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

# COMMITTEE ON COMMERCE

Report of Regular Meeting
Tuesday, January 28, 2020
House Hearing Room 3 -- 2:00 P.M.

**Convened** 2:00 P.M.
**Recessed**
**Reconvened**
**Adjourned** 4:00 P.M.

MINUTES RECEIVED
CHIEF CLERK'S OFFICE
1-31-20

**Members Present**
Mr. Biasiucci
Ms. Butler
Mr. Chávez
Ms. Epstein
Mr. Kern
Mr. Roberts
Mr. Grantham, Vice-Chairman
Mr. Weninger, Chairman

**Members Absent**
Mr. Meza

**Agenda**
Original Agenda – Attachment 1

**Request to Speak**
Report – Attachment 2

**Committee Attendance**
Report – Attachment 3

**Committee Action**

| Bill | Action | Vote | Attachments |
|---|---|---|---|
| HB2363 | DP | 8-0-0-1 | 4, 5, 6 |
| HB2644 | DP | 6-2-0-1 | 7, 8 |
| HB2144 | DP | 8-0-0-1 | 9, 10 |
| HB2645 | DP | 8-0-0-1 | 11, 12 |
| HB2373 | DP | 8-0-0-1 | 13, 14 |

Iris McMahon, Committee Secretary
January 31, 2020

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

Convened: 2:00pm

Adjourned: 4:00pm

**REVISED - 1/24/20** **REVISED - 1/24/20** **REVISED - 1/24/20**

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

REGULAR MEETING AGENDA

# COMMITTEE ON COMMERCE

DATE Tuesday, January 28, 2020 ROOM HHR 3 TIME 2:00 P.M.

Members:

| | | |
|---|---|---|
| Mr. Biasiucci | Ms. Epstein | Mr. Roberts |
| Ms. Butler | Mr. Kern | Mr. Grantham, Vice-Chairman |
| Mr. Chávez | Mr. Meza | Mr. Weninger, Chairman |

1. Introduction of Members and Staff

| | Bills | | Short Title | Strike Everything Title |
|---|---|---|---|---|
| 3 | HB2144 | 8-0-0-1 | state liquor board; membership | |
| | | | (Kern) | |
| | | DP | COM, RULES | |
| 1 | HB2363 | 8-0-0-1 | home solicitation sales; definition | |
| | | | (Toma) | |
| | | DP | COM, RULES | |
| 5 | HB2373 | 8-0-0-1 | factory-built building; definition | |
| | | | (Weninger) | |
| | | DP | COM, RULES | |



Attachment 1

| | Bills | | Short Title | Strike Everything Title |
|---|---|---|---|---|
| | ~~HB2537~~ | | ~~cat declawing; prohibition; exceptions~~ | |
| | | | ~~(Shah: Campbell, Fillmore, et al)~~ | |
| | | | ~~COM, LAG, RULES~~ | |
| 2 | HB2644 | 6-2-0-1 | liability insurance restatement; prohibition | |
| | | | (Weninger: Allen J, Livingston, et al) | |
| | | DP | COM, RULES | |
| 4 | HB2645 | 8-0-0-1 | insurers; insolvency; administration | |
| | | | (Weninger: Meza, Alston, et al) | |
| | | DP | COM, RULES | |

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

im
~~01/22/2020~~
01/24/2020

**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 (1/28/2020)*

## HB2144, state liquor board; membership

### Testified in support:
Marcus Dell'Artino, City Of Glendale

### Support:
Marge Zylla, TEMPE, CITY OF; Brad Lundahl, SCOTTSDALE, CITY OF; Amber Wakeman, City Of El Mirage; Rob Bohr, GILBERT, TOWN OF; Jessica Blazina, City Of Avondale; Ginna Carico, PEORIA, CITY OF; Dale Wiebusch, MARICOPA, CITY OF; Yesenia Dhott, PHOENIX, CITY OF; Ian Linssen, MESA, CITY OF; Ryan Lee, GLENDALE, CITY OF; Alexis Apodaca, representing self; Roxanna Pitones, LEAGUE OF ARIZONA CITIES & TOWNS

### Oppose:
Dr Garrison Ellam, representing self

### All Comments:
Alexis Apodaca, Self: On behalf of the City of Chandler.; Roxanna Pitones, LEAGUE OF ARIZONA CITIES & TOWNS: Support. Adds municipal member to State Liquor Board, without creating additional red tape.; Dr Garrison Ellam, Self: Currently local governing bodies have a say in the licensing of liquor establishments and allowing a permanent seat on the Liquor Board would afford an unfair advantage for local governing bodies to have a second attempt to injure a business.

