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

COMMITTEE ON COMMERCE
Report of Regular Meeting
Tuesday, March 24, 2026
House Hearing Room 5 -- 2:00 P.M.

RECEIVED
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MAR 25 2026

Convened 2:15 P.M.
Adjourned 5:01 P.M.

Members Present
Representative Aguilar
Representative Blackman
Representative Diaz
Representative Hendrix
Representative Villegas
Representative Volk
Representative Willoughby
Representative Wilmeth
Representative Way, Vice-Chairman
Representative Weninger, Chairman

Members Absent
Representative Carter
Representative Cavero

Agenda
Original Agenda – Attachment 1

Request to Speak
Report – Attachment 2

Committee Attendance
Report – Attachment 3

Committee Action

Bill	Action	Vote	Attachments
SB1421	DP	6-2-0-4	4,5,6
SB1254	DPA/SE	8-0-0-4	7,8,9
SB1515	DPA/SE	6-2-0-4	10,11,12
SB1206	DPA	8-0-0-4	13,14,15
SB1563	DP	7-1-0-4	16,17
SB1649	DP	7-3-0-2	18,19,20
SB1290	DPA/SE	8-2-0-2	21,22,23,24
SB1670	DP	9-0-0-3	25,26,27
SB1671	DPA	9-0-1-2	28,29,30
SB1747	DPA/SE	8-0-2-2	31,32,33
SB1641	DP	7-3-0-2	34,35
SB1432	DP	6-3-0-3	36,37

Abby Selvey, Committee Secretary
March 25, 2026

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

Conv: 2:15 pm
Adjrn: 5:01 pm

REVISED #3 - 3/24/26 *corrected* **REVISED #3 - 3/24/26** **REVISED #3 - 3/24/26**

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

REGULAR MEETING AGENDA

COMMITTEE ON COMMERCE

DATE Tuesday, March 24, 2026 ROOM HHR 5 TIME 2:00 P.M.

Members of the public may access a livestream of the meeting here:
https://www.azleg.gov/videoplayer/?clientID=6361162879&eventID=2026031111

Members:

Representative Aguilar	Representative Diaz	Representative Willoughby
Representative Blackman	Representative Hendrix	Representative Wilmeth
Representative Carter N	Representative Villegas	Representative Way, Vice-Chairman
Representative Cavero	Representative Volk	Representative Weninger, Chairman
~~Representative Connolly~~		

Bills		Short Title	Strike Everything Title
*~~SB1128~~		~~study committee; scrap metal theft~~ (~~Gowan~~) ~~COM w/d, APPROP, RULES~~	
SB1206	DPA 8-0-0-4	storm related insurance claims(now: storm related insurance claims; adjusters) (Carroll) COM, RULES	
*SB1254	DPA S/E 8-0-0-4	real property conveyances; formal requirements (Mesnard) COM held 0-0-0-0-0, RULES	**S/E: industrial commission; revisions**
SB1290	DPA S/E 8-2-0-2	agricultural property; inspections; notice. (Shamp) COM, RULES	**S/E: open meetings; planned communities** **S/E: price tags; unfair pricing; penalties**
SB1421	DP 6-2-0-4	undocumented aliens; financial services (Rogers: Finchem) COM, RULES	**S/E: tax deed; sale; affordable housing**

ATTACHMENT 1

corrected

Bills		Short Title	Strike Everything Title
SB1432	DP	central bank digital currency; ban	**S/E: data centers; tax relief; repeal**
		(Hoffman)	
	6-3-0-3	COM, RULES	
SB1515	DPA S/E	industrial commission; revisions	**S/E: public safety parity fund**
		(Dunn)	
	6-2-0-4	COM, RULES	
SB1563	DP	barbering and cosmetology board; continuation	
		(Dunn)	
	7-1-0-4	COM, RULES	
SB1641	DP	marijuana producers; licensure	
		(Payne)	
	7-3-0-2	COM, RULES	
SB1649	DP	digital assets strategic reserve fund	**S/E: employers; list; welfare recipients; commission**
		(Finchem)	
	7-3-0-2	COM, RULES	
SB1670	DP	municipalities; counties; occupation; licensure; prohibition	**S/E: rental price fixing; algorithmic pricing**
		(Bolick)	
	9-0-0-3	COM, RULES	
SB1671	DPA	gaming; racing; boxing; conflict-of-interest continuation	
		(Bolick)	
	9-0-1-2	COM, RULES	
SB1747	DPA S/E	social media; online content; minors.	**S/E: social media; minors; fund**
		(Bolick)	
	8-0-2-2	COM, RULES	

* On previous agenda

ORDER OF BILLS TO BE SET BY THE CHAIRMAN

~~RA~~
~~VC~~
~~RA~~
VC
~~03/18/2026~~
~~03/20/2026~~
03/24/2026

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 (3/24/2026)

SB1206, storm related insurance claims (NOW: storm related insurance claims; adjusters)

Testified in support:

Don Isaacson, STATE FARM INSURANCE COMPANIES

Support:

Marie Isaacson, STATE FARM INSURANCE COMPANIES; Mackenzie Shane, GREATER PHOENIX CHAMBER OF COMMERCE

Neutral:

Fausto Burruel, AZ DEPT. OF INSURANCE AND FINANCIAL INSTITUTIONS

SB1254, real property conveyances; formal requirements

Testified in support:

Charles Carpenter, INDUSTRIAL COMMISSION OF AZ

Support:

Kevin McCarthy, ARIZONA TAX RESEARCH ASSOCIATION (ATRA); Christian Bearden, ARIZONA STATE BUILDING AND CONSTRUCTION TRADES COUNCIL; Mackenzie Shane, GREATER PHOENIX CHAMBER OF COMMERCE

All Comments:

Mackenzie Shane, GREATER PHOENIX CHAMBER OF COMMERCE: Supportive of S/E amendment pertaining to industrial commission

SB1290, agricultural property; inspections; notice.

Testified in support:

David Winstanley, representing self; Dennis J Legere, ARIZONA HOMEOWNERS COALITION

Testified as opposed:

Alexis Glascock, COMMUNITY ASSOCIATIONS INSTITUTE; lori percival, representing self

All Comments:

David Winstanley, Self: Support strike sverything; Dennis J Legere, ARIZONA HOMEOWNERS COALITION: In support of the N. Carter striker. This two-word clarification will end the unlawful interpretation of the law by HOA

ATTACHMENT 2

attorneys and Community managers, and reflects no change in the existing law as supported by the policy statement in the statute.; lori percival, Self: Opposed to the Strike Everything amendment in Rep. Carter's name.

SB1421, undocumented aliens; financial services

Testified as opposed:

Joseph Palomino, THE ARIZONA CENTER FOR ECONOMIC PROGRESS

Support:

Michael Racy, Lobbyist, PIMA COUNTY; Shirley Dye, representing self; Shirley Lamonna, representing self; Corinne Haynes, representing self; Buffalo Rick Galeener, representing self; Susan Bolt, representing self; John Oliver, representing self; Melanie Hutchings, representing self; James McFadzean, representing self; Charlyce Knight, representing self; J Holmes, representing self; Starr Costa, representing self; Peter Asencio, representing self; Gary Zimmerman, representing self; Ryan Larson, representing self; Valerie Starr, representing self; Patti Carlson, representing self; Jeri McDaniel, representing self

Oppose:

Katherine Warren, representing self; Vivian Serafin, representing self; Bridgette Luna Granillo, representing self; Dave Long, representing self; Jaime Molera, JPMORGAN CHASE HOLDINGS LLC; Steven Linder, representing self; Dawn Tripp, representing self; Maria Salvucci, representing self; Beverly Janowitz-Price, representing self; Jeanne Casteen, representing self; Laurie Stoff, representing self; Alisa McMahon, representing self; Michael Fiflis, representing self; Dianne Post, AZ NATIONAL ORGANIZATION FOR WOMEN (NOW), Self; Donita Ramos, representing self; Adena Bank, representing self; Kathryn Kaczmarek, representing self; Katherine Doman Sheydayi, representing self; Elizabeth Schauer, representing self; Charlie Silver, representing self; Becky Sayler, representing self; Brent Gibbs, representing self; Dee Romesburg, representing self; Anna Arnold, representing self; Kathleen Woessner, representing self; Linda Edwards, representing self; Jo Ann Caruthers, representing self; Linda Paul, representing self; Libby Stortz, representing self; ALICE BUCK, representing self; Kathleen Dubbs, representing self; Carly Mahlmeister, representing self; Pamela Chittenden, representing self; Devon Sloan, representing self; Susan Heck, representing self; Barbara Larson, representing self; Mary Nelson, representing self; Cassandra Morano, representing self; Nelson Morgan, representing self; Jessie Kline Loganbill, representing self; Jennifer Dawson, representing self; Barbara Lynn Carpenter, representing self; Alex Johnson, representing self; Rivko Knox, representing self; Marilyn Murov, representing self; Carolyn Shafer, representing self; Joseph Alexander, representing self; Christopher Cerrato, representing self; George Ehrlich, representing self; Margaret Tinsley, representing self; Patricia Brunner, representing self; Leonora Midgley, representing self; Janet Kerby, representing self; Rebecca Haynes, representing self; Nancy Hancock, representing self; Jerrold Borchardt, representing self; Christa Trexler, representing self; Janie Smieszek, representing self; Patricia Edelen, representing self; Carol Garnett, representing self; Kristina Hakanson, representing self; Lisa Maczura, representing self; Cynthia Stubenrauch, representing self; Terri Farneti, representing self; Marcia Tingley, representing self; Margaret DeVries, representing self; Gayle Meredith, representing self; Ralph Meredith, representing self; Mary-Jeanne Fincher, representing self; Christine Keitges, representing self; Sharon Arnst, representing self; Cynthia Wagner, representing self; Paula Van Derven, representing self; Valarie Bryant, representing self; Greg Olszta, representing self; Dieter Knecht, representing self; Pam Spicer, representing self; Shana Tevlin, representing self; Bart James, representing self; Allison Jackson, representing self; William Bowlus-Root, representing self; Margie Gomez, representing self; Louisa Pedraza, representing self; Barbara Jones, representing self; RITA DEPUYDT, representing self; Jeannette Scoufos, representing self; Charlotte Lis, representing self; Jane Jackson, representing self; Susan

Bowen, representing self; Kathryn Avila Hammond, representing self; Karen Brown, representing self; Aaron Essif, representing self; Kat Ginzel, representing self; Vera Markgraf, representing self; Traci Garcia, representing self; Denise Hudson, representing self; Sundrop Carter, representing self; Roxanna Kearns, representing self; Amy Gaiennie, representing self; Allen Brown, representing self; JoAnn McCay, representing self; Kathryn Dorn, representing self; Sally Evans, representing self; Kathryn Anderson, representing self; Angela Buer, representing self; Linda Block, representing self; Dianna DiMaggio, representing self; Marilyn Rodriguez, COUNCIL ON AMERICAN-ISLAMIC RELATIONS ARIZONA (CAIR-AZ); Roy L Carrington Jr., representing self; Alexandria Mendoza, Arizona Financial Choice Association; Joyce Schmidt, representing self; Susan Parson, representing self; Alison Danis, representing self

All Comments:

Michael Racy, PIMA COUNTY: Support Villegas amendment.; Shirley Dye, Self: Another deterrent for illegals, if they cannot get loans they should not be living here. Hopefully "Dreamers" who have grown up here and gone all through school here are an exception.; Shirley Lamonna, Self: We need to stop providing services to those who are not here legally.; Corinne Haynes, Self: ILLEGALS are ILLEGAL; James McFadzean, Self: Lawfully present aliens are welcome to do business here. Others are not.; J Holmes, Self: Lawfully present aliens are welcome to do business here. Others are not.; Gary Zimmerman, Self: Doing business with immigrants is fine, but not doing business with illegal/undocumented immigrants.; Katherine Warren, Self: This punitive, mean-spirited bill is intended to drive undocumented immigrants out of our state, in willful ignorance of studies showing that they contribute $704 million in taxes to Arizona's economy for services they cannot access.; Vivian Serafin, Self: SB1421 is an egregious bill that will turn banks into ICE checkpoints. Vote NO.; Bridgette Luna Granillo, Self: Vote no.; Laurie Stoff, Self: This ignores studies showing that migrants contribute $704 mil in taxes to Arizona's economy for services they cannot access. Only 5% of Arizona's workforce is undocumented, but they do a lot; without them, Arizona's economy will suffer & prices rise; Alisa McMahon, Self: Piecemeal approaches such as this would harm more than help AZ's economy, including the pocketbooks of lawful residents. The answer is real and comprehensive immigration reform at the federal level.; Michael Fiflis, Self: Cutting off the commerce undocumented aliens produce in AZ would adversely impact our economy (to the tune of hundreds of millions of dollars). It would create local inflation and decreased revenue. We should not cut off our nose despite our face.; Adena Bank, Self: This punitive, mean-spirited bill is intended to drive undocumented immigrants out of our state, in willful ignorance of studies showing that they contribute $704 million in taxes to Arizona's economy for services they cannot access.; Kathryn Kaczmarek, Self: Another punitive bill directed at our immigrant community who greatly contributes to our AZ economy. They contribute $704 million in taxes annually. If I know this statistic, why doesn't the sponsor of this bill?; Linda Edwards, Self: I recall that immigrants pay a lot of taxes, so no.; Linda Paul, Self: This is crazy! Do we need a passport to cash a check now?; Kathleen Dubbs, Self: So the sponsor wants to give up $704 million in taxes that undocumented people pay into state coffers?; Carly Mahlmeister, Self: Only 5% of Arizona's workforce is undocumented, but that tiny portion does a lot and without them, AZ's economy wills suffer and prices will continue to go up. The hatred shines though on all R bills.; Susan Heck, Self: This is a mean, vindictive bill. My grandparents came to US from Germany and worked very hard in their farm. Immigrants were needed and appreciated at that time. How can you be so unfair and un-Christian to people that pay taxes here?; Jennifer Dawson, Self: punitive, mean-spirited bill is intended to drive undocumented immigrants out of our state, in willful ignorance of studies showing that they contribute $704 million in taxes to Arizona's economy for services they cannot access.; Marilyn Murov, Self: Studies show undocumented immigrants contribute $704 million in taxes to AZ and are unable to access many of the services this funds. Without these workers, our economy will suffer and prices will go up.; Margaret Tinsley, Self: Pretty clearly theft by government, to the detriment of the state of Arizona. Immigration law needs reform. to be sure, but this punitive act is not it. Please vote NO; Rebecca Haynes, Self: This punitive, mean-spirited bill is intended to drive undocumented immigrants out of our state, in willful

ignorance of studies showing that they contribute $704 million in taxes to Arizona's economy for services they cannot access. Mean and dumb.; Jerrold Borchardt, Self: Undocumented immigrants contribute over $700 million in taxes to Arizona's economy for services they cannot even access. Without them, Arizona's economy will suffer and prices will go up, especially on food, housing and services.; Christa Trexler, Self: Only 5% of Arizona's workforce is undocumented, but that tiny proportion does a lot; without them, Arizona's economy will suffer and prices will go up, especially on food, housing and services.; Janie Smieszek, Self: Banning the undocumented from using banking is strict and cruel, especially when they contribute so much to the state; Patricia Edelen, Self: Nice way to drive out immigrants who contribute significant amounts to the Arizona economy. Nice to know the sponsor is willing to raise the price of food and services for us when we lose these essential workers.; Carol Garnett, Self: Bad for the economy. Millions in taxes contributed by undocumented noncriminals and they receive no services.; Lisa Maczura, Self: Banks wouldn't like this.; Terri Farneti, Self: Only 5% of Arizona's workforce is undocumented, but that tiny proportion does a lot; without them, Arizona's economy will suffer and prices will go up, especially on food, housing and services.; Marcia Tingley, Self: This punitive bill is intended to drive undocumented immigrants out of AZ, although they contribute $704 million in taxes to AZ for services they can't access. The small number of undocumented workers here helps our economy; bill would hurt it.; Sharon Arnst, Self: Overreaching and discriminatory; Valarie Bryant, Self: discriminatory; Greg Olszta, Self: would ban undocumented immigrants from banking in Arizona, including cashing checks and sending wire transfers. Anyone who tried would have one-quarter of their transfer monies snatched via civil penalties. Punitive and mean spirited.; Louisa Pedraza, Self: This bill is punitive and mean-spirited. It would harm Arizona's economy and cause prices to go up, especially on food, housing and services.; Susan Bowen, Self: THIS PUNITIVE MEANSPIRITED BILL IS INTENDED TO DRIVE UNDOCUMENTED IMMIGRANT OUT OF AZ IN WILLFUL IGNORANCE OF STUDIES SHOWIING THAT THEY CONTRIBUTE $704 MILLION IN TAXES FOR SERVICES THEY CANNOT ACCESS. AZ'S ECONOMY WILL SUFFER AND PRICE INCREASE.; Kathryn Avila Hammond, Self: This punitive, mean-spirited bill is intended to drive undocumented immigrants out of our state, in willful ignorance of studies showing that they contribute $704 million in taxes to Arizona's economy for services they cannot access. OPPOSE; Karen Brown, Self: Undocumented workers contribute far more than they consume. They should not be penalized for using banking services. They could easily become documented if not for the deliberately obstructive and punitive immigration process. OPPOSE.; Aaron Essif, Self: This is a punitive mean spirited bill, the undocumented have been shown to contribute $704 million in taxes for services they cannot access.; Kat Ginzel, Self: UNDOCUMENTED IMMIGRANTS CONTRIBUTE $704 M TO AZ. THIS CRUEL BILL IS TO KEEP THEM OUT OF OUR STATE. THEREFORE EVERYONE LOSES!; Roxanna Kearns, Self: Only 5% of Arizona's workforce is undocumented, but that tiny proportion does a lot; without them, Arizona's economy will suffer and prices will go up, especially on food, housing and services.; Amy Gaiennie, Self: I strongly oppose this bill!; Allen Brown, Self: I oppose SB1421. This bill is a ridiculous waste of time. How will it be enforced? Will everyone need to show a passport to transact at a bank? What's next? Having to show ID before anyone can buy groceries or gas?; Kathryn Dorn, Self: I think our state has more than enough weaponized xenophobia (and consequently self-inflicted financial harm) to deal with already, thank you very much. Please throw this bill straight into a garbage incinerator.; Angela Buer, Self: This bill targets a workforce that contributes $704 million in taxes to Arizona. Seizing 25% of transfers and blocking banking will skyrocket costs for food and housing while devastating our local economy. We should value contributors. I OPPOSE; Alison Danis, Self: This bill is another example of how legislators can stuff agendas and waste taxpayer time and dollars with frivolous bills that deny services to those who cannot present citizenship papers. Even visitors to this state could get caught up in this.Nay!

SB1432, central bank digital currency; ban

Support:
Sherry Massie, representing self; Linda Paul, representing self; Michael Racy, Lobbyist, PIMA COUNTY

Neutral:
Alisa McMahon, representing self; Michael Fiflis, representing self; Kathryn Dorn, representing self

Oppose:
Alex Logvin, representing self

All Comments:
Linda Paul, Self: I approve the striker.; Alex Logvin, Self: This is unnecessary, this is not a state issue.; Alisa McMahon, Self: Support the striker to repeal tax breaks for data centers.; Michael Fiflis, Self: Oppose original bill and support the Striker.; Kathryn Dorn, Self: I strongly support Rep. Volk's strike-everything amendment - yes, please repeal the wildly unnecessary, expensive, and harmful data-center tax break!

SB1515, industrial commission; revisions

Testified in support:
Jeff Hawkins, ARIZONA STATE TROOPERS ASSOCIATION; Brian Tassinari, Arizona Police Association

Support:
Charles Carpenter, INDUSTRIAL COMMISSION OF AZ; Barry M. Aarons, AZ ASSN OF LAWYERS FOR INJURED WORKERS

All Comments:
Jeff Hawkins, ARIZONA STATE TROOPERS ASSOCIATION: In favor of the strike everything amendment in Representative Weninger's name.

SB1563, barbering and cosmetology board; continuation

Testified in support:
Frank Migali, ARIZONA BARBERING & COSMETOLOGY BOARD

SB1641, marijuana producers; licensure

Testified in support:
Jon Udell, representing self

Support:

Timothy Sparling, ARIZONA NORML; Nick Simonetta, ARIZONA RURAL OPPORTUNITY ALLIANCE; Shirley Dye, representing self; Craig McDermott, representing self; Ruth Carter, representing self; Valerie Starr, representing self; Alex Logvin, representing self

Oppose:

Kathryn Senseman, AZ Dispensaries Assiciation; Priscilla Moore, representing self; Michael O'Brien, representing self; Jeremy Gerlach, STORY CANNABIS COMPANY; Shirley Lamonna, representing self; Stephen Harris, representing self; Corinne Haynes, representing self; Buffalo Rick Galeener, representing self; Susan Bolt, representing self; Bridget Nelke, representing self; Melanie Hutchings, representing self; James McFadzean, representing self; Charlyce Knight, representing self; Helen Hebert, representing self; J Holmes, representing self; Starr Costa, representing self; Bev Miller, representing self; Gary Zimmerman, representing self; Ryan Larson, representing self; Jeri McDaniel, representing self; Douglas Cole, COPPERSTATE FARMS; Pele Fischer, MOHAVE CANNABIS COMPANY

All Comments:

Timothy Sparling, ARIZONA NORML: Arizona NORML supports this legislation.; Shirley Dye, Self: We do not need any more marijuana producers license to do business to provide dispensaries with a product which is taking away the ambition of many young and old a like, and causing bad side effects according to statistics.; Alex Logvin, Self: I support this bill because small businesses should be able to produce marijuana products without having to share a license with a dispensary.; Priscilla Moore, Self: Granting more marijuana licenses will greatly harm our state - our youth, weaken our workforce, crime, hurt families (parental neglect, illness) cause more car accidents. This bill claims to help small businesses, but it damages society as a whole.; Shirley Lamonna, Self: Absolutely not! Dangers of cannabis are emerging daily.; Corinne Haynes, Self: More dangers with cannabis keep surfacing.; Bridget Nelke, Self: I DO NOT AGREE WITH THIS BILL we don' t need to expand licenses or soften oversight NO TO THIS; James McFadzean, Self: Bad bill all the way around.; Helen Hebert, Self: NO there are already to many marijuana facilities and we do not need to expand particularly with less rules and regs. Marijuana needs more res not less.; Starr Costa, Self: Arizona should not be expanding production of and access to marijuana, especially now that widespread new research is emerging on the dangers of cannabis, even in the name of (under the guise of) helping small business and government deregulation.; Gary Zimmerman, Self: We have more than enough marijuana suppliers in AZ. The drug is proving more dangerous with additional research. We should not be encouraging it's recreational use.

SB1649, digital assets strategic reserve fund

Testified in support:

Stuart Goodman, RIPPLE LABS

SB1670, municipalities; counties; occupation; licensure; prohibition

Support:

Cathy Schwanke, representing self; C D Tavares, representing self; Jeanne Tavares, representing self; Ute Edge, representing self; Linda Jorgensen, representing self; Susan Bolt, representing self; William & Mary Jurica, representing self; Debbie Joy, representing self; Carole Challoner, representing self; Linda Barnes, representing

self; April Smith, representing self; Christi Sourk, representing self; Frank Jorgensen, representing self; Cherie Anello, representing self; Peter Anello, representing self; Terry Speiran, representing self; Lorraine S, representing self; J Holmes, representing self; Peter Asencio, representing self; Donna Booth, representing self; Jean Rice, representing self; louise liggett, representing self; karen enns, representing self; Jane Breakiron, representing self; Cindy Cragin, representing self; Roy Scott Lassell, representing self; patricia wheeler, representing self; brenda simon, representing self; Douglas Simon, representing self; Kathryn Clark, representing self; Joelene Williamson, representing self; joel strabala, representing self; conrad tolson, representing self; Brent Michelson, representing self; Kyrna Ball, representing self; Cheryl Pardini, representing self; Beth Pojman, representing self; Barbara Scott, representing self; Ronald Pardini, representing self; Lynda Brady, representing self; Vickie Parks, representing self; Renee Yarbrough, representing self; LEE YARBROUGH, representing self; Ann Brownell, representing self; Michael Racy, Lobbyist, PIMA COUNTY

All Comments:

April Smith, Self: Please support this bill; J Holmes, Self: No more unnecessary regulations; karen enns, Self: State licensing occupations is sufficient. Municipalities and counties doing the same would just add unnecessary burdens and costs to those affected.; Roy Scott Lassell, Self: I fully support this bill. It makes sense and works for AZ citizens.; patricia wheeler, Self: We don't need extra occupational licenses locally if someone already has a state license.; Kathryn Clark, Self: Please protect workers in occupations requiring licenses from excessive, redundant requirements. Vote YES. Thank you.; Joelene Williamson, Self: I support. A state license should be enough without having to deal with localities, makes no sense for additional requirements coming with a new job in a different city within the state; joel strabala, Self: I support legislation that prohibits local governments from regulating jobs that are subject to licensure by the state.; conrad tolson, Self: Local governments should not impose more requirements than those already set by the state.; Barbara Scott, Self: Support; Lynda Brady, Self: Why are we spending time and $$ regulating jobs that normal, everyday people have already done their due diligence and gotten their license?; Ann Brownell, Self: I am a PC in Peoria

SB1671, gaming; racing; boxing; conflict-of-interest continuation

Testified in support:

Jessica Roza, Arizona Department Of Gaming

Support:

Wendy Briggs, TOHONO O'ODHAM NATION; Jennifer Harris, TOHONO O'ODHAM NATION

SB1747, social media; online content; minors.

Testified as neutral:

Kelsey Lundy, MOTION PICTURE ASSOCIATION, INC.

Testified as opposed:

Jeanne Woodbury, AMERICAN CIVIL LIBERTIES UNION OF AZ (ACLU-AZ); Jose Torres, TECHNOLOGY NETWORK AKA TECHNET

Oppose:

Ruth Carter, representing self; James Roth, representing self

All Comments:

James Roth, Self: Overbroad and over reaching; Kelsey Lundy, MOTION PICTURE ASSOCIATION, INC.: Opposed to strike everything amendment

COMPLETE FORM FOR PUBLIC RECORD

STATE OF ARIZONA

HOUSE OF REPRESENTATIVES

REQUEST TO SPEAK

Committee on Commerce Date: 3-24 Bill Number: 1421

Name: Dominique Medina | ☐ Support ☑ Oppose ☐ Neutral | Need to Speak: ☑ Yes ☐ No

Representing: My family who has lived in Arizona since the 1920's Registered Lobbyist ☐ Yes ☑ No

Address: 2017 N. 10th St City/State: Phx/AZ Zip Code: 85006

Email Address: domhaz@gmail.com Phone Number: 6023262847

Comments: Other countries do in fact allow undocumented workers to bank.

