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

COMMITTEE ON COMMERCE

Report of Regular Meeting
Tuesday, March 22, 2022
House Hearing Room 3 -- 2:00 P.M.

Convened 2:09 P.M.
Recessed
Reconvened
Adjourned 5:46 P.M.

MINUTES RECEIVED
CHIEF CLERK'S OFFICE
3-24-22

Members Present
Mr. Carter
Mr. Chávez
Mr. Cook
Mr. Espinoza
Mr. Kaiser
Mrs. Liguori
Mr. Meza
Mr. Wilmeth
Mr. Chaplik, Vice-Chairman
Mr. Weninger, Chairman

Members Absent

Agenda
Original Agenda – Attachment 1

Request to Speak
Report – Attachment 2

Committee Attendance
Report – Attachment 3

Presentations

Name	Organization	Attachments (Handouts)
Nic Brown	Connect-UV and Dr. Shine My Ride	
Jeremy Shockley	Eleoptics	4
Izabella Garcia	Izabella Meal Preps and Golden Coffee Café	
Liliya Garcia	Radiant Beauty by Liliya	
Patricia Romero	Nicely Clean Auto	

Committee Action

Bill	Action	Vote	Attachments
SB1278	DPA/SE	6-3-0-1	5, 6, 7
SB1021	DPA	8-2-0-0	8, 9, 10, 11, 12, 13
SB1168	DPA	9-0-0-1	14, 15, 16

SB1179	DPA/SE	9-0-0-1	17, 18, 19
SB1204	DPA	9-0-0-1	20, 21, 22
SB1396	DPA	9-0-0-1	23, 24, 25

Jacqueline Denlinger, Committee Secretary
March 24, 2022

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

convened: 2:09pm
adjourned: 5:46pm

REVISED #3 - 3/21/22 **REVISED #3 - 3/21/22** **REVISED - 3/21/22**

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

REGULAR MEETING AGENDA

COMMITTEE ON COMMERCE

DATE Tuesday, March 22, 2022 ROOM HHR 3 TIME 2:00 P.M.

Members of the public may access a livestream of the meeting here:
https://www.azleg.gov/videoplayer/?clientID=6361162879&eventID=2022031099

Members:

Mr. Carter	Mr. Kaiser	Mr. Wilmeth
Mr. Chávez	Mrs. Liguori	Mr. Chaplik, Vice-Chairman
Mr. Cook	Mr. Meza	Mr. Weninger, Chairman
Mr. Espinoza		

Presentations:
Young Entrepreneurs:

- Nic Brown, Connect-UV and Dr. Shine My Ride
- ~~Logan Graves, Eleopitcs~~
- Jeremy Shockley, Eleopitcs
- Patricia Romero, Nicely Clean Auto
- Izabella Garcia, Izabella Meal Preps and Golden Coffee Cafe
- Liliya Garcia, Radiant Beauty by Liliya

Bills		Short Title	Strike Everything Title
SB1021 (2)	DPA 8-2-0-0	health care liens; limitation (Ugenti-Rita) COM, RULES	
*SB1168 (3)	DPA 9-0-0-1	vacation rentals; short-term rentals; enforcement (Mesnard: Kaiser) COM, RULES	
SB1179 (4)	DPA/SE 9-0-0-1	technical correction; release of animals(now: JLBC; reporting) (Gowan) COM, RULES	**S/E: video service; boundary change; definition**

Attachment 1

Bills		Short Title	Strike Everything Title
SB1204 (5)	DPA 9-0-0-1	mortgage brokers; bankers; qualifications (Pace: Cook) COM, RULES	
*SB1278 (1)	DPA/SE 6-3-0-1	wage rates; technical correction(now: labor organizations; fiduciary guidelines; definitions) (Mesnard) COM held 0-0-0-0-0, RULES	**S/E: labor benefits organizations; damages; definitions**
SB1396 (6)	DPA 9-0-0-1	hydrogen study committee (Shope) COM, RULES	
~~SB1567~~		~~vaccinations; prohibitions; evidence of immunity(now: employers; vaccinations; religious exemption)~~ ~~(Barto)~~ ~~COM w/d, JUD, RULES~~	

