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

COMMITTEE ON COMMERCE

Report of Regular Meeting
Tuesday, January 19, 2021
House Hearing Room 3 -- 2:00 P.M.

Convened 2:05 P.M.
Recessed
Reconvened
Adjourned 4:27 P.M.

MINUTES RECEIVED
CHIEF CLERK'S OFFICE
1-21-20

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

Members Absent

Agenda
Original Agenda – Attachment 1

Request to Speak
Report – Attachment 2

Committee Attendance
Report – Attachment 3

Committee Action

Bill	Action	Vote	Attachments
	Adoption of Committee Rules		4
HB2044	DP	10-0-0-0	5, 6
HB2045	DP	10-0-0-0	7, 8
HB2049	DP	7-3-0-0	9, 10
HB2050	DPA	10-0-0-0	11, 12, 13
HB2085	DP	10-0-0-0	14, 15
HB2108	DP	6-4-0-0	16, 17
HB2109	DP	10-0-0-0	18, 19
HB2120	None		
HB2160	None		
HB2161	None		

Iris McMahon, Committee Secretary
January 21, 2021

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

REVISED - 1/14/21 **REVISED - 1/14/21** **REVISED - 1/14/21**

ARIZONA HOUSE OF REPRESENTATIVES Convened: 2:05pm
Fifty-fifth Legislature - First Regular Session

REGULAR MEETING AGENDA Adjourned: 4:27pm

COMMITTEE ON COMMERCE

DATE Tuesday, January 19, 2021 ROOM HHR 3 TIME 2:00 P.M.

This meeting will be held via teleconference software. Members of the public may access a livestream of the meeting here: https://www.azleg.gov/videoplayer/?clientID=6361162879&eventID=2021011066

Members:

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

1. Welcome & Introductions
2. Adoption of Committee Rules - adopted - voice vote

Bills		Short Title	Strike Everything Title
HB2044	DP	insurance; omnibus.	
		(Weninger)	
	10-0-0-0	COM, RULES	
HB2045	DP	civil rights; amendments	
		(Weninger)	
	10-0-0-0	COM, RULES	
HB2049	DP	eminent domain; existing contracts	
		(Weninger)	
	7-3-0-0	COM, RULES	
HB2050	DPA	liquor omnibus	
		(Weninger)	
	10-0-0-0	COM, RULES	
*HB2085	DP	real estate; employees; rent collection	
		(Chaplik; Carroll, Toma)	
	10-0-0-0		

Attachment 1

Bills	Short Title	Strike Everything Title
*HB2108 6-4-0-0 DP	telecommunications; public highways; use; fees (Weninger)	
*HB2109 DP 10-0-0-0	bingo; conduct; licenses (Lieberman: Dunn, Sierra, et al)	
*HB2120 NOT Assigned	timeshares; public reports; purchase contracts (Bolick)	
*HB2160 NOT Assigned	occupational safety; advisory committee; enforcement (Kaiser)	
*HB2161 NOT ASSIGNED	tourism marketing authorities. (Kaiser: Blackman, Chaplik, et al)	

* If printed, first read and assigned

ORDER OF BILLS TO BE SET BY THE CHAIRMAN

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

DF
01/14/2021

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

Information Registered on the Request to Speak System

House Commerce (1/19/2021)

HB2044, insurance; omnibus.

Support:

Marc Osborn, Chubb Insurance , Claims And Litigation Alliance, Federal Home Loan Bank SF, National Home Service Contract Association; Ellen Poole, Executive Director, SW Region Govt Relations, American Property & Casualty Insurers; Michelle Ahlmer, American Property And Casualty Insurance Association

Neutral:

Stephen Briggs, AZ DEPT OF INSURANCE AND FINANCIAL INSTITUTIONS

HB2045, civil rights; amendments

Support:

Karen McClelland, representing self; Rebekah Browder, representing self; Kelly Rostan, representing self; Linda Sessions, representing self; Nancy Cohen, representing self; Ellen Cheek, representing self; Edith Lefevre, AZ ATTORNEY GENERAL'S OFFICE; Charles Williams, representing self; Rivko Knox, representing self; ellen katz, William E. Morris Institute For Justice; Robert McCormick, representing self; howard johnson, representing self; Janet Larkin, representing self; Jessie Armendt, MARCH OF DIMES BIRTH DEFECTS FOUNDATION; Dianne Post, AZ NATIONAL ORGANIZATION FOR WOMEN (NOW), Self; margaret gallagher, representing self; Alice Stambaugh, representing self; Sharon Lee, representing self; Irene Hunting, representing self; Ralph Meredith, representing self; Gayle Meredith, representing self; Joan Marie Beverstock, representing self; Ruth Shea, representing self; Martha O'Connor, representing self; Patricia Bauer, representing self; Gail Prestera, representing self; Candace Wilkinson, representing self; Mary Ganapol, representing self; Peggy Klein, representing self; David Patchen, representing self; Margaret Owen, representing self; Barbara Patchen, representing self; Ilene Riffle, representing self; Laura Terech, representing self; Nelson Morgan, representing self; Shelly Gordon-Gray, representing self; J Nicholas Prestera, representing self; Linda McCormick, representing self; Chris Comer, representing self; William Bowlus-Root, representing self

