR A GENERAL AVIATION OR PUBLIC AIRPORT AS DEFINED IN SECTION 28-8486.

6. A MASTER PLANNED COMMUNITY OR PLANNED AREA DEVELOPMENT THAT HAS BEEN APPROVED BY ORDINANCE BEFORE THE EFFECTIVE DATE OF THIS SECTION.

7. AN AREA THAT IS DESIGNATED FOR THE PROTECTION OF NATURAL LAND FEATURES.

8. LAND THAT IS IDENTIFIED BY THE MUNICIPALITY AS BEING IN A WILDLAND URBAN INTERFACE OR IS AT AN ADVANCED FIRE RISK.

9. LAND IN A MUNICIPALITY WITH A POPULATION OF THIRTY THOUSAND PERSONS OR LESS.

10. LAND LOCATED IN SINGLE-FAMILY RESIDENTIAL ZONES THAT ARE ZONED FOR DENSITIES OF MORE THAN SIX DWELLING UNITS PER ACRE OR AN EQUIVALENT.

11. LAND THAT HAS BEEN DEVELOPED WITH MIDDLE HOUSING AS A PERMITTED USE PURSUANT TO SECTION 9-462.13.

E. THIS SECTION DOES NOT PROHIBIT A MUNICIPALITY WITH A POPULATION OF MORE THAN THIRTY THOUSAND PERSONS FROM REQUIRING ANY OF THE FOLLOWING:

1. THE SUBMISSION OF SITE PLANS AND PLATS.

2. THE DEVELOPER TO PROVIDE ADEQUATE INFRASTRUCTURE AND WATER SERVICE FOR THE ENTIRE PROPOSED DEVELOPMENT.

3. PUBLIC DEDICATIONS AND SUBDIVISION IMPROVEMENTS, INCLUDING:

(a) GRADING.

(b) SEWER AND WATER UTILITIES.

(c) STREETS, SIDEWALKS AND STREETLIGHTS.

(d) EASEMENTS.

(e) TRAFFIC CONTROL DEVICES.

(f) SEPARATION WALLS ALONG STREETS OR NONRESIDENTIAL AREAS AND AREAS OF INCOMPATIBLE USES.

4. A SPECIFIC DISTRIBUTION OR LOCATION OF THE STARTER HOMES IN A SINGLE-FAMILY RESIDENTIAL DEVELOPMENT THAT IS DEVELOPED PURSUANT TO SUBSECTION A OF THIS SECTION.

F. THIS SECTION DOES NOT SUPERSEDE ANY APPLICABLE MUNICIPAL BUILDING CODES, MUNICIPAL FIRE CODES OR PUBLIC HEALTH AND SAFETY REGULATIONS.

G. FOR THE PURPOSES OF THIS SECTION:

1. "BUILDING CODE" HAS THE SAME MEANING PRESCRIBED IN SECTION 9-1301.

2. "NEW SINGLE-FAMILY RESIDENTIAL DEVELOPMENT" MEANS A PROPOSED DEVELOPMENT OF DETACHED SINGLE-FAMILY RESIDENTIAL HOMES ON MORE THAN FIVE CONTIGUOUS ACRES OF LAND WITHIN AREAS ZONED AS SINGLE-FAMILY RESIDENTIAL.

3. "STARTER HOME" MEANS A SINGLE-FAMILY DETACHED HOME FOR WHICH THE MUNICIPALITY REQUIRES A DEED RESTRICTION THAT REQUIRES OWNER OCCUPANCY FOR A PERIOD OF UP TO FIFTEEN YEARS FROM AND AFTER THE INITIAL SALE FOR THE INITIAL BUYER OF THE HOME AND ALL SUBSEQUENT BUYERS.

Sec. 2. Delayed repeal

Section 9-461.19, Arizona Revised Statutes, as added by this act, is repealed from and after December 31, 2035."

Amend title to conform

JANEEN CONNOLLY

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Fifty-seventh Legislature
First Regular Session

Commerce
S.B. 1229

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1229
(Reference to Senate engrossed bill)

Amendment instruction key:
[GREEN UNDERLINING IN BRACKETS] indicates text added to statute or previously enacted session law.
[Green underlining in brackets] indicates text added to new session law or text restoring existing law.
[~~GREEN STRIKEOUT IN BRACKETS~~] indicates new text removed from statute or previously enacted session law.
[~~Green strikeout in brackets~~] indicates text removed from existing statute, previously enacted session law or new session law.
<<Green carets>> indicate a section added to the bill.
<<~~Green strikeout in carets~~>> indicates a section removed from the bill.

The bill as proposed to be amended is reprinted as follows:

Section 1. Title 9, chapter 4, article 6, Arizona Revised Statutes, is amended by adding sections 9-461.19 and 9-461.20, to read:

9-461.19. Planning; home design; state preemption; applicability; definitions

A. A MUNICIPALITY MAY NOT INTERFERE WITH A HOME BUYER'S RIGHT TO CHOOSE THE FEATURES, AMENITIES, STRUCTURE, FLOOR PLAN AND INTERIOR AND EXTERIOR DESIGN OF A HOME.

B. NOTWITHSTANDING ANY OTHER LAW, A MUNICIPALITY MAY NOT REQUIRE EITHER OF THE FOLLOWING:

1. A SHARED FEATURE OR AMENITY THAT WOULD REQUIRE A HOMEOWNERS' ASSOCIATION, A CONDOMINIUM ASSOCIATION OR ANY OTHER ASSOCIATION AS DEFINED IN SECTION 33-1802 TO MAINTAIN OR OPERATE THE FEATURE OR AMENITY, UNLESS REQUIRED BY FEDERAL LAW [OR AS REQUIRED TO MEET ADOPTED MINIMUM RETENTION STANDARDS].

2. SCREENING, WALLS OR FENCES ON RESIDENTIAL PROPERTY.

C. THE LEGISLATURE FINDS AND DETERMINES THAT THE CITIZENS OF THIS STATE CONTINUE TO EXPERIENCE THE SIGNIFICANT DETRIMENTAL EFFECTS OF A SEVERE CRISIS DUE TO THE SHORTAGE OF AVAILABLE HOUSING. IT HAS BECOME VIRTUALLY IMPOSSIBLE FOR MANY CITIZENS OF THIS STATE TO ACHIEVE THE AMERICAN DREAM OF OWNING THEIR OWN HOME. THIS STATEWIDE HOUSING CRISIS IS CAUSED IN PART BY HIGHLY RESTRICTIVE REGULATIONS. THE LEGISLATURE ALSO FINDS AND DETERMINES THAT, PURSUANT TO ARTICLE II, SECTION 2, CONSTITUTION OF ARIZONA, PROPERTY RIGHTS ARE A FUNDAMENTAL ELEMENT OF INDIVIDUAL RIGHTS AND PERSONAL FREEDOM. A PROPERTY OWNER'S RIGHT TO USE THE PROPERTY OWNER'S PROPERTY, PROTECTED FROM UNREASONABLE ABRIDGMENT BY REGULATION AND ENFORCEMENT, IS A MATTER OF STATEWIDE CONCERN AND IS NOT SUBJECT TO FURTHER REGULATION BY A MUNICIPALITY.

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

ATTACHMENT 13

D. THIS SECTION DOES NOT SUPERSEDE APPLICABLE BUILDING CODES, FIRE CODES OR PUBLIC HEALTH AND SAFETY REGULATIONS.

E. THIS SECTION DOES NOT APPLY TO LOTS OR PARCELS THAT ARE LOCATED ON TRIBAL LAND, ON LAND IN A HIGH NOISE OR ACCIDENT POTENTIAL ZONE AS DEFINED IN SECTION 28-8461 OF A MILITARY AIRPORT OR ANCILLARY MILITARY FACILITY AS DEFINED IN SECTION 28-8461.

F. THIS SECTION APPLIES TO DEVELOPMENTS CONSTRUCTED AFTER THE EFFECTIVE DATE OF THIS SECTION IN A MUNICIPALITY WITH A POPULATION OF MORE THAN SEVENTY THOUSAND PERSONS.

G. FOR THE PURPOSES OF THIS SECTION:

1. "BUILDING CODE" MEANS THE CONSTRUCTION CODES ADOPTED BY THE MUNICIPALITY, INCLUDING PLUMBING AND MECHANICAL CODES, ELECTRIC CODES, RESIDENTIAL CONSTRUCTION CODES, WILDLAND URBAN INTERFACE CODES AND ENERGY CONSERVATION CODES, HOWEVER DENOMINATED.

2. "FIRE CODE" MEANS A SET OF STANDARDS AND REGULATIONS THAT ARE ADOPTED AND ENFORCED BY THE MUNICIPALITY'S FIRE CODE OFFICIAL IN COMPLIANCE WITH STATE LAW AND THAT ARE RELATED TO FIRE PREVENTION AND PROTECTION SYSTEMS FOR A SINGLE-FAMILY HOME.

3. "FIRE CODE OFFICIAL" MEANS THE MUNICIPAL FIRE CHIEF OR OTHER DESIGNATED AUTHORITY CHARGED WITH THE ADMINISTRATION AND ENFORCEMENT OF THE FIRE CODE OR A DULY AUTHORIZED REPRESENTATIVE.

4. "SHARED FEATURE OR AMENITY" MEANS ANY[~~, OR PART OF ANY, LAND, BUILDING OR OTHER PROPERTY THAT WILL NOT BE OWNED BY AN INDIVIDUAL HOMEOWNER IN FEE SIMPLE, INCLUDING A COMMON AREA~~] [PRIVATE, COMMON OR COMMUNITY OWNED IMPROVEMENT, FACILITY OR RESERVATION OF LAND].

9-461.20. Planning; urban areas; home size; design; state preemption; applicability; definitions

A. NOTWITHSTANDING ANY OTHER LAW, A MUNICIPALITY MAY NOT ADOPT OR ENFORCE ANY CODE, ORDINANCE, REGULATION, STANDARD, STIPULATION OR OTHER LEGAL REQUIREMENT ESTABLISHING, DIRECTLY OR INDIRECTLY, ANY OF THE FOLLOWING:

1. FOR NEW DEVELOPMENTS THAT ARE FIVE OR MORE ACRES IN SIZE AND THAT WILL BE PLATTED AND LOCATED IN AN AREA ZONED AS SINGLE-FAMILY RESIDENTIAL, MINIMUM LOT SIZES THAT ARE MORE THAN THREE THOUSAND SQUARE FEET, EXCEPT THAT A MUNICIPALITY MAY ENFORCE ADOPTED MINIMUM LOT SIZES OF MORE THAN THREE THOUSAND SQUARE FEET WHERE MULTIPLE LOTS SMALLER THAN FIVE ACRES WITH EXISTING DWELLING UNITS ARE AGGREGATED TOGETHER. THIS PARAGRAPH DOES NOT PROHIBIT A MUNICIPALITY FROM ALLOWING SMALLER LOT SIZES THAN THE LOT SIZES PRESCRIBED BY THIS PARAGRAPH.

2. MINIMUM SQUARE FOOTAGE OR DIMENSIONS FOR A SINGLE-FAMILY HOME THAT ARE MORE THAN THE MINIMUM SQUARE FOOTAGE OR DIMENSIONS THE MUNICIPALITY REQUIRES FOR ANY OTHER TYPE OF DWELLING UNIT AS OF THE EFFECTIVE DATE OF THIS SECTION.

3. MAXIMUM OR MINIMUM LOT COVERAGE FOR A SINGLE-FAMILY HOME AND ANY ACCESSORY STRUCTURES ON A LOT LESS THAN TEN THOUSAND SQUARE FEET.

4. MINIMUM BUILDING SETBACKS FOR A SINGLE-FAMILY HOME THAT ARE MORE THAN FIVE FEET FROM THE SIDE LOT LINES AND TEN FEET FROM THE FRONT AND REAR LOT LINES, EXCEPT FOR A PORTION OF A HOME THAT IS OCCUPIED BY A GARAGE FACING THE STREET, IN WHICH THE MINIMUM FRONT SETBACK MAY NOT EXCEED EIGHTEEN FEET FROM THE BACK OF THE SIDEWALK OR LOT LINE. THIS PARAGRAPH DOES NOT PROHIBIT A MUNICIPALITY FROM ALLOWING SMALLER SETBACKS THAN THOSE ALLOWED BY THIS PARAGRAPH.

5. [EXTERIOR NONSTRUCTURAL ORNAMENTATION,] DESIGN[~~,~~] [OR] ARCHITECTURAL [~~OR AESTHETIC~~] ELEMENTS FOR A SINGLE-FAMILY HOME, EXCEPT FOR A SINGLE-FAMILY HOME ON LAND THAT IS DESIGNATED AS A DISTRICT OF HISTORICAL SIGNIFICANCE PURSUANT TO SECTION 9-462.01, SUBSECTION A, PARAGRAPH 10 OR AN AREA THAT IS DESIGNATED AS HISTORIC ON THE NATIONAL REGISTER OF HISTORIC PLACES.

B. THE LEGISLATURE FINDS AND DETERMINES THAT THE CITIZENS OF THIS STATE CONTINUE TO EXPERIENCE THE SIGNIFICANT DETRIMENTAL EFFECTS OF A SEVERE CRISIS DUE TO THE SHORTAGE OF AVAILABLE HOUSING. IT HAS BECOME VIRTUALLY IMPOSSIBLE FOR MANY CITIZENS OF THIS STATE TO ACHIEVE THE AMERICAN DREAM OF OWNING THEIR OWN HOME. THIS STATEWIDE HOUSING CRISIS IS CAUSED IN PART BY HIGHLY RESTRICTIVE REGULATIONS. THE LEGISLATURE ALSO FINDS AND DETERMINES THAT, PURSUANT TO ARTICLE II, SECTION 2, CONSTITUTION OF ARIZONA, PROPERTY RIGHTS ARE A FUNDAMENTAL ELEMENT OF INDIVIDUAL RIGHTS AND PERSONAL FREEDOM. A PROPERTY OWNER'S RIGHT TO USE THE PROPERTY OWNER'S PROPERTY, PROTECTED FROM UNREASONABLE ABRIDGMENT BY REGULATION AND ENFORCEMENT, IS A MATTER OF STATEWIDE CONCERN AND IS NOT SUBJECT TO FURTHER REGULATION BY A MUNICIPALITY.

C. THIS SECTION DOES NOT SUPERSEDE APPLICABLE BUILDING CODES, FIRE CODES, UTILITY CLEARANCE REQUIREMENTS, UTILITY EASEMENTS THAT ARE RECORDED AS OF THE EFFECTIVE DATE OF THIS SECTION, MINIMUM PARKING REQUIREMENTS OR PUBLIC HEALTH AND SAFETY REGULATIONS. TO ENSURE THE SAFETY AND RELIABILITY OF POWER AND WATER UTILITIES, A MUNICIPALITY MAY REQUIRE THE PREPARATION AND SUBMISSION OF ACCEPTABLE ELECTRIC AND WATER UTILITY PLANS AND SPECIFICATIONS.

D. AS A CONDITION OF DEVELOPMENT AND CONSTRUCTION OF NEW SINGLE-FAMILY HOMES PURSUANT TO THIS SECTION, A MUNICIPALITY MAY REQUIRE THE CONSTRUCTION OF OR PAYMENT FOR NECESSARY PUBLIC SERVICES NEEDED TO SERVE THE NEW SINGLE-FAMILY HOMES IN ACCORDANCE WITH APPLICABLE STATE STATUTES, INCLUDING SECTION 9-463.05, AND THE ARIZONA AND UNITED STATES CONSTITUTIONS.

E. THIS SECTION DOES NOT APPLY TO LOTS OR PARCELS THAT ARE LOCATED ON TRIBAL LAND, ON LAND IN A HIGH NOISE OR ACCIDENT POTENTIAL ZONE AS DEFINED IN SECTION 28-8461 OF A MILITARY AIRPORT OR ANCILLARY MILITARY FACILITY AS DEFINED IN SECTION 28-8461.

F. THIS SECTION APPLIES TO DEVELOPMENTS CONSTRUCTED AFTER THE EFFECTIVE DATE OF THIS SECTION IN A MUNICIPALITY WITH A POPULATION OF MORE THAN SEVENTY THOUSAND PERSONS.

G. FOR THE PURPOSES OF THIS SECTION:

1. "BUILDING CODE" MEANS THE CONSTRUCTION CODES ADOPTED BY THE MUNICIPALITY, INCLUDING PLUMBING AND MECHANICAL CODES, ELECTRIC CODES, RESIDENTIAL CONSTRUCTION CODES, WILDLAND URBAN INTERFACE CODES AND ENERGY CONSERVATION CODES, HOWEVER DENOMINATED.

2. "FIRE CODE" MEANS A SET OF STANDARDS AND REGULATIONS THAT ARE ADOPTED AND ENFORCED BY THE MUNICIPALITY'S FIRE CODE OFFICIAL IN COMPLIANCE WITH STATE LAW AND THAT ARE RELATED TO FIRE PREVENTION AND PROTECTION SYSTEMS FOR A SINGLE-FAMILY HOME.

3. "FIRE CODE OFFICIAL" MEANS THE MUNICIPAL FIRE CHIEF OR OTHER DESIGNATED AUTHORITY CHARGED WITH THE ADMINISTRATION AND ENFORCEMENT OF THE FIRE CODE OR A DULY AUTHORIZED REPRESENTATIVE.

Sec. 2. Short title

This act may be cited as the "Arizona Starter Homes Act".