SPEAKING TIME DETERMINED BY THE CHAIRMAN

ARIZONA STATE LEGISLATURE

Fifty-seventh Legislature - Second Regular Session

COMMITTEE ATTENDANCE RECORD

COMMITTEE ON **COMMERCE**

CHAIRMAN: Jeff Weninger VICE-CHAIRMAN: Michael Way

DATE	03/24/26	
CONVENED	2:15 pm	
RECESSED		
RECONVENED		
ADJOURNED	5:01 pm	
MEMBERS	PRESENT	NOT PRESENT
Aguilar	✓	
Blackman	✓	
Carter N		✓
Cavero		✓
Diaz	✓	
Hendrix	✓	
Villegas	✓	
Volk	✓	
Willoughby	✓	
Wilmeth	✓	
Way, Vice-Chairman	✓	
Weninger, Chairman	✓	
TOTAL 12		

ATTACHMENT 3

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff
Senate: MABS DP 4-3-0-0 | Third Read 16-12-2-0-0

SB1421: undocumented aliens; financial services
Sponsor: Senator Rogers, LD 7
Committee on Commerce

Overview

Establishes prohibitions for financial institutions, check cashers and business entities regarding the acceptance of specific licenses or identification cards from unauthorized aliens or undocumented immigrants.

History

The Arizona Department of Insurance and Financial Institutions (DIFI) ensures public confidence by protecting the interest of depositors, borrowers and consumers through the enforcement of state laws. DIFI has the authority to adopt rules, investigate consumer complaints related to financial services and enforce compliance requirements for financial institutions and business entities through verification and reporting protocols.

At the federal level, the Internal Revenue Service (IRS) administers and enforces federal tax laws. The IRS issues individual taxpayer identification numbers (ITINs) to individuals who are required to have a U.S. taxpayer identification number but are ineligible for a Social Security Number (SSN). Federal regulations clarify that an ITIN is a tax processing number issued solely for federal tax reporting and compliance. An ITIN does not refer to a SSN or an account number for use in employment for wages (26 C.F.R § 301.6109-1).

A *remittance transfer* is the transfer of funds requested by a sender located in any state to a designated recipient that is initiated by a remittance transfer provider, whether or not the sender holds an account with the remittance transfer provider or whether or not the remittance transfer is also an electronic fund transfer (15 U.S.C. § 1693o-1).

Provisions

Forms of Identification

1. Prohibits a financial institution from accepting, as a form of identification for opening any account, safe deposit box or receiving services, a license or identification card that is:
   a. issued exclusively to an unauthorized alien or undocumented immigrant; or
   b. substantially similar to a license or identification card issued to a U.S. citizen or resident or an individual who is lawfully present in the U. S. but that has markings indicating that the license or card holder did not present proof of lawful presence in the U.S. (Sec. 1)
2. Deems making a loan to an individual, for loan applications that allow the use of an ITIN as a method of identifying the loan recipient, unlawful. (Sec. 2)

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

ATTACHMENT 4

3. Allows a lender, after executing a lawful loan agreement, to request the borrower's ITIN if the borrower is ineligible to receive an SSN. (Sec. 2)

4. Prohibits a check casher from accepting, as a form of identification, a license or identification card that is:
   a. issued exclusively to an unauthorized alien or undocumented immigrant; or
   b. substantially similar to a license or identification card issued to a U.S. citizen or resident or an individual who is lawfully present in the U.S. but that has markings indicating that the license or card holder did not present proof of lawful presence in the U.S. (Sec. 3)

Foreign Remittances of Monies

5. Prescribes requirements for business entities authorized to conduct foreign remittance transfers from Arizona to another country on behalf on an individual, including:
   a. prohibiting the transfer of monies unless the individual provides documentary proof that the individual is not an unauthorized alien; and
   b. requiring businesses to provide monthly confirmation to DIFI of individuals who provided the required documentation. (Sec. 4)

6. Directs DIFI to adopt rules for foreign remittance transfers, including specifying which forms of documentation are acceptable to verify an individual is not an unauthorized alien. (Sec. 4)

7. Authorizes DIFI to request records from a business entity at any time to verify the individual who requested the foreign remittance transfer was not an unauthorized alien. (Sec. 4)

8. Allows any person who in good faith believes a business entity is violating foreign remittance regulations to file a complaint with DIFI. (Sec. 4)

9. Mandates DIFI, on receipt of a valid complaint that is substantiated by evidence, to notify the business entity of the complaint and the substantiated evidence. (Sec. 4)

10. Requires the business entity to pay the assessed civil penalty. (Sec. 4)

11. Requires DIFI to:
   a. conduct random quarterly audits of business entities, beginning July 1, 2027, to ensure compliance of foreign remittance regulations; and
   b. impose a civil penalty against a business entity for violations equal to 25% of the total transfer amount, excluding any fees or charges. (Sec. 4)

12. Defines pertinent terms. (Sec.4)

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1421
(Reference to Senate engrossed bill)

Strike everything after the enacting clause and insert:

"Section 1. Section 42-18303, Arizona Revised Statutes, is amended to read:

42-18303. Auction and sale of land held by state under tax deed; disposition of proceeds

A. After advertisement, pursuant to section 42-18302, the board of supervisors may sell the real property in the county held by the state by tax deed to the highest bidder for cash except as provided in subsections E, F and G of this section. The property may also be posted on the treasurer's website. The sale may include a live auction or an online bidding process in which the board receives bids electronically over the internet in a real-time, competitive bidding event.

B. On selling the property, the board of supervisors shall execute and deliver to the purchaser, at the purchaser's cost, a deed conveying the title of the state in and to the parcel purchased. The deed shall be acknowledged by the chairman and clerk of the board.

C. The purchase money shall be paid to the county treasurer. After deducting and distributing interest, penalties, fees and costs charged against the parcel, the treasurer shall apportion monies to the funds of the various taxing authorities in proportion to their current share of the taxes charged against real property. Any balance remaining with the treasurer after payment of the taxes, interest, penalties, fees and costs shall be paid to the owner of the property who was dispossessed by the sale.

D. If the property is not sold before the time for the next succeeding notice of sale, the board of supervisors may omit it from the notice.

E. The board of supervisors may accept an offer from, and sell real property held by this state by tax deed to, the county or a city, town or special taxing district in the county for a public purpose ~~related to~~, INCLUDING AFFORDABLE HOUSING FOR LOW-INCOME PERSONS AND FAMILIES PURSUANT TO SECTION 11-251.10, transportation or flood control. The board of supervisors shall convey the deed and apportion the monies received in the transaction in the manner prescribed by this section. IF A COUNTY, CITY, TOWN OR SPECIAL TAXING DISTRICT ACQUIRES REAL PROPERTY PURSUANT TO THIS SUBSECTION FOR AFFORDABLE HOUSING PURPOSES AUTHORIZED BY SECTION 11-251.10 AND DETERMINES THE USE IS IN ITS BEST INTEREST, THE COUNTY, CITY, TOWN OR SPECIAL TAXING DISTRICT MAY SELL, LEASE, EXCHANGE, QUITCLAIM, CONVEY OR OTHERWISE DISPOSE OF THE REAL PROPERTY OR AN INTEREST IN THE REAL PROPERTY FOR LESS THAN FAIR MARKET VALUE AND WITHOUT A PUBLIC AUCTION TO PROVIDE AFFORDABLE HOUSING, IN COMPLIANCE WITH SECTION 11-251.10. A REGULATORY AGREEMENT SHALL BE RECORDED IN THE OFFICE OF THE COUNTY RECORDER IN WHICH THE PROPERTY IS LOCATED THAT CONTAINS COVENANTS AND CONDITIONS REQUIRING THE DWELLING UNITS TO REMAIN CONTINUALLY AFFORDABLE TO LOW-INCOME PERSONS AND FAMILIES FOR THE LONGEST FEASIBLE TIME, BUT NOT LESS THAN THIRTY

ATTACHMENT 5

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

YEARS. FOR THE PURPOSES OF THIS SUBSECTION, "AFFORDABLE HOUSING FOR LOW-INCOME PERSONS AND FAMILIES" HAS THE SAME MEANING PRESCRIBED IN SECTION 11-251.10.

F. The board of supervisors may sell real property in the county held by the state by tax deed to the owner of contiguous real property that is used for commercial, agricultural or residential purposes, and the board may accept an offer by the contiguous owner to purchase the property, if all of the following conditions apply:

1. Both the property offered for sale and the contiguous property were at one time under common ownership. If there is more than one contiguous property owner offering to purchase the property, the board shall accept the offer from the contiguous property owner that demonstrates that the owner's contiguous property was most recently under common ownership with the property offered for sale.

2. The property offered for sale cannot be separately used for commercial, agricultural or residential purposes, as applicable, pursuant to applicable building codes and ordinances of the jurisdiction in which the property is located due to its size or configuration.

3. The contiguous property owner agrees to submit a request to the county assessor to jointly assess the contiguous properties pursuant to section 42-15058.

G. The board of supervisors may sell real property in the county held by the state by tax deed to a homeowners' association if the real property is part of a common area maintained by the homeowners' association as determined by the county assessor.

H. If an offer under subsection E, F or G of this section is pending at the time of the auction under this section, the board of supervisors shall remove the property from the auction.

I. The board of supervisors may establish procedures for accepting monetary offers and sell real property in the county held by the state by tax deed over the counter if the real property is not eligible for sale under subsection E, F or G of this section and was offered for sale and not sold at the auction held pursuant to subsection a of this section.

J. The board of supervisors may establish procedures for accepting monetary offers under subsection f of this section."

Amend title to conform

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1421

DATE March 24, 2026 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar			✓		
Blackman		✓			
Carter N					✓
Cavero					✓
Diaz		✓			
Hendrix		✓			
Villegas			✓		
Volk					✓
Willoughby					✓
Wilmeth		✓			
Way, Vice-Chairman		✓			
Weninger, Chairman		✓			
		6	2	0	4

Abby Salvey
COMMITTEE SECRETARY

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

ATTACHMENT 6

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff
Senate: FIN DP 6-0-1-0 | Third Reading 27-0-3-0-0

SB 1254: real property conveyances; formal requirements
S/E: industrial commission; revisions
Sponsor: Senator Mesnard, LD 13
Committee on Commerce

Summary of the Strike-Everything Amendment to SB 1254

Overview
Makes various revisions to statutes governing the Industrial Commission of Arizona regulations.

History
The Industrial Commission of Arizona (ICA) is responsible for enforcing labor laws, ensuring workplace safety and administering worker's compensation in Arizona. Additionally, the ICA has the power to conduct workplace investigations, collect labor statistics and protect the financial privacy of self-insured entities. The ICA is also authorized to license and supervise the work of private employment offices, bring together employers seeking employees and working people seeking employment and make known the opportunities for employment in the state (A.R.S. § 23-107).

The Arizona Division of Occupational Safety and Health (ADOSH) is established within the ICA and, on behalf of the ICA: 1) recommends all standards, rules or changes to the standards or rules to the ICA; 2) has the authority to enforce all ICA-adopted standards or rules; 3) implements an occupational safety and health program that includes outlined duties and responsibilities, such as providing consultation training services to employers and employees and conducts inspections of workplaces; and 4) administers the requirements for safety conditions for boilers and safety conditions for elevators and conveyances. The ICA appoints a director as the administrative head of the ADOSH under the control of the ICA (Title 23, Chapter 2, A.R.S.).

Provisions
Industrial Commission of Arizona

1. Removes the ICAs authority to:
   a. license and supervise the work of private employment offices;
   b. bring together employers seeking employees and working people seeking employment; and
   c. make known the opportunities for employment in the State. (Sec. 1)

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

ATTACHMENT 7

2. Transfers and clarifies certain responsibilities of an employed ombudsman to a resource officer. (Sec. 2)
3. Adds that the resource officer may provide information about the labor programs un the ICA's purview and rules governing the ICA proceedings for related matters. (Sec. 2)
4. Instructs the ICA to post the schedule of fees for workers' compensation on its website and prepare and file a notice of public information with the website address to be published in the Arizona Administrative Register. (Sec. 25)

Division of Occupational Safety and Health

5. Renames the ADOSH Director as the ADOSH Chief (Sec. 3)
6. Replace statutory references of director with chief. (Sec. 3-14)

Boiler Division

7. Defines *chief* as the chief of the boiler division of the ICA. (Sec. 15)
8. Redefines *division* as the boiler division of the ICA. (Sec. 15)
9. Removes the definition of *director*. (Sec. 15)
10. Requires the ICA to administer boiler safety regulations through the boiler division, rather than through the ADOSH. (Sec. 16)
11. Replace statutory references of director with chief. (Sec. 17, 18)

Elevator Division

12. Defines *chief* as the chief of the elevator division of the ICA. (Sec. 19)
13. Redefines *division* as the elevator division of the ICA. (Sec. 19)
14. Removes the definition of *director*. (Sec. 19)
15. Requires the ICA to administer elevator safety regulations through the elevator division rather than through ADOSH. (Sec. 21)
16. Replaces statutory references of director with chief. (Sec. 20, 22, 23)

Miscellaneous

17. Modifies pertinent terms. (Sec. 3, 15, 19)
18. Makes technical changes. (Sec. 1-24)

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1254
(Reference to Senate engrossed bill)

Strike everything after the enacting clause and insert:

"Section 1. Section 23-107, Arizona Revised Statutes, is amended to read:

23-107. General powers

A. The commission has full power, jurisdiction and authority to:

1. Formulate and adopt rules and regulations for effecting the purposes of this article.

2. Administer and enforce all laws for the protection of life, health, safety and welfare of employees in every case and under every law when such duty is not specifically delegated to any other board or officer, and, when such duty is specifically delegated, to counsel, advise and assist in the administration and enforcement of such laws and for such purposes may conduct investigations.

3. Promote the voluntary arbitration, mediation and conciliation of disputes between employers and employees.

~~4. License and supervise the work of private employment offices, bring together employers seeking employees and working people seeking employment, and make known the opportunities for employment in the state.~~

~~5.~~ 4. Collect, collate and publish all statistical and other information relating to employees, employers, employments and places of employment with other appropriate statistics.

~~6.~~ 5. Act as the regulatory agency ~~insuring~~ ENSURING that workers' compensation carriers are processing claims in accordance with chapter 6 of this title.

~~7.~~ 6. Provide nonpublic, confidential or privileged documents, materials or other information to another state, local or federal regulatory agency for the purpose of the legitimate administrative needs of the programs administered by that agency if the recipient agency agrees and warrants that it has the authority to maintain and will maintain the confidentiality and privileged status of the documents, materials or other information.

~~8.~~ 7. Receive nonpublic documents, materials and other information from another state, local or federal regulatory agency to properly administer programs of the commission. The commission shall maintain as confidential or privileged any document, material or other information that is identified by the exchange agency as confidential or privileged under the laws of the jurisdiction that is the source of the document, material or other information.

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

ATTACHMENT 8

~~9.~~ 8. Enter into agreements that govern the exchange of nonpublic documents, materials and other information that are consistent with paragraphs ~~7~~ 6 and ~~8~~ 7 OF THIS SUBSECTION. The commission may request nondisclosure of information that is identified as privileged or confidential. Any disclosure pursuant to paragraph ~~7~~ 6 or ~~8~~ 7 OF THIS SUBSECTION or this paragraph is not a waiver of any applicable privilege or claim of confidentiality in the documents, materials or other information.

B. ~~Upon~~ ON petition by any person that any employment or place of employment is not safe or is injurious to the welfare of any employee, the commission has power and authority, with or without notice, to make investigations necessary to determine the matter complained of.

C. The members of the commission may confer and meet with officers of other states and officers of the United States on matters pertaining to their official duties.

D. Notwithstanding any other law, the commission may protect from public inspection the financial information that is received from a private entity that applies to self-insure or that renews its self-insurance plan pursuant to section 23-961, subsection A if the information is kept confidential by the private entity in its ordinary and regular course of business.

Sec. 2. Section 23-110, Arizona Revised Statutes, is amended to read:

23-110. Industrial commission of Arizona resource officer

A. The director of the industrial commission OF ARIZONA shall employ ~~an ombudsman~~ A RESOURCE OFFICER to assist recipients of ~~workers' compensation~~ benefits UNDER THE INDUSTRIAL COMMISSION OF ARIZONA'S PURVIEW.

B. The ~~ombudsman~~ RESOURCE OFFICER shall not provide legal advice but may provide information about the workers' compensation system and rules governing commission proceedings and may assist in clarifying the methods used to determine a person's workers' compensation benefits.

C. THE RESOURCE OFFICER MAY ALSO PROVIDE INFORMATION ABOUT THE LABOR PROGRAMS UNDER THE INDUSTRIAL COMMISSION OF ARIZONA'S PURVIEW AND RULES GOVERNING THE COMMISSION PROCEEDINGS FOR THESE MATTERS.

Sec. 3. Section 23-401, Arizona Revised Statutes, is amended to read:

23-401. Definitions

In this article, unless the context otherwise requires:

1. "Board" means a review board established pursuant to section 23-422.

2. "CHIEF" MEANS THE CHIEF OF THE DIVISION.

~~2.~~ 3. "Commission" means the industrial commission of Arizona.

~~3.~~ 4. "De minimis violation" means a condition or practice that, although undesirable, has no direct or immediate relationship to safety or health.

~~4. "Director" means the director of the division.~~

5. "Division" means the division of occupational safety and health within the commission.

6. "Employee" means any person performing services for an employer, including any person defined as an employee pursuant to section 23-901, except employees engaged in household domestic labor.

7. "Employer":

(a) Means any individual or type of organization, including this state and all political subdivisions of this state, that has in its employ one or more individuals performing services for it in employment. ~~and~~

(b) Includes self-employed persons. ~~, but~~

(c) Does not include employers of household domestic labor.

8. "Interested party" means the commission and the commission's agents, the employer and the affected employees of such employer.

9. "Model system" means an exemplary and ~~voluntary~~ VOLUNTARILY implemented worker safety and health management system that BOTH:

(a) Exceeds basic compliance with occupational safety and health laws and regulations.

(b) Meets the requirements adopted by the division pursuant to section 23-432.

10. "~~Non-serious~~ NONSERIOUS violation" means a condition or practice in a place of employment that does not constitute a serious violation but that violates a standard or regulation and has a direct or immediate relationship to safety or health, unless the employer did not, and could not with the exercise of reasonable diligence, know of the presence of such condition or practice.

11. "Program" means the voluntary protection program or any other program under which the ~~director~~ CHIEF recognizes and partners with workplaces that have implemented a model system.

12. "Recognized hazard" means an unsafe or unhealthful condition or practice recognized as such with respect to the standard of knowledge in the industry.

13. "Regulation" means any written regulation of occupational safety and health governing places of employment formulated pursuant to section 23-410, exclusive of standards, and ~~shall have~~ HAS the same meaning as and ~~include~~ INCLUDES the term "rule".

14. "Serious violation" means a condition or practice in a place of employment that violates a standard, A regulation or section 23-403, subsection A and produces a substantial probability that death or serious physical harm could result, unless the employer did not, and could not with the exercise of reasonable diligence, know of the presence of such condition or practice.

15. "Standard" means any occupational safety and health standard that has been adopted and promulgated by a nationally recognized standards-producing organization or the federal government and ~~shall have~~ HAS the same meaning as~~,~~ and ~~include~~ INCLUDES the term "code".

16. "Trade secret" means a plan or process, tool, mechanism, or compound not patented, known only to its owner and those of the owner's employees to whom it is necessary to confide it, or other information that the employer treats as confidential and has a reasonable basis for doing so.

17. "Workplace" means a location or site wherein work, either temporary or permanent, is being conducted in connection with an industry, trade or business.

Sec. 4. Section 23-405, Arizona Revised Statutes, is amended to read:

23-405. Duties and powers of the industrial commission relative to occupational safety and health

The commission shall:

1. Administer ~~the provisions of~~ this article through the division ~~of occupational safety and health~~.

2. Appoint the ~~director~~ CHIEF of the division ~~of occupational safety and health~~.

3. Cooperate with the federal government to establish and maintain an occupational safety and health program as effective as the federal occupational safety and health program.

4. ~~Promulgate~~ ADOPT standards and regulations as required, pursuant to section 23-410, and ~~promulgate~~ ADOPT such other rules and regulations as are necessary for the efficient functioning of the division.

5. Have the authority to issue reasonable temporary, experimental and permanent variances pursuant to sections 23-411 and 23-412.

6. Exercise such other powers as are necessary to carry out the duties and requirements of this article.

Sec. 5. Section 23-406, Arizona Revised Statutes, is amended to read:

23-406. Division of occupational safety and health; chief; appointment; qualifications; compensation

A. There shall be a division of occupational safety and health within the ~~industrial~~ commission.

B. The ~~director~~ CHIEF of the division ~~of occupational safety and health~~ shall be the administrative head of the division under the control of the commission. The ~~director~~ CHIEF shall be appointed by the commission and shall serve at the pleasure of the commission.

C. The ~~director~~ CHIEF shall be:

1. A person who has been employed in the safety or health profession a minimum of ten years in the aggregate and is currently engaged in the broad practice of safety or health or one of its relevant specialties or holds a degree from an accredited college or university appropriate to the field of safety and health and has a minimum of five years' experience in the broad practice of safety or one of its relevant specialties, and has been registered or licensed by a state agency as a professional appropriate to ~~his~~ THE PERSON'S field of safety and health or has been certified as competent within the broad practice of safety or health or one of its relevant specialties by an organization recognized as qualified by the American society of safety engineers or American industrial hygiene association.

2. Competent to deal with the planning, design and needs of business operations as the use of such operations relates to the safe, convenient and economic performance of their business functions, with not

less than three years' experience in an administrative capacity in the field of occupational safety and health.

D. The salary of the ~~director~~ CHIEF shall be determined pursuant to section 38-611.

Sec. 6. Section 23-408, Arizona Revised Statutes, is amended to read:

23-408. Inspection of places and practices of employment; closing conference; prohibitions; employee initiation of investigation; violation; classification; injunction

A. Except as prescribed in section 23-432, subsection E, the ~~director~~ CHIEF of the division ~~of occupational safety and health~~, or the ~~director's~~ CHIEF'S authorized representative, on presentation of credentials, shall be ~~permitted~~ ALLOWED to inspect places of employment, question employees and investigate conditions, practices or matters in connection with employment subject to this article at reasonable times, as the ~~director~~ CHIEF or the ~~director's~~ CHIEF'S authorized representative may deem appropriate to determine whether any person has violated ~~any provision of~~ this article or any rule or regulation issued pursuant to this article or that may aid in the enforcement of this article. An employer or other person shall not refuse to admit the ~~director~~ CHIEF or the ~~director's~~ CHIEF'S authorized representatives to any place or refuse to ~~permit~~ ALLOW the inspection if the proper credentials are presented and the inspection is made at a reasonable time.

B. In making inspections and investigations, the ~~director~~ CHIEF or the ~~director's~~ CHIEF'S authorized representative may require the attendance and testimony of witnesses and the production of evidence under oath. Witnesses shall be paid the same fees and mileage paid to witnesses in the courts of this state. If any person fails or refuses to obey such an order, the ~~director~~ CHIEF or the ~~director's~~ CHIEF'S authorized representative may apply to any superior court in any county where the person is found, resides or transacts business for an order requiring the person to produce evidence and to give testimony as ordered. Failure to obey such an order is contempt of court.

C. The ~~director~~ CHIEF or the ~~director's~~ CHIEF'S authorized representative shall inspect at least every six months any operation that mixes rock, sand, gravel or similar materials with water and cement or with asphalt and that is not included in the definition of mine in section 27-301. The ~~director~~ CHIEF or the ~~director's~~ CHIEF'S authorized representative shall monitor and work with the mine inspector only to the extent necessary to ensure this state's compliance with federal occupational safety and health act standards~~,~~ (P.L. 91-596).

D. Notice of an intended inspection shall not be given to an employer before the time of actual entry on the workplace, except by specific authorization by the ~~director~~ CHIEF.

E. A representative of the employer and a representative authorized by the employer's employees shall be given an opportunity to accompany the ~~director~~ CHIEF or the ~~director's~~ CHIEF'S authorized representative during the physical inspection of any workplace for the purpose of aiding the

inspection. ~~Where~~ IF there is no authorized employee representative, the ~~director~~ CHIEF or the ~~director's~~ CHIEF'S authorized representative shall consult a reasonable number of employees concerning matters of safety and health in the workplace.

F. The ~~director~~ CHIEF may not allow any individual to accompany a compliance safety and health officer when conducting inspections for the ~~industrial~~ commission ~~of Arizona~~ pursuant to this section unless the individual is any of the following:

1. An employee of the employer being inspected.

2. A safety consultant, attorney or other agent of the employer or a person present with the consent of the employer.

3. The authorized employee representative. For the purposes of this paragraph, "authorized employee representative" means an agent of a labor organization that has a collective bargaining relationship with the employer who represents employees who are members of the collective bargaining unit.

4. A third party who is required by law to accompany the compliance safety and health officer to ensure that the state plan is at least as effective as the standards of the occupational safety and health act of 1970 (P.L. 91-596; 84 Stat. 1590).

5. Otherwise required by law to be present.

G. The employer may require the following conditions for a third party who accompanies a compliance safety and health officer during an inspection pursuant to subsection F of this section:

1. That not more than one individual be present unless otherwise required by law.

2. That the individual follow all workplace safety rules regarding personal protective equipment applicable to all visitors for the workplace.

3. That the individual ~~is required to~~ complete any safety trainings applicable to all visitors of the workplace.

4. That the individual sign a confidentiality agreement with respect to the use of confidential information that is learned during the inspection that has the same terms as required for other visitors.

5. That nonemployees, other than the compliance safety and health officer, ~~are~~ BE prohibited from entering areas that contain trade secrets. The compliance safety and health officer may consult with a reasonable number of employees who work in the identified trade secret area on matters of safety and health, even if those employees are not joining the inspection. Information obtained by the commission or its representatives during the inspection that contains or that may reveal a trade secret is subject to section 23-426.

H. Except as provided in section 23-426, information and facts developed by the commission, the ~~director~~ CHIEF or any employee of the commission or division in the course of any inspection or investigation are public records subject to inspection pursuant to title 39, chapter 1, article 2, if, pursuant to section 23-415, subsection D, the inspection or investigation has been closed or a citation has been issued. Such information and facts shall not be admissible in any court or before any

administrative body except pursuant to this article. Notwithstanding this subsection, the ~~director~~ CHIEF or any commission employee is not required to appear at any deposition, trial or hearing concerning a division inspection or investigation unless the appearance is related to a hearing held pursuant to this article. Hearings held pursuant to this article are open to the public.

I. During the inspection or investigation and in deciding whether to recommend and issue a citation, the ~~director~~ CHIEF or the ~~director's~~ CHIEF'S authorized representative and the commission may consider whether an employee has committed misconduct by violating the employer's policies, if any, regarding substance abuse while working, as evidenced by the results of testing for substance abuse or other evidence of impairment while working.

J. An employee of the division or the commission may not:

1. Before, during or after an inspection or investigation, communicate to an employer that the employer should not be represented by an attorney or that the employer may be treated more favorably by the division or the commission if the employer is not represented by an attorney.

2. Conduct an audio recording of an oral statement provided during an interview without the knowledge and consent of the person being interviewed. The employee of the division or the commission shall inform the person being interviewed of the person's right to receive a copy of the recorded oral statement within a reasonable time.