Oppose:

Karen Harris, representing self

All Comments:

Rebekah Browder, Self: On behalf of the Attorney General's Office; Charles Williams, Self: equal standards for women in employment; Robert McCormick, Self: These protections are long overdue and sorely needed.; Janet Larkin, Self: This is an equality issue.

Attachment 2

HB2049, eminent domain; existing contracts

Support:

Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ; garry hays, Harvard Investments, Inc.; Steve Trussell, AZ ROCK PRODUCTS ASSN; Brian Murray, MARKET FREEDOM ALLIANCE; John Morris, representing self; Cheryl Lombard, VALLEY PARTNERSHIP; Chad Guzman, EPCOR WATER

Oppose:

Tom Savage, LEAGUE OF ARIZONA CITIES & TOWNS; robert wingo, SURPRISE, CITY OF; Thomas Adkins, PEORIA, CITY OF; Dale Wiebusch, MARICOPA, CITY OF; Ginna Carico, GOODYEAR, CITY OF; Thomas Brady, representing self

All Comments:

Thomas Brady, Self: Bullhead City and other municipalities should strongly oppose this unnecessary bill. This is an attempt to hamper legitimate use of eminent domain. Purchase price in condemnation actions are clearly established by already existing laws.

HB2050, liquor omnibus

Support:

Don Isaacson, AZ LICENSED BEVERAGE ASSN; Steve Barclay, BEER & WINE DISTRIBUTORS OF ARIZONA; Wendy Briggs, DIAGEO; Jason Barraza, Associate Director, DIAGEO; Todd Baughman, WINE INSTITUTE; Trish Hart, AZ FOOD MARKETING ALLIANCE; Michelle Ahlmer, AZ RETAILERS ASSN; Mike Williams, DISTILLED SPIRITS OF US INC (DISCUS); Camila Alarcon, ARIZONA CRAFT BREWERS GUILD; Jessie Armendt, Republic National Distributing Company Of Arizona; Alan Everett, AZ WINE GROWERS ASSN; Marie Isaacson, AZ LICENSED BEVERAGE ASSN; Tom Farley, Wine Spirits Wholesalers Association Of Arizona; Dr Garrison Ellam, representing self; Peter Schelstraete, representing self

Neutral:

Barry Aarons, AZ TRIAL LAWYERS ASSOCIATION

All Comments:

Dr Garrison Ellam, Self: It is difficult to speak as I have a tracheostomy. However, I will be willing to speak, if needed.; Peter Schelstraete, Self: 4-203 (G) Support extension of time allowing Director of DLLC to relieve automatic reversion of liquor license to avoid unintended and unnecessary severe hardships to licensees.; Barry Aarons, AZ TRIAL LAWYERS ASSOCIATION: Neutral on bill, wish to speak

HB2085, real estate; employees; rent collection

Support:

Tom Farley, Arizona Association Of Realtors; John Morris, representing self; Matt Contorelli, Arizona Association Of Realtors

HB2108, telecommunications; public highways; use; fees

Support:
Robert Pizorno, CROWN CASTLE AND ITS AFFILIATES; Don Isaacson, T-MOBILE USA INC; Jason Barraza, Associate Director, AT & T INC; Jay Kaprosy, AT & T INC; John Morris, representing self; John Fetherston, AT & T INC; Marie Isaacson, T-MOBILE USA INC; Jeff Lumen Technologies, Lumen Technologies; Michael DiMaria, TOTAL SPECTRUM

Neutral:
Barbara Meaney, VERIZON; Michelle Bolton, COX COMMUNICATIONS ARIZONA, LLC, COXCOM INC

Oppose:
Tom Savage, LEAGUE OF ARIZONA CITIES & TOWNS; Brad Lundahl, SCOTTSDALE, CITY OF; Dale Wiebusch, MARICOPA, CITY OF; Salle Travis, representing self; Karen Harris, representing self; Sarah Harris, representing self; Linda Petersen-Vargas, representing self; Jacolyn Marshall, representing self; Ian Linssen, MESA, CITY OF