Enroll and engross to conform
Amend title to conform

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ARIZONA NEIGHBORHOOD ALLIANCE

Protecting the residential integrity of Arizona's neighborhoods

https://aznalliance.org/

SB1229

HOUSEHOLDS & VOTERS AFFECTED BY STRs in AZ LD 13

APPROXIMATE NUMBERS* AS OF 12/31/22

Senator: *J.D. Mesnard* 602-926-4481 jmesnard@azleg.gov

Reps : *Jeff Weninger* 602-926-4392 jweninger@azleg.gov

Julie Willoughby 602-926-3181 jwilloughby@azleg.gov

ZIP	CITY/TOWN AREA	# STRs[1]	# CONTIGUOUS HOMES[2]	# VOTERS AFFECTED[3]	Zip Shared w/ Other LDs?[4]
85224	Chandler	112	896	1344	*12*
85225	Chandler	198	1580	2370	*12*
85233	Gilbert	96	764	1146	*12*
85234	Gilbert	125	1000	1500	*10,14*
85248	Chandler, Sun Lakes	73	587	880	*12,16*
85249	Chandler	50	396	594	*14*
85286	Chandler	118	944	1416	*NO*
85295	Gilbert	83	664	996	*14*
85296	Gilbert	82	656	984	*14*
85297	Gilbert	76	604	906	*14*
85298	Gilbert	41	324	486	*14*
TOTAL		**1052**	**8415**	**12622**	

[1] *If a zip code is included in more than one LD, the # of STRs listed for each LD is the total STRs in a zip/the # of LDs sharing that zip*

[2] *# of Contiguous Homes = 2-8 X the # of STRs, depending on estimated community density*

[3] *# of Voters = 1.5 X the # of Homes (Fed. est.)*

[4] *If a zip code is included in more than one Legislative District, the sharing LDs for that zip are noted*

STR estimate methodology available on request

ATTACHMENT 14

ARIZONA NEIGHBORHOOD ALLIANCE

Protecting the residential integrity of Arizona's neighborhoods

https://aznalliance.org/

Who is Paying the Biggest Price for

Arizona's Runaway Short-Term Rental Problem?

LEGISLATIVE DISTRICT	LEGISLATORS	RANK	STRs in THE DISTRICT*	AFFECTED HOMES**	AFFECTED VOTERS***
4	Werner/Carter & Gress	1st	7522	60173	90260
1	Finchem/Bliss & Nguyen	2nd	7440	29761	44642
8	Kuby/Connolly & Garcia	3rd	6684	53470	80205
7	Rogers/Blackman & Marshall	4th	5445	28213	42320
30	Angius/Biasiucci & Gillette	5th	3722	28205	42308
6	Hatathlie/Peshlakai & Tsosie	6th	3508	18768	28152
5	Alston/Liguori & Marquez	7th	3123	24985	37478
3	Kavanagh/Chaplik & Kolodin	8th	2789	22311	33466
18	Sundareshan/Gutierrez & Mathis	9th	2019	16155	24232
11	Miranda/Cavero & De Los Santos	10th	1845	14756	22134
29	Shamp/Montenegro & Taylor	11th	1704	13633	20449
12	Epstein/P. Contreras & Travers	12th	1701	13607	20411
9	Burch/Austin & Blattman	13th	1645	13156	19734
25	Dunn/Carbone & Kupper	14th	1585	12677	19016
20	Gonzales/A. Hernandez & Villegas	15th	1323	10574	15861
17	Leach/Keshel & Volk	16th	1291	10331	15496
21	Gabaldon/C. Hernandez & Stahl-Hamilton	17th	1278	8634	12950
16	Shope/Lopez & Martinez	18th	1235	9878	14817
2	Bolick/Simacek & Wilmeth	19th	1190	9518	14277
10	Farnsworth/Heap & Olson	20th	1127	9016	13524
28	Carroll/Livingston & Pingerelli	21st	1065	8521	12781
13	Mesnard/Weninger & Willoughby	22nd	1052	8415	12622
27	Payne/Fink & Rivero	23rd	1026	8204	12306
19	Gowan/L. Diaz & Griffin	24th	889	5141	7712
22	E. Diaz/L. Contreras & Luna-Najera	25th	882	7055	10582
23	Fernandez/Pena & Sandoval	26th	876	7011	10516
14	Petersen/Hendrix & Khyl	27th	730	5487	8230
26	Bravo/Aguilar & Crews	28th	694	5549	8323
24	Ortiz/L. Hernandez & Abeytia	29th	393	3133	4699
15	Hoffman/Carter & Way	30th	392	3139	4708
	TOTALS:		**66175**	**469476**	**704211**

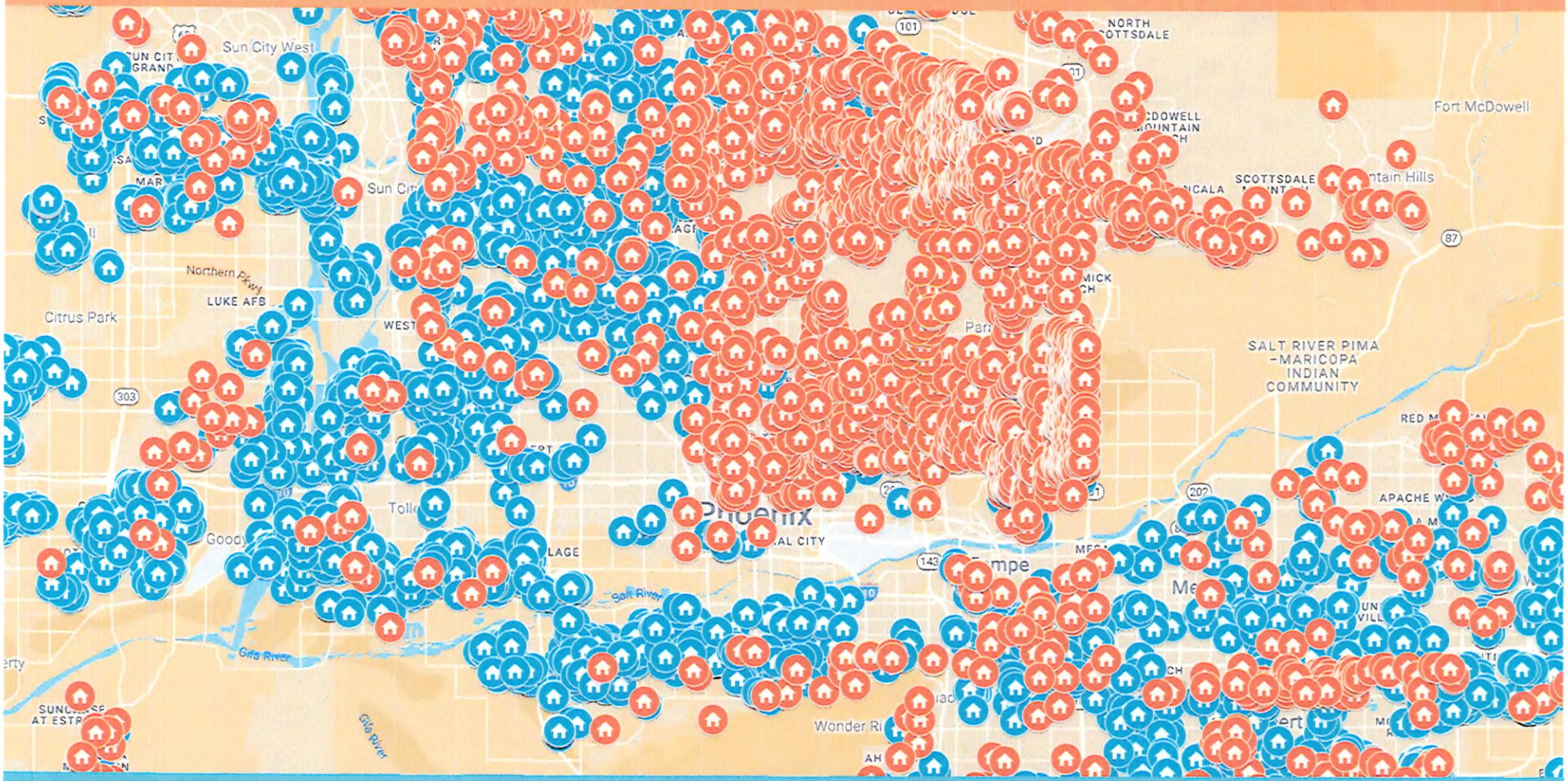
* *STR estimate methodology available on request*

** *# of Contiguous Homes=2-8 X the # of STRs, depending on est. of community density*

*** *# of Voters = 1.5 X the # of Homes (Fed. est.)*

For further information, contact Susan Edwards: sedwards@neighborhoodsconnect.org

COMMODIFICATION OF HOUSING



Just in Maricopa County:

Blue = Wall Street Owned

(only 6k of the +/- 71k are on this map)

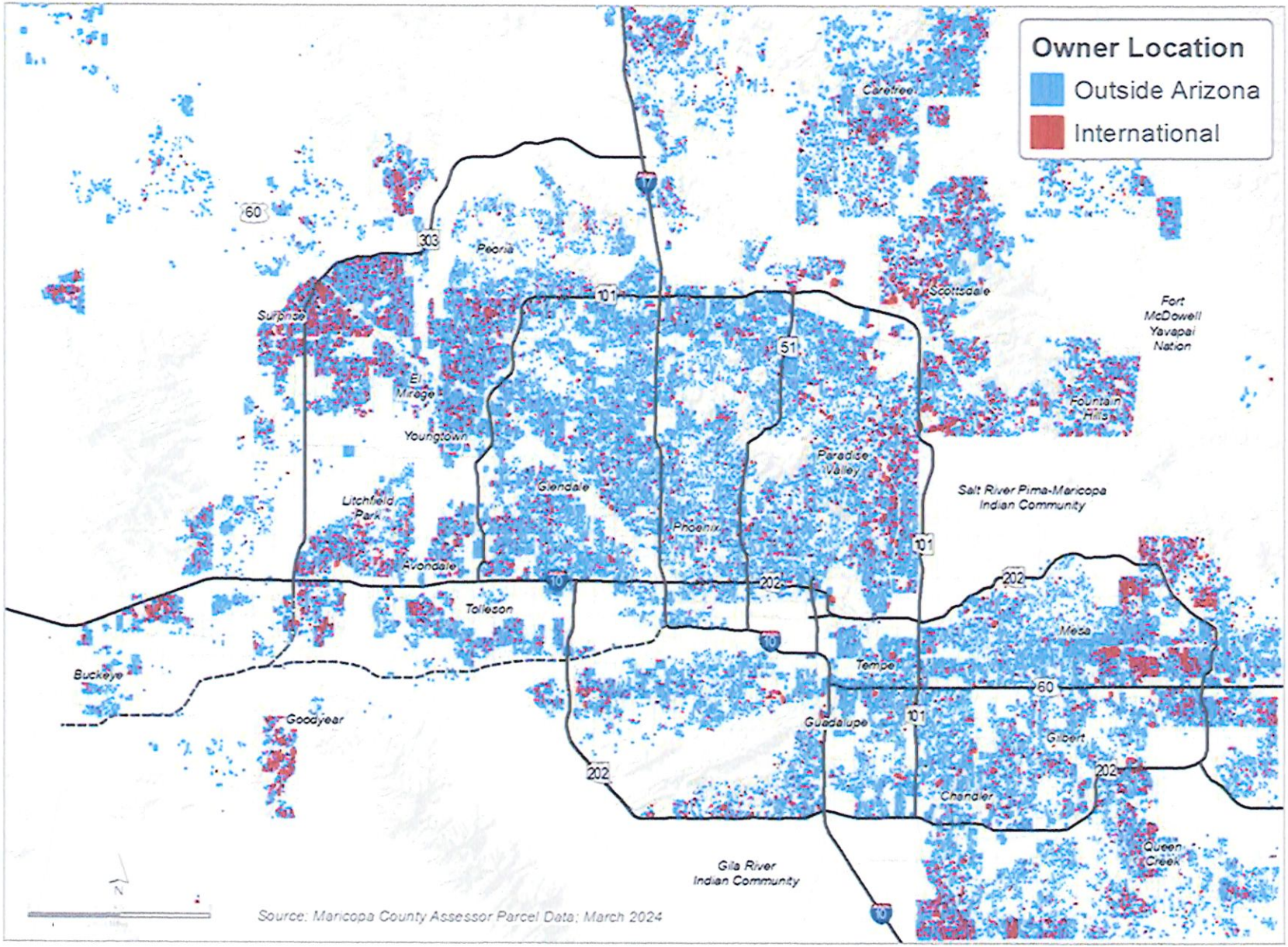
Red = Non-Owner-Occupied Short-Term Rentals

(only 3,500 of the +/- 35,000 are on this map)

ARIZONA NEIGHBORHOOD ALLIANCE

https://azmag.gov/Programs/Maps-and-Data/Land-Use-and-Housing/Housing-Data-Explorer

MARICOPA ASSOCIATION OF GOVERNMENTS – Housing Update June, 2024



26% of the residential properties in the region (approximately 376,000 properties) is either seasonal- or investor-owned. This map shows properties owned by people outside of Arizona and outside of the U.S. 42% of properties are owned by people out of state. The top 2 states in which out-of-state owners reside are California and Washington. 4% of the housing stock are owned by international owners, most commonly from Canada.

ARRIVED HOMES ARIZONA HOLDINGS

As of 1/29/2025

https://arrived.com *"With Arrived, individuals can purchase shares in rental properties starting at $100. Arrived manages the real estate operations, allowing investors to focus on earning net rental income and benefiting from potential property appreciation."*

ARRIVED'S SHORT-TERM RENTAL PROPERTIES

Compiled by Arizona Neighborhood Alliance

Leg. Dist.	ADDRESS	CITY	ZIP CODE	PURCHASE PRICE	AMOUNT RAISED	LEVER-AGE	# of INVESTORS /OWNERS	SQ. FT.	# BED-RMs	GUEST #	PROPERTY LISTING
		TOTALS:		$ 11,053,000	$ 12,832,470		18082				
7	1280 W Shullenbager Dr	Flagstaff	86005	$ 750,000	$ 984,270	0%	1006	1920	3	8	https://arrived.com/properties/the-kinlani
22	6085 N 85th Ave	Glendale	85305	$ 744,000	$ 655,850	42%	1133	4108	6	16+	https://arrived.com/properties/the-cardinal
30	520 Jones Dr.	Lake Havasu City	86406	$ 1,050,000	$ 918,820	45%	1531	3152	4	9	https://arrived.com/properties/the-havasu
4	6001 E Corrine Dr.	Phoenix	85254	$ 1,100,000	$ 1,499,140	0%	1768	2336	4	10	https://arrived.com/properties/the-pickler
	5108 E Janice Way	Phoenix	85254	$ 1,048,500	$ 895,510	42%	1276	2287	4	8	https://arrived.com/properties/the-cactus
	5002 E Paradise Dr.	Phoenix	85254	$ 875,000	$ 1,199,140	0%	2134	2009	4	10	https://arrived.com/properties/the-preciosa
	5921 E Thunderbird	Phoenix	85254	$ 675,000	$ 1,028,400	0%	1204	2355	4	10	https://arrived.com/properties/the-koi
	14249 N 49th St.	Phoenix	85254	$ 1,050,000	$ 893,020	42%	1058	2467	5	10	https://arrived.com/properties/the-ace
	8638 E Solano Dr.	Scottsdale	85250	$ 1,030,000	$ 1,423,490	0%	2228	2300	5	10	https://arrived.com/properties/the-solano
8	8133 E Osborn Rd	Scottsdale	85251	$ 900,000	$ 1,242,810	0%	1672	1864	4	10	https://arrived.com/properties/the-suitespot
1	32 San Patricio Dr.	Sedona	86336	$ 1,095,000	$ 1,022,840	45%	1585	3409	4	10	https://arrived.com/properties/the-serenity
12	4416 S Stanley	Tempe	85282	$ 735,500	$ 1,069,180	0%	1487	3082	6	14	https://arrived.com/properties/the-beatbox

ARRIVED'S LONG-TERM RENTAL PROPERTIES

ADDRESS	CITY	ZIP CODE	PURCHASE PRICE	AMOUNT RAISED	LEVER-AGE	# of INVESTORS -OWNERS	SQ. FT.	# BED-RMs	PROPERTY LISTING
	TOTALS:		$ 1,922,900	$ 838,680		1346			
5309 S 18th Pl.	Phoenix	85040	$ 370,000	$ 156,470	70%	228	1503	3	https://arrived.com/properties/the-rooney
6180 W Bandelier Ct.	Tucson	85742	$ 349,900	$ 147,710	70%	218	1900	3	https://arrived.com/properties/the-bandelier
10954 E Oak Grove Pl.	Tucson	85747	$ 318,000	$ 139,820	70%	249	1717	3	https://arrived.com/properties/the-terracotta
6566 S Diablo Dr.	Tucson	85757	$ 297,000	$ 129,000	70%	202	2187	4	https://arrived.com/properties/el-diablo
7713 W Long Boat Way	Tucson	85757	$ 318,000	$ 147,910	66.7%	238	1813	3	https://arrived.com/properties/the-saint
216 E Scepter Lane	Vail	85641	$ 270,000	$ 117,770	70%	211	1500	3	https://arrived.com/properties/the-scepter

In 2016, Senate Bill 1350 opened the floodgates for Short-Term Rentals (STR) in Arizona.

Arizona now has nearly 70,000 Short-Term Rentals

WHY ARE THERE ONLY 5,500 TPT LICENSES?

ARIZONA TRANSACTION PRIVILEGE TAX ACCOUNTS - FYE 2016-FYE 2024

COUNTY	2016 HTL/MTL/STR TPT ACCTS	2017 HTL/MTL/STR TPT ACCTS	2018 HTL/MTL/STR TPT ACCTS	2019 HTL/MTL/STR TPT ACCTS	2020 HTL/MTL/STR TPT ACCTS	2021 HTL/MTL/STR TPT ACCTS	2022 HTL/MTL/STR TPT ACCTS	2023 HTL/MTL/STR TPT ACCTS	2024 HTL/MTL/STR TPT ACCTS
Apache	51	54	54	56	48	46	53	60	66
Cochise	174	174	157	168	148	156	154	162	178
Coconino	409	502	577	630	547	525	638	813	1,059
Gila	74	75	85	92	86	93	101	128	142
Graham	14	14	16	14	14	14	20	20	20
Greenlee	12	14	14	12	14	13	17	16	17
La Paz	59	60	55	60	67	74	87	91	87
Maricopa	987	1,159	1,443	1,745	1,648	1,572	2,220	3,465	4,020
Mohave	175	223	248	298	268	315	415	520	655
Navajo	164	182	201	217	178	166	196	243	289
Pima	315	321	418	500	479	461	517	663	832
Pinal	111	120	85	152	130	125	144	159	183
Santa Cruz	56	51	48	52	45	45	56	56	66
Yavapai	255	316	422	492	451	464	595	766	852
Yuma	101	97	100	102	89	94	98	109	105
TOTAL	**2,957**	**3,362**	**3,923**	**4,590**	**4,212**	**4,163**	**5,311**	**7,271**	**8,571**

TOTAL HOTEL/MOTEL/STR TPT ACCOUNTS:	5,311	7,271	8,571
LESS HOTEL/MOTEL TPT ACCOUNTS AS OF 6/30/16 (Pre-SB1350):	-2,957	-2,957	-2,957
NET INCREASE IN TPT LICENSES FROM FY2016-FY2024:	***2,354***	***4,314***	***5,614***
LESS ESTIMATED HOTELS ADDED (@20/Year):	-120	-140	-160
APPROXIMATE INCREASE IN STR TPT LICENSES:	***1,106***	***4,174***	***5,454***

ARIZONA NEIGHBORHOOD ALLIANCE

www.azalliance.org

TPT = Transaction Privilege Tax : all STRs are required to be registered to file & pay on all online lodging transactions pursuant to A.R.S. §42-5005 L.2.

https://www.azcentral.com/story/news/local/arizona/2025/02/25/why-northern-arizona-mayors-want-short-term-rental-limits/79851376007/

Northern Arizona mayors say short-term rentals hurt communities, want limits

Catherine Reagor
Arizona Republic
February 25, 2025

Longtime Sedona residents are moving because of noisy short-term renters and the traffic and trash they bring to neighborhoods. Payson firefighters and police officers commute from Mesa because they can't find affordable housing in the city where they work due to investors buying homes to rent out.