## HB2363, home solicitation sales; definition

## HB2373, factory-built building; definition

### Testified in support:
Jessie Armendt, KATERRA INC

### Testified as neutral:
Zackary Goetz, AZ DEPARTMENT OF HOUSING

### Support:
Kelsey Lundy, KATERRA INC

### Neutral:
Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ

Attachment 2

### All Comments:

Jessie Armendt, KATERRA INC: This bill fixes an issue for the Department of Housing and Katerra supports this change.; Zackary Goetz, AZ DEPARTMENT OF HOUSING: This is a technical fix that restores proper oversight and regulation of the panelized and modular construction industries.

## HB2644, liability insurance restatement; prohibition

### Testified in support:

Ellen Poole, Executive Director, SW Region Govt Relations, American Property & Casualty Insurers; Courtney Coolidge, AZ CHAMBER OF COMMERCE

### Testified as opposed:

Kevin DeMenna, American Law Institute; Barry Aarons, AZ TRIAL LAWYERS ASSOCIATION; Scott Bales, representing self; Jeff Willis, representing self; Don Bivens, representing self

### Support:

Michelle Ahlmer, representing self; Daniel Romm, ALLSTATE INSURANCE CO, American Family Insurance, FARMERS INSURANCE GROUP OF COMPANIES, GOVERNMENT EMPLOYEES INSURANCE COMPANY (GEICO), LIBERTY MUTUAL INSURANCE GROUP, NATIONWIDE MUTUAL INSURANCE COMPANY, Chubb Insurance ; Kerry L. Hayden, UNITED SERVICES AUTOMOBILE ASSN (USAA); Marc Osborn, Geico; Liberty Mutual Insurance; Nationwide Insurance

### Neutral:

Don Isaacson, STATE FARM INSURANCE COMPANIES; Marie Isaacson, STATE FARM INSURANCE COMPANIES

### Oppose:

Ryan DeMenna, American Law Institute

### All Comments:

Courtney Coolidge, AZ CHAMBER OF COMMERCE: Yes; Barry Aarons, AZ TRIAL LAWYERS ASSOCIATION: oppose.; Don Isaacson, STATE FARM INSURANCE COMPANIES: changed position to neutral.

## HB2645, insurers; insolvency; administration

### Testified in support:

Marc Osborn, Federal Home Loan Bank SF

### Support:

Chuck Bassett, Blue Cross Blue Shield Of AZ; Daniel Romm, AMERICAN COUNCIL OF LIFE INSURERS (ACLI); karen kruse, FHLB

# ARIZONA STATE LEGISLATURE

Fifty-fourth Legislature - Second Regular Session

## COMMITTEE ATTENDANCE RECORD

COMMITTEE ON **COMMERCE**

CHAIRMAN: Jeff Weninger VICE-CHAIRMAN: Travis W. Grantham

| | DATE | 01/28/20 | /20 | /20 | /20 | /20 |
|---|---|---|---|---|---|---|
| | CONVENED | 2:00 pm | m | m | m | m |
| | RECESSED | | | | | |
| | RECONVENED | | | | | |
| | ADJOURNED | 4:00 pm | | | | |
| MEMBERS | | | | | | |
| Biasiucci | | ✓ | | | | |
| Butler | | ✓ | | | | |
| Chávez | | ✓ | | | | |
| Epstein | | ✓ | | | | |
| Kern | | ✓ | | | | |
| Meza | | exc | | | | |
| Roberts | | ✓ | | | | |
| Grantham, Vice-Chairman | | ✓ | | | | |
| Weninger, Chairman | | ✓ | | | | |