All Comments:
Robert Pizorno, CROWN CASTLE AND ITS AFFILIATES: Strongly support - representing Crown Castle; Jeff Lumen Technologies, Lumen Technologies: changing from self to company I represent; Michael DiMaria, TOTAL SPECTRUM: Representing Total Spectrum not self; Sarah Harris, Self: Telecom companies do not need new tax cuts; they make money hand over fist. I oppose preemption of local authority and local tax revenues. The leg has taken enough from AZ towns. Please invest in implementing data privacy protections instead.; Jacolyn Marshall, Self: Unnecessary and fiscally irresponsible.; Michelle Bolton, COX COMMUNICATIONS ARIZONA, LLC, COXCOM INC: Cox has concerns/questions re:bill; we are in process of scheduling mtg with Crown Castle (proponents) regarding bill language to discuss the language and ask legal questions. Thx to bill sponsor for helping get this set up.

HB2109, bingo; conduct; licenses

Neutral:
Bill Ritz , AZ DEPT OF REVENUE

HB2120, timeshares; public reports; purchase contracts

Support:
Louis Dettorre, Legislative Liaison, Arizona Department of Real Estate, AZ DEPT OF REAL ESTATE

HB2160, occupational safety; advisory committee; enforcement

Support:
Chad Heinrich, NATIONAL FEDERATION OF INDEPENDENT BUSINESS; Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ; David M. Martin, ARIZONA CHAPTER Of The ASSOCIATED GENERAL CONTRACTORS OF AMERICA, INC.; James Ashley, INDUSTRIAL COMMISSION OF AZ; Courtney Coolidge, AZ CHAMBER OF COMMERCE; Trevor Laky, INDUSTRIAL COMMISSION OF AZ

All Comments:

James Ashley, INDUSTRIAL COMMISSION OF AZ: .

HB2161, tourism marketing authorities.

Support:

Barry Aarons, VISIT MESA, VISIT PHOENIX, VISIT TUCSON; Kim Sabow, Arizona Lodging & Tourism Association; Laura Magnus, EXPERIENCE SCOTTSDALE; Jaime Molera, ARIZONA LODGING AND TOURISM ASSOCIATION; Steve Barclay, BEER & WINE DISTRIBUTORS OF ARIZONA; Mike Huckins, GREATER PHOENIX CHAMBER OF COMMERCE; Courtney Coolidge, AZ CHAMBER OF COMMERCE; Mike Hutchinson, representing self; Maria Baier, representing self; Marc Garcia, representing self

Neutral:

Brad Lundahl, SCOTTSDALE, CITY OF; Miranda DeWitt, MESA, CITY OF

Oppose:

Ben Beckhart, REPUBLICAN LIBERTY CAUCUS OF ARIZONA; Karen Harris, representing self; Sarah Harris, representing self; Linda Petersen-Vargas, representing self; Jacolyn Marshall, representing self; David Kahn, REPUBLICAN LIBERTY CAUCUS OF ARIZONA; Salle Travis, representing self

All Comments:

Mike Hutchinson, Self: The PHX East Valley Partnership Board of Directors and staff strongly encourage your support of this bill.; Maria Baier, Self: On behalf of the Phoenix Suns organization, thank you for hearing this bill. If it becomes law, it will significantly assist one of AZ's most significant statewide industries in recovering from the economic challenges brought by the pandemic.; Marc Garcia, Self: Will only speak if needed/requested.; Ben Beckhart, REPUBLICAN LIBERTY CAUCUS OF ARIZONA: HB2161 creates six pages of new statute, allowing cities/counties to create Tourism Marketing Authorities who can impose a new tax on hotel rooms. This bill increases bureaucracy and taxes. We respectfully oppose HB2161 and ask for a No vote.; Sarah Harris, Self: I support funding thru the tourism office and allocation it in budget, not consumer fees and local bureaucracies. I support re-establishing the film industry in Arizona to bring real jobs for crafts and technology vs service work.; Jacolyn Marshall, Self: Raising fees for consumers during a pandemic is not a good, fair or just idea.; David Kahn, REPUBLICAN LIBERTY CAUCUS OF ARIZONA: This bill will grow government bureaucracy and raise taxes. We should instead be looking for solutions that shrink government and cut taxes, while empowering a free market. We ask legislators to oppose HB2161 and vote No.