* On previous agenda

ORDER OF BILLS TO BE SET BY THE CHAIRMAN

DF
03/21/2022

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 (3/22/2022)

SB1021, health care liens; limitation

Testified in support:

Don Isaacson, STATE FARM INSURANCE COMPANIES; Marc Osborn, ALLSTATE INSURANCE CO, Geico; Liberty Mutual Insurance; Nationwide Insurance; Robert Dalager, FAIR ACCIDENT INJURY RECOVERY; Justin Henry, representing self; Joel DeCiancio, representing self

Testified as neutral:

Steve Barclay, Arizona Medical Association, Arizona Osteopathic Medical Association, Injury Care Solutions

Testified as opposed:

Tom Farley, Health Systems Alliance Of AZ; Maya Zuckerberg, representing self; Trever Penny, representing self; Beth Zuckerberg, representing self; Gregory Katsaros, representing self

Support:

Marie Isaacson, STATE FARM INSURANCE COMPANIES; Lisa Gentry, representing self; Kerry L. Hayden, UNITED SERVICES AUTOMOBILE ASSN (USAA)

Neutral:

J. Michael Low, MUTUAL INSURANCE COMPANY OF AZ (MICA); Laura Magnus, Injury Care Solutions; Dorothy Sunenshine, representing self

Oppose:

Jason Bezozo, Senior Program Director, Government Relations, BANNER HEALTH ARIZONA; Kristen Boilini, AMERICANS FOR PATIENT ACCESS; James Candland, Airzona Association Of Chiropractic; Tom Dorn, Arizona Physical Therapy Association; John MacDonald, Valleywise Healthcare; Shirley Gunther, DIGNITY HEALTH; Lauren King, TENET HEALTH; Christine Maceri Genge, representing self; Michelle Pabis, HONORHEALTH; Webb Cochran, TENET HEALTH; Jennifer Carusetta, PHOENIX CHILDREN'S HOSPITAL; Meghan McCabe, AZ HOSPITAL & HEALTHCARE ASSN; Wendy Jonessee, representing self; Brittney Kaufmann, HEALTH SYSTEM ALLIANCE OF ARIZONA; Douglas Lowden, NORTHERN ARIZONA HEALTHCARE

All Comments:

Kerry L. Hayden, UNITED SERVICES AUTOMOBILE ASSN (USAA): We support the Kaiser amendment. We oppose the Cook amendment.; Beth Zuckerberg, Self: This bill is detrimental to healthcare providers that treat patients on a lien and will limit patient access to care.; Jason Bezozo, BANNER HEALTH ARIZONA: Please support Rep. Cook's amendment.; Kristen Boilini, AMERICANS FOR PATIENT ACCESS: Support both Kaiser and Cook Amendments.; Tom Dorn, Arizona Physical Therapy Association: We are opposed to the bill. However, we do support the Cook and Kaiser amendments being included if the bill is going to move out of committee.; Shirley Gunther, DIGNITY HEALTH: Opposed to the bill without the Cook Amendment; Michelle Pabis, HONORHEALTH: Support Cook amendment; Webb Cochran, TENET HEALTH: Support Cook Amendment; Meghan McCabe, AZ HOSPITAL &

HEALTHCARE ASSN: AzHHA supports the Cook amendment.; Brittney Kaufmann, HEALTH SYSTEM ALLIANCE OF ARIZONA: We support the Cook amendment.; Steve Barclay, Arizona Medical Association, Arizona Osteopathic Medical Association, Injury Care Solutions: My clients were opposed to the bill as it passed the Senate, but with the Kaiser amendment they are willing to move to a neutral position.; J. Michael Low, MUTUAL INSURANCE COMPANY OF AZ (MICA): MICA is neutral with the proposed amendment; Laura Magnus, Injury Care Solutions: Neutral with the Kaiser amendment

SB1168, vacation rentals; short-term rentals; enforcement

Testified in support:

Roxanna Pitones, LEAGUE OF ARIZONA CITIES & TOWNS; Linda Curry, representing self