Engineers, teachers and doctors are turning down job offers in Page, Lake Havasu City and Sedona because they can't find homes they can afford in the area for the same reason. People filling necessary first-responder, restaurant, hotel and other service jobs must make long commutes to several northern Arizona cities because housing is out of reach where they work.

Several mayors from northern Arizona municipalities with a growing number of short-term rentals met in Prescott last week to discuss those problems and others the rental properties create for their neighborhoods, economies, traffic and schools.

"SB 1350 has crushed the town of Jerome," said Mayor Christina "Alex" Barber about the 2016 legislation that makes it illegal for any Arizona municipality to prohibit property owners from using their residential property for short-term rentals.

She said more than 20% of the houses in the historic landmark town Jerome are short-term rentals and is worried that number will jump.

Arizona cities struggling with short-term rentals

Sedona Mayor Scott Jablow estimated that almost 30% of homes in that popular tourist destination are short-term rentals.

"Our schools are losing children and funding because families can't find homes here, and we can't attract much-needed medical staff," Jablow told the group at Embry-Riddle Aeronautical University. "Long-time residents are selling and leaving because of loud parties at short-term rentals."

He said the rentals drive up home prices because investors are paying more than asking prices for houses.

Prescott Mayor Phil Goode said police having to respond to neighborhood complaints about short-term renter noise and trash redirects the city's public safety resources from where residents want them utilized.

But he said the rentals have generated about $25 million in revenue for Prescott, which "is a good thing."

Arizona short-term rental owners are required to pay Transaction Privilege Tax, which is 2.5% of revenue from the business.

LETTER TO ARIZONA NEIGHBORHOOD ALLIANCE FROM A WILLIAMS RESIDENT

December, 2023

My husband and I are 5th generation, lifelong Williams residents. We live in the house my great grandmother had lived in from the 1950s until she passed in the '80s. We have lived in this house for the past 22 years and raised 2 boys there. My mom, who passed a few years ago, had the same house for over 50 years where my 2 sisters and I grew up. My maternal grandmother, who passed in 2006, had lived in her same house for 70 years. Currently my aunt and uncle live in that house. My paternal grandmother lived in the same house for 70 years and now my cousins live there.

This community has always been small, close knit, and everyone used to know everyone. Until the short- term rental craze. Being a small, rural, tourist-based economy, most people who live here are service employees who generally make minimum wage. But people used to be able to afford to live here.

Once the STRs started coming in, it hollowed out the town. Long-term renters were kicked out of their homes so the owners could turn the houses into STRs to make more money. There are quite a few locals who have a second investment property that they used for rental income. People here have always had to struggle to make a living.

I don't blame them for wanting more money and a more comfortable life. But then we got people coming in and buying second homes, driving up the prices, and using them for a second, vacation home that they rent out when they aren't using it.

Now we have this terrible STR problem and it's much too late to put the genie back in the bottle.

THIS TOWN HAS BEEN DESTROYED. Williams will never be the same again. It is no longer a community, it is a transient population of people who have no stake in the well-being of our town and its residents.

We have new people at the houses surrounding us every night, or they sit vacant for a week or two at a time. I have had to call the police on loud parties next door several times.

I NEVER used to lock my doors. Now I lock everything up and worry whether these "guests" are going to break into our garage in the middle of the night. They block our parking. There is garbage all over the front driveway regularly.

I'm just so sick of it that we gave up and decided to sell and get the hell out of here. I don't have the time to police the STRs in my neighborhood, nor is it my responsibility. I don't have the energy to fight. I am 54, my husband is 61. We were looking forward to a peaceful early retirement.

But now we will retire to a place in Colorado, where they care about the community.

Capitalism at its worst has won here. What I have learned is that as long as there is money to be made, nothing else matters, least of all homeowner's right to quiet enjoyment of their homes.

All I can do at this point is voice my displeasure by putting up "Homes Not Hotels" signs. I wish I had the energy to do more but I am simply beaten down and just want to get as far away as possible.

ARIZONA NEIGHBORHOOD ALLIANCE

Arizona Neighborhood Alliance

https://aznalliance.org/

Arizona Cities by Population 2025

3/24/2025

WORLD POPULATION REVIEW https://worldpopulationreview.com/us-cities/arizona

Prepared by the Arizona Neighborhood Alliance https://aznalliance.org/

CITY/TOWN/(UNINC.) "CENSUS DESIGNATED PLACE"	RANK	2025 POP.	2024 POP.	CHANGE	DENSITY/ MILE^2	AREA (MI^2)	TYPE
Phoenix	1	1,675,144	1,662,607	0.75%	3,232	518.33	City
Tucson	2	550,306	548,772	0.28%	2,272	242.19	City
Mesa	3	515,486	513,567	0.37%	3,646	141.38	City
Chandler	4	282,048	281,107	0.34%	4,297	65.64	City
Gilbert	5	279,569	277,490	0.75%	4,072	68.66	Town
Glendale	6	257,125	255,490	0.64%	3,830	67.13	City
Scottsdale	7	246,068	245,231	0.34%	1,337	184	City
Peoria	8	203,252	201,001	1.12%	1,150	176.7	City
Tempe	9	192,838	191,336	0.78%	4,823	39.98	City
Surprise	10	167,537	162,911	2.84%	1,516	110.5	City
Goodyear	11	121,116	116,460	4%	633	191.31	City
Buckeye	12	119,007	113,958	4.43%	301	394.83	City
San Tan Valley	**13**	**106,179**	**104,521**	**1.59%**	**1,401**	**75.79**	**CDP**
Yuma	14	103,070	101,964	1.08%	852	121.04	City
Avondale	15	96,196	94,870	1.40%	2,011	47.84	City
Queen Creek	16	87,006	81,788	6.38%	2,067	42.1	Town
Maricopa	17	79,134	75,078	5.40%	1,862	42.49	City
Flagstaff	18	76,246	76,416	-0.22%	1,155	66.01	City
Casas Adobes	**19**	**70,698**	**70,437**	**0.37%**	**2,666**	**26.52**	**CDP**
Casa Grande	20	70,156	66,949	4.79%	616	113.84	City
Marana	21	62,302	60,366	3.21%	514	121.1	Town
Lake Havasu City	22	60,511	59,884	1.05%	1,306	46.34	City
Prescott Valley	23	52,097	51,071	2.01%	1,288	40.44	Town
Catalina Foothills	**24**	**50,517**	**50,536**	**-0.04%**	**1,208**	**41.83**	**CDP**
Oro Valley	25	49,037	48,674	0.75%	1,399	35.06	Town
Prescott	26	48,891	48,324	1.17%	993	49.23	City
Bullhead City	27	44,509	43,905	1.38%	750	59.37	City
Sierra Vista	28	43,792	44,111	-0.72%	287	152.44	City
Apache Junction	29	42,766	41,959	1.92%	941	45.45	City
San Luis	30	39,551	38,758	2.05%	1,169	33.82	City
Sun City	**31**	**37,810**	**37,790**	**0.05%**	**2,623**	**14.42**	**CDP**
Sahuarita	32	37,689	37,022	1.80%	1,190	31.68	Town
Kingman	33	36,958	36,146	2.25%	984	37.55	City
El Mirage	34	35,780	35,815	-0.10%	3,614	9.9	City
Drexel Heights	**35**	**30,880**	**30,672**	**0.68%**	**1,604**	**19.25**	**CDP**
Fortuna Foothills	**36**	**27,874**	**27,766**	**0.39%**	**696**	**40.08**	**CDP**
Sun City West	**37**	**27,165**	**26,990**	**0.65%**	**2,278**	**11.93**	**CDP**

Fountain Hills	38	23,435	23,523	-0.37%	1,155	20.28	Town
Anthem	**39**	**22,960**	**22,876**	**0.37%**	**2,900**	**7.92**	**CDP**
Florence	40	22,257	23,274	-4.37%	355	62.64	Town
Rio Rico	**41**	**22,068**	**21,861**	**0.95%**	**350**	**63.09**	**CDP**
Coolidge	42	21,531	19,912	8.13%	259	83.14	City
Green Valley	**43**	**20,824**	**20,861**	**-0.18%**	**1,055**	**19.73**	**CDP**
Eloy	44	20,428	19,478	4.88%	178	114.67	City
Nogales	45	19,669	19,685	-0.08%	945	20.82	City
New River	**46**	**19,290**	**19,000**	**1.53%**	**344**	**56.11**	**CDP**
Flowing Wells	**47**	**17,380**	**17,316**	**0.37%**	**4,563**	**3.81**	**CDP**
Payson	48	16,955	16,843	0.66%	876	19.35	Town
Vail	**49**	**16,508**	**16,088**	**2.61%**	**728**	**22.68**	**CDP**
Fort Mohave	**50**	**16,456**	**16,317**	**0.85%**	**985**	**16.7**	**CDP**
Douglas	51	15,051	15,344	-1.91%	1,508	9.98	City
Somerton	52	14,836	14,715	0.82%	2,040	7.27	City
Valencia West	**53**	**14,776**	**14,415**	**2.50%**	**1,551**	**9.52**	**CDP**
Gold Canyon	**54**	**14,456**	**13,492**	**7.14%**	**504**	**28.67**	**CDP**
Sierra Vista Southeast	**55**	**14,298**	**14,332**	**-0.24%**	**129**	**110.7**	**CDP**
Tanque Verde	**56**	**14,293**	**14,467**	**-1.20%**	**443**	**32.28**	**CDP**
Chino Valley	57	14,285	14,050	1.67%	229	62.46	Town
Sun Lakes	58	14,190	14,176	0.10%	2,640	5.38	CDP
Tucson Mountains	**59**	**13,964**	**13,033**	**7.14%**	**531**	**26.32**	**CDP**
Cottonwood	60	13,727	13,425	2.25%	488	28.16	City
New Kingman-Butler	**61**	**13,525**	**13,432**	**0.69%**	**2,721**	**4.97**	**CDP**
Tucson Estates	**62**	**12,946**	**12,896**	**0.39%**	**1,017**	**12.72**	**CDP**
Camp Verde	63	12,701	12,595	0.84%	300	42.35	Town
Saddlebrooke	**64**	**12,614**	**12,414**	**1.61%**	**264**	**47.8**	**CDP**
Show Low	65	12,482	12,337	1.18%	191	65.5	City
Paradise Valley	66	12,377	12,439	-0.50%	805	15.38	Town
Verde Village	**67**	**12,105**	**12,072**	**0.27%**	**1,746**	**6.93**	**CDP**
Safford	68	10,350	10,310	0.39%	1,115	9.28	City
Sedona	69	9,903	9,861	0.43%	542	18.26	City
Corona Tucson	**70**	**9,509**	**9,253**	**2.77%**	**1,238**	**7.68**	**CDP**
Picture Rocks	**71**	**9,182**	**9,207**	**-0.27%**	**130**	**70.84**	**CDP**
Wickenburg	72	8,539	8,331	2.50%	322	26.51	Town
Tuba City	**73**	**8,312**	**8,332**	**-0.24%**	**929**	**8.95**	**CDP**
Winslow	74	8,194	8,355	-1.93%	631	12.99	City
Arizona City	**75**	**8,058**	**8,219**	**-1.96%**	**1,314**	**6.13**	**CDP**
Golden Valley	**76**	**7,782**	**7,822**	**-0.51%**	**99**	**78.75**	**CDP**
Page	77	7,255	7,287	-0.44%	190	38.18	City
Globe	78	7,133	7,156	-0.32%	392	18.2	City
Tolleson	79	7,109	7,141	-0.45%	1,240	5.73	City
Snowflake	80	7,031	6,850	2.64%	208	33.74	Town
Litchfield Park	81	6,878	6,881	-0.04%	2,098	3.28	City
Youngtown	82	6,825	6,872	-0.68%	4,590	1.49	Town

ARIZONA NEIGHBORHOOD ALLIANCE

SUSAN EDWARDS

www.aznalliance.org

President/Co-Founder

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1229

DATE March 25, 2025 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar		✓			
Blackman		✓			
Cavero			✓		
Connolly			✓		
Diaz	✓			✓	
Hendrix	✓		✓		
Villegas			✓		
Wilmeth		✓			
Way, Vice-Chairman	✓	✓			
Weninger, Chairman		✓			
		5	4	1	0

Abby Selvey
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 15

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-seventh Legislature
First Regular Session
Senate: GOV DPA 5-2-0-0 | 3rd Read 24-5-1-0

SB 1494: common expense liens; foreclosure; amount
Sponsor: Senator Mesnard, LD 13
Committee on Commerce

Overview
Increases the time-period and the monetary threshold relating to home foreclosure for assessment delinquency.

History
A planned community association (Association) applies a common expense lien to a property for any assessment levied against that property from the time the assessment becomes due. The Association board of directors must exercise reasonable efforts to communicate with the member, provide outlined written notice to the member at least 30 days before authorizing collection and offer a reasonable payment plan before filing a foreclosure action. A common expense lien is extinguished six years after the full amount of the assessment becomes due unless proceedings to enforce the common expense lien are instituted. The Association's common expense lien may be foreclosed in the same manner as a mortgage on real estate if the owner has been and remains delinquent in the payment of assessments for a period of one year or in the amount of $1,200, whichever occurs first, as determined on the date the action is filed (A.R.S. § 33-1807).

Common expense lien means the lien for assessments, authorized charges for late payment of assessments, reasonable collection fees and costs incurred or applied by the Association and reasonable attorney fees and costs that are incurred with respect to those assessments, if the attorney fees and costs are awarded by a court. *Member expenses* means fees, charges, late charges and monetary penalties or interest and are not enforceable as common expense liens (A.R.S. §§ 33-1802 and 33-1807).

Provisions
1. Increases, from one year to two years, the period of time in which a person must be delinquent in the payment of assessments allowing an Association to foreclose a common expense lien. (Sec.1)
2. Increases, from $1,200 or more to $10,000 or more, the amount in which a person must be delinquent in the payment of assessments allowing an Association to foreclose a common expense lien. (Sec. 1)
3. Makes technical changes. (Sec. 1)

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

ATTACHMENT 16

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1494
(Reference to Senate engrossed bill)

Amendment instruction key:
[GREEN UNDERLINING IN BRACKETS] indicates text added to statute or previously enacted session law.
[Green underlining in brackets] indicates text added to new session law or text restoring existing law.
[~~GREEN STRIKEOUT IN BRACKETS~~] indicates new text removed from statute or previously enacted session law.
[~~Green strikeout in brackets~~] indicates text removed from existing statute, previously enacted session law or new session law.
<<Green carets>> indicate a section added to the bill.
<<~~Green strikeout in carets~~>> indicates a section removed from the bill.

The bill as proposed to be amended is reprinted as follows:

Section 1. Section 33-1807, Arizona Revised Statutes, is amended to read:

33-1807. Common expense liens; priority; mechanics' and materialmen's liens; notice

A. The association has a common expense lien on a property for any assessment levied against that property from the time the assessment becomes due. The association's common expense lien may be foreclosed in the same manner as a mortgage on real estate but may be foreclosed only if the owner has been and remains delinquent in the payment of [~~assessments~~] [ANY ASSESSMENT][~~,~~] [OR PORTION OF THE ASSESSMENT] for a period of ~~one year~~ TWO YEARS or in the amount of ~~$1,200~~ $10,000 or more, whichever occurs first, as determined on the date the action is filed. The association board of directors shall exercise reasonable efforts to communicate with the member and offer a reasonable payment plan before filing a foreclosure action. If an assessment is payable in installments, the full amount of the assessment is a COMMON EXPENSE lien from the time the first installment of the assessment becomes due.

B. Notwithstanding any provision in the community documents, member expenses are not enforceable as common expense liens under this ~~subsection~~ SECTION. The association has a JUDGMENT lien for member expenses after the entry of a judgment in a civil suit for those member expenses from a court of competent jurisdiction and the recording of that judgment in the office of the county recorder as otherwise provided by law. The association's judgment lien for member expenses may not be foreclosed and is effective only on conveyance of any interest in the real property.

C. A common expense lien under this section is prior to all other liens, interests and encumbrances on a property except:

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

ATTACHMENT 17

1. Liens and encumbrances recorded before the recordation of the declaration.

2. A recorded first mortgage on the property, a seller's interest in a first contract for sale pursuant to chapter 6, article 3 of this title on the property recorded before the COMMON EXPENSE lien arising pursuant to subsection A of this section or a recorded first deed of trust on the property.

3. Liens for real estate taxes and other governmental assessments or charges against the property.

D. Subsection C of this section does not affect the priority of mechanics' or materialmen's liens. The common expense lien under this section is not subject to chapter 8 of this title.

E. Unless the declaration otherwise provides, if two or more associations have common expense liens created at any time on the same real estate those COMMON EXPENSE liens have equal priority.

F. Recording the declaration constitutes record notice and perfection of the common expense lien. Further recordation of any claim of common expense lien under this section is not required.