ARIZONA STATE LEGISLATURE

Fifty-fifth Legislature - First Regular Session

COMMITTEE ATTENDANCE RECORD

COMMITTEE ON COMMERCE

CHAIRMAN: Jeff Weninger VICE-CHAIRMAN: Steve Kaiser

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

√ Present --- Absent exc Excused

Attachment 3

Attachment 1

COMMITTEE ON COMMERCE
Standing Committee Rules

adopted by voice vote

RULE 1. A majority of the members of the committee shall constitute a quorum. No official action may be taken unless a quorum is present in person or remotely at the time of taking such action.

RULE 2. The chairman sets the agenda and determines the order of measures. The chairman also controls all public testimony.

RULE 3. The following motions are customary and in order relating to actions on measures:

1. Do pass
2. Do pass as amended
3. Return for consideration of the House
4. Hold for further study
5. Do not pass
6. Be assigned to subcommittee for....

RULE 4. The affirmative vote of a majority of those voting is required to take any action.

RULE 5. On a roll call vote the names of committee members shall be called alphabetically by surname; except that the vice chairman and the chairman shall be called upon last. Each member present shall be allowed to pass on one call of the roll, and shall vote "yes" or "no" (aye, nay) or respond "present." Members may change their votes before the announcement of the results and members may explain their vote on any measure.

RULE 6. Whenever a measure is reported from the committee on a divided vote, any member may request a minority report.

RULE 7. All amendments (except strike-everything amendments, see House Rule 8.S) shall be distributed to each committee member's office by 12:00 P.M. the day before the committee at which it will be offered. Verbal amendments may be offered during the committee meeting at the discretion of the chairman.

In accordance with Rule 9 of the House *Rules*, the following House *Rules* are also incorporated into the Committee *Rules*:

RULE 9(C). Each Standing Committee shall adopt and file with the Chief Clerk's Office rules of procedure consistent with the House *Rules* and shall include the following:

1. With the exception of executive session ordered by a majority of the committee constituting a quorum, all committee meetings shall be open to the other members of the Legislature, the press and public so long as proper decorum is maintained.

2. All committees shall meet at regularly scheduled times and places unless canceled with the permission of the Speaker. In the absence of the chairman, the vice chairman shall preside. In the absence of both the chairman and vice chairman, some other committee member designated by the Speaker shall preside.

3. The committee chairman (presiding officer) other than the chairman of the Committee on Rules shall prepare an agenda and distribute copies to committee members, the Information Desk and the Chief Clerk's Office by 5:00 p.m. at least five days before the committee meeting. Absence of a bill, memorial or resolution from the committee agenda will prohibit its consideration unless unanimous consent of all committee members is obtained. Unless a reconsideration motion has been offered and failed, a chairman may place a measure that failed in Committee on any subsequent agenda.

4. A bill not on the committee agenda shall be scheduled for discussion at the next subsequent committee meeting by a presentation of a petition containing the signatures of two-thirds or more of the committee members.

5. A roll call vote shall be taken in each standing committee when final action on any bill is voted.

6. Written committee minutes shall be filed with the Chief Clerk's Office within a reasonable time but no later than two weeks from time of completion of meetings. An audio recording of the meeting shall be open to public inspection in the Chief Clerk's Office three working days after the meeting. Attendance records of all committee meetings shall be filed with the Chief Clerk's Office within 24 hours from time of completion of meetings.

7. Special meetings may be called by the chairman but require permission of the Speaker and notice to members and the general public at the Information Desk by 5:00 p.m. on the previous day, except that the notice of a special meeting of the Committee on Rules may be given in open session prior to the meeting and does not require the Speaker's permission.

RULE 9 (E). No committee other than the Committee on Rules shall meet while the House is meeting in session without special permission of the Speaker.

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

HB 2044: insurance; omnibus.
Sponsor: Representative Weninger, LD 17
Committee on Commerce

Overview

Makes various changes to insurance statutes relating to home service warranty contracts, electronic communications and records of insurers, Federal Home Loan Banks and insurer licensing.

History

Established by the Federal Home Loan Bank Act, the Federal Home Loan Bank System provides its members with a source of funding for: 1) mortgages and asset-liability management; 2) liquidity for a member's short-term needs; and 3) additional funds for housing finance and community development.

During a delinquency proceeding involving the liquidation, rehabilitation or reorganization of an insolvent insurer, a court may issue an injunction against an insurer preventing: 1) interference with the receiver or proceeding; 2) the waste of the assets of the insurer; 3) the commencement or prosecution of any actions; 4) the obtaining of preferences, judgments, attachments or other liens; and 5) the making of any levy against the insurer or against its assets (A.R.S. § 20-614).

Law requires all proceedings in which the insolvent insurer is a party to be stayed for six months from the date of insolvency to permit proper defense by the Property and Casualty Guaranty Fund of all pending causes of action as to any covered claim (A.R.S. § 20-676).