√ Present --- Absent exc Excused

Attachment 3

# ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fourth Legislature
Second Regular Session

## HB 2363: home solicitation sales; definition
## Sponsor: Representative Toma, LD 22
## Committee on Commerce

**Overview**
Modifies the definition of *home solicitation sale.*

**History**
A *home solicitation sale* is defined as a sale of goods or services in which the seller personally solicits the sale and the buyer's agreement at a home other than that of the person solicitating the same and that agreement is there given to the seller and all or any part of the purchase price is payable in installments, or a debt incurred for payment of the purchase price is payable in installments. A sale which otherwise meets the definition of a home solicitation sale, except that it is a cash sale, shall be deemed to be a home solicitation sale if the seller makes or provides a loan to the buyer or obtains or assists in obtaining a loan for the buyer to pay the purchase price (A.R.S. § 44-5001).

The buyer has until midnight of the third business day to cancel the home solicitation sale. The buyer must provide a written notice of cancellation to the seller (A.R.S. § 44-5002).

**Provisions**
1. Removes the requirement that all or any part, or a debt incurred for payment, of the purchase price be payable in installments as a qualifier for a home solicitation sale. (Sec. 1)
2. Stipulates a cash sale qualifies as a home solicitation sale provided the seller makes or provides a loan to the buyer or obtains a loan for the buyer to pay the purchase price. (Sec. 1)
3. Makes technical changes. (Sec. 1)

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

Initials PRB

Commerce
Attachment 4

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

## ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2363

DATE January 28, 2020 MOTION: DP

| | PASS | AYE | NAY | PRESENT | ABSENT |
|---|---|---|---|---|---|
| Biasiucci | | ✓ | | | |
| Butler | | ✓ | | | |
| Chávez | | ✓ | | | |
| Epstein | | ✓ | | | |
| Kern | | ✓ | | | |
| Meza | | | | | ✓ |
| Roberts | | ✓ | | | |
| Grantham, Vice-Chairman | | ✓ | | | |
| Weninger, Chairman | | ✓ | | | |
| | | 8 | 0 | 0 | 1 |

Iris McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
TRAVIS W. GRANTHAM, Vice-Chairman

ATTACHMENT 5

Ben Toma

**From:** David Wickenhauser <djwick@cox.net>
**Sent:** Wednesday, January 22, 2020 4:05 PM
**To:** Jeff Weninger
**Cc:** Ben Toma; Paul Benny
**Subject:** Wickenhauser testimony regarding ~~AB2363~~ HB 2363

Apologies if the Background portion went on too long. Believe me, I barely scratched the surface of all of the predatory and elder abuse practices that I have learned since first falling afoul of Singh Roofing's door-to-door salesmen back in April of last year.

You are welcome to use all or any part of my testimony. And thank you for giving me the opportunity to be an advocate for the elderly in our communities. These are elderly retired folks who often do not have the resources or the knowledge to defend against door-to-door predators, and who have found their savings stripped by their dishonest practices.

==========Begin Testimony==========

The Honorable Rep. Jeff Weninger, Chair, Commerce Committee
The Honorable Rep. Ben Toma, Prime Sponsor ~~A~~HB2363
Paul Benny, Research Analyst

Re: AB2363 Home Solicitation Sales; Definition

I asked Rep. Toma to amend A.R.S. §44-5001 Home Solicitation Sales Definitions in order to make Arizona's cooling-off period right-to-cancel law consistent with the FTC's definition in C.F.R. §429.0 Rule Concerning Cooling-Off Period for Sales Made at Homes Or At Other Locations.