G. A common expense lien is extinguished unless proceedings to enforce the COMMON EXPENSE lien are instituted within six years after the full amount of the assessment becomes due.

H. This section does not prohibit:

1. Actions to recover amounts for which subsection A or B of this section creates a lien.

2. An association from taking a deed in lieu of foreclosure.

I. A judgment or decree in any action brought under this section may include costs and reasonable attorney fees for the prevailing party.

J. On written request, the association shall furnish to a lienholder, escrow agent, member or person designated by a member a statement setting forth the amount of any unpaid liens prescribed by subsection A or B of this section against the property. The association shall furnish the statement within ten days after receipt of the request. The statement is binding on the association if the statement is requested by an escrow agency that is licensed pursuant to title 6, chapter 7. Failure to provide the statement to the escrow agent within the time provided for in this subsection extinguishes any lien for any unpaid assessment then due.

K. Notwithstanding any provision in the community documents or in any contract between the association and a management company or any other agent of the association, including any agreement or contract with any attorney, unless the member directs otherwise, all payments received on a member's account shall be applied first to any unpaid assessments, due but not delinquent assessments, unpaid charges for late payment of those assessments if authorized in the declaration, unpaid reasonable collection fees and costs incurred or applied by the association, and unpaid attorney

fees and costs incurred with respect to those assessments if awarded by a court, in that order, with any remaining amounts applied next to other unpaid fees, charges and monetary penalties or interest and late charges on any of those amounts.

L. For a delinquent account for unpaid common expense liens, the association shall provide the following written notice to the member at the member's address as provided to the association at least thirty days before authorizing an attorney, or a collection agency that is not acting as the association's managing agent, to begin collection activity on behalf of the association:

> Your account is delinquent. If you do not bring your account current or make arrangements that are approved by the association to bring your account current within thirty days after the date of this notice, your account will be turned over for further collection proceedings. Such collection proceedings could include bringing a foreclosure action against your property.

The notice shall be in ~~boldfaced~~ BOLD-FACED type or all capital letters and shall include the contact information for the person that the member may contact to discuss payment. The notice shall be sent by certified mail, return receipt requested, and may be included within other correspondence sent to the member regarding the member's delinquent account.

M. Except for planned communities that have fewer than fifty lots and that do not contract with a third party to perform management services on behalf of the association, the association shall provide a statement of account in lieu of a periodic payment book to the member with the same frequency that assessments are provided for in the declaration. The statement of account shall include the current account balance due and the immediately preceding ledger history. If the association offers the statement of account by electronic means, a member may opt to receive the statement electronically. The association may stop providing any further statements of account to a member if collection activity begins by an attorney, or a collection agency that is not acting as the association's managing agent, regarding that member's unpaid account. After collection activity begins, a member may request statements of account by written request to the attorney or collection agency. Any request by a member for a statement of account after collection activity begins by an attorney or a collection agency that is not acting as the association's managing agent must be fulfilled by the attorney or the collection agency responsible for the collection. The statement of account provided by the attorney or collection agency responsible for the collection shall include all amounts claimed to be owing to resolve the delinquency through the date set forth in the statement, including attorney fees and costs, regardless of whether such amounts have been reduced to judgment.

N. An agent for the association may collect on behalf of the association directly from a member the assessments and other amounts owed by cash or check, by mailed or hand-delivered bank drafts, checks, cashier's checks or money orders, by credit, charge or debit card or by other electronic means. For any form of payment other than for cash or for mailed or hand-delivered bank drafts, checks, cashier's checks or money orders, the agent may charge a convenience fee to the member that is approximately the amount charged to the agent by a third-party service provider. The association may not transfer ownership or control of debt for common expense liens or member expenses.

Enroll and engross to conform
Amend title to conform

JEFF WENINGER

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1494

DATE March 25, 2025 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar		✓			
Blackman		✓			
Cavero		✓			
Connolly			✓		
Diaz		✓			
Hendrix		✓			
Villegas			✓		
Wilmeth		✓			
Way, Vice-Chairman		✓			
Weninger, Chairman		✓			
		8	2	0	0

Abby Selvey
COMMITTEE SECRETARY

APPROVED:
JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 18

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-seventh Legislature
First Regular Session

Senate: GOV DPA 6-1-0-0 | 3rd Read 24-5-1-0

SB 1535: homeowner's associations; address lights
Sponsor: Senator Kavanagh, LD 3
Committee on Commerce

Overview

Precludes a condominium association and a planned community association (homeowner's association) from prohibiting the installation or use of a lighted home address device.

History

Statute allows for the formation of a homeowner's association in accordance with its declaration, bylaws and articles of incorporation. These governing documents outline the responsibilities of the association as well as give the association certain authorities to enact community rules and regulations. Statutorily law provides additional governance and restrictions for homeowner's associations (Title 33, Chapter 9, Title 33, Chapter 16, A.R.S.).

Provisions

1. Precludes a homeowner's association from prohibiting the installation or use of a lighted home address device that:
   a) provides a lighted display of the house number;
   b) flashes red and blue when activated to indicate pending response by emergency services;
   c) is visible from the street; and
   d) has a low-light adjustment. (Sec. 1, 2)
2. Stipulates a homeowner's association may adopt reasonable rules for the placement of a lighted home address provided such rules do not prevent the installation, defeat the purpose or impair the functioning or restrict the use or adversely affect the cost or efficiency of the device. (Sec. 1, 2)
3. Allows the homeowner's association to apply reasonable lighting restrictions. (Sec. 1, 2)
4. Requires the lighting device to comply with all municipal lighting ordinances. (Sec. 1, 2)
5. Instructs the court award reasonable attorney fees and costs to any party who substantially prevails in an action against the homeowner's association board of directors for a violation relating to lighted home address device installation or use. (Sec. 1, 2)

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

ATTACHMENT 19

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1535
(Reference to Senate engrossed bill)

Amendment instruction key:
[GREEN UNDERLINING IN BRACKETS] indicates text added to statute or previously enacted session law.
[Green underlining in brackets] indicates text added to new session law or text restoring existing law.
[~~GREEN STRIKEOUT IN BRACKETS~~] indicates new text removed from statute or previously enacted session law.
[~~Green strikeout in brackets~~] indicates text removed from existing statute, previously enacted session law or new session law.
<<Green carets>> indicate a section added to the bill.
<<~~Green strikeout in carets~~>> indicates a section removed from the bill.

The bill as proposed to be amended is reprinted as follows:

Section 1. Title 33, chapter 9, article 3, Arizona Revised Statutes, is amended by adding section 33-1261.01, to read:

33-1261.01. Lighted home address device; reasonable restrictions; fees and costs

A. NOTWITHSTANDING ANY PROVISION IN THE CONDOMINIUM DOCUMENTS, AN ASSOCIATION SHALL NOT PROHIBIT THE INSTALLATION OR USE OF A LIGHTED HOME ADDRESS DEVICE THAT DOES THE FOLLOWING:

1. PROVIDES A LIGHTED DISPLAY OF THE HOUSE NUMBER.

2. FLASHES [~~RED AND BLUE~~] WHEN ACTIVATED TO [~~INDICATE PENDING RESPONSE BY POLICE, FIRE OR EMERGENCY SERVICES~~] [SIGNAL THE LOCATION OF AN EMERGENCY].

3. IS VISIBLE FROM THE STREET.

4. [~~HAS A LOW-LIGHT ADJUSTMENT~~] [DOES NOT EXCEED TWO HUNDRED FIFTY LUX OF ILLUMINATION].

B. AN ASSOCIATION MAY ADOPT REASONABLE RULES REGARDING THE PLACEMENT OF A LIGHTED HOME ADDRESS DEVICE IF THOSE RULES DO NOT PREVENT THE INSTALLATION, DEFEAT THE PURPOSE OR IMPAIR THE FUNCTIONING, RESTRICT THE USE OR ADVERSELY AFFECT THE COST OR EFFICIENCY OF THE DEVICE. THE ASSOCIATION MAY APPLY REASONABLE LIGHTING RESTRICTIONS AND THE DEVICE SHALL COMPLY WITH ANY MUNICIPAL LIGHTING ORDINANCE.

C. NOTWITHSTANDING ANY PROVISION OF THE CONDOMINIUM DOCUMENTS, THE COURT SHALL AWARD REASONABLE ATTORNEY FEES AND COSTS TO ANY PARTY WHO SUBSTANTIALLY PREVAILS IN AN ACTION AGAINST THE BOARD OF DIRECTORS OF THE ASSOCIATION FOR A VIOLATION OF THIS SECTION.

Sec. 2. Title 33, chapter 16, article 1, Arizona Revised Statutes, is amended by adding section 33-1816.01, to read:

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

ATTACHMENT 20

33-1816.01. Lighted home address device; reasonable restrictions; fees and costs

A. NOTWITHSTANDING ANY PROVISION IN THE COMMUNITY DOCUMENTS, AN ASSOCIATION SHALL NOT PROHIBIT THE INSTALLATION OR USE OF A LIGHTED HOME ADDRESS DEVICE THAT DOES THE FOLLOWING:

1. PROVIDES A LIGHTED DISPLAY OF THE HOUSE NUMBER.

2. FLASHES [~~RED AND BLUE~~] WHEN ACTIVATED TO [~~INDICATE PENDING RESPONSE BY POLICE, FIRE OR EMERGENCY SERVICES~~] [SIGNAL THE LOCATION OF AN EMERGENCY].

3. IS VISIBLE FROM THE STREET.

4. [~~HAS A LOW-LIGHT ADJUSTMENT~~] [DOES NOT EXCEED TWO HUNDRED FIFTY LUX OF ILLUMINATION].

B. AN ASSOCIATION MAY ADOPT REASONABLE RULES REGARDING THE PLACEMENT OF A LIGHTED HOME ADDRESS DEVICE IF THOSE RULES DO NOT PREVENT THE INSTALLATION, DEFEAT THE PURPOSE OR IMPAIR THE FUNCTIONING, RESTRICT THE USE OR ADVERSELY AFFECT THE COST OR EFFICIENCY OF THE DEVICE. THE ASSOCIATION MAY APPLY REASONABLE LIGHTING RESTRICTIONS AND THE DEVICE SHALL COMPLY WITH ANY MUNICIPAL LIGHTING ORDINANCE.

C. NOTWITHSTANDING ANY PROVISION OF THE COMMUNITY DOCUMENTS, THE COURT SHALL AWARD REASONABLE ATTORNEY FEES AND COSTS TO ANY PARTY WHO SUBSTANTIALLY PREVAILS IN AN ACTION AGAINST THE BOARD OF DIRECTORS OF THE ASSOCIATION FOR A VIOLATION OF THIS SECTION.

Enroll and engross to conform
Amend title to conform

JEFF WENINGER

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1535

DATE March 25, 2025 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar			✓		
Blackman		✓			
Cavero					✓
Connolly			✓		
Diaz	✓	✓			
Hendrix	✓	✓			
Villegas			✓		
Wilmeth		✓			
Way, Vice-Chairman		✓			
Weninger, Chairman		✓			
		6	3	0	1

Abby Delvecy
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 21

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-seventh Legislature
First Regular Session

Senate: GOV DP 4-3-0-0 | 3rd Read 17-12-1-0

SB 1094: business; discrimination prohibition; social criteria
Sponsor: Senator Hoffman, LD 15
Committee on Commerce

Overview

Precludes a financial institution, insurer or credit reporting agency from discriminating based on political affiliation or other social credit or impact criteria.

History

A *financial institution* is a bank, trust company, savings and loan association, credit union, consumer lender, international banking facility or financial institution holding company under the jurisdiction of the Department of Insurance and Financial Institutions. An *insurer* includes a person engaged in the business of making contracts of insurance. A *credit reporting agency* is a person that regularly engages in the practice of assembling or evaluating consumer credit information on consumers for the purpose of furnishing consumer reports to third parties (A.R.S. §§ 6-101, 20-104, 44-1691).

The Equal Credit Opportunity Act (ECOA) prohibits discrimination in any aspect of a credit transaction. It applies to any extension of credit, including extensions of credit to small businesses, corporations, partnerships, and trusts. The ECOA prohibits discrimination based on race, color, religion, national origin, sex, marital status, age, the applicant's receipt of income derived from any public assistance program or the applicant's exercise, in good faith, of any right under the Consumer Credit Protection Act.

Provisions

1. Prohibits a financial institution, an insurer and a credit reporting agency from discriminating against an individual based on:
   a) political affiliation; or
   b) other social credit, environmental, social justice or governmental score or similar values-based or impact criteria. (Sec. 1)
2. Specifies the prohibition does not interfere with the ability for a financial institution, an insurer or a credit reporting agency to discontinue or refuse to conduct business with a person when the action is necessary for the physical safety of the employees. (Sec. 1)
3. Stipulates that a financial institution may offer investments, products or services to a potential customer or investor that include subjective standards if the standards are fully disclosed and explained to the potential customer or investor before entering a contract. (Sec. 1)
4. Declares that the practice of discrimination based on social credit, environmental, social justice and governmental score is a matter of statewide concern and threatens the rights, proper privileges and general welfare of the state and its inhabitants. (Sec. 1)

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

ATTACHMENT 22

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1094

DATE March 25, 2025 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar			✓		
Blackman		✓			
Cavero					✓
Connolly			✓		
Diaz		✓			
Hendrix		✓			
Villegas			✓		
Wilmeth		✓			
Way, Vice-Chairman		✓			
Weninger, Chairman		✓			
		6	3	0	1

Abby Selvey
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 23

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-seventh Legislature
First Regular Session
Senate: RAGE DP 4-3-0-0 | 3rd Read 16-14-0-0

SB 1087: residential contractor assessments; recovery fund
Sponsor: Senator Hoffman, LD 15
Committee on Commerce

Overview

Reduces the amount that the Registrar of Contractors (ROC) can charge for an initial or renewal biennial assessment by 50% when the amount in the Residential Contractors' Recovery Fund (Recovery Fund) exceeds $15,000,000.

History

The ROC licenses and regulates residential and commercial contractors, investigates complaints against contractors and is authorized to suspend or revoke licenses, conduct hearings, issue citations and assess civil penalties. The ROC is permitted to charge application and license fees for the issuance and renewal of specified biennial contracting licenses. Statute requires an applicant for an initial or renewal contractor license to pay an assessment that cannot exceed $600 which is deposited in the Recovery Fund (Title 32, Chapter 10, A.R.S.).

The Recovery Fund is administered by the ROC for the benefit of claimants damaged by an act, representation, transaction or conduct of a licensed residential contractor that is in violation of statutory rules or regulations relating to contractors. The following claimants are eligible for awards from the Recovery Fund for damages to a residential real property that is damaged by the failure of a residential contractor to adequately build or improve a residential structure or appurtenance: 1) individuals that own and occupy or intend to occupy the residential real property; 2) a limited liability company that owns the residential real property and the property is occupied by one of the company's members; 3) a revocable living trust that owns the residential real property and whose trustors occupy or intend to occupy the residential real property; 4) a planned community or condominium owners' association; and 5) a lessee that occupies or intends to occupy the residential real property and contracts directly with a residential contractor or indirectly with a subcontractor. An award from the Recovery Fund cannot exceed the actual damages suffered by the claimant. The maximum amount an individual claimant can be awarded from the Recovery Fund is $30,000 (A.R.S. §§ 32-1132, 32-1132.01).

According to JLBC, the Recovery Fund year-end balance, FY 2024, is $27,569,100.

Provisions

1. Reduces biennial assessment amount that is paid into the Recovery Fund to:
   a) $370 for an initial license; and
   b) $270 for a license renewal. (Sec. 1)

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

ATTACHMENT 24

2. Stipulates the biennial assessments are reduced by 50% if the Recovery Fund balance exceeds $15,000,000 at the end of a fiscal year and are reinstated to the full amounts when the balance is less than $10,000,000 at the end of a subsequent fiscal year. (Sec. 1)

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1087

DATE March 25, 2025 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar			✓		
Blackman					✓
Cavero					✓
Connolly			✓		
Diaz		✓			
Hendrix		✓			
Villegas			✓		
Wilmeth		✓			
Way, Vice-Chairman		✓			
Weninger, Chairman		✓			
		5	3	0	2

Abby Selvey
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 25

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-seventh Legislature
First Regular Session
Senate: RAGE DPA 4-3-0-0 | 3rd Read 17-10-2-0

SB 1353: municipal development; permits; review
Sponsor: Senator Gowan, LD 19
Committee on Commerce

Overview
Authorizes third party reviews of single-family residential building permit applications and modifies municipal licensing time frame requirements.

History
Municipalities must post time frames during which the municipality will either grant or deny each license required by an ordinance or code, with specified exceptions. The overall timeframe must separately state the administrative completeness review timeframe and the substantive review timeframe. During the substantive review timeframe, a municipality may make: 1) one comprehensive request for corrections; and 2) supplemental requests for corrections limited to previously identified issues, if the applicant fails to resolve an issue identified in the comprehensive request for corrections. The substantive review timeframe and overall timeframe are suspended from the date a request for corrections is issued until the date the municipality receives the corrections. A municipality may consider an application withdrawn if, by 30 days or more after the date of notice, the applicant does not supply the documentation or information requested or an explanation of why the information cannot be provided within the established time period. If a municipality does not issue the applicant a written or electronic notice granting or denying a license within the overall time frame or within mutually agreed on time frame extension, the municipality must refund to the applicant all fees charged for reviewing and acting on the application for the license and excuse payment of any fees that have not yet been paid (A.R.S. § 9-835).