Provisions

1. Defines *deliver.* (Sec. 1)
2. Clarifies the Department of Insurance and Financial Institutions (DIFI) may send orders and notices by mail, personal delivery or fax or by electronic means. (Sec. 2)
3. Requires an insurer, who uploads a document or notice to a portal or secure website, to send a separate notice to the receiving party that: 1) specifies that the document or notice has been uploaded; and 2) includes a description of the document or notice. (Sec. 3)
4. Removes the requirement that an insurer confirm consent electronically with a party in advance in order to deliver a notice or document by electronic means. (Sec. 3)
5. Removes the requirement that an insurer obtain distinct advanced electronic consent from a named insured for delivery of a notice of cancellation, nonrenewal or reduction of limits of motor vehicle insurance. (Sec. 3)
6. Removes the requirement that an insurer obtain distinct advanced electronic consent from a named insured for delivery of a notice of cancellation, nonrenewal or reduction of limits of motor vehicle insurance. (Sec. 3)

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

7. Applies electronic communications and records requirements to the following policies and annuities: disability, marine and transportation, surety, prepaid legal and dental, title, identity theft, workers' compensation, and policies and contracts issued by health care services organizations and hospital, medical, dental and optometric service corporations. (Sec. 3)

8. Exempts, from insurance producer licensure requirements, a person: a) whose activities in Arizona are limited to providing a website or other electronic platform for insurers or insurance producers to sell insurance; and b) who processes payments or charges for insurance premiums, if the person does not sell, solicit or negotiate insurance. (Sec. 4)

9. Excludes, from the definition of *adjuster*, an individual, rather than an employee of a third-party administrator or self-insured employer, who investigates or negotiates settlement of only workers' compensation claims. (Sec. 5)

10. Waives examination and residency requirements for an adjuster license applicant who holds a current claims certificate issued by an association with a Director-approved certification program. (Sec. 6)

11. Requires the Workers' Compensation Appeals Board to mail, rather than send, a written notice of its decision in a requested review of the application of a rating system. (Sec. 7)

12. Specifies that a nonrenewal of commercial insurance is not effective unless the insurer sends a copy of the notice of nonrenewal to the named insured in addition to the insured's agent. (Sec. 19)

Federal Home Loan Banks (FHLB)

13. Defines *federal home loan bank* and *insurer member*. (Sec. 8)

14. Prohibits, in insurance receivership and insolvency proceedings, an FHLB from being stayed, enjoined or prohibited from exercising or enforcing any right or cause of action against collateral pledged by an insurer member under any:
    a) FHLB security agreement; or
    b) pledge, security, collateral or guarantee agreement, or other similar arrangement or credit enhancement relating to a security agreement to which an FHLB is a party. (Sec. 9, 10, 13, 14)

15. Makes a conforming change. (Sec. 11)

16. Prohibits a receiver, rehabilitator, liquidator or conservator from voiding any transfer of money or other property in connection with any FHLB security agreement or similar arrangement with an insurer member, unless the transfer is made with actual intent to hinder, delay or defraud existing or future creditors. (Sec. 12, 15)

Home Service Warranty Contracts

17. Includes a lessee of real property in the definition of *consumer*. (Sec. 16)

18. Modifies the definition of *consumer product* as any property, rather than only tangible personal property, that:
    a) is normally used for personal, family or household purposes; and
    b) becomes part of the intended usefulness of real property or is typically transferred with real property as an integral functioning utility appliance or system. (Sec. 16)

19. Specifies that the definition of *service contract* is a written contract or agreement that covers, in whole or in part, services performed for the operational or structural failure of a consumer product, with or without additional indemnity payments.

a) Adds *roof leak* to the list of circumstances that may result in an indemnity payment. (Sec. 16)

20. Removes the requirement that a corporation's annual financial statement be independently audited and certified by a certified public accountant to qualify for exemption from DIFI service company requirements. (Sec. 17)

21. Decreases, from $100,000,000 to $25,000,000, the minimum net worth that certain corporations must maintain to qualify for exemption from DIFI service company permit requirements. (Sec. 17)

22. Modifies the circumstances in which a service company may cancel a service contract. (Sec. 18)

23. Prohibits administrative expenses associated with a service contract cancellation from exceeding the lesser of $75 or 10 percent of the service contract purchase price, rather than 10 percent of the gross amount paid by a service contract holder for the service contract. (Sec. 18)

24. Prohibits any administrative expense assessed for a cancellation of a service contract from exceeding the refund amount due to the service contract holder. (Sec. 18)