3. Obtain a written statement during an interview without informing the person of the person's right to receive a copy of the written statement within a reasonable time.

K. An employee or a representative of employees who believes that a violation of a safety or health standard or regulation exists that threatens physical harm or that an imminent danger exists may request an investigation by giving notice to the ~~director~~ CHIEF or the ~~director's~~ CHIEF'S authorized representative of the violation or danger. Any notice shall be in writing, set forth with reasonable particularity the grounds for the notice and be signed by the employees or representative of the employees. On the request of the employee giving the notice, the employee's name and the names of other employees referred to in the notice shall not appear on any copy of the notice or any record published, released or made available. If on receipt of the notice the ~~director~~ CHIEF determines that there are reasonable grounds to believe that the violation or danger exists, the ~~director~~ CHIEF shall make an investigation in accordance with this article as soon as practicable to determine if the violation or danger exists. If the ~~director~~ CHIEF determines there are no reasonable grounds to believe that a violation or danger exists, the ~~director~~ CHIEF shall notify the employees or representative of the employees in writing of the determination.

L. Any person who violates ~~any provision of~~ this section is guilty of a class 2 misdemeanor.

M. The commission, or the commission's authorized representative, in addition to initiating an action under subsection K of this section,

may file in the superior court in the county where the inspection was refused a verified complaint against an employer who violates subsection A of this section and request an injunction against continued refusal to ~~permit~~ ALLOW an inspection.

N. At least thirty days before the ~~industrial~~ commission ~~of Arizona~~ submits the state plan proposal or proposed adoption to the United States occupational safety and health administration, the commission shall submit the state plan proposal or proposed adoption to the joint legislative audit committee, which may review and recommend that the commission amend the state plan proposal or proposed adoption.

Sec. 7. Section 23-409, Arizona Revised Statutes, is amended to read:

23-409. Advisory committees

A. The commission shall create an occupational safety and health advisory committee to assist the commission in drafting standards and regulations. The committee may be asked to perform other functions as may be necessary. The committee shall be appointed by the commission and shall be composed of a reasonably balanced representation of regulated industries, including agriculture, and labor and other persons knowledgeable in safety and health and shall serve at the will of the commission. The commission may establish other committees as it deems necessary. The advisory committees may be paid their reasonable and necessary travel and other expenses in accordance with standard travel regulations.

B. The ~~director~~ CHIEF shall be an ex officio member of any advisory committee established pursuant to this section.

Sec. 8. Section 23-415, Arizona Revised Statutes, is amended to read:

23-415. Citations

A. If the ~~director~~ CHIEF, following an inspection or investigation determines that there is reasonable cause to believe that A violation exists ~~he~~, THE CHIEF shall with reasonable promptness issue a citation to the employer. Each citation shall be in writing and shall contain the following:

1. A particular description of the nature of the violation, including a reference to the provision of this article, or of any standard or regulation alleged to have been violated.

2. A reasonable time for the abatement of the violation.

3. A notice that the employer may request a hearing pursuant to section 23-420 if ~~he~~ THE EMPLOYER is aggrieved by the citation.

B. A certified mail delivery receipt or a signed verification of delivery in person shall be prima facie evidence of receipt of a citation.

C. Each citation issued under this section or a copy or copies ~~thereof~~ OF EACH CITATION shall be prominently posted at or near each place a violation referred to in the citation existed.

D. ~~No~~ A citation may NOT be issued after the expiration of a period of six months from the date of the inspection or investigation ~~which~~ THAT produced evidence of the violation.

Sec. 9. Section 23-417, Arizona Revised Statutes, is amended to read:

23-417. Enforcement procedure

A. If the ~~director~~ CHIEF, following an inspection or investigation, issues a citation pursuant to section 23-415 the ~~director~~ CHIEF, within a reasonable time after termination of the inspection or investigation, shall notify the employer by mail of any penalty proposed to be assessed pursuant to section 23-418 and that the employer has fifteen working days within which to notify the ~~director~~ CHIEF in writing if the employer wishes to contest the citation or proposed assessment of penalty. If the employer fails to notify the ~~director~~ CHIEF in writing within fifteen working days ~~of~~ AFTER receipt of the notice that the employer intends to contest the citation or penalty and a notice is not filed by any employee or representative of employees pursuant to subsection D of this section within such time, the citation and the assessment, as proposed, shall be a final order of the commission and not subject to review by any court or agency, except that the ~~director~~ CHIEF may excuse any late notification to contest a citation only if the employer to whom the notice was sent shows by clear and convincing evidence that the notice was not received.

B. The period allowed for correction of a violation shall not begin to run until the entry of a final order in the case of any review proceedings pursuant to this section initiated by the employer in good faith and not solely for delay or avoidance of penalties. If the division has reason to believe an employer has failed to correct a violation for which a citation has been issued within the period allowed, the ~~director~~ CHIEF shall notify the employer by mail of such failure, of the penalty proposed to be assessed pursuant to section 23-418 and that the employer has fifteen working days within which to notify the ~~director~~ CHIEF in writing if the employer wishes to contest the notification or proposed assessment of penalty. If the employer fails to notify the ~~director~~ CHIEF in writing within fifteen working days of receipt of the notice that the employer intends to contest the notice or penalty, the notice and assessment, as proposed, shall be deemed a final order of the commission and not subject to review by any court or agency.

C. Any employer who corrects the violations for which a citation was issued within the period allowed shall so notify the ~~director~~ CHIEF in writing.

D. Any affected employee or employee representative may request a hearing to appeal the period allowed an employer to abate a particular violation pursuant to section 23-420 if the affected employee or employee representative files the appeal with the ~~director~~ CHIEF within the abatement period allowed in the citation or within fifteen days after the date of receipt of the citation, whichever is shorter.

E. On a showing by an employer of a good faith effort to comply with the abatement requirements of a citation, and that abatement has not been completed because of factors beyond the reasonable control of the employer, the commission or its authorized designee, after an opportunity for a hearing as provided in section 23-420, shall issue an order affirming or modifying the abatement requirements in such citation. The

rules of procedure prescribed by the commission shall provide affected employees or representatives of affected employees an opportunity to participate as parties to hearings under this subsection.

Sec. 10. Section 23-418, Arizona Revised Statutes, is amended to read:

23-418. Penalties; violation; classification

A. Any employer who wilfully or repeatedly violates the requirements of section 23-403 or any standard or regulation adopted pursuant to section 23-410 or 23-414 or this article may be assessed a civil penalty for each wilful violation of not more than the maximum civil penalty, but not less than the minimum civil penalty, for wilful or repeated violations adopted by the United States occupational safety and health administration pursuant to the federal civil penalties inflation adjustment act improvements act of 2015 (P.L. 114-74; 129 Stat. 599).

B. Any employer ~~who~~ THAT has received a citation for a serious violation of this article shall be assessed a civil penalty for each such violation of not more than the maximum civil penalty for serious violations adopted by the United States occupational safety and health administration pursuant to the federal civil penalties inflation adjustment act improvements act of 2015 (P.L. 114-74; 129 Stat. 599).

C. Any employer that has received a citation for a nonserious violation of this article may be assessed a civil penalty for each such violation of not more than the maximum civil penalty for nonserious violations adopted by the United States occupational safety and health administration pursuant to the federal civil penalties inflation adjustment act improvements act of 2015 (P.L. 114-74; 129 Stat. 599).

D. Any employer that fails to correct a violation for which PERIOD a citation has been issued within the abatement period allowed for its correction, which shall be suspended in case of a review proceeding before an administrative law judge or the review board initiated by the employer in good faith and not solely for delay or avoidance of penalties, may be assessed a civil penalty of not more than the maximum civil penalty for abatement violations adopted by the United States occupational safety and health administration pursuant to the federal civil penalties inflation adjustment act improvements act of 2015 (P.L. 114-74; 129 Stat. 599) for each day during which such failure or violation continues after the abatement date.

E. Any employer that knowingly violates the requirements of section 23-403 or any standard or regulation adopted pursuant to section 23-410 or 23-414 or this article and that violation causes death to an employee is guilty of a class 6 felony, except that if the conviction is for a second or subsequent violation the employer is guilty of a class 5 felony.

F. Any person who knowingly gives advance notice of any inspection to be conducted under this article without authority from the ~~director~~ CHIEF is guilty of a class 2 misdemeanor.

G. A person who knowingly makes any false statement, representation or certification in any application, record, report, plan or other document filed or required to be maintained pursuant to this article is guilty of a class 2 misdemeanor.

H. Any employer that violates any of the posting requirements of this article shall be assessed a civil penalty for each violation of not more than the maximum civil penalty for posting violations adopted by the United States occupational safety and health administration pursuant to the federal civil penalties inflation adjustment act improvements act of 2015 (P.L. 114-74; 129 Stat. 599).

I. The commission shall have authority to assess all civil penalties provided in this section, giving due consideration to the appropriateness of the penalty with respect to the gravity of the violation, the number of employees employed by the employer, the good faith of the employer and the history of previous violations under this article.

J. Civil penalties owed under this article shall be paid to the commission for deposit in the state general fund. After an order or decision on a civil penalty becomes final pursuant to section 23-417, 23-421 or 23-423, the civil penalty shall act as a judgment against the employer. The commission shall file the civil penalty in the office of the clerk of the superior court in any county in this state and the clerk shall enter the civil penalty in the civil order book and judgment docket. When the civil penalty is filed and entered it is a lien for eight years after the date of the final order or decision on the property of the employer located in the county. Execution may issue on the civil penalty within eight years in the same manner and with like effect as a judgment of the superior court. The civil penalty judgment shall accrue interest pursuant to section 44-1201. The commission may recover reasonable attorney fees incurred pursuant to this section.

Sec. 11. Section 23-423, Arizona Revised Statutes, is amended to read:

23-423. Review board rights and procedures; definition

A. A request for review to the review board shall be filed with the commission within fifteen days after the date the decision was mailed or ~~e-mailed~~ EMAILED to the parties and copies of the request shall be mailed to all other parties to the proceeding before the administrative law judge. ~~For the purposes of this section, "filed" means deposited in the United States mail, postage prepaid or actually received by the commission.~~

B. The request for review shall state the grounds for review and whether oral argument is requested.

C. When review has been requested, the record of such oral proceedings at the hearing before the administrative law judge for purposes of the review shall be transcribed at the expense of the party requesting review. The record shall be certified to be true and correct by the office of administrative hearings.

D. The board shall give the parties notice of review by mail or ~~e-mail~~ EMAIL.

E. If oral argument is requested, a hearing date shall be established and notice of the hearing date will be sent with the notice of review to the parties.

F. The review of the board shall be based on the record submitted to it under subsection C of this section and such oral argument as may be requested and received. If the board determines that a case has been improperly, incompletely or otherwise insufficiently developed or heard by the administrative law judge, it may remand the case to the administrative law judge for further evidence taking, correction or other necessary action.

G. The board may affirm, reverse, modify or supplement the decision of the administrative law judge and make such disposition of the case as it determines to be appropriate. The board shall make a decision within thirty days after review has been submitted.

H. The decision of the board shall be filed with the commission and a copy of the decision sent by mail or ~~e-mail~~ EMAIL to the parties. All decisions of the review board shall be in writing. Decisions of the review board shall be made by a majority vote of the review board. A decision of the review board is binding on the ~~director~~ CHIEF and the division with respect to the parties involved in the particular appeal. The ~~director~~ CHIEF shall have the right to seek judicial review of a review board decision irrespective of whether or not the ~~director~~ CHIEF appeared or participated in the appeal to the review board.

I. The decision of the board is final unless within ten days after the date of service of copies of such decision on the parties, one of the parties applies to the court of appeals for a writ of certiorari to review the lawfulness of the decision. A copy of such application shall be forthwith transmitted to the clerk of the court, to the review board, to the commission and to the other parties and within ten days therefrom, the commission shall certify the record, proceedings and evidence before the administrative law judge and the review board to the court of appeals. On such filing, the court shall have jurisdiction of the proceedings and of the question determined therein, and shall have power to make and enter on the pleadings, testimony and proceedings set forth in such record a decree affirming, modifying or setting aside in whole or in part, the order of the review board and enforcing the same to the extent that such order is affirmed or modified. The commencement of proceedings under this subsection does not, unless ordered by the court, operate as a stay of the order of the review board. No objection that has not been urged before the review board shall be considered by the court, unless the failure or neglect to urge such objection shall be excused because of extraordinary circumstances. The findings of the review board with respect to questions of fact, if supported by substantial evidence on the record considered as a whole, shall be conclusive. If any party applies to the court for leave to adduce additional evidence and shows to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the hearing before the administrative law judge, the court may order such additional evidence to be taken before the administrative law judge and to be made a part of the record. Petitions filed under this subsection shall be heard expeditiously and the decision of the review board shall contain a statement of this right of appeal.

J. FOR THE PURPOSES OF THIS SECTION, "FILED" MEANS DEPOSITED IN THE UNITED STATES MAIL, POSTAGE PREPAID, OR ACTUALLY RECEIVED BY THE COMMISSION.

Sec. 12. Section 23-426, Arizona Revised Statutes, is amended to read:

23-426. Confidentiality of trade secrets

All information reported to or likewise obtained by the commission or its representatives in connection with any inspection or investigation under this article ~~which~~ THAT contains or ~~which~~ THAT might reveal a trade secret shall be considered confidential for the purpose of this article, except that such information may be disclosed to other representatives of the division or commission concerned with carrying out this article or when relevant in any proceeding under this article. In any such proceeding, the ~~director~~ CHIEF, the commission, the administrative law judge, the review board or the courts shall issue orders as may be appropriate to protect the confidentiality of trade secrets.

Sec. 13. Section 23-428, Arizona Revised Statutes, is amended to read:

23-428. State legal representation

A. The office of the chief counsel of the industrial commission of Arizona may appear for and represent the commission or the ~~director~~ CHIEF or ~~his~~ THE CHIEF'S authorized representative in any civil litigation brought under this article.

B. In any criminal proceeding initiated under this article, the office of the chief counsel of the industrial commission of Arizona may appear for, represent and prosecute in the name of ~~the~~ THIS state ~~of Arizona~~.

Sec. 14. Section 23-433, Arizona Revised Statutes, is amended to read:

23-433. Consulting program

A. The division shall develop a consulting program ~~utilizing~~ THAT USES visits to the workplace of employers to provide consultation and advice to such employers. Such visits:

1. May be conducted only ~~upon~~ ON request by an employer for consultation and advice on the interpretation or applicability of standards, possible alternative ways of complying with applicable standards or other matters related to accident prevention, occupational health or obligations pursuant to this article.

2. Shall be limited to matters specified in the request.

B. If, after evaluating such request, the ~~director~~ CHIEF determines an alternative means of providing consultation is more appropriate and equally effective, ~~he~~ THE CHIEF may provide such alternative means rather than consultation at the workplace.

C. The ~~director~~ CHIEF shall make recommendations regarding solutions to matters within the scope of the workplace consultation.

D. No visit pursuant to this section shall be regarded as an inspection or investigation pursuant to section 23-415. No citation shall be issued nor shall any civil penalties be proposed ~~upon~~ ON such visit, except that ~~nothing in~~ this section ~~shall~~ DOES NOT affect in any manner

any provision of this article the purpose of which is to eliminate imminent danger violations.

Sec. 15. Section 23-471, Arizona Revised Statutes, is amended to read:

23-471. Definitions

In this article, unless the context otherwise requires:

1. "Authorized representative" means the ~~boiler chief and~~ boiler inspector employed by the division.

2. "Boiler" means a closed vessel in which water or other liquid is heated, steam or vapor is generated or steam or vapor is superheated, or any combination thereof, under pressure or vacuum for a use that is external to itself, by the direct application of heat from the combustion of fuels or from electricity.

3. "Certificate" means a certificate of competency.

4. "Certificate inspection" means an internal inspection, when construction permits, otherwise it means as complete an inspection as possible.

5. "CHIEF" MEANS THE CHIEF OF THE DIVISION.

~~5.~~ 6. "Commission" means the industrial commission of Arizona.

~~6. "Director" means the director of the division of occupational safety and health.~~

7. "Division" means the BOILER division of ~~occupational safety and health of~~ the commission.

8. "Heating boilers" means a steam or vapor boiler operating at a pressure not exceeding fifteen pounds per square inch or a hot water boiler operating at a pressure not exceeding one hundred sixty pounds per square inch or a temperature not exceeding two hundred fifty degrees Fahrenheit.

9. "High temperature water boiler" means a water boiler intended for operation at pressures in excess of one hundred sixty pounds per square inch or temperatures in excess of two hundred fifty degrees Fahrenheit.

10. "Interested party" means the commission, agents of the commission and any owner or operator who has been issued a notice of violation.

11. "Lined hot water heater" means a fired lined water heater with linings providing corrosion resistance for supplying potable hot water for commercial purposes. Lined hot water heaters are exempted when none of the following limitations are exceeded:

(a) Heat input of two hundred thousand British thermal units per hour.

(b) Water temperature of two hundred ten degrees Fahrenheit.

(c) Nominal water-containing capacity of one hundred twenty gallons.

12. "Owner" or "operator" means any individual or type of organization, including this state and all political subdivisions of this state, that has title to or controls, or has the duty to control, the operation of one or more boilers, pressure vessels or lined hot water heaters.

13. "Power boiler" means a boiler in which steam or other vapor is generated at a pressure more than fifteen pounds per square inch.

14. "Pressure vessel" means a container for the containment of pressure, either internal or external. The pressure may be obtained from an external source, or by the application of heat from a direct or indirect source, or any combination thereof.

15. "Process boiler" means a heating boiler or a power boiler used for processing purposes where the make-up water exceeds ten percent.

Sec. 16. Section 23-474, Arizona Revised Statutes, is amended to read:

23-474. Duties of commission

The commission shall:

1. Administer this article through the BOILER division ~~of occupational safety and health~~.

2. Adopt standards and regulations pursuant to section 23-475 and adopt other rules as are necessary.

3. Exercise other powers as are necessary to carry out the duties and requirements of this article.

Sec. 17. Section 23-477, Arizona Revised Statutes, is amended to read:

23-477. Notice requesting investigation

A. Any person may make a request for an investigation by the division into alleged violations of section 23-473 by giving notice to the ~~director~~ CHIEF or the ~~director's~~ CHIEF'S authorized representative of such violation or danger. Such notice shall be reduced to writing, set forth with reasonable particularity the grounds for the notice and be signed.

B. If, ~~upon~~ ON receipt of such notification, the ~~director~~ CHIEF determines that there are reasonable grounds to believe that such violation or danger exists, the ~~director~~ CHIEF shall make an investigation pursuant to this article as soon as practicable to determine if such violation or danger exists. If the ~~director~~ CHIEF determines there are no reasonable grounds to believe that a violation or danger exists, the ~~director~~ CHIEF shall notify the requesting party in writing of such determination.

Sec. 18. Section 23-478, Arizona Revised Statutes, is amended to read:

23-478. Enforcement

A. If the division, following an inspection or investigation determines that there is reasonable cause to believe that there exists a violation of a standard or regulation the division shall issue a notice of violation directing any repairs, improvements, changes or additions necessary to eliminate the hazard. Each notice of violation shall be in writing, delivered either by mail or in person and shall contain the following:

1. A particular description of the nature of the violation, including a reference to the provision of this article or of any standard or regulation alleged to have been violated.

2. A reasonable time for the abatement of the violation.

B. Each notice of violation issued pursuant to this section or a copy or copies of such notice of violation shall be prominently posted at or near each place a violation referred to in the notice of violation existed.

C. If in the opinion of the ~~director~~ CHIEF or the ~~director's~~ CHIEF'S authorized representative the continued operation of the defective boiler, pressure vessel or lined hot water heater constitutes an immediate danger to the safety of the occupants of the establishment or the persons operating such boiler, pressure vessel or lined hot water heater the ~~director~~ CHIEF or ~~director's~~ CHIEF'S authorized representative may condemn such device and require the boiler, pressure vessel or lined hot water heater to be returned to a condition allowing safe operation before use of the boiler, pressure vessel or lined hot water heater is resumed.

D. On failure of an owner or operator to comply with either the requirements of a notice of violation issued pursuant to subsection A of this section or condemnation pursuant to ~~this~~ subsection C OF THIS SECTION, the commission may file an action in the superior court in the county where the violation occurred to enjoin the owner or operator from engaging in further acts in violation of the requirements of the notice of violation or the condemnation. Any person found to be in contempt of an injunctive order of the court shall be fined not less than ~~fifty~~ $50 nor more than ~~three hundred dollars~~ $300 with each day of violation constituting a separate contempt.

Sec. 19. Section 23-491, Arizona Revised Statutes, is amended to read:

23-491. Definitions

In this article, unless the context otherwise requires:

1. "Authorized representative" means the ~~elevator chief and~~ elevator inspector employed by the division.

2. "Certificate" means a certificate of inspection issued by the division.

3. "CHIEF" MEANS THE CHIEF OF THE DIVISION.

~~3.~~ 4. "Commission" means the industrial commission of Arizona.

~~4.~~ 5. "Conveyance":

(a) Means an elevator, dumbwaiter, escalator, moving walk, manlift, personnel hoist, material hoist, stage lift and special purpose personnel elevator. ~~, excluding~~

(b) DOES NOT INCLUDE conveyances located at mines ~~and~~ THAT ARE subject to regulation and inspection by the state mine inspector pursuant to title 27, chapter 3.

~~5. "Director" means the director of the division of occupational safety and health.~~

6. "Division" means the ELEVATOR division ~~of occupational safety and health~~ of the ~~industrial~~ commission.

7. "Dumbwaiter" means a hoisting and lowering mechanism with a car of limited capacity and size that moves in guides in a substantially vertical direction and that is used exclusively for carrying material.

8. "Elevator" means a hoisting and lowering mechanism equipped with a car or platform that moves in guides in substantially vertical direction and that serves two or more floors of a building or structure.

9. "Elevator company" means a person that is engaged in the business of erecting, constructing, installing, altering, servicing, repairing or maintaining conveyances.

10. "Escalator" means a ~~power driven~~ POWER-DRIVEN, inclined, continuous stairway used for raising or lowering passengers.

11. "Interested party" means the commission and its agents and the owner or operator who has been issued a correction order.

12. "Manlift" means a device ~~consisting~~ THAT CONSISTS of a ~~power driven~~ POWER-DRIVEN endless belt moving in one direction only and provided with steps or platforms and attached handholds for the transportation of personnel from floor to floor.

13. "Material hoist" means a hoist for raising and lowering materials only and prohibiting the hoisting of persons.

14. "Moving walk" means a type of ~~passenger carrying~~ PASSENGER-CARRYING device on which passengers stand or walk and in which the ~~passenger carrying~~ PASSENGER-CARRYING surface remains parallel to its direction of motion and is uninterrupted.

15. "Owner" or "operator":

(a) Means an individual or organization, including this state and all political subdivisions of this state, ~~who~~ THAT has title to, controls or has the duty to control the operation of one or more conveyances. ~~, but shall~~

(b) DOES not include an individual or organization THAT IS engaged in mining or metallurgical operations AND whose operation is subject to regulation and inspection by the state mine inspector pursuant to title 27, chapter 3.

16. "Personnel hoist":

(a) Means a mechanism ~~for use~~ THAT IS USED in connection with the construction, alteration, maintenance or demolition of a building, structure or other work, THAT IS used for hoisting and lowering workers and materials and THAT IS equipped with a car that moves on guide members during its vertical movement. ~~The term~~

(b) Includes a hoistway of a personnel hoist.

17. "Private elevator inspector" means an individual who is authorized by the commission under section 23-491.16 to conduct inspections under this article.

18. "Special purpose personnel elevator" means a passenger, ~~hand powered~~ HAND-POWERED, counterweighted device or an ~~electric powered~~ ELECTRIC-POWERED device that travels vertically in guides and that serves two or more landings.

19. "Stage lift" means a hoisting and lowering mechanism equipped with a platform that moves in guides in a substantially vertical direction and that serves one or more landings.

Sec. 20. Section 23-491.03, Arizona Revised Statutes, is amended to read:

23-491.03. Existing conveyances

Existing conveyances lawfully installed ~~prior to~~ BEFORE the effective date of this article may continue in use if the use is, in the opinion of the ~~director~~ CHIEF, not a hazard to life, health or property.

Sec. 21. Section 23-491.04, Arizona Revised Statutes, is amended to read:

23-491.04. Commission powers and duties

A. The commission shall:

1. Administer this article through the division ~~of occupational safety and health~~.

2. ~~Promulgate~~ ADOPT standards and regulations pursuant to section 23-491.06 as required and ~~promulgate~~ ADOPT such other rules and regulations and exercise such other powers as are necessary to carry out this article.

B. The commission, by rule and regulation, may set fees not to exceed the actual cost for inspections performed pursuant to this article.

Sec. 22. Section 23-491.08, Arizona Revised Statutes, is amended to read:

23-491.08. Notice requesting investigation; confidentiality; determination of grounds

A. Any person may make a request for an investigation by the division into alleged violations of section 23-491.02 by giving notice to the ~~director~~ CHIEF or the ~~director's~~ CHIEF'S authorized representative of such violation or danger. Such notice shall be in writing, shall set forth with reasonable particularity the grounds for the notice and shall be signed by the person making the request. ~~Upon~~ ON the request of the person signing the notice, such person's name shall not appear on any copy of such notice or any record published, released or made available.

B. If ~~upon~~ ON receipt of such notification the ~~director~~ CHIEF determines that there are reasonable grounds to believe that such violation or danger exists, the ~~director~~ CHIEF shall make an investigation in accordance with ~~the provisions of~~ this article as soon as practicable to determine if such violation or danger exists. If the ~~director~~ CHIEF determines there are no reasonable grounds to believe that a violation or danger exists, the ~~director~~ CHIEF shall notify the requesting party in writing of such a determination.

Sec. 23. Section 23-491.09, Arizona Revised Statutes, is amended to read:

23-491.09. Enforcement

A. If the division, following an inspection or investigation, determines that there is reasonable cause to believe that there is a violation of a standard or regulation, the division shall issue a correction order directing any repairs, improvements, changes or additions necessary to eliminate the hazard. Each correction order shall be in writing, delivered either by mail or in person and shall contain the following:

1. A particular description of the nature of the violation, including a reference to the provision of this article or of any standard or regulation alleged to have been violated.

2. A reasonable time for the abatement of the violation.

B. No correction order may be issued after the expiration of a period of six months from the date of the inspection or investigation ~~which~~ THAT produced evidence of the violation.

C. If, in the opinion of the ~~director~~ CHIEF or the ~~director's~~ CHIEF'S authorized representative, the continued operation of the defective device constitutes an immediate danger to the safety of the persons operating or being conveyed by such device, the ~~director~~ CHIEF or the ~~director's~~ CHIEF'S authorized representative may condemn such device and require it to be returned to a condition allowing safe operation before its use is resumed.

D. ~~Upon~~ ON failure of an owner or operator to comply with either the requirements of a correction order issued pursuant to subsection A OF THIS SECTION or condemnation pursuant to ~~this~~ subsection C OF THIS SECTION, the commission may file an action in the superior court ~~of~~ IN the county where the violation occurred to enjoin the owner or operator from engaging in further acts in violation of the requirements of the correction order or the condemnation. Any person found to be in contempt of an injunctive order of the court shall be fined not less than ~~fifty~~ $50 nor more than ~~three hundred dollars~~ $300 with each day of violation constituting a separate contempt.