Provisions

Third Party Reviews Building Permits

1. Stipulates, for municipalities that do not approve, conditionally approve or respond to an application for a single-family residential building permit within 15 working days of submittal, a required review of the application may be performed by a qualified third party selected by the applicant. (Sec. 2)
2. Provides criteria which disqualifies a person from being selected as the qualified third party. (Sec. 2)
3. Allows a qualified third party selected by the applicant to be:
   a) a person who is employed by a third-party vendor identified on a list of approved vendors by the municipality, if the list has more than one vendor;
   b) a registered engineer or architect; or

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

ATTACHMENT 26

c) a person who is certified by an international council on model codes and standards for building safety with a credential specific to the residential code on single-family dwelling construction and who attends a class, if offered and required, by the municipality that exclusively reviews the municipality's adopted code amendments. (Sec. 2)

4. Instructs a third party who reviews a single-family residential building permit application to:
   a) review the application and take all other related actions in accordance with requirements adopted by the municipality; and
   b) notify the municipality and the applicant of the results of the review. (Sec. 2)
5. Authorizes a municipality to prescribe a reasonable format for notifying the municipality and the applicant of the results of the review. (Sec. 2)
6. Prohibits a municipality from requesting or requiring an applicant to waive a deadline or other required procedure. (Sec. 2)
7. Allows an applicant to appeal a decision made by the municipality or qualified third-party for a single-family residential building permit application and the result of an inspection conducted by the municipality (Sec. 2)
8. Requires an appeal to be filed in a manner prescribed by the municipality within 15 working days after the date of the decision. (Sec. 2)
9. Stipulates if a decision regarding the appeal is not rendered within 60 working days after the appeal is filed, the application is deemed approved, or the inspection is waived. (Sec. 2)
10. Asserts that a municipality which issues a permit, approval or certificate of occupancy after a third-party plan review has qualified immunity in accordance with statute. (Sec. 2)
11. Specifies the applicant as responsible for any fees and costs associated with a third-party review. (Sec. 2)
12. Requires the applicant to pay the fees and costs either directly to the third-party vendor or in an agreed alternative manner. (Sec. 2)
13. Asserts that the municipality is not responsible for assessing or collecting any fees or costs associated with a third-party review. (Sec. 2)
14. Specifies the third-party review provisions do not:
   a) apply to applications required to comply with a hillside development ordinance or for floodplain reviews; and
   b) modify the authority of a building official to withhold a certificate of occupancy in accordance with the municipality's adopted codes and ordinances. (Sec. 2)
15. Defines an *application.* (Sec. 2)

Licensing Time Frames

16. Requires a municipality, in establishing licensing time frames, to consider the third party review and inspection time frames. (Sec. 3)

17. Requires a municipality to, within 10 working days after a request by the applicant, meet or discuss with the applicant the request for corrections and provide sufficient information to allow the applicant to provide the requested corrections. (Sec. 3)

18. Prohibits a municipality, except for an application relating to municipal planning or zoning, from denying a license application that is necessary for land development or building construction unless the municipality considers the application withdrawn. (Sec. 3)

19. Includes additional municipal actions which require a refund of all fees charged for reviewing and acting on the license application. (Sec. 3)

20. Provides conditions to which a municipality may only modify, rescind or request any subsequent modifications or revisions to an approved plan or permit for land development or building construction if such construction is done in accordance with the approved plan or permit. (Sec. 3)

21. Eliminates the exemption of licensing time frame requirements for the construction or development of a residential lot, including swimming pools, hardscape and property walls, subdivisions or master planned communities. (Sec. 3)

22. Provides a definition for *objective*. (Sec. 3)

Miscellaneous

23. Authorizes a municipality to hold the issuance of a certificate of occupancy as a security for assuring the installation of certain utilities and improvements meet established standards of design and construction. (Sec. 1)

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1353
(Reference to Senate engrossed bill)

Amendment instruction key:
[GREEN UNDERLINING IN BRACKETS] indicates text added to statute or previously enacted session law.
[Green underlining in brackets] indicates text added to new session law or text restoring existing law.
[~~GREEN STRIKEOUT IN BRACKETS~~] indicates new text removed from statute or previously enacted session law.
[~~Green strikeout in brackets~~] indicates text removed from existing statute, previously enacted session law or new session law.
<<Green carets>> indicate a section added to the bill.
<<~~Green strikeout in carets~~>> indicates a section removed from the bill.

The bill as proposed to be amended is reprinted as follows:

Section 1. Section 9-463.01, Arizona Revised Statutes, is amended to read:

9-463.01. Authority

A. Pursuant to this article, the legislative body of every municipality shall regulate the subdivision of all lands within its corporate limits.

B. The legislative body of a municipality shall exercise the authority granted in subsection A of this section by ordinance prescribing:

1. Procedures to be followed in the preparation, submission, review and approval or rejection of all final plats.

2. Standards governing the design of subdivision plats.

3. Minimum requirements and standards for the installation of subdivision streets, sewer and water utilities and improvements as a condition of final plat approval.

C. By ordinance, the legislative body of any municipality shall:

1. Require the preparation, submission and approval of a preliminary plat as a condition precedent to submission of a final plat.

2. Establish the procedures to be followed in the preparation, submission, review and approval of preliminary plats.

3. Make requirements as to the form and content of preliminary plats.

4. Either determine that certain lands may not be subdivided, by reason of adverse topography, periodic inundation, adverse soils, subsidence of the earth's surface, high water table, lack of water or other natural or man-made hazard to life or property, or control the lot size, establish special grading and drainage requirements and impose other

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

ATTACHMENT 27

regulations deemed reasonable and necessary for the public health, safety or general welfare on any lands to be subdivided affected by such characteristics.

5. Require payment of a proper and reasonable fee by the subdivider based ~~upon~~ ON the number of lots or parcels on the surface of the land to defray municipal costs of plat review and site inspection.

6. Require the dedication of public streets, sewer and water utility easements or rights-of-way, within the proposed subdivision.

7. Require the preparation and submission of acceptable engineering plans and specifications for the installation of required street, sewer, electric and water utilities, drainage, flood control, adequacy of water and improvements as a condition precedent to recordation of an approved final plat.

8. Require the posting of performance bonds, assurances or such other security as may be appropriate and necessary to assure the installation of required street, sewer, electric and water utilities, drainage, flood control and improvements meeting established minimum standards of design and construction. THE MUNICIPALITY MAY HOLD THE ISSUANCE OF A CERTIFICATE OF OCCUPANCY AS A SECURITY TO ASSURE THE INSTALLATION OF THE REQUIRED STREETS, SEWER, ELECTRIC AND WATER UTILITIES, DRAINAGE, FLOOD CONTROL AND IMPROVEMENTS MEETING ESTABLISHED STANDARDS OF DESIGN AND CONSTRUCTION.

D. The legislative body of any municipality may require by ordinance that land areas within a subdivision be reserved for parks, recreational facilities, school sites and fire stations subject to the following conditions:

1. The requirement may only be made ~~upon~~ ON preliminary plats filed at least thirty days after the adoption of a general or specific plan affecting the land area to be reserved.

2. The required reservations are in accordance with definite principles and standards adopted by the legislative body.

3. The land area reserved shall be of such a size and shape as to ~~permit~~ ALLOW the remainder of the land area of the subdivision within which the reservation is located to develop in an orderly and efficient manner.

4. The land area reserved shall be in such multiples of streets and parcels as to ~~permit~~ ALLOW an efficient division of the reserved area in the event that it is not acquired within the prescribed period.

E. The public agency for whose benefit an area has been reserved shall have a period of one year after recording the final subdivision plat to enter into an agreement to acquire such reserved land area. The purchase price shall be the fair market value of the reserved land area at the time of the filing of the preliminary subdivision plat plus the taxes against such reserved area from the date of the reservation and any other costs incurred by the subdivider in the maintenance of such reserved area,

including the interest cost incurred on any loan covering such reserved area.

F. If the public agency for whose benefit an area has been reserved does not exercise the reservation agreement set forth in subsection E of this section within such ~~one year~~ ONE-YEAR period or such extended period as may be mutually agreed ~~upon~~ ON by such public agency and the subdivider, the reservation of such area shall terminate.

G. The legislative body of every municipality shall comply with this article and applicable state statutes pertaining to the hearing, approval or rejection, and recordation of:

1. Final subdivision plats.

2. Plats filed for the purpose of reverting to acreage of land previously subdivided.

3. Plats filed for the purpose of vacating streets or easements previously dedicated to the public.

4. Plats filed for the purpose of vacating or redescribing lot or parcel boundaries previously recorded.

H. Approval of every preliminary and final plat by a legislative body is conditioned ~~upon~~ ON compliance by the subdivider with:

1. Rules as may be established by the department of transportation relating to provisions for the safety of entrance ~~upon~~ ON and departure from abutting state primary highways.

2. Rules as may be established by a county flood control district relating to the construction or prevention of construction of streets in land established as being subject to periodic inundation.

3. Rules as may be established by the department of health services or a county health department relating to the provision of domestic water supply and sanitary sewage disposal.

I. If the subdivision is ~~comprised~~ COMPOSED of subdivided lands, as defined in section 32-2101, and is within an active management area, as defined in section 45-402, the final plat shall not be approved unless it is accompanied by a certificate of assured water supply issued by the director of water resources, or unless the subdivider has obtained a written commitment of water service for the subdivision from a city, town or private water company designated as having an assured water supply by the director of water resources pursuant to section 45-576 or is exempt from the requirement pursuant to section 45-576. The legislative body of the municipality shall note on the face of the final plat that a certificate of assured water supply has been submitted with the plat or that the subdivider has obtained a written commitment of water service for the proposed subdivision from a city, town or private water company designated as having an assured water supply, pursuant to section 45-576, or is exempt from the requirement pursuant to section 45-576.

J. Except as provided in subsections K and P of this section, if the subdivision is composed of subdivided lands as defined in section 32-2101 outside of an active management area and the director of water

resources has given written notice to the municipality pursuant to section 45-108, subsection H, the final plat shall not be approved unless one of the following applies:

1. The director of water resources has determined that there is an adequate water supply for the subdivision pursuant to section 45-108 and the subdivider has included the report with the plat.

2. The subdivider has obtained a written commitment of water service for the subdivision from a city, town or private water company designated as having an adequate water supply by the director of water resources pursuant to section 45-108.

K. The legislative body of a municipality that has received written notice from the director of water resources pursuant to section 45-108, subsection H or that has adopted an ordinance pursuant to subsection O of this section may provide by ordinance an exemption from the requirement in subsection J or O of this section for a subdivision that the director of water resources has determined will have an inadequate water supply because the water supply will be transported to the subdivision by motor vehicle or train if all of the following apply:

1. The legislative body determines that there is no feasible alternative water supply for the subdivision and that the transportation of water to the subdivision will not constitute a significant risk to the health and safety of the residents of the subdivision.

2. If the water to be transported to the subdivision will be withdrawn or diverted in the service area of a municipal provider as defined in section 45-561, the municipal provider has consented to the withdrawal or diversion.

3. If the water to be transported is groundwater, the transportation complies with the provisions governing the transportation of groundwater in title 45, chapter 2, article 8.

4. The transportation of water to the subdivision meets any additional conditions imposed by the legislative body.

L. A municipality that adopts the exemption authorized by subsection K of this section shall give written notice of the adoption of the exemption, including a certified copy of the ordinance containing the exemption, to the director of water resources, the director of environmental quality and the state real estate commissioner. If the municipality later rescinds the exemption, the municipality shall give written notice of the rescission to the director of water resources, the director of environmental quality and the state real estate commissioner. A municipality that rescinds an exemption adopted pursuant to subsection K of this section shall not readopt the exemption for at least five years after the rescission becomes effective.

M. If the legislative body of a municipality approves a subdivision plat pursuant to subsection J, paragraph 1 or 2 or subsection O of this section, the legislative body shall note on the face of the plat that the director of water resources has reported that the subdivision has an

adequate water supply or that the subdivider has obtained a commitment of water service for the proposed subdivision from a city, town or private water company designated as having an adequate water supply pursuant to section 45-108.

N. If the legislative body of a municipality approves a subdivision plat pursuant to an exemption authorized by subsection K of this section or granted by the director of water resources pursuant to section 45-108.02 or 45-108.03:

1. The legislative body shall give written notice of the approval to the director of water resources and the director of environmental quality.

2. The legislative body shall include on the face of the plat a statement that the director of water resources has determined that the water supply for the subdivision is inadequate and a statement describing the exemption under which the plat was approved, including a statement that the legislative body or the director of water resources, whichever applies, has determined that the specific conditions of the exemption were met. If the director subsequently informs the legislative body that the subdivision is being served by a water provider that has been designated by the director as having an adequate water supply pursuant to section 45-108, the legislative body shall record in the county recorder's office a statement disclosing that fact.

O. If a municipality has not been given written notice by the director of water resources pursuant to section 45-108, subsection H, the legislative body of the municipality, to protect the public health and safety, may provide by ordinance that, except as provided in subsections K and P of this section, the final plat of a subdivision located in the municipality and outside of an active management area will not be approved by the legislative body unless the director of water resources has determined that there is an adequate water supply for the subdivision pursuant to section 45-108 or the subdivider has obtained a written commitment of water service for the subdivision from a city, town or private water company designated as having an adequate water supply by the director of water resources pursuant to section 45-108. Before holding a public hearing to consider whether to enact an ordinance pursuant to this subsection, a municipality shall provide written notice of the hearing to the board of supervisors of the county in which the municipality is located. A municipality that enacts an ordinance pursuant to this subsection shall give written notice of the enactment of the ordinance, including a certified copy of the ordinance, to the director of water resources, the director of environmental quality, the state real estate commissioner and the board of supervisors of the county in which the municipality is located. If a municipality enacts an ordinance pursuant to this subsection, water providers may be eligible to receive monies in a water supply development fund, as otherwise provided by law.

P. Subsections J and O of this section do not apply to:

1. A proposed subdivision that the director of water resources has determined will have an inadequate water supply pursuant to section 45-108 if the director grants an exemption for the subdivision pursuant to section 45-108.02 and the exemption has not expired or if the director grants an exemption pursuant to section 45-108.03.

2. A proposed subdivision that received final plat approval from the municipality before the requirement for an adequate water supply became effective in the municipality if the plat has not been materially changed since it received the final plat approval. If changes were made to the plat after the plat received the final plat approval, the director of water resources shall determine whether the changes are material pursuant to the rules adopted by the director to implement section 45-108. If the municipality approves a plat pursuant to this paragraph and the director of water resources has determined that there is an inadequate water supply for the subdivision pursuant to section 45-108, the municipality shall note this on the face of the plat.

Q. If the subdivision is composed of subdivided lands as defined in section 32-2101 outside of an active management area and the municipality has not received written notice pursuant to section 45-108, subsection H and has not adopted an ordinance pursuant to subsection O of this section:

1. If the director of water resources has determined that there is an adequate water supply for the subdivision pursuant to section 45-108 or if the subdivider has obtained a written commitment of water service for the subdivision from a city, town or private water company designated as having an adequate water supply by the director of water resources pursuant to section 45-108, the municipality shall note this on the face of the plat if the plat is approved.

2. If the director of water resources has determined that there is an inadequate water supply for the subdivision pursuant to section 45-108, the municipality shall note this on the face of the plat if the plat is approved.

R. Every municipality is responsible for the recordation of all final plats approved by the legislative body and shall receive from the subdivider and transmit to the county recorder the recordation fee established by the county recorder.

S. Pursuant to provisions of applicable state statutes, the legislative body of any municipality may itself prepare or have prepared a plat for the subdivision of land under municipal ownership.

T. The legislative bodies of cities and towns may regulate by ordinance land splits within their corporate limits. Authority granted under this section refers to the determination of division lines, area and shape of the tracts or parcels and does not include authority to regulate the terms or condition of the sale or lease nor does it include the authority to regulate the sale or lease of tracts or parcels that are not the result of land splits as defined in section 9-463.

U. For any subdivision that consists of ten or fewer lots, tracts or parcels, each of which is of a size as prescribed by the legislative body, the legislative body of each municipality may expedite the processing of or waive the requirement to prepare, submit and receive approval of a preliminary plat as a condition precedent to submitting a final plat and may waive or reduce infrastructure standards or requirements proportional to the impact of the subdivision. Requirements for dust-controlled access and drainage improvements shall not be waived.

Sec. 2. Title 9, chapter 4, article 6.4, Arizona Revised Statutes, is amended by adding section 9-470.01, to read:

9-470.01. Building permits; third-party review; appeals; immunity; applicability; definition

A. IF A MUNICIPALITY WITH A POPULATION OF THIRTY THOUSAND PERSONS OR MORE DOES NOT APPROVE, CONDITIONALLY APPROVE OR RESPOND WITH REQUIRED ADDITIONS OR REVISIONS TO AN APPLICATION FOR A SINGLE-FAMILY RESIDENTIAL BUILDING PERMIT WITHIN FIFTEEN WORKING DAYS AFTER THE DATE THE APPLICATION IS SUBMITTED, ANY REQUIRED REVIEW OF THE APPLICATION MAY BE PERFORMED BY A QUALIFIED THIRD PARTY SELECTED BY THE MUNICIPALITY PURSUANT TO THE REQUIREMENTS OF THIS SECTION. A MUNICIPALITY SHALL MAINTAIN A LIST OF AT LEAST THREE THIRD-PARTY REVIEWERS WHO ARE ELIGIBLE TO BE HIRED BY THE MUNICIPALITY TO PERFORM A BUILDING PERMIT APPLICATION REVIEW PURSUANT TO THIS SECTION.

B. A THIRD PARTY WHO REVIEWS A SINGLE-FAMILY RESIDENTIAL BUILDING PERMIT APPLICATION PURSUANT TO THIS SECTION SHALL DO BOTH OF THE FOLLOWING:

1. REVIEW THE APPLICATION AND TAKE ALL OTHER RELATED ACTIONS IN ACCORDANCE WITH ALL REQUIREMENTS ADOPTED BY THE MUNICIPALITY WHERE THE APPLICATION WAS SUBMITTED.

2. NOTIFY THE MUNICIPALITY AND THE APPLICANT OF THE RESULTS OF THE REVIEW.

C. A MUNICIPALITY MAY NOT REQUEST OR REQUIRE AN APPLICANT TO WAIVE A DEADLINE OR OTHER PROCEDURE REQUIRED BY THIS SECTION.

D. THE APPLICANT MAY APPEAL A DECISION BY THE MUNICIPALITY TO APPROVE, CONDITIONALLY APPROVE OR DENY A SINGLE-FAMILY RESIDENTIAL BUILDING PERMIT APPLICATION.

E. A MUNICIPALITY THAT ISSUES A PERMIT, APPROVAL OR CERTIFICATE OF OCCUPANCY AFTER A THIRD-PARTY PLAN REVIEW PURSUANT TO THIS SECTION SHALL HAVE IMMUNITY AS PRESCRIBED IN SECTIONS 12-820.01 AND 12-820.02.