25. Allows a service contract's disclosure of material acts or omissions of a contract holder that cancel or void coverage to include:
    a) fraudulent or unlawful acts by the contract holder arising out of or relating to the service contract; and
    b) the contract holder's use of a covered consumer product in an unintended manner that is likely to increase the likelihood that the consumer product will be damaged or require repairs. (Sec. 18)

26. Require a service contract to disclose whether the contract covers or excludes preexisting conditions. (Sec. 18)

27. Allows a service contract to exclude preexisting conditions only if the conditions were known or would have been known by visually inspecting, operating or testing the covered property. (Sec. 18)

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2044

DATE January 19, 2021 MOTION: DP

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

Iris Mc Mahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 6

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

HB 2045: civil rights; amendments
Sponsor: Representative Weninger, LD 17
Committee on Commerce

Overview
Codifies statute to federal law regarding the terms *because of sex* and *on the basis of sex.*

History
The Civil Rights Division of the Attorney General's Office administers and enforces civil rights statutes relating to voting rights, employment, public accommodations and fair housing.

Pursuant to A.R.S. § 41-1463, it is unlawful for an employer to discriminate against any individual with respect to employment because of the individual's race, color, religion, sex, age, national origin or on the basis of disability.

Federal law outlines actions that constitute an unlawful employment practice (42 U.S.C. § 2000e). Further, federal law notes: The terms "because of sex" or "on the basis of sex" include, but are not limited to, because of or on the basis of pregnancy, childbirth, or related medical conditions; and women affected by pregnancy, childbirth, or related medical conditions shall be treated the same for all employment-related purposes, including receipt of benefits under fringe benefit programs, as other persons not so affected but similar in their ability or inability to work.

Provisions
1. Increases the amount of time a person has, after receiving a subpoena requiring the person to produce any evidence in their possession or control, to petition the Attorney General (AG) to revoke, limit or modify the subpoena from 5 days to 14 days. (Sec. 1)
2. Specifies the terms *because of sex* and *on the basis of sex* as used in the discrimination of employment statutes includes "because of or on the basis of pregnancy or childbirth or related medical conditions". (Sec. 3)
3. Asserts women who are affected by pregnancy, childbirth or related medical conditions must be treated the same for all employment-related purposes as others that are not so affected but similar in their ability or inability to work.
   a. Adds an employer may not differentiate wages or compensation for women who are affected by pregnancy, childbirth or related medical conditions. (Sec. 4)
4. Specifies an employee or an individual in an apprenticeship or other training or retraining program may not be discriminated against for:
   a. Opposing an unlawful employment practice; or
   b. Making a charge, testifying, assisting or participating in an employment discrimination investigation, proceeding or hearing. (Sec.5)

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

5. Removes the 90-day timeframe for a charging party to a civil action after the AG's notice that the charge was dismissed or has not filed a civil action or entered into a conciliation agreement. (Sec. 6)
6. Permits, rather than requires, the AG to file a civil action if a conciliation agreement is not reached within 30 days after the AG has determined that reasonable cause exists to believe laws have been violated. (Sec. 7)
7. Makes technical and conforming changes.

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2045

DATE January 19, 2021 MOTION: DP

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

Iris McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 8

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

HB 2049: eminent domain; existing contracts
Sponsor: Representative Weninger, LD 17
Committee on Commerce

Overview

Asserts a municipality assumes all existing assets and contractual obligations of a public utility business or enterprise if acquired by eminent domain.

History

Eminent domain refers to the power of a governmental entity to take private property and convert it to public use. The state Constitution requires that *just compensation* be given to the owner if private property is damaged or taken for public or private use (Az Constitution Article 2, Section 17).

Actions for taking property by condemnation must be brought as a civil action in superior court. The plaintiff must deliver the following to the property owner at least 20 days prior to filing an action:

1) A written offer to purchase the property and to pay just compensation for the property.
2) An appraisal that supports the proposed compensation amount. (A.R.S. § 12-1116)

Current law allows a municipality to exercise the right of eminent domain either within or without its corporate limits for specified purposes. Additionally, the municipality may establish and operate any plants, electric lines and pipelines on any land or right-of-way taken under eminent domain (A.R.S. § 9-511).