Sec. 24. Section 23-1065, Arizona Revised Statutes, is amended to read:

23-1065. Special fund; purposes; investment committee

A. The ~~industrial~~ commission may direct the payment into the state treasury of not to exceed one percent of all premiums received by private insurance carriers during the immediately preceding calendar year. The same percentage shall be assessed against self-insurers based on the total cost to the self-insured employer as provided in section 23-961, subsection G. Such assessments shall be computed on the same premium basis as provided for in section 23-961, subsections G, H, J, K and L and shall be ~~no~~ NOT more than is necessary to keep the special fund actuarially sound. Such payments shall be placed in a special fund within the administrative fund to provide, at the discretion of the commission, such additional awards as may be necessary to enable injured employees to accept the benefits of any law of this state or of the United States, or both jointly, for promotion of vocational rehabilitation of persons with disabilities in industry.

B. In claims involving an employee who has a preexisting ~~industrially-related~~ INDUSTRIALLY RELATED permanent physical impairment of the type specified in section 23-1044, subsection B and who thereafter suffers an additional permanent physical impairment of the type specified in such subsection, the claim involving the subsequent impairment is eligible for reimbursement, as provided by subsection D of this section, according to the following:

1. The employer in whose employ the subsequent impairment occurred or its insurance carrier is solely responsible for all temporary disability compensation to which the employee is entitled and for an amount equal to the permanent disability compensation provided by section 23-1044, subsection B for the subsequent impairment. If the employee is

determined to have sustained no loss of earning capacity after the medically stationary date, the employer or carrier shall pay ~~him~~ THE EMPLOYEE as a vocational rehabilitation bonus the amount calculated under this paragraph as a lump sum, which shall be a credit against any permanent compensation benefits awarded in any subsequent proceeding. The amount of the vocational rehabilitation bonus for which the employer or carrier is responsible under this paragraph shall be calculated solely on physical, medically rated permanent impairment and not on occupational or other factors.

2. If the commission determines that the employee is entitled to compensation for loss of earning capacity under section 23-1044, subsection C or permanent total disability under section 23-1045, subsection B, the total amount of permanent benefits for which the employer or carrier is solely responsible under paragraph 1 of this subsection shall be expended first, with monthly payments made according to the loss of earning capacity or permanent total disability award. The employer or carrier and the special fund are equally responsible for the remaining amount of compensation for loss of earning capacity under section 23-1044, subsection C or permanent total disability under section 23-1045, subsection B. This paragraph ~~shall~~ DOES not ~~be construed as requiring~~ REQUIRE payment of any benefits under section 23-1044, subsection B in any case in which an employee is entitled to benefits for loss of earning capacity under section 23-1044, subsection C or permanent total disability benefits under section 23-1045, subsection B.

C. In claims involving an employee who has a preexisting physical impairment that is not ~~industrially related~~ INDUSTRIALLY RELATED and, whether congenital or due to injury or disease, is of such seriousness as to constitute a hindrance or obstacle to employment or to obtaining reemployment if the employee becomes unemployed, and the impairment equals or exceeds a ten percent permanent impairment evaluated in accordance with the American medical association guides to the evaluation of permanent impairment, and the employee thereafter suffers an additional permanent impairment not of the type specified in section 23-1044, subsection B, the claim involving the subsequent impairment is eligible for reimbursement, as provided by subsection D of this section, under the following conditions:

1. The employer in whose employ the subsequent impairment occurred or its carrier is solely responsible for all temporary disability compensation to which the employee is entitled.

2. The employer had knowledge of the permanent impairment at the time the employee was hired, or that the employee continued in employment after the employer acquired such knowledge.

3. The employee's preexisting impairment is due to one or more of the following:

(a) Epilepsy.

(b) Diabetes.

(c) Cardiac disease.

(d) Arthritis.

(e) Amputated foot, leg, arm or hand.

(f) Loss of sight of one or both eyes or a partial loss of uncorrected vision of more than seventy-five percent bilaterally.
(g) Residual disability from poliomyelitis.
(h) Cerebral palsy.
(i) Multiple sclerosis.
(j) Parkinson's disease.
(k) Cerebral vascular accident.
(l) Tuberculosis.
(m) Silicosis.
(n) Psychoneurotic disability following treatment in a recognized medical or mental institution.
(o) Hemophilia.
(p) Chronic osteomyelitis.
(q) Hyperinsulinism.
(r) Muscular dystrophies.
(s) Arteriosclerosis.
(t) Thrombophlebitis.
(u) Varicose veins.
(v) Heavy metal poisoning.
(w) Ionizing radiation injury.
(x) Compressed air sequelae.
(y) Ruptured intervertebral disk.

4. The employer or carrier and the special fund are equally responsible for the amount of compensation for loss of earning capacity under section 23-1044, subsection C or permanent total disability under section 23-1045, subsection B.

D. The employer or insurance carrier shall notify the commission of its intent to claim reimbursement for an eligible claim under subsection B or C of this section not later than the time the employer or insurance carrier notifies the commission pursuant to section 23-1047, subsection A. ~~Upon~~ ON receiving notice the commission may expend funds from the special fund created by this section for travel and discovery procedures and for the employment of such independent legal, medical, rehabilitation, claims or labor market consultants or experts as may be deemed necessary by the commission to assist in the determination of the liability of the special fund, if any, under subsection B or C of this section. In the event there is any dispute regarding liability to the special fund pursuant to subsection B or C of this section, the commission shall not delay the issuance of a permanent award pursuant to section 23-1047, subsection B.

E. If the special fund created by this section is determined to be liable under either subsection B or C of this section, the employer or insurance carrier that is primarily liable shall pay the entire amount of the award to the injured employee and the commission shall by rule provide for the reimbursement of the employer or insurance carrier on an annual basis. In any case arising out of subsection B or C of this section, the written approval of the special fund is required for the compromise of any claim made pursuant to section 23-1023. In any such case, written approval shall not be unreasonably withheld by the special fund, carrier, self-insured employer or other person responsible for the payment of

compensation. Failure to obtain the written approval of the special fund shall not cause the injured worker to lose any benefits but ends the special fund's liability for reimbursement and makes the employer or carrier solely responsible for the payment of the remaining benefits.

F. The employer or insurance carrier shall make its claim for reimbursement to the commission not later than November 1 each year, for payments made pursuant to subsection B or C of this section during the twelve months before October 1 each year. Claims shall be paid before December 31 each year. If the total annual reserved liabilities of the special fund obligated under subsections B and C of this section exceed ~~six million dollars~~ $6,000,000, as determined by the annual actuarial study performed pursuant to subsection I of this section, the commission, after notice and a hearing, may levy an additional assessment under subsection A of this section of up to one-half percent to meet such liabilities. Any insurance carrier or employer ~~who~~ THAT may be adversely affected by the additional assessment may at any time before the sixtieth day after such additional assessment is ordered file a complaint challenging the validity of the additional assessment in the superior court in Maricopa county for a judicial review of the additional assessment. On judicial review the determination of the commission shall be upheld if supported by substantial evidence in the record considered as a whole.

G. In the event the injured employee is awarded additional compensation, under subsection A of this section, the commission retains jurisdiction to amend, alter or change the award ~~upon~~ ON a change in the physical condition of the injured employee resulting from the injury.

H. On receiving notice that the special fund may be liable under this chapter, the commission may spend monies from the special fund established by this section for expenses that are necessary to assist in the processing, payment or determination of liability of the fund. These expenses may include travel, discovery procedures and employing any legal, medical, rehabilitation, claims or labor market consultant, examiner or expert.

I. The commission shall cause an annual actuarial study of the special award fund to be made by a qualified actuary who is a member of the society of actuaries. The actuary shall make specific recommendations for maintaining the fund on a sound actuarial basis. The actuarial study shall be completed on or before September 1.

J. The special fund of the commission consists of all monies from premiums and assessments, except penalties assessed pursuant to this chapter, received and paid into the fund, property and securities acquired by the use of monies in the fund, interest earned on monies in the fund and other monies derived from the sale, use or lease of properties belonging to the fund. The special fund created by this section shall be administered by the director of the ~~industrial~~ commission, subject to the authority of the ~~industrial~~ commission. The director of the commission with approval of the investment committee, in the administration of the special fund, may provide loans, subject to repayment, budgetary review and legislative appropriation, to the administrative fund for the purposes

and subject to section 23-1081, acquire real property and acquire or construct a building or other improvements on the real property as may be necessary to house, contain, furnish, equip and maintain offices and space for departmental and operational facilities of the commission. The commission, when using space constructed pursuant to this section, shall make equal payments of rent on a semiannual basis, which shall be deposited in the special fund. The investment committee shall determine the amount of the rent, which must be at least equal to or greater than that determined by the joint committee on capital review for buildings of similar design and construction as provided by section 41-792.01.

K. There is established an investment committee consisting of the director and the chairman of the commission and three persons knowledgeable in investments and economics appointed by the governor. Of the members appointed by the governor, one shall be a professional in the investment business, one shall represent workers' compensation insurers and one shall represent self-insurers. The term of members appointed by the governor is three years, which shall begin on July 1 and end on June 30 three years later. The committee shall prescribe by rule investment policies and supervise the investment activities of the special fund.

L. Each member of the investment committee, other than the director of the commission, is eligible to receive from the special fund:

1. Compensation of ~~fifty dollars~~ $50 for each day while in actual attendance at meetings of the investment committee.

2. Reimbursement for expenses pursuant to title 38, chapter 4, article 2.

M. The investment committee shall meet at least once every month.

N. The investment committee shall periodically review and assess the investment strategy.

O. The investment committee, by resolution, may invest and reinvest the surplus or reserves in the funds established under this chapter in any legal investments authorized under section 38-718.

P. In addition to the investments authorized under section 38-718, the investment committee may approve the investment in real property and improvements on real property to house and maintain offices of the commission, including spaces for its departmental and operational facilities. Title to the real estate and improvements on the real estate vests in the special fund of the commission, and the assets become part of the fund as provided by this section.

Q. The investment committee may appoint a custodian for the safekeeping of all or any portion of the investments owned by the special fund of the commission and may register stocks, bonds and other investments in the name of a nominee. Except for investments held by a custodian or in the name of a nominee, all securities purchased pursuant to subsection O of this section shall promptly be deposited with the state treasurer as custodian thereof, who shall collect the dividends, interest and principal thereof, and pay, when collected, into the special fund. The state treasurer shall pay all vouchers drawn for the purchase of securities. The director may sell any of the securities as the director deems appropriate, if authorized by resolution of the investment

committee, and the proceeds therefrom shall be payable to the state treasurer for the account of the special fund ~~upon~~ ON delivery of the securities to the purchaser or the purchaser's agent.

Sec. 25. Section 41-1005, Arizona Revised Statutes, is amended to read:

41-1005. Exemptions

A. This chapter does not apply to any:

1. Rule that relates to the use of public works, including streets and highways, under the jurisdiction of an agency if the effect of the order is indicated to the public by means of signs or signals.

2. Order or rule of the Arizona game and fish commission that does the following:

(a) Opens, closes or alters seasons or establishes bag or possession limits for wildlife.

(b) Establishes a fee pursuant to section 5-321, 5-322 or 5-327.

(c) Establishes a license classification, fee or application fee pursuant to title 17, chapter 3, article 2.

(d) Limits the number or use of licenses or permits that are issued to nonresidents pursuant to section 17-332.

3. Rule relating to section 28-641 or to any rule regulating motor vehicle operation that relates to speed, parking, standing, stopping or passing enacted pursuant to title 28, chapter 3.

4. Rule concerning only the internal management of an agency that does not directly and substantially affect the procedural or substantive rights or duties of any segment of the public.

5. Rule that only establishes specific prices to be charged for particular goods or services sold by an agency.

6. Rule concerning only the physical servicing, maintenance or care of agency owned or operated facilities or property.

7. Rule or substantive policy statement concerning inmates or committed youths of a correctional or detention facility in secure custody or patients admitted to a hospital if made by the state department of corrections, the department of juvenile corrections, the board of executive clemency or the department of health services or a facility or hospital under the jurisdiction of the state department of corrections, the department of juvenile corrections or the department of health services.

8. Form whose contents or substantive requirements are prescribed by rule or statute and instructions for the execution or use of the form.

9. Capped fee-for-service schedule adopted by the Arizona health care cost containment system administration pursuant to title 36, chapter 29.

10. Fees prescribed by section 6-125.

11. Order of the director of water resources adopting or modifying a management plan pursuant to title 45, chapter 2, article 9.

12. Fees established under section 3-1086.

13. Fees established under sections 41-4010 and 41-4042.

14. Rule or other matter relating to agency contracts.
15. Fees established under section 32-2067 or 32-2132.
16. Rules made pursuant to section 5-111, subsection A.
17. Rules made by the Arizona state parks board concerning the operation of the Tonto natural bridge state park, the facilities located in the Tonto natural bridge state park and the entrance fees to the Tonto natural bridge state park.
18. Fees or charges established under section 41-511.05.
19. Emergency medical services protocols except as provided in section 36-2205, subsection B.
20. Fee schedules established pursuant to section 36-3409.
21. Procedures of the state transportation board as prescribed in section 28-7048.
22. Rules made by the state department of corrections.
23. Fees prescribed pursuant to section 32-1527.
24. Rules made by the department of economic security pursuant to section 46-805.
25. Schedule of fees prescribed by section 23-908, EXCEPT THAT THE INDUSTRIAL COMMISSION OF ARIZONA MUST POST THE SCHEDULE OF FEES ON ITS WEBSITE AND PREPARE AND FILE A NOTICE OF PUBLIC INFORMATION WITH THE WEBSITE ADDRESS TO BE PUBLISHED IN THE REGISTER.
26. Procedure that is established pursuant to title 23, chapter 6, article 6.
27. Rules, administrative policies, procedures and guidelines adopted for any purpose by the Arizona commerce authority pursuant to chapter 10 of this title if the authority provides, as appropriate under the circumstances, for notice of an opportunity for comment on the proposed rules, administrative policies, procedures and guidelines.
28. Rules made by a marketing commission or marketing committee pursuant to section 3-414.
29. Administration of public assistance program monies authorized for liabilities that are incurred for disasters declared pursuant to sections 26-303 and 35-192.
30. User charges, tolls, fares, rents, advertising and sponsorship charges, services charges or similar charges established pursuant to section 28-7705.
31. Administration and implementation of the hospital assessment pursuant to section 36-2901.08, except that the Arizona health care cost containment system administration must provide notice and an opportunity for public comment at least thirty days before establishing or implementing the administration of the assessment.
32. Rules made by the Arizona department of agriculture to adopt and implement the provisions of the federal milk ordinance as prescribed by section 3-605.
33. Rules made by the Arizona department of agriculture to adopt, implement and administer the United States food and drug administration produce safety rule (21 Code of Federal Regulations part 112) and any other federal produce safety regulation, order or guideline or other requirement adopted pursuant to the FDA food safety modernization act

(P.L. 111-353; 21 United States Code sections 2201 through 2252) as provided by title 3, chapter 3, article 4.1.

34. Calculations that are performed by the department of economic security and that are associated with the adjustment of the sliding fee scale and formula for determining child care assistance pursuant to section 46-805.

35. Rules made by the Arizona department of agriculture to implement and administer the livestock operator fire and flood assistance grant program established by section 3-109.03.

B. Notwithstanding subsection A, paragraph 21 of this section, if the federal highway administration authorizes the privatization of rest areas, the state transportation board shall make rules governing the lease or license by the department of transportation to a private entity for the purposes of privatization of a rest area.

C. Coincident with ~~the~~ making ~~of~~ a final rule pursuant to an exemption from the applicability of this chapter under this section, another statute or session law, the agency shall:

1. Prepare a notice and follow formatting guidelines prescribed by the secretary of state.

2. Prepare the rulemaking exemption ~~notices~~ NOTICE pursuant to chapter 6.2 of this title.

3. File ~~a copy of~~ the rule with the secretary of state for publication pursuant to section 41-1012 ~~and provide a copy to the council~~.

4. PROVIDE A COPY OF THE RULE TO THE COUNCIL.

D. Unless otherwise required by law, articles 2, 3, 4 and 5 of this chapter do not apply to the Arizona board of regents and the institutions under its jurisdiction, except that the Arizona board of regents shall make policies or rules for the board and the institutions under its jurisdiction that provide, as appropriate under the circumstances, for notice of and opportunity for comment on the policies or rules proposed.

E. Unless otherwise required by law, articles 2, 3, 4 and 5 of this chapter do not apply to the Arizona state schools for the deaf and the blind, except that the board of directors of all the state schools for the deaf and the blind shall adopt policies for the board and the schools under its jurisdiction that provide, as appropriate under the circumstances, for notice of and opportunity for comment on the policies proposed for adoption.

F. Unless otherwise required by law, articles 2, 3, 4 and 5 of this chapter do not apply to the state board of education, except that the state board of education shall adopt policies or rules for the board and the institutions under its jurisdiction that provide, as appropriate under the circumstances, for notice of and opportunity for comment on the policies or rules proposed for adoption. In order to implement or change any rule, the state board of education shall provide at least two opportunities for public comment. The state board of education shall consider the fiscal impact of any proposed rule pursuant to this subsection.

G. Unless otherwise required by law, articles 2, 3, 4 and 5 of this chapter do not apply to the state board for charter schools, except that

the board shall adopt policies or rules for the board and the charter schools sponsored by the board that provide, as appropriate under the circumstances, for notice of and opportunity for comment on the policies or rules proposed for adoption. In order to implement or change any policy or rule, the board shall provide at least two opportunities for public comment. The state board for charter schools shall consider the fiscal impact of any proposed rule pursuant to this subsection."

Amend title to conform

JEFF WENINGER

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1254

DATE March 24, 2026 MOTION: DPA S/E

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar		✓			
Blackman		✓			
Carter N					✓
Cavero					✓
Diaz		✓			
Hendrix		✓			
Villegas		✓			
Volk					✓
Willoughby					✓
Wilmeth		✓			
Way, Vice-Chairman		✓			
Weninger, Chairman		✓			
		8	0	0	4

Abby Delvey
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 9

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff
Senate: RAGE DPA 7-0-0-0 | Third Reading 30-0-0-0-0

SB 1515: industrial commission; revisions
S/E: public safety parity fund
Sponsor: Senator Dunn, LD 25
Committee on Commerce

Summary of the Strike-Everything Amendment to SB 1515

Overview

Establishes the Public Safety Parity Fund (Parity Fund) to provide retention pay and benefits for Department of Public Safety (DPS) and State Department of Corrections (DOC) employees. Redirects a portion of Budget Stabilization Fund (BSF) investment earnings to the Parity Fund.

History

The BSF, colloquially known as Arizona's "Rainy Day Fund", was enacted in 1990 to set revenue aside during times of above-trend economic growth and to utilize this revenue during times of below-trend growth. The BSF is administered by the State Treasurer, who is responsible for transferring state General Fund (GF) monies into and out of the BSF. Additionally, the State Treasurer is allowed to invest up to 25% of the BSF in equity securities, in addition to its authority to invest and reinvest trust and treasury monies. Investment earnings are credited back to the BSF (A.R.S. §§ 35-144; 35-314.02).

The Parity Compensation Fund is administered by DPS and is used to fund the salaries and benefits for law enforcement personnel. The fund consists of 1.51% of the portion of vehicle license tax revenues that are otherwise deposited in the State Highway Fund, and monies appropriated by the Legislature (A.R.S. § 41-1720).

Provisions

Public Safety Parity Fund

1. Establishes the Parity Fund to provide retention pay and benefits for DPS and DOC employees. (Sec. 2)
2. Specifies the Parity Fund:
   a. is administered by DOC;
   b. subject to legislative appropriations; and
   c. consists of monies earned from investment from the BSF. (Sec. 2)
3. Instructs DOC, beginning June 30, 2027, and each fiscal year thereafter, to deposit 40% of Parity Fund monies in the Parity Compensation Fund. (Sec. 2)

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

ATTACHMENT 10

4. Prescribes the method for determining the amount of the expenditures from the Parity Fund. (Sec. 2)
5. Directs DOC to distribute monies from the Parity Fund on July 1 and December 31 each year. (Sec. 2)
6. Limits the retention bonus that DOC may provide to employees to 3% from Parity Fund monies. (Sec. 2)

Parity Compensation Fund

7. Adds that DPS must spend Parity Compensation Fund monies to provide retention pay and benefits for department employees, in addition to providing salaries and benefits for law enforcement personnel. (Sec. 3)
8. Limits the retention bonus that DPS may provide to employees to 3% from monies deposited from the Parity Fund. (Sec. 3)

Budget Stabilization Fund

9. Requires the first $10,000,000 of investment earnings generated annually be credited to the BSF and the remaining investment earnings be deposited into the Parity Fund. (Sec. 1)

Fifty-seventh Legislature
Second Regular Session

Commerce
S.B. 1515

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1515
(Reference to Senate engrossed bill)

Strike everything after the enacting clause and insert:

"Section 1. Section 35-144, Arizona Revised Statutes, is amended to read:

35-144. Budget stabilization fund; definitions

A. The budget stabilization fund is established consisting of monies transferred from the state general fund pursuant to subsection B of this section. The state treasurer shall administer the budget stabilization fund, ~~and~~ invest and divest monies in the budget stabilization fund as provided by sections 35-313 and 35-314.02, and DEPOSIT, PURSUANT TO SECTIONS 35-146 AND 35-147, monies earned from investment ~~shall be credited to the budget stabilization fund~~ IN THE PUBLIC SAFETY PARITY FUND ESTABLISHED BY SECTION 41-1610.02, EXCEPT THAT THE FIRST $10,000,000 GENERATED ANNUALLY SHALL REMAIN IN THE BUDGET STABILIZATION FUND. Except as provided by this section:

1. Monies in the budget stabilization fund are exempt from the provisions of section 35-190 relating to the reversion of monies to the state general fund.

2. The monies in the fund are separate monies to be used only for the purposes of the fund.

3. An amount sufficient to pay claims certified by the state forester pursuant to section 37-1305, subsection E, paragraph 4 is continuously appropriated from the fund to the state treasurer for payment of the certified claims. Not more than $20,000,000 in unreimbursed claims may be outstanding from the fund at any time from the monies appropriated pursuant to this paragraph.

B. In a calendar year in which the annual growth rate exceeds the trend growth rate, the excess growth when multiplied by total general fund revenue of the fiscal year ending in the calendar year determines the amount to be appropriated by the legislature to the budget stabilization fund in the fiscal year in which the calendar year ends.

C. In a calendar year in which the annual growth rate is both less than two percent and less than the trend growth rate, the difference between the annual growth rate and the trend growth rate when multiplied by the total general fund revenue of the fiscal year ending in the calendar year determines the amount to be transferred by the legislature from the budget stabilization fund to the state general fund at the end of the fiscal year in which the calendar year ends. The transfer calculated pursuant to this subsection shall not exceed the available balance in the budget stabilization fund, nor shall the legislature transfer an amount

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

ATTACHMENT 11

that exceeds the amount sufficient to balance the state general fund budget.

D. The legislature shall pass a bill that contains the emergency clause if the legislature either:

1. Reduces the amount for appropriation to the budget stabilization fund under subsection B of this section.

2. Increases the amount for transfer to the state general fund under subsection C of this section.

E. The annual budget recommendations of the governor and the joint legislative budget committee shall include estimates of appropriations or transfers required under subsection B or C of this section.

F. A final determination of the amount to be appropriated to or transferred from the budget stabilization fund shall be made using personal income and price deflator estimates as reported in the second calendar quarter for the preceding calendar year. The economic estimates commission shall determine the annual growth rate, the trend growth rate and the required appropriation to or transfer from the budget stabilization fund at its first meeting following the second calendar quarter report of the United States department of commerce, but not later than June 1. The commission shall certify and report its findings to the governor, the state treasurer, the president of the senate, the speaker of the house of representatives and the joint legislative budget committee.

G. The appropriation calculated pursuant to subsection B of this section may be included in the general appropriations bill for that fiscal year. Any additional appropriation calculated pursuant to subsection F of this section shall be made by a separate act.

H. At the end of a fiscal year, the budget stabilization fund balance shall not exceed ten percent of state general fund revenue for the fiscal year. Any surplus monies above ten percent shall be transferred by the state treasurer to the state general fund.

I. The state treasurer may temporarily divest monies in the budget stabilization fund to avoid a negative cash balance in operating monies. The amount divested shall not exceed the amount required to meet immediate cash needs. The state treasurer may divest monies in the budget stabilization fund only when the state general fund has a negative cash balance.

J. For the purposes of this section:

1. "Adjusted personal income" means personal income minus transfer payments, as reported by the United States department of commerce, bureau of economic analysis, or its successor agency.

2. "Annual growth rate" means the percentage change in real adjusted personal income in the calendar year ending during a fiscal year as compared to real adjusted personal income for the preceding calendar year. The annual growth rate shall be rounded to the nearest one-hundredth of one percent.

3. "GDP price deflator" means the gross domestic product price deflator reported by the United States department of commerce, bureau of economic analysis, or its successor agency.

4. "Personal income" means the total personal income of all persons in this state reported by the United States department of commerce, bureau of economic analysis, or its successor agency.

5. "Real adjusted personal income" means an amount that is determined by dividing adjusted personal income by the GDP price deflator and multiplying the result by one hundred.

6. "Transfer payments" means that portion of personal income that represents a government expenditure for which no service is rendered or product is delivered, as determined by the United States department of commerce, bureau of economic analysis, or its successor agency.

7. "Trend growth rate" means the average annual growth rate for the most recent seven calendar years, rounded to the nearest one-hundredth of one percent.

Sec. 2. Title 41, chapter 11, article 1, Arizona Revised Statutes, is amended by adding section 41-1610.02, to read:

41-1610.02. Public safety parity fund

A. THE PUBLIC SAFETY PARITY FUND IS ESTABLISHED TO PROVIDE RETENTION PAY AND BENEFITS FOR EMPLOYEES FROM THE DEPARTMENT OF PUBLIC SAFETY AND THE STATE DEPARTMENT OF CORRECTIONS. THE FUND CONSISTS OF MONIES EARNED FROM INVESTMENT FROM THE BUDGET STABILIZATION FUND ESTABLISHED BY SECTION 35-144. THE STATE DEPARTMENT OF CORRECTIONS SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE SUBJECT TO LEGISLATIVE APPROPRIATION.

B. BEGINNING JUNE 30, 2027 AND EACH FISCAL YEAR THEREAFTER, THE STATE DEPARTMENT OF CORRECTIONS SHALL DEPOSIT, PURSUANT TO SECTIONS 35-146 AND 35-147, FORTY PERCENT OF THE MONIES DEPOSITED IN THE PUBLIC SAFETY PARITY FUND ESTABLISHED BY THIS SECTION IN THE PARITY COMPENSATION FUND ESTABLISHED BY SECTION 41-1720.