F. THE APPLICANT IS RESPONSIBLE FOR ANY FEES AND COSTS ASSOCIATED WITH A THIRD-PARTY REVIEW AND SHALL PAY THE FEES AND COSTS TO THE MUNICIPALITY.

G. THIS SECTION DOES NOT APPLY TO APPLICATIONS REQUIRED TO COMPLY WITH A HILLSIDE DEVELOPMENT ORDINANCE OR FOR FLOODPLAIN REVIEWS THAT ARE REQUIRED PURSUANT TO FEDERAL FLOODPLAIN REGULATIONS.

H. THIS SECTION DOES NOT MODIFY THE AUTHORITY OF A BUILDING OFFICIAL TO WITHHOLD A CERTIFICATE OF OCCUPANCY IN ACCORDANCE WITH THE MUNICIPALITY'S ADOPTED CODES AND ORDINANCES.

I. FOR THE PURPOSES OF THIS SECTION, "APPLICATION":

1. MEANS A PLAN, PERMIT OR OTHER DOCUMENT THAT IS RELATED TO BUILDING CONSTRUCTION AND THAT IS NECESSARY FOR THE CONSTRUCTION OF A SINGLE-FAMILY RESIDENTIAL DWELLING UNIT.

2. DOES NOT INCLUDE EITHER:

(a) A CERTIFICATE OF OCCUPANCY.

(b) A SUBDIVISION PREPLAT.

Sec. 3. Section 9-835, Arizona Revised Statutes, is amended to read:

9-835. Licensing time frames; compliance; consequence for failure to comply with time frame; exemption

A. For any new ordinance or code requiring a license, a municipality shall have in place an overall time frame during which the municipality will either grant or deny each type of license that it issues. The overall time frame for each type of license shall state separately the administrative completeness review time frame and the substantive review time frame and shall be posted on the municipality's website or the website of an association of cities and towns if the municipality does not have a website.

B. ~~On or before December 31, 2012,~~ A municipality that issues licenses required under existing ordinances or codes shall have in place an overall time frame during which the municipality will either grant or deny each type of license that it issues. The overall time frame for each type of license shall state separately the administrative completeness review time frame and the substantive review time frame and shall be posted on the municipality's website or the website of an association of cities and towns if the municipality does not have a website. Municipalities shall prioritize the establishment of time frames for those licenses that have the greatest impact on the public.

C. In establishing time frames, municipalities shall consider all of the following:

1. The complexity of the licensing subject matter.

2. The resources of the municipality.

3. The economic impact of delay on the regulated community.

4. The impact of the licensing decision on public health and safety.

5. The possible use of volunteers with expertise in the subject matter area.

6. The possible increased use of general licenses for similar types of licensed businesses or facilities.

7. The possible increased cooperation between the municipality and the regulated community.

8. Increased municipal flexibility in structuring the licensing process and personnel including:

(a) Adult businesses and other licenses that are related to the first amendment.

(b) Master planned communities.

(c) Suspension of the substantive and overall time frames for purposes including delays caused by the need for public hearings, state or federal licenses or approvals from public utilities on residential or commercial development projects.

9. That the substantive review time frames and overall time frames do not include the time required for an applicant to obtain other nonmunicipal licenses or to participate in meetings as required by law.

10. THE TIME FRAMES PRESCRIBED IN SECTION 9-470.01.

D. A municipality shall issue a written or electronic notice of administrative completeness or deficiencies to an applicant for a license within the administrative completeness review time frame. If the permit sought requires approval of more than one department of the municipality, each department may issue a written or electronic notice of administrative completeness or deficiencies.

E. If a municipality determines that an application for a license is not administratively complete, the municipality shall include a comprehensive list of the specific deficiencies in the written or electronic notice provided pursuant to subsection D of this section. If the municipality issues a written or electronic notice of deficiencies within the administrative completeness time frame, the administrative completeness review time frame and the overall time frame are suspended from the date the notice is issued until the date that the municipality receives the missing information from the applicant. The municipality may issue an additional written or electronic notice of administrative completeness or deficiencies based on the applicant's submission of missing information. If the permit sought requires approval of more than one department of the municipality, each department may issue an additional written or electronic notice of administrative completeness or deficiencies based on the applicant's submission of missing information.

F. If a municipality does not issue a written or electronic notice of administrative completeness or deficiencies within the administrative completeness review time frame, the application is deemed administratively complete. If a municipality issues a timely written or electronic notice of deficiencies, an application ~~shall~~ IS not ~~be~~ complete until all requested information has been received by the municipality. A municipality may consider an application withdrawn if, by fifteen days or more after the date of notice, as established by the municipality, the applicant does not supply the documentation or information requested or an explanation of why the information cannot be provided within the established time period.

G. During the substantive review time frame, a municipality may make one comprehensive written or electronic request for corrections. If the municipality identifies legal requirements that were not included in the comprehensive request for corrections, the municipality may amend the comprehensive request for corrections once to include the legal requirements and the legal authority for the requirements. WITHIN TEN WORKING DAYS AFTER A REQUEST BY THE APPLICANT, THE MUNICIPALITY SHALL MEET OR DISCUSS WITH THE APPLICANT THE REQUEST FOR CORRECTIONS AND PROVIDE SUFFICIENT INFORMATION AND INSTRUCTION TO ALLOW THE APPLICANT TO PROVIDE THE REQUESTED CORRECTIONS. If the permit sought requires approval of more than one department of the municipality, each department may issue a comprehensive written or electronic request for corrections. If the applicant fails to resolve an issue identified in a request for corrections, the municipality may make supplemental written or electronic requests for corrections that are limited to issues previously identified in a comprehensive request for corrections. If a municipality issues a comprehensive written or electronic request or a supplemental request for corrections, the substantive review time frame and the overall time frame are suspended from the date the request is issued until the date that the municipality receives the corrections from the applicant. If an applicant requests significant changes, alterations, additions or amendments to an application that are consistent with the purposes of the original application and that are not in response to the request for corrections, a municipality may make one additional comprehensive written or electronic request for corrections and may have ~~no~~ NOT more than an additional fifty ~~per cent~~ PERCENT of the substantive review time frame as established by the municipality for that license to grant or deny the license. Nothing shall prevent communication between a municipality and an applicant regarding a comprehensive written or electronic request for corrections or a supplemental request for corrections. EXCEPT FOR AN APPLICATION SUBMITTED PURSUANT TO CHAPTER 4, ARTICLE 6 OR 6.1 OF THIS TITLE, A MUNICIPALITY MAY NOT DENY A RESIDENTIAL LICENSE APPLICATION THAT IS NECESSARY FOR LAND DEVELOPMENT OR BUILDING CONSTRUCTION UNLESS THE MUNICIPALITY CONSIDERS THE APPLICATION WITHDRAWN OR THE MUNICIPALITY HAS NOTIFIED THE APPLICANT AND THE PROPERTY OWNER WITHIN FIFTEEN [WORKING]

DAYS AFTER THE SUBMISSION OF THE APPLICATION THAT THE APPLICATION MAY BE SUBJECT TO DENIAL BECAUSE OF EXCESSIVE SUBSTANTIVE DEFICIENCIES. A municipality may consider an application withdrawn if, by thirty days or more after the date of notice, as established by the municipality, the applicant does not supply the documentation or information requested or an explanation of why the information cannot be provided within the established time period.

H. Nothing shall prevent the municipality from continuing to process the application during the suspension of the substantive review time frame and overall time frame.

I. By mutual written or electronic agreement, a municipality and an applicant for a license may extend the substantive review time frame and the overall time frame. An extension of the substantive review time frame and the overall time frame may not exceed fifty ~~per cent~~ PERCENT of the overall time frame.

J. Unless a municipality and an applicant for a license mutually agree to extend the substantive review time frame and the overall time frame pursuant to subsection I of this section, a municipality shall issue a written or electronic notice granting or denying a license to an applicant. If a municipality denies or withdraws an application for a license, the municipality shall include in the written or electronic notice at least the following information:

1. Justification for the denial or withdrawal with references to the statutes, ordinances, codes or substantive policy statements on which the denial or withdrawal is based.

2. An explanation of the applicant's right to appeal the denial or withdrawal. The explanation shall include the number of working days in which the applicant must file a protest challenging the denial or withdrawal and the name and telephone number of a municipal contact person who can answer questions regarding the appeals process.

3. An explanation of the applicant's right to resubmit the application, the total amount of fees that will be assessed if the applicant resubmits the application and the method in which those fees were calculated.

K. If a municipality MAKES MORE THAN ONE COMPREHENSIVE WRITTEN OR ELECTRONIC REQUEST FOR CORRECTIONS AND ONE SUPPLEMENTAL WRITTEN OR ELECTRONIC REQUEST FOR CORRECTIONS LIMITED TO PREVIOUSLY IDENTIFIED ISSUES OR IN RESPONSE TO MODIFICATIONS MADE BY THE APPLICANT OR does not issue the applicant the written or electronic notice granting, CONDITIONALLY GRANTING or denying a license within the overall time frame or within the mutually agreed on time frame extension, the municipality shall refund to the applicant all fees charged for reviewing and acting on the application for the license and shall excuse payment of any fees that have not yet been paid. The municipality shall not require an applicant to submit an application for a refund pursuant to this subsection. The refund shall be made within thirty working days after the expiration of the overall time

frame or the time frame extension. The municipality shall continue to process the application. Notwithstanding any other statute, the municipality shall make the refund from the fund in which the application fees were originally deposited. The right to receive a refund of fees charged for reviewing and acting on the application for the license may not be waived by an applicant.

L. If an application for a license is denied and the applicant resubmits the application for the same purposes with only revisions or corrections to the original application, the municipality shall not assess any additional application fees that exceed the cost of processing the resubmitted revisions or corrections. This subsection does not apply to license applications that were denied for disqualifying criminal convictions or that were submitted fraudulently.

M. If an application for a license is withdrawn and the applicant resubmits the application for the same purpose, the municipality shall not assess any additional application fees that exceed fifty ~~per cent~~ PERCENT of the original ~~applicant~~ APPLICATION fees that have not been refunded to the applicant. This subsection does not apply to license applications that were denied for disqualifying criminal convictions or that were submitted fraudulently.

N. A MUNICIPALITY MAY NOT MODIFY, RESCIND OR REQUEST ANY SUBSEQUENT MODIFICATIONS OR REVISIONS TO AN APPROVED PLAN OR PERMIT FOR [RESIDENTIAL] LAND DEVELOPMENT OR [RESIDENTIAL] BUILDING CONSTRUCTION DURING CONSTRUCTION IF THE CONSTRUCTION IS DONE IN ACCORDANCE WITH THE APPROVED PLAN OR PERMIT UNLESS THE MODIFICATION, RESCISSION OR REVISION IS ANY OF THE FOLLOWING:

1. REQUIRED TO ADDRESS A FIELD CONDITION THAT WAS UNKNOWN WHEN THE PLAN OR PERMIT WAS REVIEWED.

2. MADE AT THE REQUEST OF THE APPLICANT, THE APPLICANT'S DESIGNEE OR A SUBSEQUENT OWNER OR OWNER'S DESIGNEE IF THE PROPERTY THAT IS THE SUBJECT OF THE APPROVED PLAN OR PERMIT CHANGES OWNERSHIP. FOR THE PURPOSES OF THIS PARAGRAPH, "APPLICANT" MEANS A PERSON THAT IS SEEKING APPROVAL OR HAS RECEIVED APPROVAL FROM A MUNICIPALITY FOR CONSTRUCTION OR LAND DEVELOPMENT ACTIVITIES.

3. MADE BY THE MUNICIPALITY TO CORRECT NONCOMPLIANCE WITH A CODE REQUIREMENT UNLESS THE CODE REQUIREMENT WAS IDENTIFIED BEFORE THE PLAN WAS APPROVED AND THE MUNICIPALITY MADE A DECISION OR INTERPRETATION ON WHICH THE APPROVAL WAS BASED.

~~N.~~ O. This section does not apply to a license that is ~~either:~~

~~1.~~ issued within seven working days after receipt of the initial application or a permit that expires within twenty-one working days after issuance.

~~2. Necessary for the construction or development of a residential lot, including swimming pools, hardscape and property walls, subdivisions or master planned community.~~

~~O. For the purposes of this section:~~

~~1. "Master planned community" means development by one or more developers of real estate that consists of residential, commercial, education, health care, open space and recreational components and that is developed pursuant to a long-range, multiphase master plan providing comprehensive land use planning and staged implementation and development.~~

~~2. "Subdivision" means improved or unimproved land or lands divided for the purposes of financing, sale or lease, whether immediate or future, into four or more lots, tracts or parcels of land, or, if a new street is involved, any such property that is divided into two or more lots, tracts or parcels of land, or, any such property, the boundaries of which have been fixed by a recorded plat, which is divided into more than two parts. Subdivision includes any condominium, cooperative, community apartment, townhouse or similar project containing four or more parcels, in which an undivided interest in the land is coupled with the right of exclusive occupancy of any unit located thereon, but plats of such projects need not show the buildings or the manner in which the buildings or airspace above the property shown on the plat are to be divided.~~

Enroll and engross to conform
Amend title to conform

LAURIN HENDRIX

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1353

DATE March 25, 2025 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar			✓		
Blackman		✓			
Cavero					✓
Connolly			✓		
Diaz		✓			
Hendrix		✓			
Villegas			✓		
Wilmeth		✓			
Way, Vice-Chairman		✓			
Weninger, Chairman		✓			
		6	3	0	1

Abby Selvey
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 28

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-seventh Legislature
First Regular Session

Senate: PS DPA/SE 7-0-0-0 | 3rd Read 22-7-1-0

SB 1057: NOW: commerce; trade; passport identification
S/E: marijuana; rural opportunity initiative
Sponsor: Senator Gowan, LD 19
Committee on Commerce

Summary of the Strike-Everything Amendment to SB 1057

Overview

Provides requirements for the Department of Health Services (DHS) in establishing a rural opportunity initiative.

History

In 2010, Arizona voters approved the Arizona Medical Marijuana Act to establish a regulatory system, overseen by DHS, that allows a dispensary to dispense a permissible amount of medical marijuana to a qualifying patient or the qualifying patient's designated caregiver (Title 36, Chapter 28.1, A.R.S.). In 2020, Arizona voters approved the Smart and Safe Arizona Act which legalized the sale and use of recreational marijuana to Arizonans who are at least 21 years of age (Title 36, Chapter 28.2, A.R.S.).

Current statute requires DHS to adopt rules to implement, enforce and regulate marijuana, marijuana products, marijuana establishments and marijuana testing facilities that include requirements for licensing marijuana establishments. DHS may only issue one marijuana establishment license for every 10 registered pharmacies that have obtained a pharmacy permit from the Arizona Board of Pharmacy and that operate within Arizona. DHS may also only issue a marijuana establishment license to two marijuana establishments per county that have no registered nonprofit medical marijuana dispensaries, or one marijuana establishment license per county that has one registered nonprofit medical marijuana dispensary. Licenses issued by DHS to marijuana establishments and marijuana testing facilities are valid for two years (A.R.S. § 36-2854).

Provisions

1. Instructs DHS, by July 1, 2026, to establish and implement a rural opportunity initiative to create a tax revenue and economic opportunities for rural communities. (Sec. 2, 3)
2. Requires DHS, by August 1, 2026, to post a form on its website that allows an unserved rural community to inform DHS its intention to opt out of participation in the rural opportunity initiative. (Sec. 3)
3. Allows a county to opt out of participation on behalf of census-designated areas and to withdraw its opt-out form at any time. (Sec. 3)

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

ATTACHMENT 29

4. Requires DHS, by October 1, 2026, to post a current list of unserved rural communities that have opted out of the rural opportunity initiative. (Sec. 3)
5. Instructs DHS, beginning October 1, 2026, to accept applications from qualified applicants and issue a marijuana establishment license and a nonprofit medical marijuana dispensary registration certificate to the qualified applicant that first applies to serve the unserved rural community. (Sec. 3)
6. Provides qualification requirements for licensure in accordance with the rural opportunity initiative. (Sec. 3)
7. Stipulates entities that are issued a marijuana establishment license and a nonprofit medical marijuana dispensary registration certificate in accordance with the rural opportunity initiative:
   a) must be licensed by DHS to operate only one retail location and one off-site location at which the entity may cultivate marijuana and manufacture marijuana products;
   b) may operate an off-site location only at a property where cultivation operations were conducted with approval for at least one day during the 18 months immediately preceding the entity's date of application to operate at the off-site cultivation location;
   c) is not required to operate the entity's retail site for more than 24 hours each week; and
   d) must open the entity's retail site within 18 months after being issued a marijuana establishment license or the marijuana establishment license becomes invalid. (Sec. 3)
8. Allows entities that are issued a marijuana establishment license and a nonprofit medical marijuana dispensary registration certificate in accordance with the rural opportunity initiative to move its retail site only to another unserved rural community that has not opted out of the rural opportunity initiative. (Sec. 3)
9. Defines *unserved rural community*. (Sec. 3)
10. Instructs DHS to issue a nonprofit medical marijuana dispensary registration certificate to each entity that qualifies for a marijuana establishment license in accordance with a rural opportunity initiative. (Sec. 1)
11. Allows such registration certificate holders to relocate their retail site only to another unserved rural community. (Sec. 1)
12. Requires DHS to issue a marijuana establishment license to each qualified entity in accordance with the rural opportunity initiative. (Sec. 1)
13. Specifies the marijuana establishment license issued in accordance with the rural opportunity initiative is for a fixed community that has not opted out of the rural opportunity initiative. (Sec. 2)
14. Limits the number of marijuana establishment licenses that may be issued in accordance with the rural opportunity initiative to no more than 18. (Sec. 2)
15. Contains a Prop 105 clause. (Sec. 4)

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1057

(Reference to Senate engrossed bill)

Strike everything after the enacting clause and insert:

"Section 1. Subject to the requirements of article IV, part 1, section 1, Constitution of Arizona, section 36-2803.01, Arizona Revised Statutes, is amended to read:

36-2803.01. New dispensary registration certificates; issuance; priority; requirements; definition

A. EXCEPT AS PROVIDED IN SUBSECTION E OF THIS SECTION, beginning on April 1, 2020, the department shall issue all new nonprofit medical marijuana dispensary registration certificates in the following order of priority based on the dispensary's geographic area as described in the registration certificate application:

1. The geographic area had a registered nonprofit medical marijuana dispensary move from the geographic area and the geographic area is at least twenty-five miles from another dispensary that has been issued a dispensary registration certificate.