Provisions

1. Requires a municipality, when exercising the right of eminent domain to acquire a public utility business or enterprise, to assume all existing assets and contractual obligations associated with providing current and future utility service in the certificate of convenience and necessity that is being condemned, unless all the parties to the contractual obligation agree otherwise. (Sec. 1)
2. Deems contracts that a public utility business or enterprise that is being condemned enters into in bad faith and to impede the condemnation within 60 days of receiving a municipality's purchase offer as against public policy and void. (Sec. 1)
3. Makes technical changes. (Sec. 1)

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2049

DATE January 19, 2021 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Chaplik		✓			
Cook		✓			
Espinoza			✓		
Fernandez			✓		
Meza		✓			
Nutt		✓			
Powers Hannley			✓		
Wilmeth		✓			
Kaiser, Vice-Chairman		✓			
Weninger, Chairman		✓			
		7	3	0	0

Iris McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 10

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

HB 2050: liquor omnibus
Sponsor: Representative Weninger, LD 17
Committee on Commerce

Overview
Makes various changes to statute relating to alcoholic beverages.

History
The Department of Liquor Licenses and Control (Department), which consists of the State Liquor Board and the Office of the Director (Director) of the Department regulates the manufacture, distribution and sale of liquor in this state through the issuance of 21 license types or series. A separate license is required for each specific type of business and is issued only after a satisfactory showing of the capability, qualifications and reliability of the applicant. With the exception of wholesaler, producer, government or club licensees, issuance also requires a satisfactory showing that the public convenience and best interest of the community will be substantially served by the issuance of the license (A.R.S. § 4-203).

Statute outlines the grounds for license revocation, suspension and refusal to renew which include, failing to take reasonable steps to protect the safety of a customer entering leaving or remaining on the licensed premises when the licensee knew or reasonably should have known of the danger to the person (A.R.S. § 4-210).

Provisions
1. Requires the Director to relieve a licensee from a prior license reversion, unless a reverted license has been reissued, if a request for reversion relief is filed no later than two years after the reversion date. (Sec. 1)
2. Allows the Director to issue both a microbrewery license and a farm winery license that are located on the same land to the same bona fide educational institution for the purposes of postsecondary educational instruction. (Sec. 2)
3. Increases the cap that a licensed craft distiller may produce in a year for sale and delivery to an on-sale and off-sale retailer from 1,189 gallons to 3,566 gallons. (Sec. 3)
4. Prohibits a joint premises licensee from allowing a person under the legal drinking age who is not accompanied by a spouse, parent, grandparent or legal guardian of legal drinking age, rather than an adult, to remain in the area of the joint premises. (Sec. 4)
5. Specifies the duty to protect a customer on the premises does not limit the licensee from using reasonable intervention, restraint or removal of a person to prevent that person from injuring other persons on the premises or damaging or disrupting the premises. (Sec. 5)
6. Exempts wine that is produced for personal or family use that is not for sale from laws governing alcoholic beverages. (Sec. 6)

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

7. Allows wine to be removed from the premises where it was made for certain contests. (Sec. 6)
8. Increases the amount of beer or cooler products that may be provided as samples to retail consumers at an on-sale premises from 12 ounces to 16 ounces. (Sec. 7)
9. Allows a retailer to order, purchase or receive a spirituous liquor from a licensed craft distiller that produces less than the allowable amount as defined in statute for sale and delivery. (Sec. 8)
10. Allows a representative of a producer or wholesaler that is participating at a special event to consume small amounts of the products on the premises of the event for quality control purposes. (Sec. 9)
11. Stipulates an on-sale retailer licensee is not in violation of law relating to the service and pouring of a spirituous liquor if the licensee installs a functioning locking device or removes the bottle and lock from bottle service when a customer removes or tampers with the locking device. (Sec. 9)
12. Makes technical changes. (Sec. 1, 2, 3, 4, 6, 7, 8, 9)

House Committee on Commerce
Verbal amendment to HB2050 (printed)
Offered 1/19/21 by Rep. Steve Kaiser

Page 12, line 29, after "RESTRAINT" insert a comma

Attachment 12

Adopted ✓ # of Verbals 1
Failed _____ Withdrawn _____
Not Offered ___ Analysis Initials ___

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2050

DATE January 19, 2021 MOTION: DPA

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

Chris McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 13

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

HB 2085: real estate; employees; rent collection
Sponsor: Representative Chaplik, LD 23
Committee on Commerce

Overview
Allows an unlicensed person to collect rent on behalf of a real estate broker or salesperson.

History
Statute defines *real estate broker* as a person, other than a salesperson, who, for another and for compensation conducts transactions in real estate, businesses and business opportunities or time share interests. This includes sales, exchanges, purchases, renting, leasing, negotiations, listing, auctions, offers and collecting or attempting to collect rent for the use of real estate (A.R.S. § 32-2101).

Statute defines *real estate salesperson* as a natural person who acts on the person's own, or on the behalf of another who is licensed as a real estate broker, in any transaction that is the same as those defined as the transactions of a real estate broker including the collection of rent (A.R.S. § 32-2101).