C. IN DETERMINING THE AMOUNT OF THE EXPENDITURES FROM THE FUND, THE STATE DEPARTMENT OF CORRECTIONS SHALL ANNUALLY ESTABLISH AND CONSIDER BENCHMARKS BASED ON THE AVERAGE TOTAL COMPENSATION FOR EACH COMPARABLE CORRECTIONS PERSONNEL RANK OF THE TWO LARGEST COUNTY JAILS IN THIS STATE AND THE TWO LARGEST PRIVATE PRISONS IN THIS STATE.

D. THE STATE DEPARTMENT OF CORRECTIONS SHALL DISTRIBUTE THE MONIES IN THE FUND ON JULY 1 AND DECEMBER 31 EACH YEAR. THE STATE DEPARTMENT OF CORRECTIONS MAY PROVIDE A RETENTION BONUS TO DEPARTMENT EMPLOYEES OF NOT MORE THAN THREE PERCENT FROM FUND MONIES.

Sec. 3. Section 41-1720, Arizona Revised Statutes, is amended to read:

41-1720. Parity compensation fund

A. The parity compensation fund is established consisting of monies deposited pursuant to ~~section~~ SECTIONS 28-5808 AND 41-1610.02 and monies appropriated by the legislature. The department shall administer the fund and, considering state revenues and state employee pay adjustments, ~~. The department~~ shall spend monies from the fund TO PROVIDE RETENTION PAY AND BENEFITS FOR EMPLOYEES FROM THE DEPARTMENT AND for salaries and benefits for law enforcement personnel that the department determines will enhance the ability of the department to successfully recruit and retain qualified law enforcement personnel. In determining the amount of the expenditures

from the fund, the department shall annually establish and consider benchmarks based on the average total compensation for each comparable law enforcement personnel rank of the department's three largest county or municipal peer law enforcement agencies in this state. For the purposes of this subsection, "total compensation" includes base salary, educational incentive pay, physical performance pay, longevity pay and retirement contributions made by an employer on behalf of an employee.

B. On notice from the department, the state treasurer shall invest and divest monies in the fund as provided by section 35-313, and monies earned from investment shall be credited to the fund.

C. Fund monies:

1. Do not revert to the state general fund.

2. Are exempt from the provisions of section 35-190 relating to lapsing of appropriations.

3. Are subject to legislative appropriation.

D. THE DEPARTMENT MAY PROVIDE A RETENTION BONUS TO DEPARTMENT EMPLOYEES OF NOT MORE THAN THREE PERCENT FROM MONIES DEPOSITED IN THE FUND PURSUANT TO SECTION 41-1610.02."

Amend title to conform

JEFF WENINGER

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1515

DATE March 24, 2026 MOTION: DPA S/E

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar			✓		
Blackman		✓			
Carter N					✓
Cavero					✓
Diaz			✓		
Hendrix		✓			
Villegas		✓			
Volk					✓
Willoughby					✓
Wilmeth		✓			
Way, Vice-Chairman		✓			
Weninger, Chairman		✓			
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Abby Delvey
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 12

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff
Senate: FIN DPA 5-1-1-0 | Third Read 29-0-1-0-0

SB1206: storm related insurance claims; adjusters
Sponsor: Senator Carroll, LD 28
Committee on Commerce

Overview
Establishes prohibitions on adjusters and contractors for storm related insurance claims.

History
An *adjuster* is any person who, for compensation, fee or commission, either adjusts, investigates or negotiates settlement of claims arising under property and casualty insurance contracts on behalf of either the insurer or the insured for holds oneself out to perform such services. Adjusters must be licensed by the Department of Insurance and Financial Institutions (A.R.S. §§ 20-321, 20-321.01).

Statute outlines specific regulations regarding contracts for residential repair or replacement of damage resulting directly from a catastrophic storm, including a property owner's right to cancel a contract within 72 hours of an insurance claim denial or within four business days of signing the contract. A contractor may not act on a property owner's behalf to negotiate settlement of claim or loss or make assurances of insurance policy coverage. Failing to comply with regulations regarding contracts for residential repair or replacement of damage resulting directly from a catastrophic storm subjects the contractor's license to suspension or revocation (A.R.S. § 32-1158.02).

Provisions
1. Prohibits an adjuster from:
   a. proposing to any insured that the adjuster represents the insured while a loss-producing occurrence is continuing or while public safety services are engaged in a public safety emergency response at the damaged premises;
   b. participating in the restoration, reconstruction or repair of damaged premises or property that is the subject of a claim adjusted by the adjuster; and
   c. endorsing payment instruments issued to an insured as a result of a claim arising under an insurance contract without the insured's direct endorsement and signature. (Sec. 2)
2. Stipulates a contractor, for an insured owner who submits a claim with the insurer for residential repair or replacement, cannot advertise to pay, issue payment for or promise to pay any deductible payable on the policy or issue any rebate deductible either directly or indirectly. (Sec. 3)
3. Prohibits a contractor providing post-storm repair or replacement contracting services from acting as an adjuster on behalf of the insured for the claim. (Sec. 3)

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

ATTACHMENT 13

4. Prohibits a contractor from proposing to any person that the person sign an agreement for work on any damaged premises while a loss-producing occurrence is continuing or while public safety services are engaged in a public safety emergency response at the damaged premises. (Sec. 3)
5. Modifies the definition of *adjuster* to include a person who directly or indirectly solicits business from, investigates or advises an insured about claims arising pursuant to property and casualty insurance contracts for a person that performs adjustment services (Sec. 1)
6. Defines *adjust*. (Sec. 1)

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1206
(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 20-321, Arizona Revised Statutes, is amended to read:

20-321. Definitions

In this article, unless the context otherwise requires:

1. "ADJUST" MEANS TO INVESTIGATE OR NEGOTIATE THE SETTLEMENT OF A CLAIM ARISING PURSUANT TO A PROPERTY AND CASUALTY INSURANCE CONTRACT.

~~1.~~ 2. "Adjuster":

(a) Means any person who for compensation, fee or commission ~~either~~ DOES ANY OF THE FOLLOWING:

(i) ~~Adjusts, investigates or negotiates settlement of claims arising under property and casualty insurance contracts~~ ADJUSTS CLAIMS on behalf of either the insurer or the insured.

(ii) Holds oneself out to perform a service listed in item (i) of this subdivision.

(iii) DIRECTLY OR INDIRECTLY SOLICITS BUSINESS FROM, INVESTIGATES OR ADVISES AN INSURED ABOUT CLAIMS ARISING PURSUANT TO PROPERTY AND CASUALTY INSURANCE CONTRACTS FOR A PERSON THAT PERFORMS SERVICES PURSUANT TO ITEM (i) OF THIS SUBDIVISION.

(b) Does not include:

(i) A licensed attorney-at-law who is qualified to practice law in this state.

(ii) A salaried employee of an insurer or of a managing general agent. For the purposes of this item, "salaried employee" means an employee whose compensation is not contingent on the outcome of a claim determination.

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

ATTACHMENT 14

(iii) A licensed insurance producer who adjusts or assists in adjustment of losses arising under policies procured through the insurance producer.

(iv) An employee of a political subdivision who adjusts or assists in the adjustment of losses arising under policies covering the political subdivision or persons indemnified by the political subdivision.

(v) An independent contractor retained by a licensed adjuster or a person listed in items (i), (ii), (iii) and (iv) of this subdivision for the sole purpose of providing technical assistance in connection with a claim. Independent contractors may include photographers, estimators, engineers, private detectives or handwriting experts.

(vi) An individual who collects claim information from or furnishes claim information to insureds or claimants and who conducts data entry, including entering data into an automated claims adjudication system, if not more than twenty-five persons, as described in this item, are under the supervision of a single licensed adjuster or licensed producer.

(vii) A licensed insurance producer who supervises or adjusts claims pursuant to item (vi) of this subdivision.

(viii) Registered third-party administrators and their employees who are engaged in administering accident and health or life insurance claims.

(ix) An individual who adjusts, investigates or negotiates settlement of only workers' compensation claims.

~~2.~~ 3. "Automated claims adjudication system" means a preprogrammed computer system that is designed for the collection, data entry, calculation and final resolution of portable consumer electronic products insurance claims and that:

(a) May be used only by a licensed adjuster, a licensed producer or supervised individuals operating pursuant to this paragraph.

(b) Must comply with all claims payment requirements under this title and be certified as compliant by a licensed adjuster.

~~3.~~ 4. "Portable consumer electronic products" means electronic devices and related accessories that are portable in nature.

Sec. 2. Section 20-321.02, Arizona Revised Statutes, is amended to read:

20-321.02. Application of other laws

A. To the extent ~~permitted~~ ALLOWED by this article, sections 20-281 and 20-284, section 20-286, subsections B, C and D, sections 20-287, 20-288, 20-289 and 20-289.01, section 20-290, subsection A and sections 20-291, 20-292, 20-295, 20-296, 20-297, 20-299, 20-301 and 20-302 apply to adjusters.

B. AN ADJUSTER MAY NOT PROPOSE OR ATTEMPT TO PROPOSE TO ANY INSURED THAT THE ADJUSTER REPRESENTS THE INSURED WHILE A LOSS-PRODUCING OCCURRENCE IS CONTINUING AT THE DAMAGED PREMISES OR WHILE THE FIRE DEPARTMENT OR ANY OTHER PUBLIC SAFETY SERVICE IS ENGAGED IN A PUBLIC SAFETY EMERGENCY RESPONSE AT THE DAMAGED PREMISES.

C. AN ADJUSTER MAY NOT PARTICIPATE EITHER DIRECTLY OR INDIRECTLY, INCLUDING AS CONTRACTOR OR SUBCONTRACTOR, IN THE RESTORATION, RECONSTRUCTION OR REPAIR OF ANY DAMAGED PREMISES OR PROPERTY THAT IS THE SUBJECT OF A CLAIM ADJUSTED BY THE ADJUSTER.

D. AN ADJUSTER MAY NOT ENDORSE PAYMENT INSTRUMENTS ISSUED TO AN INSURED AS A RESULT OF A CLAIM ARISING UNDER AN INSURANCE CONTRACT WITHOUT THE INSURED'S DIRECT ENDORSEMENT AND SIGNATURE.

Sec. 3. Section 32-1158.02, Arizona Revised Statutes, is amended to read:

32-1158.02. Residential construction contracts

A. For residential repair or replacement of damage resulting directly from a catastrophic storm in a specific area that is designated by an insurer, in addition to the requirements of section 32-1158, a licensed contractor who enters into a contract for the repair or replacement of a residential roof or other repair or replacement within the scope of the regulation of this chapter with a purchaser who resides in the residence or who intends to reside in the residence after the completion of the contract shall include IN THE CONTRACT at least the following provisions:

1. A statement in at least ten-point bold type in substantially the following form: "You may cancel this contract at any time within seventy-two hours after you have been notified that your insurer has denied your claim to pay for the goods and services to be provided under this contract."

2. A statement in at least ten-point bold type in substantially the following form: "You may cancel this contract at any time, for any reason, within four business days after signing this contract."

3. A copy of a repair estimate that contains the following disclosures:

(a) A precise description and location of all damage claimed on the repair estimate.

(b) For roofing repair or replacement, a detailed description of the work to be done, including the square footage of the repair area or the replacement area.

(c) If the damaged areas are not included in the repair estimate, a specification of those areas and any reason for their exclusion from the repair estimate.

(d) Whether or not the property was inspected before the preparation of the estimate and the nature of that inspection, specifically whether the roof was physically accessed.

(e) That a contractor has made no assurances that the claimed loss will be covered by an insurance policy.

(f) That the policyholder is responsible for payment for any work performed if the insurer should deny payment or coverage for any part of the loss.

B. A residential owner of a property or casualty insurance policy has the right to cancel the contract described in subsection A of this

section within seventy-two hours after the insured owner has been notified by the insurer that the claim has been denied.

C. In addition to the right prescribed in subsection B of this section, the insured owner of a residence has the right to cancel the contract described in subsection A of this section for any reason within four business days after signing the contract. A cancellation shall be evidenced by the insured owner giving written notice of cancellation to the contractor's address stated in the contract. Notice of cancellation does not need to be in a particular form, except that the notice must indicate in writing the intent of the insured owner not to be bound by the contract.

D. Within ten days after a contract has been canceled pursuant to this section, the contractor must tender to the insured owner any payments made by the insured owner and any note or other evidence of indebtedness, except that if the contractor has performed any emergency services, the contractor is entitled to receive reasonable compensation for the services if the insured owner has received a detailed description and itemization of the charges for those services.

E. The down payment section on the execution of a contract entered into pursuant to this section shall not require more than fifty ~~per cent~~ PERCENT of the total contract.

F. Any changes, additions or deletions to the work order specified in the original contract shall be included in a written change order that is signed by the homeowner.

G. A contractor shall immediately notify and disclose in writing to the residential owner of a property or casualty insurance policy any cancellation of the contractor's workers' compensation coverage.

H. A contractor's failure to comply with this section is grounds for license suspension or revocation pursuant to section 32-1154.

I. An individual or contractor who prepares a repair estimate for post-storm repair or replacement services as described in subsection A of this section in anticipation of making an insurance claim must disclose the following information to the insured owner:

1. A precise description and location of all damage claimed or included on the repair estimate.

2. Documentation to support the damage claimed on the estimate, including photographs, digital images or another medium.

3. A detailed description and itemization of any emergency repairs already completed by the contractor.

4. If damaged areas are not included in the repair estimate, a specification of those areas and any reason for their exclusion from the repair estimate.

5. A provision stating whether ~~or not~~ the property was inspected before the preparation of the estimate, if the contract is a contract for repair or replacement of a roof, and whether the roof was physically accessed.

6. A provision stating that the contractor has made no assurances that the claimed loss will be covered by an insurance policy.

J. If an insured owner submits a claim with the insurer for residential repair or replacement pursuant to this section, the contractor MAY NOT ADVERTISE TO PAY, ISSUE PAYMENT FOR OR PROMISE TO PAY ANY DEDUCTIBLE PAYABLE ON THE POLICY OR ISSUE ANY REBATE DEDUCTIBLE EITHER DIRECTLY OR INDIRECTLY AND may not begin work on the repair or replacement until the insurer approves or denies the claim, except if the work is necessary to prevent further loss.

K. A person who is not licensed pursuant to this chapter and who is not exempt from licensure pursuant to this chapter may not bring a private cause of action to recover monies from a homeowner for any residential repair or replacement that the person does pursuant to this section.

L. Except as otherwise provided in this subsection, a contractor providing post-storm repair or replacement contracting services shall not ALSO act AS AN ADJUSTER ON BEHALF OF THE INSURED FOR THE CLAIM, SHALL NOT ACT on behalf of an insured owner in OTHERWISE negotiating for the settlement of a claim for loss or damage under any policy of insurance covering the insured owner's residence and shall not make any assurance that the proposed repair or replacement contracting services will be covered by an insurance policy. The contractor may communicate with an insurer to assist in any claim disputes, including actual damages incurred, if both of the following apply:

1. The insured owner gives the contractor permission.

2. The contractor is not compensated for the communication.

M. With a policyholder's written consent, an insurer providing coverage for a post-storm residential repair or replacement may issue its check in the name of both the policyholder and the contractor with the contractor's license number issued pursuant to this chapter noted on the check.

N. This section ~~shall~~ DOES not limit the following individuals from contacting and negotiating with the insured owner:

1. A government official WHO IS engaged in the performance of official duties.

2. An attorney WHO IS engaged in the performance of professional duties.

3. Licensed insurers and licensed insurance producers while engaged in the performance of their duties in connection with insurance transactions.

4. Any salaried office employee WHO IS performing exclusively clerical or administrative duties and who is not compensated in any manner for securing contracts related to post-storm residential repair or replacement contracting.

5. Photographers, estimators, appraisers or engineers WHO ARE employed exclusively for the purpose of furnishing technical assistance.

6. A private investigator who is licensed pursuant to chapter 24 of this title.

7. A full-time salaried employee of a property owner or property management company who is retained by a property owner, who has not been hired for the purpose of handling a specific claim resulting from a fire or casualty loss and who acts at the sole discretion of the property owner or management company regarding a claim related to the owner's property.

O. A CONTRACTOR MAY NOT PROPOSE TO ANY PERSON THAT THE PERSON SIGN AN AGREEMENT FOR WORK ON ANY DAMAGED PREMISES WHILE A LOSS-PRODUCING OCCURRENCE IS CONTINUING AT THE DAMAGED PREMISES OR WHILE THE FIRE DEPARTMENT OR ANY OTHER PUBLIC SAFETY SERVICE IS ENGAGED IN A PUBLIC SAFETY EMERGENCY RESPONSE AT THE DAMAGED PREMISES. [THIS SUBSECTION DOES NOT PREVENT A CONTRACTOR FROM PROVIDING SERVICES TO A HOMEOWNER IN ORDER TO MAINTAIN OR RESTORE ESSENTIAL SERVICES TO THE PREMISES OR TO PREVENT FURTHER IMMEDIATE DAMAGE TO THE PREMISES.]

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JEFF WENINGER

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1206

DATE March 24, 2026 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar		✓			
Blackman		✓			
Carter N					✓
Cavero					✓
Diaz		✓			
Hendrix		✓			
Villegas		✓			
Volk					✓
Willoughby					✓
Wilmeth		✓			
Way, Vice-Chairman		✓			
Weninger, Chairman		✓			
		8	0	0	4

Abby Delany
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 15

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff
Senate: RAGE DP 6-0-1-0 | Third Reading 25-3-2-0-0

SB 1563: barbering and cosmetology board; continuation
Sponsor: Senator Dunn, LD 25
Committee on Commerce

Overview

Reduces the statutory caps on certain fees established by the Arizona Barbering and Cosmetology Board (Board) and continues the Board for eight years.

History

In 2021, the Legislature consolidated the Arizona Board of Cosmetology and the Arizona Board of Barbers as the Arizona Barbering and Cosmetology Board (Laws 2021, Chapter 334). The Board is responsible for: 1) adopting rules for the sanitary and safety standards for the practices of barbering, cosmetology, aesthetics, nail technology and hairstyling; 2) prescribing minimum school curriculum requirements for barbers, cosmetologists, aestheticians, nail technicians, hairstylists and instructors; 3) issuing licenses and registrations; 4) investigating complaints and taking disciplinary actions; 5) administering and grading practical and written examinations; and 6) inspecting establishments and schools. The Board consists of the following nine Governor-appointed members: 1) one cosmetologist; 2) two school owners who do not own the same school and one of whom own a school for cosmetology and one for barbering; 3) five public members; and 4) one barber (Title 32, Chapter 5, A.R.S.).

The House of Representatives Commerce Committee of Reference (COR) met on January 13, 2026, to review the Auditor General's Performance Audit and Sunset Review Report (25-107) of the Board, consider the Board's responses to the statutorily-outlined sunset factors and receive public testimony.

The Commerce COR recommended that the Board be continued for six years.

The Board is statutorily set to terminate on July 1, 2026, unless legislation is enacted for its continuation (A.R.S. § 41-3026.06).

Provisions

Board Fees

1. Decreases the statutory caps on associated Board fees:
   a. from $100 to $80, onetime fee for application of an initial personal license;
   b. from $200 to $100, onetime fee for application for a personal reciprocity or universal license;
   c. from $250 to $200, application for an establishment license, including change of name, ownership and location;
   d. from $100 to $80, for personal license renewal;

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

ATTACHMENT 16

e. from $150 to $100, for personal license delinquent renewal;
f. from $100 to $80, for establishment license renewal;
g. from $150 to $100, for establishment license delinquent renewal;
h. from $500 to $400, for school license renewal;
i. from $600 to $500, for school license delinquent renewal; and
j. from $100 to $75, for Board-administered educational classes. (Sec. 1)

2. Removes the $150 fee for establishment license after a change of location. (Sec. 1)

3. Allows the Board to establish and collect delinquent penalties for each year or portion of a year for which the license was expired, rather than inactive. (Sec. 1)

4. Clarifies the application for school license and initial inspection fee includes a name change. (Sec. 1)

Continuation

5. Continues, retroactive to July 1, 2026, the Board for eight years until July 1, 2034. (Sec. 4, 5, 7)

6. Repeals the Board on January 1, 2035. (Sec. 5)

Miscellaneous

7. Contains a purpose statement relating to the Board. (Sec. 6)

8. Restates and makes clarifying changes to statute relating to applications and qualifications for Board licensure. (Sec. 2, 3)

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1563

DATE March 24, 2026 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar		✓			
Blackman		✓			
Carter N					✓
Cavero					✓
Diaz		✓			
Hendrix		✓			
Villegas		✓			
Volk					✓
Willoughby					✓
Wilmeth		✓			
Way, Vice-Chairman			✓		
Weninger, Chairman		✓			
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Abby Dalvey
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 17

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff
Senate: FIN DP 4-2-1-0 | Third Read 16-13-1-0-0

SB1649: digital assets strategic reserve fund
Sponsor: Senator Finchem, LD 1
Committee on Commerce

Overview
Establishes the Digital Assets Strategic Reserve Fund (Fund), to be managed by the State Treasurer for the custody, investment and lending of state-held digital assets.

History
The State Treasurer is authorized to manage the investment and distribution of public monies for state and local agencies. The State Treasurer administers the Bitcoin and Digital Assets Reserve Fund which consists of any airdrops or rewards from staking the digit asset by a qualified custodian. The State Treasurer is responsible for depositing 10% of the digital assets held in the fund in the State General Fund, excluding bitcoin (A.R.S. § 41-180).

Provisions
1. Establishes the Fund consisting of digital assets that are held by, confiscated by or surrendered to this State. (Sec. 1)
2. Requires the State Treasurer to administer the Fund and deposit digital assets in the Fund through the use of a secure custody solution by a qualified custodian or in a form of an exchange-traded product issued by an investment company registered in Arizona. (Sec. 1)
3. Authorizes the State Treasurer to:
   a. invest the total amount of monies deposited in the Fund in any fiscal year; and
   b. loan digital assets from the Fund to generate additional returns if the loan does not increase any financial risks to this State. (Sec. 1)
4. Expands the definition of *qualified custodian*, as used in statute relating to abandoned property, to include a technology provider of a secure custody solution. (Sec. 2)
5. Defines pertinent terms. (Sec. 1, 2)
6. Contains a legislative findings clause. (Sec. 3)
7. Makes a technical change. (Sec. 2)

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

ATTACHMENT 18

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1649
(Reference to Senate engrossed bill)

Strike everything after the enacting clause and insert:

"Section 1. Title 23, chapter 1, article 1, Arizona Revised Statutes, is amended by adding section 23-111, to read:

23-111. Industrial commission of Arizona; department of economic security public assistance; list of employees who receive public assistance; employer list; public posting

A. ON OR BEFORE JANUARY 1, 2027 AND EACH YEAR THEREAFTER, THE INDUSTRIAL COMMISSION OF ARIZONA AND THE DEPARTMENT OF ECONOMIC SECURITY SHALL PUBLISH ON THE INDUSTRIAL COMMISSION'S AND THE DEPARTMENT OF ECONOMIC SECURITY'S PUBLICLY ACCESSIBLE WEBSITES A LIST OF THE TOP FIFTY EMPLOYERS IN THIS STATE WITH THE HIGHEST NUMBER OF EMPLOYEES WHO RECEIVE MEDICAID OR OTHER PUBLIC ASSISTANCE. THE REPORT MUST INCLUDE:

1. THE NAME AND ADDRESS OF THE EMPLOYER.

2. THE SIZE OF THE EMPLOYER.

3. THE NUMBER OF PUBLIC ASSISTANCE PROGRAM BENEFICIARIES WHO ARE AN EMPLOYEE OF THAT EMPLOYER AND THE TYPE OF ASSISTANCE EACH EMPLOYEE RECEIVES.

4. THE NUMBER OF PUBLIC ASSISTANCE BENEFICIARIES WHO ARE A SPOUSE OR DEPENDENT OF AN EMPLOYEE OF THE EMPLOYER AND THE TYPE OF ASSISTANCE EACH SPOUSE OR DEPENDENT RECEIVES.

5. IF AVAILABLE, THE PUBLIC WELFARE PROGRAM COSTS TO THIS STATE FOR EMPLOYED INDIVIDUALS AND ENROLLED DEPENDENTS.

6. IF AN EMPLOYER OFFERS HEALTH BENEFITS TO THE EMPLOYER'S EMPLOYEES, THE NUMBER OF EMPLOYEES WHO RECEIVE PUBLIC ASSISTANCE.

B. THE LIST MAY NOT INCLUDE CONFIDENTIAL INFORMATION THAT INCLUDES THE NAMES OF THE INDIVIDUALS OR BENEFICIARIES WHO RECEIVE PUBLIC ASSISTANCE.

C. THE DEPARTMENT OF ECONOMIC SECURITY SHALL COMPILE AND SEND ALL DATA THAT IS RELATED TO SUBSECTION A OF THIS SECTION TO THE INDUSTRIAL COMMISSION OF ARIZONA."

Amend title to conform

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ATTACHMENT 19

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1649

DATE March 24, 2026 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar			✓		
Blackman		✓			
Carter N					✓
Cavero					✓
Diaz		✓			
Hendrix		✓			
Villegas			✓		
Volk			✓		
Willoughby		✓			
Wilmeth		✓			
Way, Vice-Chairman		✓			
Weninger, Chairman		✓			
		7	3	0	2

Abby Delvey
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 20

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff
Senate: FIN DP 4-2-1-0 | Third Reading 17-12-1-0-0

SB1290: agricultural property; inspections; notice.
Sponsor: Senator Shamp, LD 29
Committee on Commerce

Overview

Establishes notification and reporting requirements for property inspections by the Arizona Department of Revenue (DOR) and county assessors.

History

DOR is required to investigate property valuations and any matters relating to property taxes and to require the production of any private or public records relating to those valuations or property taxes (A.R.S. § 42-11053).

Additionally, county assessors are required to: 1) conduct on-site inspections of 25% of the agricultural-use property annually; 2) make on-site inspection and appraisal of these properties within every four years; and 3) notify property owners, if determined by the county assessor, that the property does not meet the criteria for agricultural classification (A.R.S. § 42-12158).