2. The geographic area is at least twenty-five miles from another dispensary that has been issued a dispensary registration certificate.

3. According to rule, ~~if~~ there are no dispensary registration certificate applications as described in paragraph 1 or 2 of this subsection.

B. If the department receives multiple applications as described in subsection A, paragraph 1 of this section from previously approved nonprofit medical marijuana dispensary locations, the department shall approve the certificate for the application that serves the most qualifying patients within five miles of the proposed dispensary location. If the department receives multiple applications as described in subsection A,

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

ATTACHMENT 30

paragraph 2 of this section or if there are no applications from previously approved dispensary locations, the department may issue the registration certificate by random drawing.

C. A nonprofit medical marijuana dispensary that receives a registration certificate pursuant to subsection A, paragraph 1 or 2 OR SUBSECTION E of this section on or after April 1, 2020 must open the dispensary at the approved location within eighteen months after the application is approved or the registration certificate becomes invalid.

D. A nonprofit medical marijuana dispensary that is issued a registration certificate pursuant to subsection A, paragraph 1 or 2 of this section may relocate only as follows:

1. If the dispensary is located within a city or town, only within that city or town.

2. If the dispensary is located within an unincorporated area, only within the unincorporated area of the county where the dispensary is located but not within twenty-five miles from another dispensary that has been issued a dispensary registration certificate.

E. NOTWITHSTANDING ANY OTHER PROVISION OF THIS CHAPTER, THE DEPARTMENT SHALL ISSUE A NONPROFIT MEDICAL MARIJUANA DISPENSARY REGISTRATION CERTIFICATE TO EACH ENTITY THAT IS ISSUED A MARIJUANA ESTABLISHMENT LICENSE PURSUANT TO SECTION 36-2854, SUBSECTION A, PARAGRAPH 1, SUBDIVISION (g) AND ALLOW THESE REGISTRATION CERTIFICATE HOLDERS TO RELOCATE THEIR RETAIL SITE ONLY TO ANOTHER UNSERVED RURAL COMMUNITY IN ACCORDANCE WITH SECTION 36-2857.01.

~~E.~~ F. For the purposes of this section, "geographic area" means a city, town or unincorporated area of a county.

Sec. 2. Subject to the requirements of article IV, part 1, section 1, Constitution of Arizona, section 36-2854, Arizona Revised Statutes, is amended to read:

36-2854. Rules; licensing; early applicants; fees; civil penalty; legal counsel

A. The department shall adopt rules to implement and enforce this chapter and regulate marijuana, marijuana products, marijuana

establishments and marijuana testing facilities. Those rules shall include requirements for:

1. Licensing marijuana establishments and marijuana testing facilities, including conducting investigations and background checks to determine eligibility for licensing for marijuana establishment and marijuana testing facility applicants, except that:

(a) An application for a marijuana establishment license or marijuana testing facility license may not require the disclosure of the identity of any person who is entitled to a share of less than ten percent of the profits of an applicant that is a publicly traded corporation.

(b) The department may not issue more than one marijuana establishment license for every ten pharmacies that have registered under section 32-1929, that have obtained a pharmacy permit from the Arizona board of pharmacy and that operate within this state.

(c) Notwithstanding subdivision (b) of this paragraph, the department may issue a marijuana establishment license to not more than two marijuana establishments per county that contains no registered nonprofit medical marijuana dispensaries, or one marijuana establishment license per county that contains one registered nonprofit medical marijuana dispensary. Any license issued pursuant to this subdivision shall be for a fixed county and may not be relocated outside of that county.

(d) The department shall accept applications for marijuana establishment licenses from early applicants beginning January 19, 2021 through March 9, 2021. Not later than sixty days after receiving an application pursuant to this subdivision, the department shall issue a marijuana establishment license to each qualified early applicant. If the department has not adopted final rules pursuant to this section at the time marijuana establishment licenses are issued pursuant to this subdivision, licensees shall comply with the rules adopted by the department to implement chapter 28.1 of this title except those that are inconsistent with this chapter.

(e) After issuing marijuana establishment licenses to qualified early applicants, the department shall issue marijuana establishment

licenses available under subdivisions (b) and (c) of this paragraph by random selection and according to rules adopted pursuant to this section. At least sixty days before any random selection, the department shall prominently publicize the random selection on its website and through other means of general distribution intended to reach as many interested parties as possible and shall provide notice through an email notification system to which interested parties can subscribe.

(f) Notwithstanding subdivisions (b) and (c) of this paragraph, and not later than six months after the department adopts final rules to implement a social equity ownership program pursuant to paragraph 9 of this subsection, the department shall issue twenty-six additional marijuana establishment licenses to entities that are qualified pursuant to the social equity ownership program.

(g) NOTWITHSTANDING SUBDIVISIONS (b) AND (c) OF THIS PARAGRAPH, THE DEPARTMENT SHALL ISSUE A MARIJUANA ESTABLISHMENT LICENSE TO EACH ENTITY THAT IS QUALIFIED PURSUANT TO THE RURAL OPPORTUNITY INITIATIVE. THE LICENSES ISSUED PURSUANT TO THIS SUBDIVISION SHALL BE FOR A FIXED COMMUNITY THAT HAS NOT OPTED OUT OF THE RURAL OPPORTUNITY INITIATIVE, AND THE ENTITY'S RETAIL SITE MAY BE RELOCATED ONLY TO AN UNSERVED RURAL COMMUNITY IN ACCORDANCE WITH SECTION 36-2857.01. THE DEPARTMENT MAY NOT ISSUE MORE THAN EIGHTEEN MARIJUANA ESTABLISHMENT LICENSES PURSUANT TO THIS SUBDIVISION.

~~(g)~~ (h) Licenses issued by the department to marijuana establishments and marijuana testing facilities shall be valid for a period of two years. A dual licensee's initial renewal date, which will be the ongoing renewal date for both the dual licensee's marijuana establishment license and nonprofit medical marijuana dispensary registration, is the earlier of:

(i) The date of the marijuana establishment license renewal.

(ii) The date of the nonprofit medical marijuana dispensary registration renewal.

~~(h)~~ (i) The department may not issue a marijuana establishment or marijuana testing facility license to an applicant who has an ownership

interest in an out-of-state marijuana establishment or marijuana testing facility, or the other state's equivalent, that has had its license revoked by the other state.

2. Licensing fees and renewal fees for marijuana establishments and marijuana testing facilities in amounts that are reasonable and related to the actual cost of processing applications for licenses and renewals and that do not exceed five times the fees prescribed by the department to register or renew a nonprofit medical marijuana dispensary.

3. The security of marijuana establishments and marijuana testing facilities.

4. Marijuana establishments to safely cultivate, process and manufacture marijuana and marijuana products. The department shall require licensees to procure, develop, acquire and maintain a system to track marijuana and marijuana products at all points of cultivation, manufacturing and sale. The system developed and maintained pursuant to this paragraph shall:

(a) Ensure an accurate accounting and reporting of the production, processing and sale of marijuana and marijuana products.

(b) Ensure compliance with rules adopted by the department.

(c) Be capable of tracking, at a minimum:

(i) The propagation of immature marijuana plants and the production of marijuana by a marijuana establishment.

(ii) The processing of marijuana and marijuana products by a marijuana establishment.

(iii) The sale and purchase of marijuana and marijuana products between licensees.

(iv) The transfer of marijuana and marijuana products between premises for which licenses have been issued.

(v) The disposal of marijuana waste.

(vi) The identity of the person making the entry in the system and the time, date and location of each entry into the system, including any corrections or changes to that information.

(vii) Any other information that the department determines is reasonably necessary to accomplish the duties, functions and powers of the department.

(d) Contain a transactional stamp to ensure accuracy, provide for chain of custody of the information and foreclose tampering of the data, human error or intentional misreporting.

5. Tracking, testing, labeling consistent with section 36-2854.01 and packaging marijuana and marijuana products, including requirements that marijuana and marijuana products be:

(a) Sold to consumers in clearly and conspicuously labeled containers that contain accurate warnings regarding the use of marijuana or marijuana products.

(b) Placed in child-resistant packaging on exit from a marijuana establishment.

6. Forms of government-issued identification that are acceptable by a marijuana establishment verifying a consumer's age and procedures related to verifying a consumer's age consistent with section 4-241. Until the department adopts final rules related to verifying a consumer's age, marijuana establishments shall comply with the proof of legal age requirements prescribed in section 4-241.

7. The potency of edible marijuana products that may be sold to consumers by marijuana establishments at reasonable levels on consideration of industry standards, except that the rules:

(a) Shall limit the strength of edible marijuana products to not more than ten milligrams of tetrahydrocannabinol per serving or one hundred milligrams of tetrahydrocannabinol per package.

(b) Shall require that if a marijuana product contains more than one serving, it must be delineated or scored into standard serving sizes and homogenized to ensure uniform disbursement throughout the marijuana product.

8. Ensuring the health, safety and training of employees of marijuana establishments and marijuana testing facilities.

9. The creation and implementation of a social equity ownership program to promote the ownership and operation of marijuana establishments and marijuana testing facilities by individuals from communities disproportionately impacted by the enforcement of previous marijuana laws.

10. Prohibiting a marijuana testing facility from having any direct or indirect familial relationship with or financial ownership interest in a marijuana establishment or related marijuana business entity or management company. The rules shall include prohibiting a marijuana establishment from having any direct or indirect familial relationship with or financial ownership interest in a marijuana testing facility or related marijuana business entity or management company.

11. Requiring marijuana establishments to display in a conspicuous location a sign that warns pregnant women about the potential dangers to fetuses caused by smoking or ingesting marijuana while pregnant or to infants while breastfeeding and the risk of being reported to the department of child safety during pregnancy or at the birth of the child by persons who are required to report. The rules shall include the specific warning language that must be included on the sign. The cost and display of the sign required by rule shall be borne by the marijuana establishment.

12. ESTABLISHING AND IMPLEMENTING A RURAL OPPORTUNITY INITIATIVE IN ACCORDANCE WITH SECTION 36-2857.01 TO CREATE TAX REVENUE AND ECONOMIC OPPORTUNITIES FOR RURAL COMMUNITIES.

B. The department may:

1. Subject to title 41, chapter 6, article 10, deny any application submitted or deny, suspend or revoke, in whole or in part, any registration or license issued under this chapter if the registered or licensed party or an officer, agent or employee of the registered or licensed party does any of the following:

(a) Violates this chapter or any rule adopted pursuant to this chapter.

(b) Has been, is or may continue to be in substantial violation of the requirements for licensing or registration and, as a result, the health or safety of the general public is in immediate danger.

2. Subject to title 41, chapter 6, article 10, and unless another penalty is provided elsewhere in this chapter, assess a civil penalty against a person that violates this chapter or any rule adopted pursuant to this chapter in an amount not to exceed $2,000 for each violation. Each day a violation occurs constitutes a separate violation. In determining the amount of a civil penalty assessed against a person, the department shall consider all of the factors set forth in section 36-2816, subsection H. All civil penalties collected by the department pursuant to this paragraph shall be deposited in the smart and safe Arizona fund established by section 36-2856.

3. At any time during regular hours of operation, visit and inspect a marijuana establishment, marijuana testing facility or dual licensee to determine if it complies with this chapter and rules adopted pursuant to this chapter. The department shall make at least one unannounced visit annually to each facility licensed pursuant to this chapter.

4. Adopt any other rules that are not expressly stated in this section and that are necessary to ensure the safe and responsible cultivation, sale, processing, manufacture, testing and transport of marijuana and marijuana products.

C. Until the department adopts rules allowing and regulating delivery by marijuana establishments pursuant to subsection D of this section, delivery is unlawful under this chapter.

D. On or after January 1, 2023, the department may, and not later than January 1, 2025 the department shall, adopt rules to allow and regulate delivery by marijuana establishments. The rules shall:

1. Require that delivery and the marijuana and marijuana products to be delivered originate from a designated retail location of a marijuana establishment and only after an order is made with the marijuana establishment by a consumer. The rules may not limit the distance between the delivery location and the originating designated retail location of the marijuana establishment.

2. Prohibit delivery to any property owned or leased by the United States, this state, a political subdivision of this state or the Arizona board of regents.

3. Limit the amount of marijuana and marijuana products based on retail price that may be in a delivery vehicle during a single trip from the designated retail location of a marijuana establishment.

4. Prohibit extra or unallocated marijuana or marijuana products in delivery vehicles.

5. Require that deliveries be made only by marijuana facility agents in unmarked vehicles that are equipped with a global positioning system or similar location tracking system and video surveillance and recording equipment, and that contain a locked compartment in which marijuana and marijuana products must be stored. The rules may not limit the number of vehicles that a marijuana establishment may use for delivery.

6. Require delivery logs necessary to ensure compliance with this subsection and rules adopted pursuant to this subsection.

7. Require inspections to ensure compliance with this subsection and rules adopted pursuant to this subsection.

8. Include any other provisions necessary to ensure safe and restricted delivery.

9. Require dual licensees to comply with the rules adopted pursuant to this subsection.

E. Except as provided in subsection D of this section, the department may not allow delivery of marijuana or marijuana products under this chapter by any individual or entity. In addition to any other penalty imposed by law, an individual or entity that delivers marijuana or marijuana products in a manner that is not authorized by this chapter shall pay a civil penalty of $20,000 per violation to the smart and safe Arizona fund established by section 36-2856. This subsection may be enforced by the attorney general.

F. All rules adopted by the department pursuant to this section shall be consistent with the purpose of this chapter.

G. The department may not adopt any rule that:

1. Prohibits the operation of marijuana establishments, either expressly or through requirements that make the operation of a marijuana establishment unduly burdensome.

2. Prohibits or interferes with the ability of a dual licensee to operate a marijuana establishment and a nonprofit medical marijuana dispensary at shared locations.

H. Notwithstanding section 41-192, the department may employ legal counsel and make an expenditure or incur an indebtedness for legal services for the purposes of:

1. Defending this chapter or rules adopted pursuant to this chapter.

2. Defending chapter 28.1 of this title or rules adopted pursuant to chapter 28.1 of this title.

I. The department shall deposit all license fees, application fees and renewal fees paid to the department pursuant to this chapter in the smart and safe Arizona fund established by section 36-2856.

J. On request, the department of health services shall share with the department of revenue information regarding a marijuana establishment, marijuana testing facility or dual licensee, including its name, physical address, cultivation site and transaction privilege tax license number.

K. Notwithstanding any other law, the department may:

1. License an independent third-party laboratory to also operate as a marijuana testing facility.

2. Operate a marijuana testing facility.

L. The department shall maintain and publish a current list of all marijuana establishments and marijuana testing facilities by name and license number.

M. Notwithstanding any other law, the issuance of an occupational, professional or other regulatory license or certification to a person by a jurisdiction or regulatory authority outside this state does not entitle that person to be issued a marijuana establishment license, a marijuana testing facility license, or any other license, registration or certification under this chapter.

N. Until the department adopts rules as required by subsection A, paragraph 10 of this section:

1. A marijuana testing facility is prohibited from having any direct or indirect familial relationship with or financial ownership interest in a marijuana establishment or related marijuana business entity or management company.

2. A marijuana establishment is prohibited from having any direct or indirect familial relationship with or financial ownership interest in a marijuana testing facility or related marijuana business entity or management company.

Sec. 3. Subject to the requirements of article IV, part 1, section 1, Constitution of Arizona, title 36, chapter 28.2, Arizona Revised Statutes, is amended by adding section 36-2857.01, to read:

36-2857.01. Rural opportunity initiative; applicant requirements; opt out; definition

A. ON OR BEFORE JULY 1, 2026, THE DEPARTMENT SHALL ADOPT RULES ESTABLISHING A RURAL OPPORTUNITY INITIATIVE IN ACCORDANCE WITH THIS SECTION.

B. ON OR BEFORE AUGUST 1, 2026, THE DEPARTMENT SHALL POST ON THE DEPARTMENT'S PUBLIC WEBSITE A FORM THAT ALLOWS UNSERVED RURAL COMMUNITIES TO COMMUNICATE TO THE DEPARTMENT THE UNSERVED RURAL COMMUNITY'S INTENTION TO OPT OUT OF PARTICIPATION IN THE RURAL OPPORTUNITY INITIATIVE. FOR THE PURPOSES OF THIS SECTION, A COUNTY MAY OPT OUT OF PARTICIPATION ON BEHALF OF CENSUS-DESIGNATED AREAS IN THE COUNTY, NOT INCLUDING CITIES OR TOWNS. AN UNSERVED RURAL COMMUNITY MAY WITHDRAW ITS OPT-OUT FORM AT ANY TIME.

C. ON OR BEFORE OCTOBER 1, 2026, THE DEPARTMENT SHALL POST AND MAINTAIN ON THE DEPARTMENT'S PUBLIC WEBSITE A CURRENT LIST OF UNSERVED RURAL COMMUNITIES THAT HAVE OPTED OUT OF THE RURAL OPPORTUNITY INITIATIVE.

D. BEGINNING OCTOBER 1, 2026, THE DEPARTMENT SHALL ACCEPT APPLICATIONS FROM QUALIFIED APPLICANTS. WITHIN SIXTY DAYS AFTER RECEIVING THE FIRST APPLICATION FROM A QUALIFIED APPLICANT THAT SEEKS TO SERVE A SPECIFIC UNSERVED RURAL COMMUNITY, THE DEPARTMENT SHALL ISSUE A MARIJUANA

ESTABLISHMENT LICENSE PURSUANT TO SECTION 36-2854, SUBSECTION A, PARAGRAPH 1, SUBDIVISION (g) AND A NONPROFIT MEDICAL MARIJUANA DISPENSARY REGISTRATION CERTIFICATE PURSUANT TO SECTION 36-2803.01, SUBSECTION E TO THE QUALIFIED APPLICANT THAT FIRST APPLIES TO SERVE THE UNSERVED RURAL COMMUNITY.