Testified as neutral:

Tom Farley, Arizona Association Of Realtors; Douglas Cole, PARADISE VALLEY, TOWN OF; Paul Senseman, City Of Sedona; Jake Hinman, AZ MULTIHOUSING ASSOCIATION; Jerry Bien Willner, representing self

Testified as opposed:

Susan Edwards, representing self; William Hunter, representing self; Sandra Scanlan, representing self

Support:

Wendy Briggs, EXPEDIA INC; Barbara Meaney, Sonder; Jack W Lunsford, Town Of Fountain Hills; David Wolf, representing self; Charlie Silver, representing self; Laura Magnus, EXPERIENCE SCOTTSDALE, VISIT MESA; Nicole LaSlavic, ARIZONA LODGING AND TOURISM ASSOCIATION; Lisa Gentry, representing self; Mike Johnson, representing self; Trey Williams, COCONINO COUNTY; Jeff Sandquist, EXPEDIA INC; Don Isaacson, AMERICAN RESORT DEVELOPMENT ASSOCIAITON; Marie Isaacson, AMERICAN RESORT DEVELOPMENT ASSN; Christopher deVries, representing self

Neutral:

Anna Thomasson, representing self; Barry M. Aarons, SCOTTSDALE, CITY OF, VISIT PHOENIX

Oppose:

Timothy Scarpino, representing self; Christine Maceri Genge, representing self; Wendy Jonessee, representing self; david mason, representing self

All Comments:

Roxanna Pitones, LEAGUE OF ARIZONA CITIES & TOWNS: Support the Kaiser committee amendment; Linda Curry, Self: Bill 1168 will change the behavior of the bad players in this industry allowing responsible owners to continue contributing to Arizona tourism in the direction visitors prefer.; Wendy Briggs, EXPEDIA INC: In support w/ amendments in House Com 3/22; Barbara Meaney, Sonder: We support the stakeholder process and are committed to further discussion to resolve several outstanding issues.; Jack W Lunsford, Town Of Fountain Hills: Please vote YES on the amendment to SB1168, and then YES on the bill as amended. Thank you. Jack; David Wolf, Self: Short-term rentals are out of control. There is no tax parity with other lodging operations, areas in rural areas with high fire danger should not be permitted for STRental.; Laura Magnus, EXPERIENCE SCOTTSDALE, VISIT MESA: Support with the Kaiser amendment; Mike Johnson, Self: Short term rentals as they are allowed currently have severely damaged many Arizonans quality of life. We are faced with huge increases in traffic, being priced out of

our local housing markets and have to deal with "party houses " .; Jeff Sandquist, EXPEDIA INC: In support of Kaiser amendment; Susan Edwards, Self: As is, this won't solve anything. 97% of STRs are w/o TPT & illegal now; DOR can't even respond when notified. Owner & operator are assumed to be the same, but aren't. Verified listings would actually help, as would licensing the property.; William Hunter, Self: As written 1168 will be unenforceable and still doesn't address the broader STR problems of occupancy limits, public safety, housing affordability, tax cheats, STR concentration, etc- its a complex issue that needs comprehensive, thoughtful policies; Sandra Scanlan, Self: This bill is lacking in any constructive help for Arizona residents.; david mason, Self: SB1168 does too little. It should better address non-compliance, licensing, enforcement, and local regulation, even if the STR industry objects. The people are the only side, and Homeowner "Quiet enjoyment" property rights are superior.; Jerry Bien Willner, Self: Mayor of the Town of Paradise Valley; Anna Thomasson, Self: Town of Paradise Valley Vice Mayor

SB1179, technical correction; release of animals (NOW: JLBC; reporting)

Testified in support:

Mike Gardner, DIRECT TV INC, DISH NETWORK LLC; Hamlin Wade, representing self

Testified as neutral:

Tom Savage, LEAGUE OF ARIZONA CITIES & TOWNS

Support:

Meghaen Dell'Artino, COX COMMUNICATIONS ARIZONA, LLC

Neutral:

Wendy Jonessee, representing self

All Comments:

Hamlin Wade, Self: Representing DIRECTV and DISH Network; Tom Savage, LEAGUE OF ARIZONA CITIES & TOWNS: Working with proponents on amendments to address our concerns.