Provisions

Department of Revenue; Property Valuations

1. Requires DOR, in investigating property valuations relating to property taxes, to:
   a. notify the owner or possessor of the property that an inspection will occur and provide the date of the inspection; and
   b. provide to the owner or possessor a copy of the inspection report. (Sec. 1)

County Assessor; On-Site Inspections

2. Requires the county assessor, in making an on-site inspection for property classification, to:
   a. notify the property owner before an inspection occurs and provide the date of the inspection; and
   b. provide to the property owner a copy of the inspection report. (Sec. 2)
3. Specifies a property that meets the agricultural classification criteria is not subject to an on-site inspection for the three-year period after the most recent on-site inspection, unless the property owner files a change in the use notice or there is a:
   a. split of the property;
   b. change in ownership or lease of the property; or
   c. taxable improvement made to the property. (Sec. 2)

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

ATTACHMENT 21

4. Authorizes the county assessor to develop a standardized form for inspection reports. (Sec. 2)

Miscellaneous

5. Stipulates DOR or the county assessor or the assessor's deputies are not required to provide the inspection notice by certified mail. (Sec. 1, 2)

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1290
(Reference to Senate engrossed bill)

Strike everything after the enacting clause and insert:

"Section 1. Section 33-1804, Arizona Revised Statutes, is amended to read:

33-1804. Open meetings; exceptions; notice; agenda; policy statement

A. Notwithstanding any provision in the declaration, bylaws or other documents to the contrary, all meetings of the members' association and the board of directors, and any regularly scheduled committee meetings, are open to all members of the association or any person designated by a member in writing as the member's representative and all members or designated representatives so desiring shall be allowed to attend and speak at an appropriate time during the deliberations and proceedings. The board may place reasonable time restrictions on those persons speaking during the meeting but shall allow a member or member's designated representative to speak once after the board has discussed a specific agenda item but before the board takes formal action on that item in addition to any other opportunities to speak. The board shall provide for a reasonable number of persons to speak on each side of an issue. Persons attending may audiotape or videotape those portions of the meetings of the board of directors and meetings of the members that are open. The board of directors of the association shall not require advance notice of the audiotaping or videotaping and may adopt reasonable rules governing the audiotaping and videotaping of open portions of the meetings of the board and the membership, but such rules shall not preclude such audiotaping or videotaping by those attending, unless the board audiotapes or videotapes the meeting and makes the unedited audiotapes or videotapes available to members on request without restrictions on their use as evidence in any dispute resolution process. If a board records a meeting that is open to the members, the board shall keep a copy of the recording for at least six months and make the unedited recording available to any member on request in compliance with section 33-1805, subsection A. Any portion of a meeting may be closed only if that closed portion of the meeting is limited to consideration WITHOUT ACTION of one or more of the following:

1. Legal advice from an attorney for the board or the association. On final resolution of any matter for which the board received legal advice or that concerned pending or contemplated litigation, the board may disclose information about that matter in an open meeting except for

Adopted ✓ # of Verbals _____
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ATTACHMENT 22

matters that are required to remain confidential by the terms of a settlement agreement or judgment.

2. Pending or contemplated litigation.

3. Personal, health or financial information about an individual member of the association, an individual employee of the association or an individual employee of a contractor for the association, including records of the association directly related to the personal, health or financial information about an individual member of the association, an individual employee of the association or an individual employee of a contractor for the association.

4. Matters relating to the job performance of, compensation of, health records of or specific complaints against an individual employee of the association or an individual employee of a contractor of the association who works under the direction of the association.

5. Discussion of a member's appeal of any violation cited or penalty imposed by the association except on request of the affected member that the meeting be held in an open session.

B. Notwithstanding any provision in the community documents, all meetings of the members' association and the board shall be held in this state. A meeting of the members' association shall be held at least once each year. Special meetings of the members' association may be called by the president, by a majority of the board of directors or by members having at least twenty-five percent, or any lower percentage specified in the bylaws, of the votes in the association. Not fewer than ten or more than fifty days in advance of any meeting of the members the secretary shall cause notice to be hand delivered or sent prepaid by United States mail to the mailing address for each lot, parcel or unit owner or to any other mailing address designated in writing by a member. The notice shall state the date, time and place of the meeting. A notice of any annual, regular or special meeting of the members shall also state the purpose for which the meeting is called, including the general nature of any proposed amendment to the declaration or bylaws, changes in assessments that require approval of the members and any proposal to remove a director or an officer. The secretary shall also provide an agenda for any meeting of the members' association by hand delivery, mail, website posting, email or other electronic means or posting at a community center or other similar location. The failure of any member to receive actual notice of a meeting of the members or the meeting agenda does not affect the validity of any action taken at that meeting.

C. Before entering into any closed portion of a meeting of the board of directors, or on notice of a meeting under subsection D of this section that will be closed, the board shall identify the paragraph under subsection A of this section that authorizes the board to close the meeting.

D. Notwithstanding any provision in the declaration, bylaws or other community documents, for meetings of the board of directors that are held after the termination of declarant control of the association, notice to members of meetings of the board of directors and meeting agendas shall be given at least forty-eight hours in advance of the meeting by newsletter, conspicuous posting or any other reasonable means as determined by the board of directors. An affidavit of notice by an officer of the corporation is prima facie evidence that notice was given as prescribed by this section. Notice to members of meetings of the board of directors is not required if emergency circumstances require action by the board before notice can be given. Any notice of a board meeting shall state the date, time and place of the meeting. The failure of any member to receive actual notice of a meeting of the board of directors or a meeting agenda does not affect the validity of any action taken at that meeting.

E. Notwithstanding any provision in the declaration, bylaws or other community documents, for meetings of the board of directors that are held after the termination of declarant control of the association, all of the following apply:

1. The agenda shall be available in advance for all members attending.

2. An emergency meeting of the board of directors may be called to discuss business or take action that cannot be delayed for the forty-eight hours required for notice. At any emergency meeting called by the board of directors, the board of directors may act only on emergency matters. The minutes of the emergency meeting shall state the reason necessitating the emergency meeting. The minutes of the emergency meeting shall be read and approved at the next regularly scheduled meeting of the board of directors.

3. A quorum of the board of directors may meet by means of a telephone conference if a speakerphone is available in the meeting room that allows board members and association members to hear all parties who are speaking during the meeting.

4. Any quorum of the board of directors that meets informally to discuss association business, including workshops, shall comply with the open meeting and notice provisions of this section without regard to whether the board votes or takes any action on any matter at that informal meeting.

F. It is the policy of this state as reflected in this section that all meetings of a planned community, whether meetings of the members' association or meetings of the board of directors of the association, be conducted openly and that notices and agendas be provided in advance for those meetings that contain the information that is reasonably necessary to inform the members of the matters to be discussed or decided and to ensure that members have the ability to speak after discussion of agenda items, but before a vote of the board of directors or members is taken.

Toward this end, any person or entity that is charged with the interpretation of these provisions, including members of the board of directors and any community manager, shall take into account this declaration of policy and shall construe any provision of this section in favor of open meetings."

Amend title to conform

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PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1290
(Reference to Senate engrossed bill)

Strike everything after the enacting clause and insert:

"Section 1. Title 44, chapter 10, article 7, Arizona Revised Statutes, is amended by adding section 44-1535, to read:

44-1535. Goods and services; pricing; unlawful practice; state of emergency; digital shelf label prohibition; attorney general powers; civil penalty; definitions

A. A PERSON THAT ADVERTISES, DISPLAYS OR OFFERS A PRICE FOR GOODS OR SERVICES IN THIS STATE SHALL:

1. INCLUDE ALL MANDATORY FEES OR CHARGES IN THE PRICE.

2. DESCRIBE A CLEAR PROCESS ON A RECEIPT AFTER PURCHASE RELATING TO REFUNDS, INCLUDING WHETHER THE TOTAL AMOUNT PAID MAY BE REFUNDED AND THE TIME FRAME FOR A REFUND.

B. IF THE GOVERNOR DECLARES A STATE OF EMERGENCY PURSUANT TO TITLE 26, CHAPTER 2, THE CURRENT PRICE OF GOODS OR SERVICES MAY NOT INCREASE MORE THAN TEN PERCENT IMMEDIATELY BEFORE THE GOVERNOR DECLARED A STATE OF EMERGENCY.

C. A BUSINESS IN THIS STATE MAY NOT USE DIGITAL SHELF LABELS.

D. FAILURE TO COMPLY WITH THIS SECTION IS AN UNLAWFUL PRACTICE PURSUANT TO SECTION 44-1522. THE ATTORNEY GENERAL MAY INVESTIGATE AND TAKE APPROPRIATE ACTION AS PRESCRIBED BY THIS ARTICLE, INCLUDING SEEKING A TEMPORARY OR PERMANENT INJUNCTION TO CEASE THE UNLAWFUL PRACTICE. A PERSON THAT VIOLATES THIS SECTION IS SUBJECT TO A CIVIL PENALTY NOT TO EXCEED $5,000.

E. FOR THE PURPOSES OF THIS SECTION:

1. "DIGITAL SHELF LABEL":

(a) MEANS A FORM OF DIGITAL WIRELESS DISPLAY TECHNOLOGY THAT HAS THE CAPABILITY TO DISPLAY THE LABEL AND TO CHANGE THE PRICE REMOTELY.

(b) INCLUDES DIGITAL PRICE TAGS OR ANY OTHER SIMILAR TECHNOLOGY.

2. "MANDATORY FEES OR CHARGES":

(a) INCLUDES A FEE OR SURCHARGE TO WHICH ANY OF THE FOLLOWING APPLIES:

(i) THAT MUST BE PAID TO PURCHASE THE ADVERTISED GOODS OR SERVICES.

(ii) THAT IS NOT REASONABLY AVOIDABLE.

(iii) FOR ANY GOODS OR SERVICES THAT A REASONABLE CONSUMER WOULD EXPECT TO BE INCLUDED WITH THE PURCHASE OF THE ADVERTISED GOODS OR SERVICES.

(b) DOES NOT INCLUDE TAXES IMPOSED BY THE GOVERNMENT."

Amend title to conform

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ATTACHMENT 23

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1290

DATE March 24, 2026 MOTION: DPA S/E

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

Abby Selvey
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 24

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff
Senate: RAGE DP 7-0-0-0 | Third Reading 18-9-3-0-0

SB 1670: municipalities; counties; occupation; licensure; prohibition
Sponsor: Senator Bolick, LD 2
Committee on Commerce

Overview
Preempts the regulation of persons subject to Registrar of Contractors (ROC) licensure and allows municipalities and counties (local governments) to issue journeyman licenses to individuals in specified occupations.

History
The ROC licenses and regulates residential and commercial contractors. The ROC is required to: 1) classify and qualify applicants for a license; 2) change the license classification in the case of a title reclassification; 3) conduct investigations to protect the health and safety of the public; and 4) establish written examinations to protect the health and safety of the public (Title 32, Chapter 10, Article 1).

Separate licenses are issued for commercial and residential work, and dual licenses that cover both commercial and residential, for each trade or field of a construction science profession. The ROC defines residential contracting as constructing, altering, repairing, adding to, subtracting from, improving, moving wrecking or demolishing any residential structure and any appurtenances on or within residential property lines. Residential construction also includes any appurtenances on or within residential property lines, connections to utility services and sewer lines, the installation of meters, and any mechanical or structural services for residential structures. Commercial contracting is considered to be anything other than residential contracting (License Classifications; ROC).

Provisions
1. Asserts the licensure of persons subject to ROC licensure is of statewide concern and is not subject to further regulation by a local government. (Sec. 1, 2)
2. Stipulates a local government cannot require a person who is subject to ROC licensure to obtain a journeyman license. (Sec. 1, 2)
3. Allows local governments to require licensure for, and issue journeyman licenses to, individuals in the following occupations:
   a. plumbing;
   b. pipe fitting;
   c. mechanical trades;
   d. HVAC installation; and
   e. electrical or alarm system trades. (Sec. 1, 2)
4. Defines *licensure* and *occupation*. (Sec. 1, 2)

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

ATTACHMENT 25

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1670
(Reference to Senate engrossed bill)

Strike everything after the enacting clause and insert:

"Section 1. Title 44, chapter 9, Arizona Revised Statutes, is amended by adding article 27, to read:

ARTICLE 27. PRICE REGULATIONS

44-1383. Definitions

IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "ALGORITHM" MEANS A COMPUTATIONAL PROCESS THAT USES A SET OF RULES TO DEFINE A SEQUENCE OF OPERATIONS.

2. "ALGORITHMIC DEVICE":

(a) MEANS A COMPUTATIONAL PROCESS, MACHINE PROGRAM OR SOFTWARE THAT USES ONE OR MORE ALGORITHMS, INCLUDING A COMPUTATIONAL PROCESS DERIVED FROM MACHINE LEARNING OR OTHER ARTIFICIAL INTELLIGENCE TECHNIQUES, THAT PROCESSES OR CALCULATES NONPUBLIC COMPETITOR DATA TO ADVISE A LANDLORD ON HOW MUCH RENT TO CHARGE.

(b) DOES NOT INCLUDE A REPORT PUBLISHED PERIODICALLY BY A TRADE ASSOCIATION THAT RECEIVES RENTER DATA IN AN AGGREGATED AND ANONYMOUS MANNER. FOR THE PURPOSES OF THIS SUBDIVISION, PERIODIC REPORT DOES NOT INCLUDE REPORTS PUBLISHED THAT ARE PUBLISHED MORE THAN ONE TIME PER MONTH.

3. "COORDINATING FUNCTION" MEANS THE ABILITY TO:

(a) COLLECT THE FOLLOWING INFORMATION FROM TWO OR MORE PERSONS:

(i) HISTORICAL PRICES.

(ii) CONTEMPORARY PRICES.

(iii) SUPPLY LEVELS.

(iv) CONTRACT TERMINATION.

(v) RENEWAL DATES FROM TWO OR MORE PERSONS.

(b) ANALYZE OR PROCESS INFORMATION PROVIDED IN SUBDIVISION OF THIS PARAGRAPH BY USING A SYSTEM, SOFTWARE OR PROCESS THAT COMPUTES INFORMATION OR USES INFORMATION TO TRAIN AN ALGORITHM.

(c) RECOMMEND ANY OF THE FOLLOWING:

(i) PRICES.

(ii) SUPPLY.

(iii) OUTPUT.

(iv) CONTRACT RENEWAL TERMS.

(v) OTHER CONTRACTUAL OR COMMERCIAL TERMS.

4. "COORDINATOR" MEANS A PERSON THAT SELLS, LICENSES THE USE OF OR OPERATES AND SELLS THE OUTPUT THAT IS GENERATED FROM AN ALGORITHMIC DEVICE THAT PERFORMS A COORDINATING FUNCTION FOR A RESIDENTIAL RENTAL PROPERTY LANDLORD.

5. "DWELLING UNIT" HAS THE SAME MEANING PRESCRIBED IN SECTION 33-1310.

Adopted _____ # of Verbals _____
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ATTACHMENT 26

6. "LANDLORD" HAS THE SAME MEANING PRESCRIBED IN SECTION 33-1310 OR 33-1409.

7. "NONPUBLIC COMPETITOR DATA":

(a) MEANS INFORMATION THAT IS NOT WIDELY AVAILABLE OR EASILY ACCESSIBLE TO THE PUBLIC.

(b) INCLUDES ANY OF THE FOLLOWING:

(i) ACTUAL RENTAL PRICES.

(ii) ORIGINAL RENTAL PRICE OFFERS.

(iii) REBATES AND DISCOUNTS OFFERED AND ACCEPTED.

(iv) ADDITIONAL CHARGES FOR AMENITIES OR ANY OTHER FEES THAT MAY BE ASSESSED.

(v) RENTAL AVAILABILITY.

(vi) OCCUPANCY RATES.

(vii) LEASE START AND END DATES.

(viii) ANY OTHER SIMILAR DATA REGARDLESS OF WHETHER THE INFORMATION IS RELATED TO A SPECIFIC COMPETITOR OR ANONYMIZED.

(ix) INFORMATION THAT IS PROVIDED BY ANOTHER PERSON THAT COMPETES IN THE SAME MARKET OR RELATED MARKET.

8. "RENT" MEANS PAYMENTS MADE TO A LANDLORD OR THE LANDLORD'S DESIGNED AGENT IN FULL CONSIDERATION FOR THE RENTED PREMISES.

9. "RENTAL AGREEMENT" MEANS ANY ORAL OR WRITTEN AGREEMENT BETWEEN A LANDLORD AND A TENANT FOR THE USE AND OCCUPANCY OF RESIDENTIAL RENTAL PROPERTY.

10. "RESIDENTIAL RENTAL PROPERTY":

(a) HAS THE SAME MEANING PRESCRIBED IN SECTION 33-1901.

(b) INCLUDES ANY OF THE FOLLOWING:

(i) DWELLING UNITS.

(ii) MOBILE HOME SPACES.

(iii) RECREATIONAL VEHICLE SPACES.

11. "TENANT" MEANS THE PERSON ENTERING INTO A RENTAL AGREEMENT WITH A LANDLORD.

44-1383.01. Algorithmic device use prohibited; attorney general; enforcement; applicability

A. A COORDINATOR OR A LANDLORD OF RESIDENTIAL RENTAL PROPERTY MAY NOT USE AN ALGORITHMIC DEVICE THAT USES NONPUBLIC COMPETITOR DATA TO PERFORM A COORDINATING FUNCTION OF RESIDENTIAL RENTAL PROPERTY TO:

1. FACILITATE AN AGREEMENT BETWEEN TWO OR MORE LANDLORDS TO NOT COMPETE FOR RESIDENTIAL AGREEMENTS.

2. SET OR ADJUST ANY OF THE FOLLOWING:

(a) RENTAL PRICES.

(b) RENEWAL TERMS.

(c) OCCUPANCY LEVELS.

(d) ANY OTHER TERM OR CONDITION THAT AFFECTS RESIDENTIAL RENTAL PROPERTY.

B. THE USE OF AN ALGORITHMIC DEVICE IN VIOLATION OF THIS SECTION CREATES A REBUTTABLE PRESUMPTION OF A CONTRACT OR CONSPIRACY TO RESTRAIN TRADE OR COMMERCE:

1. AS AGAINST A COORDINATOR WHEN:

(a) THE COORDINATOR KNEW OR HAD REASON TO KNOW THAT ONE OR MORE OF THE COORDINATOR'S CUSTOMERS COMPETED AS LANDLORDS IN THE SAME OR RELATED MARKET AND INTENDED THAT THE ALGORITHMIC DEVICE OR THE ALGORITHMIC DEVICE'S OUTPUT BE USED IN THAT MARKET.

(b) TWO OR MORE OF THE COORDINATOR'S CUSTOMERS ACTUALLY COMPETED AS LANDLORDS IN THE SAME OR RELATED MARKET AND USED THE ALGORITHMIC DEVICE OR THE ALGORITHMIC DEVICE'S OUTPUT.

2. AS AGAINST A LANDLORD, WHEN TWO OR MORE LANDLORDS USED THE SAME ALGORITHMIC DEVICE OR THE ALGORITHMIC DEVICE'S OUTPUT WITHIN THE SAME OR RELATED MARKET.

C. A PRESUMPTION PURSUANT TO SUBSECTION B OF THIS SECTION IS REBUTTABLE BY CLEAR AND CONVINCING EVIDENCE ON A SHOWING THAT THE COORDINATOR OR LANDLORD LACKED KNOWLEDGE AND COULD NOT HAVE REASONABLY KNOWN THAT THE ALGORITHMIC DEVICE USED NONPUBLIC COMPETITOR DATA.

D. AN ACT OR PRACTICE IN VIOLATION OF THIS ARTICLE IS AN UNLAWFUL PRACTICE UNDER SECTION 44-1522. THE ATTORNEY GENERAL MAY INVESTIGATE AND TAKE APPROPRIATE ACTION AS PRESCRIBED BY CHAPTER 10, ARTICLE 7 OF THIS TITLE.

E. THE PROVISIONS OF THIS ARTICLE ARE CUMULATIVE AND IN ADDITION TO ALL OTHER RIGHTS, REMEDIES AND PENALTIES THAT MAY EXIST AT LAW OR IN EQUITY.

F. THIS SECTION APPLIES TO:

1. A LANDLORD THAT HAS ANY COMBINATION OF FIVE OR MORE DWELLING UNITS, MOBILE HOME SPACES OR RECREATIONAL VEHICLE SPACES THAT ARE RENTED OR OFFERED FOR RENT AT ANY ONE TIME.

2. A COORDINATOR THAT EITHER SELLS OR LICENSES THE USE OF OR OPERATES AND SELLS THE OUTPUT FROM AN ALGORITHMIC DEVICE TO ANY LANDLORD.

G. THIS ARTICLE DOES NOT APPLY TO:

1. THE USE OF AN ALGORITHMIC DEVICE THAT IS EXCLUSIVELY USED IN A FEDERAL, STATE OR LOCAL GOVERNMENT SPONSORED HOUSING PROGRAM.

2. PUBLIC HOUSING PURSUANT TO TITLE 36, CHAPTER 12.

3. A LANDLORD WITH NOT MORE THAN FOUR OF ANY OF THE FOLLOWING:

(a) DWELLING UNITS.

(b) MOBILE HOME SPACES.

(c) RECREATIONAL VEHICLE SPACES.

4. A DORMITORY OR OTHER RESIDENTIAL PROPERTY THAT IS OWNED BY A PUBLIC OR PRIVATE EDUCATIONAL OR TRAINING INSTITUTION.

5. OCCUPANCY BY A MEMBER OF A FRATERNAL OR SOCIAL ORGANIZATION.

6. TRANSIENT OCCUPANCY IN A HOTEL, MOTEL OR RECREATIONAL LODGING."

Amend title to conform

BETTY J. VILLEGAS

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1670

DATE March 24, 2026 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar		✓			
Blackman		✓			
Carter N					✓
Cavero					✓
Diaz		✓			
Hendrix		✓			
Villegas		✓			
Volk		✓			
Willoughby					✓
Wilmeth		✓			
Way, Vice-Chairman		✓			
Weninger, Chairman		✓			
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Abby Delvey
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 27

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff
Senate: RAGE DPA 5-0-2-0 | Third Reading 26-3-1-0-0

SB1671: gaming; racing; boxing; conflict-of-interest continuation
Sponsor: Senator Bolick, LD 2
Committee on Commerce

Overview

Continues the Arizona Department of Gaming (ADG), Arizona Racing Commission (Racing Commission) and the Arizona State Boxing & Mixed Martial Arts Commission (Boxing & MMA Commission) for six years. Includes conflict-of-interest requirements.

History

Established in 1995, the ADG regulates and monitors tribal gaming activities in accordance with Arizona tribal-state gaming compacts as required by federal law and authorized by statute. The ADG's statutory responsibilities include: 1) licensing and regulation of event wagering and fantasy sports contests; 2) supporting programs to reduce problem gambling; 3) overseeing live horse racing, harness racing, pari-mutuel and simulcast wagering; and 4) providing staff support for the Racing Commission and Boxing & MMA Commission.

The Arizona Racing Commission regulates and supervises all racing meetings held and pari-mutuel wagering conducted in Arizona. The Racing Commission is statutorily required to: 1) issue racing dates; 2) prepare and adopt rules governing racing and pari-mutuel wagering; 3) conduct hearings on permit applications and rehearings on licensing and regulatory decisions; and 4) conduct all review of applications to construct capital improvements at racetracks.

The Boxing & MMA Commission is responsible for regulating and supervising all boxing, kickboxing, tough man, and mixed martial arts events in Arizona, including issuing licenses to referees, judges, matchmakers, promoters, trainers, ring announcers, timekeepers, ringside physicians, inspectors, mixed martial arts combatants, boxers, managers and seconds (Title 5, Chapter 1, 2, and 6, A.R.S.)

The House of Representatives Commerce Committee of Reference (COR) met on January 13, 2026, to review the Auditor General's Performance Audit and Sunset Review Report (25-106) of the ADG, Racing Commission and Boxing & MMA Commission, consider the ADG's responses to the statutorily-outlined sunset factors and receive public testimony.

The Commerce COR recommended that the ADG be continued for two years and that the Racing Commission and Boxing & MMA Commission be continued for six years.

The ADG, Racing Commission and Boxing & MMA Commission are statutorily set to terminate on July 1, 2026, unless continued by the Legislature (A.R.S. §§ 41-3026.04, 41-3026.13, 41-3026.22).

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

ATTACHMENT 28

Provisions

Arizona Department of Gaming

1. Requires ADG, by December 17 of each year, to submit all audits conducted by third party auditors to the President of the Senate, the Speaker of the House of Representatives, and the Governor. (Sec. 3)
2. Instructs ADG to create and implement a submission process and tracking system to track and monitor complaints to make the submission process available on ADG's website. (Sec. 4)
3. Requires ADG to submit an annual report to the President of the Senate, the Speaker of the House of Representatives, and the Governor including information on the number of complaints that were received and dismissed or resolved. (Sec. 4)
4. Requires ADG to review all independent audits conducted since 2021 to determine if event wagering operators are paid the correct privilege fees and to correct any identified overpayments or underpayments. (Sec. 10)

Conflict-Of-Interest Requirements

5. Requires the director, deputy director, executive director, commissioners and all employees of the Division of Racing, the Boxing & MMA Commission and ADG to:
   a. complete a conflict-of-interest disclosure form upon their initial appointment and hiring; and
   b. submit an updated form annually if any conflict-of-interest information has changed. (Sec. 1, 2, 3)

Continuations

6. Continues, retroactive to July 1, 2026, the Racing Commission, the Boxing & MMA Commission and ADG for six years until July 1, 2032. (Sec. 5, 6, 11)
7. Repeals the Racing Commission, the Boxing & MMA Commission and ADG on January 1, 2033. (Sec. 6)

Miscellaneous

8. Contains purpose statements relating to the Racing Commission, the Arizona State Boxing & MMA Commission and ADG. (Sec. 7, 8, 9)
9. Adds that failure for the Division of Racing employees to comply with completing and submitting the conflict-of-interest information is grounds for dismissal. (Sec. 1)

Fifty-seventh Legislature
Second Regular Session

Commerce
S.B. 1671

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1671
(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 5-101.01, Arizona Revised Statutes, is amended to read:

5-101.01. Division of racing; director; qualifications; term; deputy director; conflict of interest

A. There is established a division of racing within the department of gaming.

B. The director shall administer the division. To be eligible for appointment as director, a person must have a minimum of five years of experience in business and administration and shall not have a financial interest in a racetrack or in the racing industry in this state during that person's appointment.

C. The director may establish the position of deputy director of the division.

D. The position of deputy director, if applicable, is exempt from title 41, chapter 4, articles 5 and 6. The deputy director, if applicable, is eligible to receive compensation pursuant to section 38-611.

E. ~~The provisions of~~ Title 38, chapter 3, article 8, relating to conflict of interest, ~~apply~~ APPLIES to the director and all other employees of the department.

F. Neither the director, any employee of the department nor any member of the immediate family of the director or other employee of the department may:

1. Have any pecuniary interest in a racetrack in this state or in any stable, compound or farm licensed under this chapter.

2. Wager money at a racetrack enclosure or additional wagering facility in this state or wager money on the results of any race held at a racetrack enclosure in this state.

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

ATTACHMENT 29

3. Hold more than a five percent interest in any entity doing business with a racetrack in this state.

4. Have any interest, whether direct or indirect, in a license issued pursuant to this chapter or in a licensee, facility or entity that is involved in any way with pari-mutuel wagering. For the purposes of this paragraph, "interest" includes employment.

G. THE DIRECTOR, THE DEPUTY DIRECTOR, IF APPLICABLE, AND ALL EMPLOYEES OF THE DEPARTMENT SHALL COMPLETE A CONFLICT-OF-INTEREST DISCLOSURE FORM ON INITIAL APPOINTMENT AS DIRECTOR AND DEPUTY DIRECTOR, IF APPLICABLE, AND ON HIRING AS A NEW EMPLOYEE. THE DIRECTOR, THE DEPUTY DIRECTOR, IF APPLICABLE, AND ALL DEPARTMENT EMPLOYEES SHALL SUBMIT AN UPDATED CONFLICT-OF-INTEREST DISCLOSURE FORM ANNUALLY IF ANY CONFLICT-OF-INTEREST INFORMATION HAS CHANGED.