It is unlawful for any person, corporation, partnership or limited liability company to engage in the activities of a real estate broker or salesperson without first obtaining the appropriate license (A.R.S. § 32-2122).

Provisions
1. Authorizes an unlicensed person who works for a real estate broker or a real estate salesperson to collect, in-person, rent and related fees for the use of real estate when these collections are part of that person's clerical duties and they provide a receipt upon payment. (Sec. 1, 2)
2. Directs the Commissioner of the Department of Real Estate to require an out-of-state applicant for a real estate license to pass an exam on the laws of real estate before licensure. (Sec. 3)
3. Makes technical changes. (Sec. 1, 2, 3)

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

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2085

DATE January 19, 2021 MOTION: DP

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

Iris McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 15

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

HB 2108: telecommunications; public highways; use; fees
Sponsor: Representative Weninger, LD 17
Committee on Commerce

Overview
Proscribes the requirement of an annual fee for telecommunications corporations.

History
Pursuant to A.R.S. § 9-583, a political subdivision may require a telecommunications corporation to pay an annual fee based on the number of linear feet of trench in the public highways in which the telecommunications corporation has placed facilities that carry interstate traffic between and among the telecommunications corporation's interstate points of presence exclusive of facilities used by the local network and the portion of the interstate network that carries intrastate calls.

When calculating the annual fee, the rate per linear foot cannot exceed the highest rate per linear foot that the political subdivision charged any licensee or franchisee prior to January 1992. The rate cannot be increased in any calendar year by more than the increase in the average consumer price index as published in the United States Department of Labor, Bureau of Labor Statistics.

A *small wireless facility* is a wireless facility that meets both of the following qualifications:

1) All antennas are located inside an enclosure of not more than 6 cubic feet in volume or, if an antenna has exposed elements, all of those elements could fit within an imaginary enclosure of the same dimensions.
2) All other wireless equipment associated with the facility is cumulatively not more than 28 cubic feet in volume, or 50 cubic feet in volume if the equipment was ground mounted before August 9, 2017. (A.R.S. § 9-591).

Provisions
1. Prohibits a political subdivision from requiring a telecommunications corporation to pay an annual fee for underground facilities that are used for a small wireless facility. (Sec. 1)
2. Makes technical changes. (Sec. 1)

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

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2108

DATE January 19, 2021 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Chaplik		✓			
Cook		✓			
Espinoza			✓		
Fernandez			✓		
Meza			✓		
Nutt		✓			
Powers Hannley			✓		
Wilmeth		✓			
Kaiser, Vice-Chairman		✓			
Weninger, Chairman		✓			
		6	4	0	0

Lois McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 17

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

HB 2109: bingo; conduct; licenses
Sponsor: Representative Lieberman, LD 28
Committee on Commerce

Overview

Increases bingo licenses gross receipt thresholds and the cap on the amount of cash prizes payable by check.

History

The Department of Revenue (ADOR) enforces bingo laws and issues bingo licenses. Licenses are divided into three classifications based on the gross receipts. A class A license may be issued to a person in which the gross receipts cannot exceed $15,600 per year. A class B license may be issued to a qualified organization which the gross receipts cannot exceed $300,000 per year. A class C license may be issued to a qualified organization which the gross receipts exceed $300,000 per year. (A.R.S. § 5-413)

If the licensee's gross receipts exceed the limits, the licensee must:

1) Immediately notify ADOR that the limit has been exceeded;
2) Submit documents and meet the requirements for the new class of license applicable to the level of gross receipts;
3) Pay ADOR the fee for the appropriate class of the license minus the amount originally submitted; and
4) Pay any tax at the rate applicable to the new class of license. (A.R.S. § 5-415)

Under current law a person cannot conduct a lottery or raffle within 1,000 feet of or for a 12-hour period before and after a bingo game or occasion. (A.R.S. § 5-406)

Provisions

1. Removes the prohibition on conducting a lottery or raffle within a 12-hour period before or after a bingo occasion or game on any premises used for bingo games or within 1000 feet of the bingo game. (Sec. 1)
2. Increases the threshold amount for cash prizes to be paid by check from amounts of $150 or greater to amounts of $1,100 or greater. (Sec. 2)
3. Increases bingo license the gross receipt amount thresholds:
   a. Class A license, amounts that do not exceed $75,000;
   b. Class B license, amounts that do not exceed $500,000; and
   c. Class C license, amounts that exceed $500,000. (Sec. 3)
4. Makes technical and conforming changes (Sec. 1, 2)

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2109

DATE January 19, 2021 MOTION: DP

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

Iris McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 19