SB1204, mortgage brokers; bankers; qualifications

Testified in support:

Stuart Goodman, INTUIT; Paul Senseman, Rabo Bank

Neutral:

Tom Farley, Arizona Mortgage Lenders Association; Wendy Jonessee, representing self

SB1278, wage rates; technical correction (NOW: labor organizations; fiduciary guidelines; definitions)

Testified in support:
Jack Biltis, representing self

Support:
Wendy Jonessee, representing self; Lisa Gentry, representing self

Oppose:
Stephanie Seigla, representing self

All Comments:
Jack Biltis, Self: This is a technical change to better coordinate with federal law.

SB1396, hydrogen study committee

Testified in support:
Helen Heiden, SOUTHWEST GAS CORP; Alana Langdon, NIKOLA CORPORATION

Support:
Steve Trussell, Arizona Mining Association; Russell Smoldon, AZ MUNICIPAL POWER USERS ASSN, IRRIGATION & ELECTRICAL DISTRICTS ASSOCIATION OF ARIZONA, INC.; Daniella Smith, Arizona Coalition For Working Families; Courtney Coolidge, AZ CHAMBER OF COMMERCE; Wendy Jonessee, representing self; Keaton Hill, Arizona Building Trades; Stan Barnes, NEXTERA ENERGY RESOURCES, LLC

Oppose:
Sandy Bahr, Sierra Club - Grand Canyon Chapter; Rivko Knox, representing self; Thomas Krepitch, representing self; Harry Lumley, representing self; Rebecca Smith Gross, representing self; Peggie Jo Vincent, representing self; Beverly Janowitz-Price, representing self; Eve Shapiro, representing self; Kenneth Bierman, representing self; Alisa McMahon, representing self; Michael Fiflis, representing self; Sandy Whitley, representing self; Karen Cusano, representing self; Barbara Hutchinson, representing self; Becky Sayler, representing self; Jackie Rich, representing self; Kathy Fraser, representing self; Linda Bentley, representing self; Kathryn Pensinger, representing self; Don Bentley, representing self; Jim Moran, representing self; Kathleen Dubbs, representing self; Nancy Santori, representing self; Jana Segal, representing self; Betty King, representing self; Patricia Dow, representing self; Duane Ediger, representing self; Dorothy Reed-Inman, representing self; Irwin Sheer, representing self; Margaret Owen, representing self; Diane Hermann, representing self; Tom Hermann, representing self; Sherry Massie, representing self; Lynn DeMuth, representing self; Theresa Paszkiewicz, representing self; Karen Muir, representing self; Barbara Reuter, representing self; Charlene Hoffman, representing self; Peter Bengston, representing self; Birgit Loewenstein, representing self; Catherine Della Penta, representing self

All Comments:
Sandy Bahr, Sierra Club - Grand Canyon Chapter: Please focus this study committee on green hydrogen and how to promote that, not methane-derived hydrogen.; Alisa McMahon, Self: What about hydrogen derived from water as opposed to gas?; Michael Fiflis, Self: Hydrogen studies require specialized knowledge legislators do not have.;

Sandy Whitley, Self: Studying hydrogen and a fossil free energy source would be okay if it did not blend hydrogen with fracked gas which defeats the purpose. Better to study green hydrogen, derived from water.; Jackie Rich, Self: Why not include consideration of green hydrogen? Scope is strangely limited.; Jana Segal, Self: There is no specific provision for studying green hydrogen -- hydrogen derived from water, not methane gas; Irwin Sheer, Self: Fracking puts our our incredibly vulnerable ground water at risk.; Margaret Owen, Self: Shouldn't a hydrogen study committee also be studying "green" hydrogen, which is derived from water, not methane gas?; Barbara Reuter, Self: Hydrogen?