~~G.~~ H. Failure to comply with subsection F OR G of this section is grounds for dismissal.

~~H.~~ I. For the purposes of subsection F of this section, "immediate family" means a spouse or children who regularly reside in the household of the director or other employee of the department.

Sec. 2. Section 5-223, Arizona Revised Statutes, is amended to read:

5-223. Arizona state boxing and mixed martial arts commission; appointment; terms; compensation; conflict of interest; emergency ringside meetings

A. The ~~Arizona state boxing and mixed martial arts~~ commission consists of three members appointed by the governor pursuant to section 38-211. The term of office of commissioners is three years. The term of one member shall expire on the third Monday in January each year.

B. Two members of the commission constitute a quorum for conducting business. A concurrence of two members is necessary to render a decision by the commission. Emergency ringside meetings held immediately ~~prior~~ BEFORE and ~~subsequent to~~ AFTER a scheduled contest for the purpose of determining whether there has been a violation of the rules and regulations of the commission or this chapter are exempt from ~~the provisions of~~ title 38, chapter 3, article 3.1.

C. The commissioners shall receive compensation as determined pursuant to section 38-611 for each day they act in their official capacity, not to exceed one hundred days each year.

D. A commissioner shall not during the commissioner's term of office promote, sponsor or have any financial interest in a combatant, a boxing contest or in the premises leased for a boxing contest.

E. THE EXECUTIVE DIRECTOR, ALL COMMISSIONERS AND ALL DEPARTMENT AND COMMISSION EMPLOYEES SHALL COMPLETE A CONFLICT-OF-INTEREST DISCLOSURE FORM ON INITIAL APPOINTMENT AS A COMMISSIONER AND ON HIRING AS A NEW EMPLOYEE. THE EXECUTIVE DIRECTOR, ALL COMMISSIONERS AND ALL EMPLOYEES SHALL SUBMIT AN UPDATED CONFLICT-OF-INTEREST DISCLOSURE FORM ANNUALLY IF ANY CONFLICT-OF-INTEREST INFORMATION HAS CHANGED.

Sec. 3. Section 5-604, Arizona Revised Statutes, is amended to read:

5-604. Department of gaming; director; qualifications; term; conflict of interest; grounds for dismissal

A. The department of gaming is established.

B. The governor shall appoint a director of the department of gaming pursuant to section 38-211. The director serves at the pleasure of the governor. To be eligible for appointment as director, a person shall not have a financial interest in a gambling operation or in the gambling industry in this state during the term of appointment. The governor may appoint an acting director if there is a vacancy in the office.

C. The director and all other employees of the department are subject to title 41, chapter 4, article 4. The director is eligible to receive compensation pursuant to section 38-611.

D. The employment or financial interest of any relative to the first degree of consanguinity or affinity to the director or any other employee of the department in the gambling industry in this state is grounds for the dismissal of the director or employee of the department.

E. THE DIRECTOR AND ALL EMPLOYEES OF THE DEPARTMENT SHALL COMPLETE A CONFLICT-OF-INTEREST DISCLOSURE FORM ON INITIAL APPOINTMENT AS DIRECTOR AND ON HIRING AS A NEW EMPLOYEE. THE DIRECTOR AND ALL DEPARTMENT EMPLOYEES SHALL SUBMIT AN UPDATED CONFLICT-OF-INTEREST DISCLOSURE FORM ANNUALLY IF ANY CONFLICT-OF-INTEREST INFORMATION HAS CHANGED.

[~~F. ON OR BEFORE DECEMBER 17 OF EACH YEAR, THE DEPARTMENT SHALL SUBMIT ALL DEPARTMENT AUDITS THAT ARE CONDUCTED BY A THIRD-PARTY AUDITOR TO THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE GOVERNOR.~~]

Sec. 4. Title 5, chapter 6, article 1, Arizona Revised Statutes, is amended by adding section 5-606, to read:

5-606. Complaints; tracking system; annual report

A. THE DEPARTMENT SHALL CREATE AND IMPLEMENT A COMPLAINT SUBMISSION PROCESS AND COMPLAINT TRACKING SYSTEM THAT ALLOW THE DEPARTMENT TO TRACK AND MONITOR COMPLAINTS RELATING TO THIS CHAPTER AND CHAPTERS 2, 10 AND 11 OF THIS TITLE. THE DEPARTMENT SHALL MAKE THE COMPLAINT SUBMISSION PROCESS AVAILABLE ON THE DEPARTMENT WEBSITE.

[~~B. THE DEPARTMENT SHALL SUBMIT AN ANNUAL REPORT TO THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE GOVERNOR THAT INCLUDES ALL OF THE FOLLOWING INFORMATION:~~

~~1. THE NUMBER OF COMPLAINTS THAT WERE RECEIVED THROUGH THE COMPLAINT SUBMISSION PROCESS.~~

~~2. THE NUMBER OF COMPLAINTS THAT WERE RECEIVED THROUGH THE COMPLAINT SUBMISSION PROCESS AND THAT WERE DISMISSED.~~

~~3. THE NUMBER OF COMPLAINTS THAT WERE RECEIVED THROUGH THE COMPLAINT SUBMISSION PROCESS AND THAT WERE RESOLVED.~~]

[B. ON OR BEFORE SEPTEMBER 30 OF EACH YEAR, THE DEPARTMENT SHALL SUBMIT AN ANNUAL REPORT TO THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE GOVERNOR THAT INCLUDES AGGREGATE DATA OF

COMPLAINTS THAT ARE RECEIVED BY THE DEPARTMENT RELATING TO PERSONS OR ENTITIES THAT ARE LICENSED OR REGULATED PURSUANT TO THIS TITLE AND THAT ARE WITHIN THE STATUTORY AUTHORITY OF THE DEPARTMENT.]

<<Sec. 5. Section 5-1312, Arizona Revised Statutes, is amended to read:

5-1312. Reporting

A. On or before September 30 of each year, the department shall prepare and submit an annual 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 that contains the following information:

1. The number of active licensees by type.

2. The aggregate gross and net revenue of all licensees.

3. The number of investigations conducted to enforce this chapter.

4. The financial impact on this state of the event wagering industry in this state.

B. The report may be included with other information required to be submitted by the department annually. A report submitted under subsection A of this section may be submitted electronically.

[C. THE REPORT REQUIRED PURSUANT TO SUBSECTION A OF THIS SECTION MUST INCLUDE A STATEMENT THAT INDICATES THE NUMBER OF INDEPENDENT AUDIT RESULTS THAT ARE REQUIRED TO BE SUBMITTED BY LICENSED EVENT WAGERING OPERATORS AND MANAGEMENT SERVICES PROVIDERS PURSUANT TO SECTION 5-1319 AND THAT WERE RECEIVED BY THE DEPARTMENT AND MUST INCLUDE ANY CORRECTIVE ACTIONS TAKEN BY THE DEPARTMENT REGARDING OVERPAYMENT OR UNDERPAYMENT OF PRIVILEGE FEES.]>>

Sec. 6. Repeal

Sections 41-3026.04, 41-3026.13 and 41-3026.22, Arizona Revised Statutes, are repealed.

Sec. 7. Title 41, chapter 27, article 2, Arizona Revised Statutes, is amended by adding sections 41-3032.11, 41-3032.15 and 41-3032.20 to read:

41-3032.11. Arizona racing commission; termination July 1, 2032

A. THE ARIZONA RACING COMMISSION TERMINATES ON JULY 1, 2032.

B. TITLE 5, CHAPTER 1 AND THIS SECTION ARE REPEALED ON JANUARY 1, 2033.

41-3032.15. Arizona state boxing and mixed martial arts commission; termination July 1, 2032

A. THE ARIZONA STATE BOXING AND MIXED MARTIAL ARTS COMMISSION TERMINATES ON JULY 1, 2032.

B. TITLE 5, CHAPTER 2 AND THIS SECTION ARE REPEALED ON JANUARY 1, 2033.

41-3032.20. Department of gaming; termination July 1, 2032

A. THE DEPARTMENT OF GAMING TERMINATES ON JULY 1, 2032.

B. SECTIONS 5-601, 5-602, 5-602.01, 5-603 AND 5-604, TITLE 5, CHAPTERS 10 AND 11 AND THIS SECTION ARE REPEALED ON JANUARY 1, 2033.

Sec. 8. Purpose

Pursuant to section 41-2955, subsection B, Arizona Revised Statutes, the legislature continues the department of gaming to:

1. Carry out the responsibilities of the state gaming agency in compacts executed by the state Indian tribes and this state pursuant to the Indian gaming regulatory act of 1988 (25 United States Code sections 2701 through 2721 and 18 United States Code sections 1166 through 1168).

2. Ensure the integrity of fantasy sports contests.

3. Enforce and supervise compliance with the laws and rules relating to regulating and controlling event wagering in this state.

4. Regulate racing and boxing and mixed martial arts in this state in conjunction with their respective commissions.

Sec. 9. Purpose

Pursuant to section 41-2955, subsection B, Arizona Revised Statutes, the legislature continues the Arizona racing commission to regulate the racing industry in this state for the protection of the public peace, safety and welfare.

Sec. 10. Purpose

Pursuant to section 41-2955, subsection B, Arizona Revised Statutes, the legislature continues the Arizona state boxing and mixed martial arts commission to provide the best protection for all interested parties in the sports of boxing, kickboxing and mixed martial arts.

~~<<Sec. 11. Department of gaming; review; independent audits; event wagering; fees~~

~~The department of gaming shall review all independent audits that have been conducted as of 2021 to determine if event wagering operators have paid the correct required privilege fee amounts as prescribed by section 5-1318, Arizona Revised Statutes. The department shall address and correct any overpayments or underpayments of privilege fee payments as required by rule.>>~~

Sec. 11. Retroactivity

Sections [~~5 and~~] 6 [and 7] of this act are effective retroactively to from and after July 1, 2026.

Enroll and engross to conform
Amend title to conform

JEFF WENINGER

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1671

DATE March 24, 2026 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar		✓			
Blackman		✓			
Carter N					✓
Cavero					✓
Diaz		✓			
Hendrix		✓			
Villegas		✓			
Volk		✓			
Willoughby		✓			
Wilmeth		✓			
Way, Vice-Chairman				✓	
Weninger, Chairman		✓			
		9	0	1	2

Abby Selvey
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 30

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff
Senate: RAGE DP 4-3-0-0 | Third Read 18-11-1-0-0

SB 1747: social media; online content; minors.
S/E: social media; minors; fund
Sponsor: Senator Bolick, LD 2
Committee on Commerce

Summary of the Strike-Everything Amendment to SB 1747

Overview

Prescribes requirements for developers and covered companies relating to social media applications. Establishes the Technology Content Protection for Minors Grant Fund (Grant Fund).

History

A person commits unlawful age misrepresentation if the person is at least 18 years of age, and knowing or having reason to know that the recipient of a communication is a minor, uses an electronic communication device to knowingly misrepresent the person's age for the purpose of committing any sexual offense involving the recipient (A.R.S. § 13-3561).

A commercial entity that knowingly and intentionally publishes or distributes material on an internet website, including a social media platform, of which more than one-third is sexual material that is harmful to minors must use reasonable age verification methods to verify that an individual who attempts to access the material is eighteen years of age or older. Individuals attempting to access the material must either: 1) provide a form of digital identification that does not cause or allow the individual's identifying information to be transmitted to any federal, state or local government entity; or 2) comply with a commercial age verification system that does not cause or allow the individual's identifying information to be transmitted to any federal, state or local government entity and verifies age using a government-issued identification or a commercially reasonable method that relies on public or private transactional data to verify the age of an individual (A.R.S. § 18-701).

Provisions

Technology Content Protection for Minors Grant Fund

1. Creates the Grant Fund, administered by the Attorney General (AG), which consists of monies from civil penalties, attorney fees and litigation costs that are recovered by the AG in actions brought against a covered company, developer or commercial entity for violations of Technology Content statutes. (Sec. 1)
2. Specifies monies in the Grant Fund are continuously appropriated and are exempt from lapsing. (Sec. 1)

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

ATTACHMENT 31

3. Provides restrictions on the use of Grant Fund monies. (Sec. 1)
4. Directs the AG to use Grant Fund monies solely to award grants to nonprofit organizations for specified programs as outlined. (Sec. 1)
5. Instructs the AG, subject to JLBC approval, to establish grant eligibility criteria, application procedures and reporting requirements for recipients of grants awarded. (Sec. 1)
6. Provides reporting requirements that includes an accounting of all the monies spent from the Grant Fund. (Sec. 1)

Technology Content

7. Details requirements for a covered company relating to:
   a. determining the age of a user;
   b. obtaining parental consent before allowing a child to download or access certain types of applications;
   c. notifying the parent of certain features for applications that a child downloads; and
   d. providing a developer with an age signal for determining parental consent and the age of an individual. (Sec. 2)
8. Requires a developer to:
   a. request from a covered company, on an individual's account creation or first access, an age signal and a parental consent signal for the individual who is a child;
   b. use the age signal and parental consent signal to enforce minimum age restrictions, ensure compliance with laws and provide an age-appropriate default, safeguards or experiences; and
   c. comply with the additional technology content requirements if the developer operates a social media platform. (Sec. 2)
9. Directs a social media platform to provide readily available features for a parent or guardian to oversee the child's use of the application as appropriate to the risks that arise from the child's use of the developer's application.
10. Outlines certain functions that the available feature must include. (Sec. 2)
11. Requires a social media platform to implement minor account default settings for a user that the developer knows is a minor. (Sec. 2)
12. Specifies the individuals who may modify the minor account default settings based on the minor's age. (Sec. 2)
13. Outlines requirements for the minor account default settings. (Sec. 2)

Age Signal and Verification

14. Provides direction for a developer on using an age signal if an internal age signal conflicts with the age sign from a covered company. (Sec. 2)
15. Requires a developer to transmit the conflicting internal age signal back to a covered company through a mechanism that is provided by the covered company if the developer has clear and convincing evidence that an internal age signal is more accurate. (Sec. 2)
16. Directs a covered company, on receipt of a conflicting internal age signal from a developer, to take steps to reverify the user's age and update the age signal to provide developers with the newly verified age. (Sec. 2)

17. Delineates responsibilities for a commercial entity that knowingly and intentionally publishes or distributes material that is harmful to minors on the application including using anonymous or standard age verification to verify that the person attempting to access the material is at least the age of 18. (Sec. 2)

Court Proceedings

18. Allows a minor or the minor's parent who has been harmed to bring a civil action against the covered company, developer or commercial entity. (Sec. 2)

19. Outlines the awards that a court may grant to a prevailing plaintiff. (Sec. 2)

20. Requires civil actions to be brought within one year after the date that the complainant knew or reasonably should have known of the violation. (Sec. 2)

21. Authorizes the AG to bring an action against a covered company, developer or commercial entity to:
    a. recover a civil penalty of not more than $75,000 for each violation;
    b. restrain or enjoin the covered company, developer or commercial entity from violating Technology Content statutes;
    c. seek injunctive relief;
    d. recover reasonable attorney fees; and
    e. recover litigation costs and reasonable costs for investigating the violation. (Sec. 2)

22. Directs the AG to deposit monies collected from civil penalties in the Grant Fund. (Sec. 2)

Immunity

23. Provides circumstances which grant a developer or a covered company immunity from liability for Technology Content violations. (Sec. 2)

24. Stipules a developer is not liable for Technology Content violations if, in determining an application's age rating and content description, the developer uses widely adopted industry standards to determine the application's age category and content description and applies those standards consistently and in good faith. (Sec. 2)

25. Adds a developer is not liable for transmitting an internal age signal to a covered company for the purposes of reconciling conflicting age signals. (Sec. 2)

26. Specifies the described immunity:
    a. applies only to actions brought under Technology Content statutes; and
    b. does not limit a developer or covered company's liability under any other applicable law. (Sec. 2)

27. Specifies the immunity exemptions do not replace any other available remedy or right in State or federal law. (Sec. 2)

Miscellaneous

28. Specifies the Technology Content statutes do not modify, impair or supersede the operation of any antitrust laws. (Sec. 2)

29. Stipulates a covered company must comply with Technology Content statutes in a nondiscriminatory manner, including by complying with additional outlined requirements. (Sec. 2)

30. Defines pertinent terms. (Sec. 2)

31. Contains a severability clause. (Sec. 3)

32. Contains a delayed effective date. (Sec. 4)

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1747
(Reference to Senate engrossed bill)

Strike everything after the enacting clause and insert:

"Section 1. Title 41, chapter 1, article 5, Arizona Revised Statutes, is amended by adding section 41-191.14, to read:

41-191.14. Technology content protection for minors grant fund; attorney general; annual report

A. THE TECHNOLOGY CONTENT PROTECTION FOR MINORS GRANT FUND IS ESTABLISHED CONSISTING OF MONIES FROM CIVIL PENALTIES, ATTORNEY FEES AND LITIGATION COSTS THAT ARE RECOVERED BY THE ATTORNEY GENERAL PURSUANT TO SECTION 44-8047. THE ATTORNEY GENERAL SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

B. MONIES IN THE FUND MAY NOT BE TRANSFERRED TO OR OTHERWISE MADE AVAILABLE TO ANY OTHER STATE FUND OR ACCOUNT AND MAY NOT BE USED FOR OPERATING EXPENSES OF THE ATTORNEY GENERAL'S OFFICE OR STAFF SALARIES.

C. THE ATTORNEY GENERAL SHALL USE THE MONIES IN THE FUND SOLELY TO AWARD GRANTS TO NONPROFIT ORGANIZATIONS FOR THE FOLLOWING:

1. OUTREACH PROGRAMS THAT PROVIDE EDUCATION TO PARENTS, GUARDIANS AND MINORS ABOUT ONLINE SAFETY, DIGITAL LITERACY AND THE EFFECTS OF SOCIAL MEDIA ON THE MENTAL HEALTH OF MINORS.

2. PROGRAMS THAT PROVIDE RESOURCES OR SERVICES TO MINORS WHO HAVE EXPERIENCED HARM AS A RESULT OF VIOLATIONS OF CHAPTER 42 OF THIS TITLE.

3. RESEARCH ON THE EFFECTS OF SOCIAL MEDIA ON THE MENTAL AND PHYSICAL HEALTH OF MINORS.

4. LAW ENFORCEMENT PROGRAMS THAT INVESTIGATE VIOLATIONS OF CHAPTER 42 OF THIS TITLE AND TECHNOLOGY-FACILITATED HARM TO MINORS.

5. PROGRAMS THAT PROVIDE MENTAL HEALTH COUNSELING, TREATMENT OR SUPPORT SERVICES TO MINORS WHO HAVE EXPERIENCED PSYCHOLOGICAL OR EMOTIONAL HARM AS A RESULT OF USING SOCIAL MEDIA AND VIOLATIONS OF CHAPTER 42 OF THIS TITLE.

6. PROGRAMS THAT PROVIDE PREVENTION EDUCATION, VICTIM SERVICES OR LAW ENFORCEMENT SUPPORT RELATED TO THE HUMAN TRAFFICKING OR SEXUAL EXPLOITATION OF MINORS FACILITATED THROUGH SOCIAL MEDIA PLATFORMS.

D. THE ATTORNEY GENERAL SHALL ESTABLISH GRANT ELIGIBILITY CRITERIA, APPLICATION PROCEDURES AND REPORTING REQUIREMENTS FOR RECIPIENTS OF GRANTS AWARDED PURSUANT TO THIS SECTION SUBJECT TO JOINT LEGISLATIVE BUDGET COMMITTEE APPROVAL.

E. ON OR BEFORE JANUARY 15, APRIL 15, JULY 15 AND OCTOBER 15 OF EACH YEAR, THE ATTORNEY GENERAL SHALL COMPILE A REPORT THAT INCLUDES AN ACCOUNTING OF ALL THE MONIES SPENT FROM THE FUND, INCLUDING:

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

ATTACHMENT 32

1. RECEIPTS.
2. DISBURSEMENTS.
3. THE CURRENT BALANCE OF THE FUND.
4. THE NAME OF EACH GRANT RECIPIENT.
5. THE AMOUNT AWARDED TO EACH GRANT RECIPIENT.
6. THE PURPOSE FOR EACH GRANT AWARDED.

F. THE ATTORNEY GENERAL SHALL SUBMIT THE REPORT TO ALL OF THE FOLLOWING:

1. THE GOVERNOR.
2. THE PRESIDENT OF THE SENATE.
3. THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.
4. THE MINORITY LEADER OF THE SENATE.
5. THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES.
6. THE DIRECTOR OF THE JOINT LEGISLATIVE BUDGET COMMITTEE.
7. THE SECRETARY OF STATE.

Sec. 2. Title 44, Arizona Revised Statutes, is amended by adding chapter 42, to read:

CHAPTER 42

TECHNOLOGY CONTENT

ARTICLE 1. SOCIAL MEDIA

44-8041. Definitions

IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "ANONYMOUS AGE VERIFICATION" MEANS A COMMERCIALLY REASONABLE METHOD THAT IS USED BY A GOVERNMENT AGENCY OR A BUSINESS FOR THE PURPOSE OF AGE VERIFICATION THAT IS CONDUCTED BY A NONGOVERNMENTAL, INDEPENDENT THIRD PARTY THAT IS ORGANIZED UNDER THE LAWS OF ANY STATE OF THE UNITED STATES THAT BOTH:

(a) HAS ITS PRINCIPAL PLACE OF BUSINESS IN ANY STATE OF THE UNITED STATES.

(b) IS NOT OWNED OR CONTROLLED BY A COMPANY THAT IS FORMED IN A FOREIGN COUNTRY, A GOVERNMENT OF A FOREIGN COUNTRY OR ANY OTHER ENTITY FORMED IN A FOREIGN COUNTRY.

2. "APPLICATION" MEANS A SOFTWARE APPLICATION OR ELECTRONIC SERVICE THAT A USER MAY RUN OR DIRECT ON A COMPUTER, A MOBILE DEVICE OR ANY OTHER GENERAL PURPOSE COMPUTING DEVICE.

3. "APPLICATION STORE" MEANS A PUBLICLY AVAILABLE WEBSITE, SOFTWARE APPLICATION, ELECTRONIC SERVICE OR PLATFORM THAT DISTRIBUTES AND FACILITATES THE DOWNLOAD OF APPLICATIONS FROM THIRD-PARTY DEVELOPERS TO USERS OF A COMPUTER, A MOBILE DEVICE OR ANY OTHER GENERAL PURPOSE COMPUTING DEVICE.

4. "CHILD" MEANS AN INDIVIDUAL WHO IS LESS THAN SIXTEEN YEARS OF AGE.

5. "COMMERCIAL ENTITY" INCLUDES A CORPORATION, A LIMITED LIABILITY COMPANY, A PARTNERSHIP, A LIMITED PARTNERSHIP, A SOLE PROPRIETORSHIP AND ANY OTHER LEGALLY RECOGNIZED ENTITY.

6. "COVERED COMPANY" MEANS A PERSON THAT OWNS, CONTROLS OR OPERATES AN APPLICATION STORE OR OPERATING SYSTEM THAT SERVICES CUSTOMERS IN THIS STATE.

7. "DAILY ACTIVE USERS" MEANS THE NUMBER OF UNIQUE USERS IN THE UNITED STATES WHO USED THE SOCIAL MEDIA PLATFORM AT LEAST EIGHTY PERCENT OF THE DAYS DURING EITHER:

(a) THE PREVIOUS TWELVE-MONTH PERIOD.

(b) THE PREVIOUS ONE-MONTH PERIOD IF THE SOCIAL MEDIA PLATFORM DID NOT EXIST DURING THE PREVIOUS TWELVE-MONTH PERIOD.

8. "DEVELOPER" MEANS A PERSON THAT CREATES, OWNS OR CONTROLS A PUBLIC-FACING WEBSITE, ONLINE SERVICE, ONLINE APPLICATION OR MOBILE APPLICATION.

9. "DISTRIBUTE" MEANS TO ISSUE, SELL, GIVE, PROVIDE, DELIVER, TRANSFER, TRANSMIT, CIRCULATE OR DISSEMINATE BY ANY MEANS.

10. "HARMFUL TO MINORS" HAS THE SAME MEANING PRESCRIBED IN SECTION 13-3501.

11. "INFINITE SCROLLING" MEANS CONTENT THAT IS CONTINUOUSLY LOADING OR CONTENT THAT LOADS AS THE USER SCROLLS DOWN THE WEBPAGE WITHOUT THE NEED TO OPEN A SEPARATE WEBPAGE.

12. "OPERATING SYSTEM" MEANS AN ENTITY THAT DEVELOPS, MAINTAINS OR DISTRIBUTES AN OPERATING SYSTEM ON A COMPUTER, A MOBILE DEVICE OR ANY OTHER GENERAL PURPOSE COMPUTING DEVICE.

13. "PERSONALIZED RECOMMENDATION SYSTEM":

(a) MEANS A FULLY OR PARTIALLY AUTOMATED SYSTEM USED TO SUGGEST, PROMOTE OR RANK A FEED OF A USER-GENERATED CONTENT BASED ON THE USER'S ACTIVITY ON THE COVERED PLATFORM.

(b) DOES NOT INCLUDE A RECOMMENDATION SYSTEM THAT SUGGESTS, PROMOTES OR RANKS CONTENT BASED SOLELY ON THE USER'S LANGUAGE, CITY OR TOWN OR AGE.

14. "PRECISE GEOLOCATION":

(a) MEANS INFORMATION DERIVED FROM TECHNOLOGY, INCLUDING GLOBAL POSITIONING SYSTEM LEVEL LATITUDE AND LONGITUDE COORDINATES OR OTHER MECHANISMS, THAT DIRECTLY IDENTIFIES THE SPECIFIC LOCATION OF A NATURAL PERSON WITH PRECISION AND ACCURACY WITHIN A RADIUS OF ONE THOUSAND SEVEN HUNDRED FIFTY FEET.

(b) DOES NOT INCLUDE THE CONTENT OF COMMUNICATIONS OR ANY DATA GENERATED BY OR CONNECTED TO ADVANCED UTILITY METERING INFRASTRUCTURE SYSTEMS OR EQUIPMENT FOR USE BY A UTILITY.

15. "PUBLISH" MEANS TO COMMUNICATE OR MAKE INFORMATION AVAILABLE TO ANOTHER PERSON ON A PUBLICLY AVAILABLE WEBSITE OR APPLICATION.

16. "SOCIAL MEDIA PLATFORM":

(a) MEANS AN ONLINE FORUM, WEBSITE OR APPLICATION THAT SATISFIES EACH OF THE FOLLOWING CRITERIA:

(i) ALLOWS A USER TO UPLOAD CONTENT OR VIEW THE CONTENT OR ACTIVITY OF OTHER USERS.

(ii) EMPLOYS ALGORITHMS THAT ANALYZE USER DATA OR INFORMATION ON USERS TO SELECT CONTENT FOR USERS.