E. TO QUALIFY FOR A LICENSE PURSUANT TO THE RURAL OPPORTUNITY INITIATIVE, AN APPLICANT SHALL COMPLETE AND SUBMIT A DEPARTMENT-APPROVED FORM OR FORMS SHOWING THAT THE APPLICANT HAS A LANDOWNER'S CONSENT TO USE PROPERTY IN THE ELIGIBLE UNSERVED RURAL COMMUNITY FOR A MARIJUANA RETAIL SITE AND A DEPARTMENT-APPROVED FORM OR FORMS SHOWING THE PROPERTY IS IN COMPLIANCE WITH LOCAL ZONING RESTRICTIONS APPLICABLE TO WHERE A RETAIL SITE OPERATING PURSUANT TO BOTH A MARIJUANA ESTABLISHMENT LICENSE AND A NONPROFIT MEDICAL MARIJUANA DISPENSARY REGISTRATION CERTIFICATE AND THIS SECTION MAY BE LOCATED.

F. A LANDOWNER MAY NOT EXECUTE OR AGREE TO EXECUTE MULTIPLE LANDOWNER CONSENT FORMS CONCERNING THE SAME PROPERTY ADDRESS FOR THE RURAL OPPORTUNITY INITIATIVE. THE LANDOWNER CONSENT FORM EXECUTED FIRST IN TIME IS THE ONLY VALID LANDOWNER CONSENT FORM.

G. NOTWITHSTANDING ANY OTHER PROVISION OF THIS CHAPTER OR CHAPTER 28.1 OF THIS TITLE, EACH ENTITY THAT IS ISSUED A MARIJUANA ESTABLISHMENT LICENSE PURSUANT TO SECTION 36-2854, SUBSECTION A, PARAGRAPH 1, SUBDIVISION (g) AND A NONPROFIT MEDICAL MARIJUANA DISPENSARY REGISTRATION CERTIFICATE PURSUANT TO SECTION 36-2803.01, SUBSECTION E:

1. SHALL BE LICENSED BY THE DEPARTMENT TO OPERATE ONLY ONE RETAIL LOCATION AND ONE OFF-SITE LOCATION AT WHICH THE ENTITY MAY CULTIVATE MARIJUANA AND MANUFACTURE MARIJUANA PRODUCTS.

2. MAY OPERATE AN OFF-SITE LOCATION ONLY AT A PROPERTY WHERE CULTIVATION OPERATIONS WERE CONDUCTED PURSUANT TO THE DEPARTMENT'S APPROVAL FOR AT LEAST ONE DAY DURING THE EIGHTEEN MONTHS IMMEDIATELY PRECEDING THE ENTITY'S DATE OF APPLICATION TO OPERATE AT THE OFF-SITE CULTIVATION LOCATION.

3. IS NOT REQUIRED TO OPERATE THE ENTITY'S RETAIL SITE FOR MORE THAN TWENTY-FOUR HOURS EACH WEEK.

4. SHALL OPEN THE ENTITY'S RETAIL SITE WITHIN EIGHTEEN MONTHS AFTER BEING ISSUED A MARIJUANA ESTABLISHMENT LICENSE PURSUANT TO SECTION 36-2854, SUBSECTION A, PARAGRAPH 1, SUBDIVISION (g) OR THE MARIJUANA ESTABLISHMENT LICENSE BECOMES INVALID.

H. NOTWITHSTANDING ANY OTHER PROVISION OF THIS CHAPTER OR CHAPTER 28.1 OF THIS TITLE, ANY ENTITY THAT IS ISSUED A MARIJUANA ESTABLISHMENT LICENSE PURSUANT TO SECTION 36-2854, SUBSECTION A, PARAGRAPH 1, SUBDIVISION (g) AND A NONPROFIT MEDICAL MARIJUANA DISPENSARY REGISTRATION CERTIFICATE PURSUANT TO SECTION 36-2803.01, SUBSECTION E MAY MOVE ITS RETAIL SITE ONLY TO ANOTHER UNSERVED RURAL COMMUNITY THAT HAS NOT OPTED OUT OF THE RURAL OPPORTUNITY INITIATIVE PURSUANT TO THIS SECTION.

I. FOR THE PURPOSES OF THIS SECTION, "UNSERVED RURAL COMMUNITY":

1. MEANS A CITY, TOWN OR CENSUS-DESIGNATED AREA THAT HAS A POPULATION OF LESS THAN FIFTY THOUSAND PERSONS AND CONTAINS ONE OR MORE PARCELS OF PROPERTY THAT ARE AT LEAST TWENTY-FIVE MILES FROM A MARIJUANA RETAIL SITE, AS MEASURED FROM THE CLOSEST POINTS OF BOTH PROPERTIES.

2. DOES NOT INCLUDE AN UNINCORPORATED TERRITORY THAT IS SURROUNDED ON ALL SIDES BY AN INDIAN RESERVATION.

Sec. 4. Requirements for enactment; three-fourths vote

Pursuant to article IV, part 1, section 1, Constitution of Arizona, sections 36-2803.01 and 36-2854, Arizona Revised Statutes, as amended by this act, and section 36-2857.01, Arizona Revised Statutes, as added by this act, are effective only on the affirmative vote of at least three-fourths of the members of each house of the legislature."

Amend title to conform

JEFF WENINGER

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C: MH

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1057

DATE March 24, 2025 MOTION: DPAS/E

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar		✓			
Blackman		✓			
Cavero					✓
Connolly			✓		
Diaz		✓			
Hendrix			✓		
Villegas				✓	
Wilmeth		✓			
Way, Vice-Chairman		✓			
Weninger, Chairman		✓			
		6	2	1	1

Abby Selvey
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 3

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-seventh Legislature
First Regular Session

Senate: FIN DPA/SE 5-2-0-0 | 3rd Read 17-12-1-0

SB 1145: NOW: special districts; construction; payments
Sponsor: Senator Carroll, LD 28
Committee on Commerce

Overview

Prescribes requirements and restrictions for revitalization district contracts.

History

The governing body of one or more municipalities may adopt a resolution declaring its intention to form a tax levying revitalization district to include property within the corporate boundaries of the district, if the public convenience and necessity require and on presentation of a petition signed by the owners of at least 51% of the net assessed property value proposed to be included in the district and a petition signed by at least 51% of the property owners in the area proposed to be included in the district.

To further the implementation of the general plan, a revitalization district may enter into contracts and spend monies for any infrastructure purposes and enter into agreements with landowners and the municipality for the collection of fees and charges from landowners for infrastructure purposes, the advance of monies by landowners for infrastructure purposes or the granting of real property by the landowner for infrastructure purposes. An agreement between a landowner and a revitalization district may include agreements to repay all or part of such advances, fees and charges from the proceeds of bonds if issued or from advances, fees and charges collected from other landowners or users or those having a right to use any infrastructure. Public infrastructure, other than movable property, may be located only in or on lands owned by the state, the revitalization district or a municipality or county or dedicated or otherwise designated as public roadways, highways, streets, thoroughfares, easements or rights-of-way, whether in or out of the district or municipality.

A revitalization district has perpetual succession and, if the district does not have bonds or other outstanding obligations, must be dissolved 10 years after the date of formation unless the governing bodies extend the district by resolution for another 10 years. The governing body by resolution may order the participation in the costs of any public infrastructure purpose, including the payment of bond debt service (Title 48, Chapter 39, Article 1, A.R.S.).

Provisions

1. Requires all construction contracts entered into by the revitalization district to comply with statute governing public works contracts. (Sec. 1)
2. Prohibits a municipality from operating or using, or any other person or entity to use, revitalization district infrastructure for any purpose, unless the municipality that uses or operates the infrastructure pays the balance due and owing to a contractor for the work performed. (Sec. 1, 3)

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

ATTACHMENT 32

3. Requires, for certain agreements entered into by the revitalization district and landowners, the inclusion of a provision that prohibits bond proceeds or reimbursements from being applied to any repayments if any contractor has not been paid in full for the work performed, as certified by the contractor and the district. (Sec. 1)
4. Prohibits the dissolution of a revitalization district that owes monies to a licensed contractor for the installation of any type of infrastructure for the district. (Sec. 2)
5. Adds, to the conditions required before dissolving a revitalization district, a requirement that all monies due to contractors that performed work for the district have been paid in full. (Sec. 4)
6. Applies the contractor payment requirements and infrastructure use prohibitions to revitalization district infrastructure construction work commenced on or after the effective date. (Sec. 5)

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1145
(Reference to Senate engrossed bill)

Amendment instruction key:
[GREEN UNDERLINING IN BRACKETS] indicates text added to statute or previously enacted session law.
[Green underlining in brackets] indicates text added to new session law or text restoring existing law.
[~~GREEN STRIKEOUT IN BRACKETS~~] indicates new text removed from statute or previously enacted session law.
[~~Green strikeout in brackets~~] indicates text removed from existing statute, previously enacted session law or new session law.
<<Green carets>> indicate a section added to the bill.
<<~~Green strikeout in carets~~>> indicates a section removed from the bill.

The bill as proposed to be amended is reprinted as follows:

Section 1. Section 48-6808, Arizona Revised Statutes, is amended to read:

48-6808. Powers of a revitalization district

A. In addition to the powers otherwise granted to a district pursuant to this article, a district, ~~may~~ to further the implementation of the general plan, MAY:

1. Enter into contracts and spend monies for any infrastructure purpose with respect to the district. [~~ALL CONSTRUCTION CONTRACTS ENTERED INTO BY THE DISTRICT SHALL COMPLY WITH SECTION 34-221.~~]

2. Enter into intergovernmental agreements as prescribed in title 11, chapter 7, article 3 for the financing, planning, design, inspection, ownership, control, maintenance, operation or repair of infrastructure or the provision of enhanced municipal services by the municipality in the district, including an intergovernmental agreement with an Indian tribe or community.

3. Sell, lease or otherwise dispose of district property if the sale, lease or conveyance is not a violation of the terms of any contract or bond resolution of the district.

4. Reimburse a municipality for providing enhanced municipal services in the district.

5. Operate, maintain and repair infrastructure.

6. Establish, charge and collect user fees, rates or charges for the use of any infrastructure or service.

7. Employ staff, counsel and consultants.

8. Reimburse a municipality for staff and consultant services and support facilities supplied by the municipality.

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

ATTACHMENT 33

9. Accept gifts or grants and incur and repay loans for any infrastructure purpose.

10. Enter into agreements with landowners and the municipality for the collection of fees and charges from landowners for infrastructure purposes, the advance of monies by landowners for infrastructure purposes or the granting of real property by the landowner for infrastructure purposes.

11. After approval at an election held pursuant to section 48-6818, levy and assess the costs of any infrastructure purpose on any land benefited in the district.

12. Pay the financial, legal and administrative costs of the district.

13. Enter into contracts, agreements and trust indentures to obtain credit enhancement or liquidity support for its bonds and process the issuance, registration, transfer and payment of its bonds and the disbursement and investment of proceeds of the bonds.

14. With the consent of the governing body of the municipality that formed the district, enter into agreements with persons outside of the district to provide services to persons and property outside of the district.

15. With the consent of the applicable governmental entity, use public easements and rights-of-way in or across public property, roadways, highways, streets or other thoroughfares and other public easements and rights-of-way, whether in or out of the geographical limits of the district or the municipality.

B. In connection with any power authorized by statute, the district may:

1. Contract.

2. Enter into intergovernmental agreements pursuant to title 11, chapter 7, article 3.

3. Adopt and change a seal.

4. Sue and be sued.

5. Enter into development agreements, as defined in section 9-500.05.

C. The district shall not be used to finance or facilitate the acquisition, operation, maintenance, construction or operation of a sports stadium or other sports facility that is designed specifically for or used specifically by a professional sports team, including a clubhouse, a practice facility or any other related facility or on-site infrastructure or related parking facilities for those purposes. This subsection does not apply to the financing, acquisition, operation, maintenance or construction of a multipurpose event center.

D. Public infrastructure other than personalty may be located only in or on lands owned by ~~the~~ THIS state, a county, a municipality or the district or dedicated or otherwise designated as public roadways,

highways, streets, thoroughfares, easements or rights-of-way, whether in or out of the district or the municipality. Personalty may be used only for purposes authorized by the district board. [~~IF THE CONTRACTOR CONSTRUCTING INFRASTRUCTURE IN OR ON LANDS OWNED BY THIS STATE, A COUNTY, A MUNICIPALITY OR THE DISTRICT OR DEDICATED OR OTHERWISE DESIGNATED AS PUBLIC ROADWAYS, HIGHWAYS, STREETS, THOROUGHFARES, EASEMENTS OR RIGHTS-OF-WAY IS NOT PAID IN FULL FOR THE WORK PERFORMED DUE TO THE DISTRICT HAVING INSUFFICIENT MONIES OR ANY OTHER REASON, A MUNICIPALITY SHALL NOT OPERATE OR USE THE INFRASTRUCTURE FOR ANY PURPOSE AND SHALL NOT ALLOW ANY OTHER PERSON OR ENTITY TO USE THE INFRASTRUCTURE FOR ANY PURPOSE UNLESS THE MUNICIPALITY THAT USES OR OPERATES THE INFRASTRUCTURE PAYS THE BALANCE DUE AND OWING TO THE CONTRACTOR FOR THE WORK PERFORMED.~~]

E. An agreement pursuant to subsection A, paragraph 10 of this section may include agreements to repay all or part of such advances, fees and charges from the proceeds of bonds if issued or from advances, fees and charges collected from other landowners or users or those having a right to use any infrastructure, EXCEPT THAT ANY AGREEMENT PRESCRIBED BY THIS SUBSECTION SHALL INCLUDE A PROVISION THAT BOND PROCEEDS OR REIMBURSEMENTS SHALL NOT BE APPLIED TO ANY REPAYMENTS IF ANY CONTRACTOR CONSTRUCTING INFRASTRUCTURE FOR THE DISTRICT HAS NOT BEEN PAID IN FULL FOR THE WORK PERFORMED, AS CERTIFIED BY THE CONTRACTOR AND THE DISTRICT ENGINEER. NOTWITHSTANDING ANY PROVISION IN THIS SUBSECTION, a person does not have authority to compel the issuance or sale of the bonds of the district or the exercise of any taxing power of the district to make repayment under any agreement.

[F. NOTWITHSTANDING THE PROVISIONS OF SECTION 32-1187, ANY CONSTRUCTION CONTRACT ENTERED INTO BY A DISTRICT PURSUANT TO THIS TITLE SHALL BE SUBJECT TO THE PROVISIONS OF TITLE 32, CHAPTER 10, ARTICLE 5 EXCEPT THE PROVISIONS OF SECTION 32-1187.]

Sec. 2. Section 48-6809, Arizona Revised Statutes, is amended to read:

48-6809. Perpetual succession

The district has perpetual succession, except that the district may be dissolved as provided in section 48-6819 and, if the district does not have any bonds or other obligations outstanding, shall be dissolved ten years after the date of formation unless the governing bodies of the participating municipalities by resolution extend the district by an additional period of ten years. IF THE DISTRICT OWES MONIES TO A LICENSED CONTRACTOR FOR THE INSTALLATION OF ANY TYPE OF INFRASTRUCTURE FOR THE DISTRICT, THE DISTRICT MAY NOT BE DISSOLVED.

<<~~Sec. 3. Section 48-6811, Arizona Revised Statutes, is amended to read:~~

~~48-6811. Participation by municipality~~

~~The governing body of the municipality, by resolution, may summarily order the participation by the municipality in the costs of any public~~

~~infrastructure purpose, including the payment of bond debt service. THE MUNICIPALITY OR ANY PERSON MAY NOT USE FOR ITS INTENDED PURPOSE ANY INFRASTRUCTURE THAT IS CONSTRUCTED PURSUANT TO THIS CHAPTER UNTIL THE CONTRACTOR PERFORMING THE WORK HAS BEEN PAID IN FULL FOR THE WORK PERFORMED PURSUANT TO A CONTRACT ENTERED INTO UNDER THIS CHAPTER.~~>>

Sec. 3. Section 48-6819, Arizona Revised Statutes, is amended to read:

48-6819. Dissolution of district

A. The district may be dissolved by the district board by a resolution of the district board if the following conditions exist:

1. All of the real and personal property owned by the district has been or will be conveyed to a municipality.

2. Either the district has no bonds or obligations or the municipality has assumed all of the obligations of the district.

3. ALL MONIES DUE TO CONTRACTORS THAT PERFORMED WORK FOR THE DISTRICT HAVE BEEN PAID IN FULL.

B. The district board shall comply with the conditions prescribed by subsection A OF THIS SECTION and shall dissolve the district if both of the following occur:

1. The governing body has consented to comply with the conditions prescribed by subsection A OF THIS SECTION and either:

(a) Dissolution has been approved by a vote of the property owners of the district voting in an election called for that purpose.

(b) The governing body determines that the district has been inactive for at least five consecutive years and has no future purpose.

2. The district board adopts a resolution dissolving the district and records the resolution in the office of the county recorder.

C. The district board may call such an election and shall call such an election if requested to do so in a petition signed by ten ~~per cent~~ PERCENT of the property owners of the district.

D. The election shall be called and held in the same manner as an assessment levy election, except that the ballot shall contain the words "dissolution, yes" and "dissolution, no".

E. All property in the district, except federal, state, county and municipal property, remains subject to the lien for the payment of ad valorem taxes levied, and any property subject to a special assessment lien remains subject to the lien notwithstanding dissolution of the district. The district may not be dissolved if any revenue or assessment bonds of the district remain outstanding unless an amount of money sufficient, together with investment income thereon, to make all payments due on the revenue bonds either at maturity or prior redemption has been deposited with a trustee or escrow agent and pledged to the payment and redemption of the bonds. The district may continue to operate after dissolution only as needed to collect money and make payments on any outstanding bonds.

F. If a proposal for dissolution is approved and the district is an Arizona state retirement system employer before the dissolution, the governing body of the district shall notify the director of the Arizona state retirement system of the dissolution.

Sec. 4. Applicability

This act applies only to revitalization district infrastructure construction work that is commenced on or after the effective date of this act.

Enroll and engross to conform
Amend title to conform

JUSTIN WILMETH

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03/18/2025
10:38 AM
H: PB/ls

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1145

DATE March 25, 2025 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar		✓			
Blackman		✓			
Cavero					✓
Connolly				✓	
Diaz		✓			
Hendrix		✓			
Villegas			✓		
Wilmeth		✓			
Way, Vice-Chairman		✓			
Weninger, Chairman		✓			
		7	1	1	1

Abby Salvey
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 34