The Federal Rule speaks to Federal preemption of weaker state cooling-off period statutes (my emphasis in bold):

> §429.2(b) This part will not be construed to annul, or exempt any seller from complying with, the laws of any State or the ordinances of a political subdivision thereof that regulate door-to-door sales, **except to the extent that such laws or ordinances, if they permit door-to-door selling, are directly inconsistent with the provisions of this part.** Such laws or ordinances which do not accord the buyer, with respect to the particular transaction, a right to cancel a door-to-door sale that is **substantially the same or greater than that provided in this part**, which permit the imposition of any fee or penalty on the buyer for the exercise of such right, or **which do not provide for giving the buyer a notice of the right to cancel the transaction in substantially the same form and manner provided for in this part, are among those which will be considered directly inconsistent.**



Attachment 6

A.R.S. §44-5001 Definitions states in part (my emphasis in bold):

> 1. "Home solicitation sale" means a sale of goods or services in which the seller or his representative personally solicits the sale and the buyer's agreement or offer to purchase is made at a home other than that of the person soliciting the same and that agreement or offer to purchase is there given to the seller or his representative **and all or any part of the purchase price is payable in installments, or a debt incurred for payment of the purchase price is payable in installments.**

The last "and" phrase in this part of the Arizona State Statute is clearly inconsistent with the Federal Rule in that it weakens Arizona's door-to-door seller definition to the extent that any door knocker in Arizona who takes full payment in cash or by check can exploit this weaker, inconsistent definition in order to escape the homeowner protections that are the heart and soul of the Federal cooling-off right-to-cancel provisions for home solicitation sales.

## BACKGROUND

My desire for the Arizona State Legislature to amend the statute to conform to the Federal Rule arose from becoming a defendant in a lawsuit brought against me and my wife by a disreputable, predatory door-to-door roofing company, Singh Roofing LLC, who tried to rely on the weaker, inconsistent Arizona definition to prove their claim against us.

I had made a lawful cancellation of Singh's Work Authorization and Proposal pursuant to Federal Rule and State Statute cooling-off period right-to-cancel, but the company's owner, Jasvinder Singh, declined to honor our lawful cancellation and sued us for breach of contract, claiming $2,300 in liquidated damages.

We immediately filed a Rule 12(b)(6) Motion to Dismiss for failure to state a claim. Singh's counsel, William Fischbach of Tiffany and Bosco, responded by claiming the cooling-off period right-to-cancel provision did not apply to Singh Roofing because according to state law Singh does not conduct home solicitation sales. Fischbach specifically cited A.R.S. §44-5001 Definitions; stating that Singh does not accept payments in installments.

Fischbach's claim was ludicrous in light of the fact that Singh's salesmen parked in front of my neighbor's house and knocked on her door. She wasn't home, so they walked down the sidewalk and knocked on my door – the very definition and example of a door-to-door home solicitation practice.

Furthermore, in testimony during a trial against another one of their lawsuit victims, a 69-year-old Sun City resident, Jasvinder Singh testified under oath that Singh's primary business strategy is soliciting sales by going door to door.

Fortunately, Judge Miles Keegan of Hassayampa Justice Court recognized the dishonest and exploitative nature of Fischbach's claim and ruled in our favor, granting our Motion to Dismiss.

However, Fischbach filed a Notice of Appeal; which was rejected pending resolution of a timing issue, but it is highly likely to be re-filed again in the future if allowed.

There is no doubt that in Singh's appeal Fischbach will rely again on exploiting the "loophole" currently existing in the Arizona cooling-off right-to-cancel statute definition.

Singh Roofing has brought suit against more than two dozen seniors in the Sun City and Sun City West communities -- average age 78, highest age 103 -- in the past 2-3 years, in addition to extorting settlements from countless others at the threat of a lawsuit, and Singh is likely to continue to abuse the elderly.

I appreciate the Arizona State Legislature taking this action to close the definition loophole in order to prevent this predatory roofing company, and others, from claiming further victims using this exploit.