(iii) HAS INFINITE SCROLLING OR SEAMLESS CONTENT OR THE USE OF WEBPAGES WITH NO VISIBLE OR APPARENT END OR PAGE BREAKS, HAS PUSH NOTIFICATIONS OR ALERTS SENT BY AN ONLINE FORUM, WEBSITE OR APPLICATION TO INFORM A USER ABOUT SPECIFIC ACTIVITIES OR EVENTS RELATED TO THE USER'S ACCOUNT, DISPLAYS PERSONAL INTERACTIVE METRICS THAT INDICATE THE NUMBER OF

TIMES OTHER USERS HAVE CLICKED A BUTTON TO INDICATE THE USERS' REACTIONS TO CONTENT OR HAVE SHARED OR REPOSTED THE CONTENT, HAS AUTO-PLAY VIDEO OR VIDEO THAT BEGINS TO PLAY WITHOUT THE USER FIRST CLICKING ON THE VIDEO OR ON A PLAY BUTTON FOR THAT VIDEO OR HAS LIVE-STREAMING OR HAS A FUNCTION THAT ALLOWS A USER OR ADVERTISER TO BROADCAST LIVE VIDEO CONTENT IN REAL-TIME.

(b) DOES NOT INCLUDE AN ONLINE SERVICE, WEBSITE OR APPLICATION WHERE THE EXCLUSIVE FUNCTION IS EMAIL OR DIRECT MESSAGING CONSISTING OF TEXT, PHOTOGRAPHS, PICTURES, IMAGES OR VIDEOS THAT ARE SHARED ONLY BETWEEN THE SENDER AND THE RECIPIENTS AND THAT ARE NOT DISPLAYED OR POSTED PUBLICLY OR TO OTHER USERS THAT ARE NOT SPECIFICALLY IDENTIFIED BY THE SENDER AS THE RECIPIENTS.

17. "STANDARD AGE VERIFICATION" MEANS ANY COMMERCIALLY REASONABLE METHOD OF AGE VERIFICATION THAT IS APPROVED BY THE COMMERCIAL ENTITY.

18. "SUBSTANTIAL PORTION" MEANS MORE THAN THIRTY-THREE AND ONE THIRD PERCENT OF THE TOTAL MATERIAL ON A WEBSITE OR APPLICATION.

44-8042. Covered company duties

A COVERED COMPANY SHALL:

1. TAKE COMMERCIALLY REASONABLE STEPS TO DETERMINE OR ESTIMATE THE AGE FOR:

(a) NEW USERS, AT ACCOUNT CREATION.

(b) EXISTING USERS, WITHIN SIX MONTHS AFTER THE EFFECTIVE DATE OF THIS SECTION.

2. OBTAIN PARENTAL OR GUARDIAN CONSENT BEFORE ALLOWING A CHILD TO EITHER:

(a) DOWNLOAD AN APPLICATION DISTRIBUTED OR MADE ACCESSIBLE THROUGH THE COVERED COMPANY'S APPLICATION STORE, IF THE COVERED COMPANY PROVIDES AN APPLICATION STORE.

(b) ACCESS AN APPLICATION PRE-LOADED ONTO A DEVICE FOR THE FIRST TIME, IF THE COVERED COMPANY PROVIDES AN OPERATING SYSTEM.

3. IF THE COVERED COMPANY PROVIDES AN APPLICATION STORE, CONNECT THE DEVELOPER OF AN APPLICATION THAT A CHILD DOWNLOADS FROM THE COVERED COMPANY'S APPLICATION STORE WITH THE CHILD'S APPROVING PARENT OR GUARDIAN TO NOTIFY THE PARENT OR GUARDIAN OF THE FEATURES PRESCRIBED IN SECTION 44-8043.

4. ON REQUEST, PROVIDE A DEVELOPER, INCLUDING A DEVELOPER OF THE PRE-LOADED APPLICATION, WITH AN AGE SIGNAL THROUGH A REAL-TIME APPLICATION PROGRAMMING INTERFACE ON AN ONGOING BASIS REGARDING WHETHER PARENTAL OR GUARDIAN CONSENT HAS BEEN PROVIDED AND WHETHER AN INDIVIDUAL IS:

(a) LESS THAN THIRTEEN YEARS OF AGE.

(b) AT LEAST THIRTEEN YEARS OF AGE BUT LESS THAN SIXTEEN YEARS OF AGE.

(c) AT LEAST SIXTEEN YEARS OF AGE BUT LESS THAN EIGHTEEN YEARS OF AGE.

(d) AT LEAST EIGHTEEN YEARS OF AGE.

44-8043. Developer duties; social media platform duties; minor account default settings

A. A DEVELOPER SHALL:

1. ON AN INDIVIDUAL'S ACCOUNT CREATION OR FIRST ACCESS, REQUEST FROM A COVERED COMPANY AN AGE SIGNAL AND, IF THE INDIVIDUAL IS A CHILD, A PARENTAL CONSENT SIGNAL FOR THE INDIVIDUAL AND MAY SUBSEQUENTLY REQUEST ADDITIONAL AGE SIGNALS.

2. USE THE AGE SIGNAL AND PARENTAL CONSENT SIGNAL FROM A COVERED COMPANY TO:

(a) ENFORCE LEGALLY REQUIRED MINIMUM AGE RESTRICTIONS.

(b) ENSURE COMPLIANCE WITH ALL LAWS.

(c) PROVIDE ANY AGE-APPROPRIATE DEFAULTS, SAFEGUARDS OR EXPERIENCES AS REQUIRED BY THIS CHAPTER.

B. IN ADDITION TO THE REQUIREMENTS PRESCRIBED IN SUBSECTION A OF THIS SECTION, IF A DEVELOPER OPERATES A SOCIAL MEDIA PLATFORM, THE DEVELOPER SHALL COMPLY WITH THE ADDITIONAL REQUIREMENTS OF THIS SECTION.

C. IF APPLICABLE AND TECHNICALLY FEASIBLE, A SOCIAL MEDIA PLATFORM SHALL PROVIDE READILY AVAILABLE FEATURES FOR A PARENT OR GUARDIAN TO OVERSEE THE PARENT'S OR GUARDIAN'S CHILD'S USE OF THE APPLICATION AS APPROPRIATE TO THE RISKS THAT ARISE FROM THE CHILD'S USE OF THE DEVELOPER'S APPLICATION. THE FEATURES MUST INCLUDE:

1. THE ABILITY TO VIEW METRICS REFLECTING THE AMOUNT OF TIME THAT THE CHILD IS USING THE APPLICATION AND SET DAILY TIME LIMITS ON THE CHILD'S USE.

2. THE ABILITY TO SEE WHICH INDIVIDUALS OR ACCOUNTS ARE AFFIRMATIVELY LINKED TO THE CHILD'S ACCOUNT, INCLUDING THE CHILD'S FRIENDS, FOLLOWERS OR ACCOUNTS THAT THE CHILD IS FOLLOWING.

3. THE ABILITY TO DETERMINE WHETHER THE CHILD HAS LIMITED THE PUBLIC VISIBILITY OF THE CHILD'S ACCOUNT OR INFORMATION AND CONTENT THAT IS UPLOADED TO THE APPLICATION.

4. THE ABILITY TO SEE WHICH INDIVIDUALS THE CHILD HAS BLOCKED.

5. THE ABILITY TO SUBMIT A REPORT TO THE APPLICATION CONCERNING A POTENTIAL VIOLATION OF THE DEVELOPER'S TERMS AND POLICIES.

6. THE ABILITY TO DISABLE THE DISPLAY OF PERSONALIZED RECOMMENDATION SYSTEMS FOR A CHILD.

D. A SOCIAL MEDIA PLATFORM MUST IMPLEMENT MINOR ACCOUNT DEFAULT SETTINGS FOR A USER THAT THE DEVELOPER KNOWS IS A MINOR. FOR A MINOR USER WHO IS A CHILD, ONLY THE CHILD'S PARENT OR GUARDIAN MAY MODIFY THE MINOR ACCOUNT DEFAULT SETTINGS. FOR A MINOR USER WHO IS AT LEAST SIXTEEN YEARS OF AGE, THE MINOR USER OR THE MINOR'S PARENT MAY MODIFY THE MINOR ACCOUNT DEFAULT SETTINGS. THE MINOR ACCOUNT DEFAULT SETTINGS MUST:

1. DISPLAY A NOTIFICATION TO A USER WHOM THE SOCIAL MEDIA PLATFORM KNOWS IS A MINOR IF THE USER HAS SPENT ONE CUMULATIVE HOUR ON THE APPLICATION DURING ONE CALENDAR DAY. THE NOTIFICATION SHALL INFORM THE MINOR USER OF THE CUMULATIVE DAILY TIME SPENT ON THE APPLICATION.

2. LIMIT THE VISIBILITY OF A MINOR'S ACCOUNT OR PROFILE TO CONNECTED USERS OTHER THAN THE MINOR'S NAME, USERNAME AND PRIMARY DISPLAY PICTURE.

3. MAINTAIN REASONABLE POLICIES ADDRESSING EXPOSURE TO SEXUALLY OR VIOLENTLY EXPLICIT MATERIAL ON THE PLATFORM.

4. SILENCE NOTIFICATIONS BETWEEN 10:00 P.M. AND 6:00 A.M. LOCAL TIME.

5. PROHIBIT AN UNCONNECTED USER FROM SENDING PRIVATE OR DIRECT MESSAGES TO A MINOR USER, INCLUDING THROUGH VIDEO, VOICE, TEXT OR OTHER MESSAGING.

6. PROHIBIT A MINOR USER FROM SHARING THE MINOR USER'S REAL-TIME PRECISE GEOLOCATION WITH ANY OTHER USER AND ESTABLISH A FEATURE FOR THE MINOR'S PARENT OR GUARDIAN TO ALLOW THE MINOR TO SHARE THE MINOR'S PRECISE GEOLOCATION WITH CONNECTED USERS AND USERS WHO ARE APPROVED BY THE PARENT.

7. DISABLE THE AUTOMATIC PLAYING OF VIDEO CONTENT WITHOUT USER ACTION IN A PERSONALIZED RECOMMENDATION SYSTEM.

44-8044. Age signal conflicts

A. IF A DEVELOPER DETERMINES THAT AN INTERNAL AGE SIGNAL CONFLICTS WITH THE AGE SIGNAL FROM A COVERED COMPANY, THE DEVELOPER MAY RELY ON THE AGE SIGNAL FROM THE COVERED COMPANY UNLESS THE DEVELOPER HAS CLEAR AND CONVINCING EVIDENCE THAT AN INTERNAL AGE SIGNAL IS MORE ACCURATE. IF THE DEVELOPER HAS CLEAR AND CONVINCING EVIDENCE THAT THE DEVELOPER'S INTERNAL AGE SIGNAL IS MORE ACCURATE, INCLUDING IF THE USER PROVIDED PROOF OF AGE TO THE DEVELOPER, THE DEVELOPER SHALL USE THE DEVELOPER'S INTERNAL SIGNAL.

B. IF APPLICABLE AND TECHNICALLY FEASIBLE, A DEVELOPER SHALL TRANSMIT THE CONFLICTING INTERNAL AGE SIGNAL BACK TO A COVERED COMPANY THROUGH A MECHANISM THAT IS PROVIDED BY THE COVERED COMPANY IF THE DEVELOPER HAS CLEAR AND CONVINCING EVIDENCE THAT AN INTERNAL AGE SIGNAL IS MORE ACCURATE.

C. ON RECEIPT OF A CONFLICTING INTERNAL AGE SIGNAL FROM A DEVELOPER, THE COVERED COMPANY SHALL TAKE STEPS TO REVERIFY THE USER'S AGE AND UPDATE THE AGE SIGNAL TO PROVIDE DEVELOPERS WITH THE NEWLY VERIFIED AGE.

44-8045. Material that is harmful to minors; age verification; personal identifying information protection

IF AN APPLICATION CONTAINS A SUBSTANTIAL PORTION OF MATERIAL THAT IS HARMFUL TO MINORS, A COMMERCIAL ENTITY THAT KNOWINGLY AND INTENTIONALLY PUBLISHES OR DISTRIBUTES MATERIAL THAT IS HARMFUL TO MINORS ON THE APPLICATION SHALL DO ALL OF THE FOLLOWING:

1. USE EITHER ANONYMOUS AGE VERIFICATION OR STANDARD AGE VERIFICATION TO VERIFY THAT THE PERSON ATTEMPTING TO ACCESS THE MATERIAL THAT IS HARMFUL TO MINORS IS AT LEAST EIGHTEEN YEARS OF AGE.

2. PREVENT ACCESS TO THE MATERIAL THAT IS HARMFUL TO MINORS BY A PERSON WHO IS LESS THAN EIGHTEEN YEARS OF AGE.

3. OFFER ANONYMOUS AGE VERIFICATION AND STANDARD AGE VERIFICATION AND ALLOW A PERSON ATTEMPTING TO ACCESS THE MATERIAL THAT IS HARMFUL TO MINORS TO SELECT WHICH METHOD WILL BE USED TO VERIFY THE PERSON'S AGE.

4. ENSURE THAT A THIRD PARTY CONDUCTING ANONYMOUS AGE VERIFICATION PURSUANT TO THIS SECTION:

(a) DOES NOT RETAIN PERSONAL IDENTIFYING INFORMATION USED TO VERIFY AGE WHEN THE AGE OF A PERSON SEEKING ACCESS HAS BEEN VERIFIED.

(b) DOES NOT USE PERSONAL IDENTIFYING INFORMATION THAT IS USED TO VERIFY AGE FOR ANY OTHER PURPOSE.

(c) KEEPS ANONYMOUS ANY PERSONAL IDENTIFYING INFORMATION USED TO VERIFY AGE AND DOES NOT SHARE OR OTHERWISE COMMUNICATE THE INFORMATION TO ANY PERSON.

(d) PROTECTS PERSONAL IDENTIFYING INFORMATION USED TO VERIFY AGE FROM UNAUTHORIZED OR ILLEGAL ACCESS, DESTRUCTION, USE, MODIFICATION OR DISCLOSURE THROUGH REASONABLE SECURITY PROCEDURES AND PRACTICES APPROPRIATE TO THE NATURE OF THE PERSONAL INFORMATION.

44-8046. Civil action; statute of limitations

A. A MINOR OR THE MINOR'S PARENT WHO HAS BEEN HARMED BY A VIOLATION OF THIS CHAPTER MAY BRING A CIVIL ACTION AGAINST THE COVERED COMPANY, DEVELOPER OR COMMERCIAL ENTITY.

B. A COURT OF COMPETENT JURISDICTION MAY AWARD A PREVAILING PLAINTIFF ANY OR ALL OF THE FOLLOWING:

1. ACTUAL DAMAGES OR $1,000 FOR EACH VIOLATION, WHICHEVER IS GREATER.

2. PUNITIVE DAMAGES IF THE VIOLATION WAS EGREGIOUS.

3. REASONABLE ATTORNEY FEES.

4. LITIGATION COSTS.

C. NOTWITHSTANDING ANY OTHER LAW, A CIVIL ACTION FOR A CLAIM UNDER THIS SECTION MUST BE BROUGHT WITHIN ONE YEAR AFTER THE DATE THAT THE COMPLAINANT KNEW OR REASONABLY SHOULD HAVE KNOWN OF THE VIOLATION.

44-8047. Attorney general; enforcement; penalties

A. IN ADDITION TO ANY OTHER REMEDY AVAILABLE UNDER STATE LAW, THE ATTORNEY GENERAL MAY BRING AN ACTION AGAINST A COVERED COMPANY, DEVELOPER OR COMMERCIAL ENTITY TO:

1. RECOVER A CIVIL PENALTY OF NOT MORE THAN $75,000 FOR EACH VIOLATION.

2. RESTRAIN OR ENJOIN THE COVERED COMPANY, DEVELOPER OR COMMERCIAL ENTITY FROM VIOLATING THIS CHAPTER.

3. SEEK INJUNCTIVE RELIEF.

4. RECOVER REASONABLE ATTORNEY FEES.

5. RECOVER LITIGATION COSTS AND REASONABLE COSTS FOR INVESTIGATING THE VIOLATION.

B. THE ATTORNEY GENERAL SHALL DEPOSIT, PURSUANT TO SECTIONS 35-146 AND 35-147, MONIES COLLECTED PURSUANT TO THIS SECTION IN THE TECHNOLOGY CONTENT PROTECTION FOR MINORS GRANT FUND ESTABLISHED BY SECTION 44-1531.03.

44-8048. Immunity from liability

A. A DEVELOPER OR COVERED COMPANY IS IMMUNE FROM LIABILITY FOR A VIOLATION OF THIS CHAPTER IF THE DEVELOPER OR COVERED COMPANY DEMONSTRATES THAT THE DEVELOPER OR COVERED COMPANY BOTH:

1. RELIED IN GOOD FAITH ON BOTH:

(a) THE APPLICABLE AGE SIGNAL AND, AGE SIGNAL INDICATES THAT THE USER IS A CHILD AND THE PARENTAL OR GUARDIAN CONSENT INFORMATION RECEIVED THROUGH THE COVERED COMPANY'S DATA SHARING METHODS.

(b) THE NOTIFICATION PROVIDED BY THE COVERED COMPANY THAT VERIFIABLE PARENTAL OR GUARDIAN CONSENT WAS OBTAINED IF THE AGE SIGNAL INDICATED THAT THE USER IS A CHILD.

2. IF A DEVELOPER, COMPLIED WITH THE DEFAULT ACCOUNT SETTINGS REQUIREMENTS DESCRIBED IN SECTION 44-8043 SUBSECTIONS C AND D.

B. IN DETERMINING AN APPLICATION'S AGE RATING AND CONTENT DESCRIPTION, A DEVELOPER IS NOT LIABLE FOR A VIOLATION OF THIS CHAPTER IF THE DEVELOPER USES WIDELY ADOPTED INDUSTRY STANDARDS TO DETERMINE THE APPLICATION'S AGE CATEGORY AND CONTENT DESCRIPTION AND APPLIES THOSE STANDARDS CONSISTENTLY AND IN GOOD FAITH.

C. A DEVELOPER IS NOT LIABLE FOR TRANSMITTING AN INTERNAL AGE SIGNAL TO A COVERED COMPANY FOR THE PURPOSES OF RECONCILING CONFLICTING AGE SIGNALS PURSUANT TO SECTION 44-8044.

D. THE IMMUNITY DESCRIBED IN THIS SECTION BOTH:

1. APPLIES ONLY TO ACTIONS BROUGHT UNDER THIS CHAPTER.

2. DOES NOT LIMIT A DEVELOPER OR COVERED COMPANY'S LIABILITY UNDER ANY OTHER APPLICABLE LAW.

E. THIS SECTION DOES NOT REPLACE ANY OTHER AVAILABLE REMEDY OR RIGHT IN STATE OR FEDERAL LAW.

44-8049. Covered company compliance; nondiscrimination; use of data

A. THIS CHAPTER DOES NOT MODIFY, IMPAIR OR SUPERSEDE THE OPERATION OF ANY ANTITRUST LAWS, UNLESS OTHERWISE SPECIFIED.

B. A COVERED COMPANY SHALL COMPLY WITH THIS CHAPTER IN A NONDISCRIMINATORY MANNER, INCLUDING BY COMPLYING WITH BOTH OF THE FOLLOWING:

1. A COVERED COMPANY SHALL IMPOSE THE SAME RESTRICTIONS AND OBLIGATIONS ON ITS OWN APPLICATIONS AND APPLICATION DISTRIBUTION AS THE COVERED COMPANY IMPOSES ON THIRD-PARTY APPLICATIONS AND APPLICATION DISTRIBUTORS.

2. A COVERED COMPANY MAY NOT USE DATA THAT IS COLLECTED FROM THIRD PARTIES, OR CONSENT MECHANISMS DEPLOYED FOR THIRD PARTIES, IN THE COURSE OF COMPLIANCE WITH THIS CHAPTER TO COMPETE AGAINST THOSE THIRD PARTIES, GIVE THE COVERED COMPANY'S SERVICES PREFERENCE RELATIVE TO THOSE OF THIRD PARTIES OR TO OTHERWISE USE THIS DATA OR CONSENT MECHANISM IN AN ANTICOMPETITIVE MANNER.

Sec. 3. Severability

If a provision of this act or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

Sec. 4. Effective date

Section 44-1531.03, Arizona Revised Statutes, and title 44, chapter 42, Arizona Revised Statutes, as added by this act, are effective one year after the effective date of this act."

1 Amend title to conform

WALT BLACKMAN

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1747

DATE March 24, 2026 MOTION: DPA S/E

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

Abby Selvey
COMMITTEE SECRETARY

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

ATTACHMENT 33

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff
Senate: RAGE: 7-0-0-0 | Third Read 23-5-2-0-0

SB1641: marijuana producers; licensure
Sponsor: Senator Payne, LD 27
Committee on Commerce

Overview

Establishes the marijuana producer license for the cultivation and manufacturing of marijuana and marijuana products. Applies various requirements for a licensed marijuana establishment to a licensed marijuana producer.

History

The Arizona Department of Health Services (DHS) oversees and regulates the licensure of healthcare facilities, childcare centers and medical and adult-use marijuana establishments. DHS is required to adopt rules to regulate marijuana, marijuana products, marijuana establishments and marijuana testing facilities, including licensing requirements (A.R.S. § 36-2854).

A *marijuana establishment* is any DHS licensed entity that operates a single: 1) retail site for cultivation, manufacturing and consumer sales of marijuana and marijuana products; 2) off-site cultivation facility for growing and manufacturing, but products may not be transferred or sold; and 3) off-site manufacturing hub for processing, packaging and storage, but products may not be transferred or sold (A.R.S. § 36-2850).

Provisions

Marijuana Producer Licensure; DHS Requirements

1. Requires DHS to adopt rules for the regulation and licensure of marijuana producers. (Sec. 2)
2. Instructs DHS to begin accepting applications for marijuana producer licenses on January 1, 2029. (Sec. 2)
3. Directs DHS, until January 1, 2032, to:
   a. only accept applications from entities that, by January 1, 2026, contracted with a marijuana establishment, nonprofit medical marijuana dispensary or management company to have a right to cultivate marijuana or manufacture marijuana products and retain all associated profits; and
   b. prohibit the transfer or sublease of marijuana producer licenses and prohibit entities that lack a marijuana producer license from cultivating marijuana or manufacturing marijuana products at marijuana producer sites. (Sec. 2)
4. Authorizes DHS, beginning in 2032, to issue additional marijuana producer licenses. (Sec. 2)

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

ATTACHMENT 34

5. Prohibits DHS from imposing any restrictions or obligations on marijuana producers that are not imposed on marijuana establishments, unless specifically identified in statute. (Sec. 2)

6. Specifies a marijuana producer license is valid for two years. (Sec. 2)

Marijuana Producer; Lawful Operation

7. Specifies it is lawful for a marijuana producer, or an agent acting on behalf of a marijuana producer to:
   a. possess marijuana or marijuana products;
   b. purchase, sell or transport marijuana and marijuana products to or from a marijuana establishment or marijuana producer; and
   c. cultivate, produce, test or process marijuana or marijuana products by any means, including chemical extraction or chemical synthesis. (Sec. 4)

8. Adds that it is lawful for a marijuana establishment, or an agent acting on behalf of a marijuana establishment to purchase, sell or transport marijuana and marijuana products to or from a marijuana producer. (Sec. 4)

Miscellaneous

9. Defines *marijuana producer* as an entity that is licensed by the department to operate a single location at which the licensee may cultivate marijuana, process marijuana, manufacture marijuana products and package and store marijuana and marijuana products but from which marijuana and marijuana products may not be transferred or sold to consumers. (Sec. 1)

10. Applies certain statutory requirements and restrictions for licensed marijuana establishments to licensed marijuana producers relating to:
    a. DHS restrictions;
    b. locality regulations;
    c. operations;
    d. advertising;
    e. packaging restrictions; and
    f. transaction privilege taxes. (Sec. 2, 3, 4, 5, 6, 7, 8)

11. Stipulates any citizen may commence a special action in superior court to compel DHS to perform the specified actions if DHS fails to begin accepting applications in accordance with statute. (Sec. 9)

12. Contains a Proposition 105 clause. (Sec. 10)

13. Makes a technical change. (Sec. 7)

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1641

DATE March 24, 2026 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar		✓			
Blackman		✓			
Carter N					✓
Cavero					✓
Diaz	✓	✓			
Hendrix			✓		
Villegas		✓			
Volk		✓			
Willoughby			✓		
Wilmeth		✓			
Way, Vice-Chairman			✓		
Weninger, Chairman		✓			
		7	3	0	2

Abby Selvey
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 35

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff
Senate: GOV DP 4-3-0-0 | Third Reading 16-11-3-0-0

SB1432: central bank digital currency; ban
Sponsor: Senator Hoffman, LD 15
Committee on Commerce

Overview
Prohibits federally recognized Central Bank Digital Currency (CBDC) from being recognized as *legal tender* or used as a medium of payment of any contract, security or other similar instrument.

History
CBDC is generally defined by the Federal Reserve as a digital form of central bank money that is widely available to the general public.

On January 23, 2025, Executive Order 14178 prohibited agencies from undertaking any action to establish, issue or promote CBDCs within U.S. jurisdiction and terminated all CBDC related initiatives. The Executive Order defined CBDC as a form of digital money or monetary value, denominated in the national unit of account, that is a direct liability of the central bank.

Arizona's Uniform Commercial Code regulates commercial and secured transactions in Arizona, including sales of goods, leases of personal property, negotiable instruments, bank deposits and collections, rights and obligations connected with fund transfers, letters of credit, investment securities and secured transactions. Under the Uniform Commercial Code, *money* is defined as a medium of exchange currently authorized or adopted by a domestic or foreign government, including a monetary unit of account established by an intergovernmental organization or by agreement between two or more countries (Title 47, A.R.S.).

Provisions
1. Prohibits federally recognized CBDCs from being used as legal tender or from being the subject or medium of payment of any contract, security or other similar instrument in Arizona, including contracts relating to commercial transactions. (Sec. 1)
2. Establishes *legal tender* as any medium of exchange, including *specie,* that is authorized by the U.S. Constitution or Congress for the payment of debts, public charges, taxes and dues. (Sec. 1)
3. Defines *specie* as coins that have precious metal content. (Sec. 1)
4. Excludes federally recognized CBDC from the definition of *money* relating to the Uniform Commercial Code and from the definition of *legal tender*. (Sec. 1, 10)

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

ATTACHMENT 36

5. Prohibits transfers made by an escrow agent from an escrow account from being settled or backed by federally recognized CBDC. (Sec. 2)
6. Establishes *legal tender and specie* as uniform statutory definitions. (Sec. 1)
7. Makes technical and conforming changes. (Sec. 3-10)

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1432

DATE March 24, 2026 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar			✓		
Blackman		✓			
Carter N					✓
Cavero					✓
Diaz					✓
Hendrix		✓			
Villegas			✓		
Volk			✓		
Willoughby		✓			
Wilmeth		✓			
Way, Vice-Chairman		✓			
Weninger, Chairman		✓			
		6	3	0	3

Abby Selvey
COMMITTEE SECRETARY

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

ATTACHMENT 37