David Wickenhauser, 69
Sun City West

==========End Testimony==========

# ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fourth Legislature
Second Regular Session

**HB 2644: liability insurance restatement; prohibition**
**Sponsor: Representative Weninger, LD 17**
**Committee on Commerce**

**Overview**
Asserts a liability insurance restatement is not the law or public policy.

**History**
*Liability insurance* is defined as a contract by which one party promises on consideration to compensate or reimburse another if he shall suffer loss from specified cause or to guaranty or indemnify or secure him against loss from that cause. (Black's Law Dictionary, Sixth Edition)

**Provisions**
1. Stipulates a statement of the law in the American Law Institute's Restatement of the Law, Liability Insurance is not the law or public policy of the state if the statement is inconsistent, in conflict with or not addressed by:
   a) Either the Arizona or Federal Constitution;
   b) A statute of Arizona;
   c) Case law adopted by either the Supreme Court and Appellate courts of Arizona; or
   d) Common law adopted by Arizona. (Sec. 1)
2. Asserts the American Law Institute's Restatement of the Law, Liability Insurance is not a source of Arizona law and is not recognized as an authoritative reference of this state's liability insurance law. (Sec. 1)

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

Initials PRB

Commerce
Attachment 7

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

## ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2644

DATE January 28, 2020 MOTION: DP

| | PASS | AYE | NAY | PRESENT | ABSENT |
|---|---|---|---|---|---|
| Biasiucci | | ✓ | | | |
| Butler | | | ✓ | | |
| Chávez | | ✓ | | | |
| Epstein | | | ✓ | | |
| Kern | | ✓ | | | |
| Meza | | | | | ✓ |
| Roberts | | ✓ | | | |
| Grantham, Vice-Chairman | | ✓ | | | |
| Weninger, Chairman | | ✓ | | | |
| | | 6 | 2 | 0 | 1 |

Iris McMahon
COMMITTEE SECRETARY

APPROVED:
Jeff Weninger
JEFF WENINGER, Chairman
TRAVIS W. GRANTHAM, Vice-Chairman

ATTACHMENT 8

# ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fourth Legislature
Second Regular Session

**HB 2144: state liquor board; membership**
**Sponsor: Representative Kern, LD 20**
**Committee on Commerce**

**Overview**
Requires a State Liquor Board (Board) appointment be made after nominees are submitted to the Governor.

**History**
The Department of Liquor Licenses and Control (Department) consists of the Office of the Director of the Department and the Board. The Board grants and denies applications for a liquor license, adopts rules and hears appeals and holds hearings (A.R.S. § 4-112).

The Board consists of seven members appointed by the Governor and confirmed by the Senate. Five members may not be financially interested in business licensed to deal with spirituous liquors. Two members must currently or previously be engaged in the liquor industry, and at least one of the two must be a retail licensee or employee of a retail licensee. One member must be a member of a neighborhood association recognized by a local government. No more than four members may be of the same political party, and no more than three members may be from the same county. Members are appointed for three-year terms (A.R.S. § 4-111).

A person eligible for appointment must have a continuous recorded registration with the same political party or as an independent for at least two years immediately preceding appointment. A person appointed to serve on the Board must be a resident of the state for at least five years before the date of appointment (A.R.S. § 4-111).

**Provisions**
1. Requires one member of the Board who is not financially interested in business licensed to deal with spirituous liquor to be appointed after an association representing cities and towns forwards three nominees who must be current or former elected municipal officials to the Governor. (Sec. 1)
2. Allows current members of the Board to serve until the expiration of their terms. (Sec. 2)
3. Contains technical changes. (Sec. 1)

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

Initials PRB

Commerce
Attachment 9

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

## ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2144

DATE January 28, 2020 MOTION: DP

| | PASS | AYE | NAY | PRESENT | ABSENT |
|---|---|---|---|---|---|
| Biasiucci | | ✓ | | | |
| Butler | | ✓ | | | |
| Chávez | | ✓ | | | |
| Epstein | | ✓ | | | |
| Kern | | ✓ | | | |
| Meza | | | | | ✓ |
| Roberts | | ✓ | | | |
| Grantham, Vice-Chairman | | ✓ | | | |
| Weninger, Chairman | | ✓ | | | |
| | | 8 | 0 | 0 | 1 |

Iris McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
TRAVIS W. GRANTHAM, Vice-Chairman

ATTACHMENT 10

# ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fourth Legislature
Second Regular Session

**HB2645: insurers; insolvency; administration**
**Sponsor: Representative Weninger, LD 17**
**Committee on Commerce**

**Overview**
Provides a federal home loan bank an exemption from certain injunctions.

**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. Asserts a federal home loan bank cannot be stayed, enjoined or prohibited from exercising or enforcing any right or cause of action against collateral pledged by an insurer member under any pledge, security, collateral or guarantee agreement to which that federal home loan bank is a party. (Sec. 2, 6, 7)
2. Prohibits a receiver, rehabilitator, liquidator or conservator from voiding any transfer of money or other property arising in connection with any pledge, security, collateral or guarantee agreement with an insurer member unless the transfer was made with actual intent to hinder, delay or defraud either existing or future creditors. (Sec. 5, 8)
3. Defines *federal home loan bank* and *insurer member*. (Sec. 1)
4. Makes technical changes. (Sec. 1, 2, 3, 4, 5)

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

Initials PRB

Commerce
Attachment //

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

## ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2645

DATE January 28, 2020 MOTION: DP

| | PASS | AYE | NAY | PRESENT | ABSENT |
|---|---|---|---|---|---|
| Biasiucci | | ✓ | | | |
| Butler | | ✓ | | | |
| Chávez | | ✓ | | | |
| Epstein | | ✓ | | | |
| Kern | | ✓ | | | |
| Meza | | | | | ✓ |
| Roberts | | ✓ | | | |
| Grantham, Vice-Chairman | | ✓ | | | |
| Weninger, Chairman | | ✓ | | | |
| | | 8 | 0 | 0 | 1 |

Iris McMahon
COMMITTEE SECRETARY

APPROVED:
Jeff Weninger
JEFF WENINGER, Chairman
TRAVIS W. GRANTHAM, Vice-Chairman

ATTACHMENT 12

**HB 2373: factory-built building; definition**
**Sponsor: Representative Weninger, LD 17**
**Committee on Commerce**

## Overview

Modifies the definition of *factory-built building* in relation to the Office of Manufactured Housing (OMH).

## History

OMH maintains and enforces standards for the installation, safety and quality of manufactured homes, factory-built buildings, mobile homes and accessory structures. The OMH must conduct the office consistently with minimum standards of the U.S. Department of Housing and Urban Development (HUD) and is designated as the "state inspector" for manufactured homes and related industries (A.R.S. § 41-4002).

Current law outlines the powers and duties of the Board of Manufactured Housing which include adopting rules relating to: 1) the minimum construction requirements for factory-built buildings; 2) inspections by the Arizona Department of Housing (ADH) relating to the installation of manufactured homes, mobile homes, factory-built buildings and accessory structures; and 3) compliance with HUD's procedural and enforcement regulations and contract creation necessary to administer federal manufactured home regulations (A.R.S. § 41-4010).

Each licensee who intends to accomplish construction must submit detailed plans to ADH, prior to the installation of a factory-built building, for each project for approval. Additionally, the OMH must inspect the factory-built building (A.R.S. § 41-4005).

A *factory-built building* is a residential or commercial building that is: 1) either wholly or in substantial part manufactured using closed construction at an off-site location and transported for installation or completion on-site; 2) constructed in compliance with adopted codes, standards and procedures; 3) installed temporarily or permanently (A.R.S. § 41-4001).

## Provisions

1. Modifies the definition of *factory-built building* by deleting language referencing *closed construction*. (Sec. 1)
2. Makes technical changes. (Sec. 1)

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

## ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2373

DATE January 28, 2020 MOTION: DP

| | PASS | AYE | NAY | PRESENT | ABSENT |
|---|---|---|---|---|---|
| Biasiucci | | ✓ | | | |
| Butler | | ✓ | | | |
| Chávez | | ✓ | | | |
| Epstein | | ✓ | | | |
| Kern | | ✓ | | | |
| Meza | | | | | ✓ |
| Roberts | | ✓ | | | |
| Grantham, Vice-Chairman | | ✓ | | | |
| Weninger, Chairman | | ✓ | | | |
| | | 8 | 0 | 0 | 1 |

Iris McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
TRAVIS W. GRANTHAM, Vice-Chairman

ATTACHMENT 14