PLEASE COMPLETE THIS FORM FOR THE PUBLIC RECORD

HOUSE OF REPRESENTATIVES

Please PRINT Clearly

Committee on Commerce Bill Number 1396

Date March 22, 22 ☑ Support ☐ Oppose ☐ Neutral

Name Jonathon Paton Need to Speak? ☑ Yes ☐ No

Representing Nikola Are you a registered lobbyist? ✓

Complete Address 7610 N. Via de Manana

Email Address patonj@msn.com Phone Number 520 245-9337

Comments: _____

*** Speaking limit determined by Chair ***

PLEASE COMPLETE THIS FORM FOR THE PUBLIC RECORD

HOUSE OF REPRESENTATIVES

Please PRINT Clearly

Committee on ~~SB1514~~ Judiciary Bill Number SB1514

Date ~~Judiciary~~ 3/23/22 ☒ Support ☐ Oppose ☐ Neutral

Name Lara Leon Need to Speak? ☒ Yes ☐ No

Representing Self Are you a registered lobbyist? NO

Complete Address 17066 N 18th Ln

E-mail Address laraleon223@gmail Phone Number 775-354-7165

Comments: _____

FIVE-MINUTE SPEAKING LIMIT

PLEASE COMPLETE THIS FORM FOR THE PUBLIC RECORD

HOUSE OF REPRESENTATIVES

Please PRINT Clearly

Committee on Commerce Bill Number 1168

Date March 22, 22 ☐ Support ☐ Oppose ☐ Neutral

Name Jonathan Paton Need to Speak? ☒ Yes ☐ No

Representing Airbnb Are you a registered lobbyist? yes

Complete Address 7610 N. Via de Manana

Email Address patonj@msn.com Phone Number 520 245 9337

Comments: _____

*** Speaking limit determined by Chair ***

PLEASE COMPLETE THIS FORM FOR THE PUBLIC RECORD

HOUSE OF REPRESENTATIVES

Please PRINT Clearly

Committee on Commerce Bill Number 1021

Date 3/22/22 ☐ Support ☒ Oppose ☐ Neutral

Name Dr. Andrew Altman Need to Speak? ☒ Yes ☐ No

Representing Self Are you a registered lobbyist? _____

Complete Address MESA AZ

Email Address _____ Phone Number _____

Comments: _____

ARIZONA STATE LEGISLATURE

Fifty-fifth Legislature - Second Regular Session

COMMITTEE ATTENDANCE RECORD

COMMITTEE ON **COMMERCE**

CHAIRMAN: Jeff Weninger VICE-CHAIRMAN: Joseph Chaplik

DATE	03/22/22	/22	/22	/22	/22
CONVENED	2:09pm	m	m	m	m
RECESSED					
RECONVENED					
ADJOURNED	5:46pm				
MEMBERS					
Carter	✓				
Chávez	✓				
Cook	✓				
Espinoza	✓				
Kaiser	✓				
Liguori	✓				
Meza	✓				
Wilmeth	✓				
Chaplik, Vice-Chairman	✓				
Weninger, Chairman	✓				

√ Present --- Absent exc Excused

Attachment 3

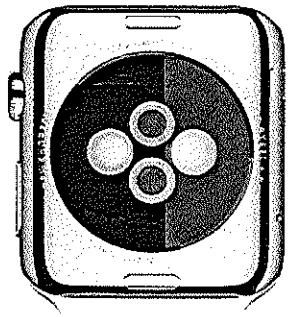
HOW ARIZONA CAN BECOME THE LEADER IN LIGHT TECHNOLOGY

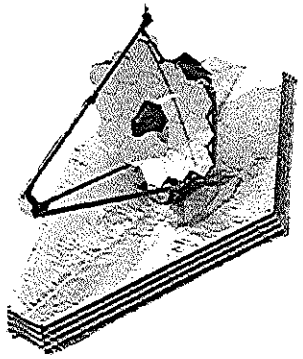
Jeremy Shockley | CEO ELEOptics | Tucson AZ

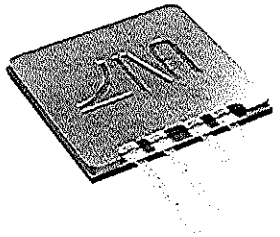
Attachment 4

LIGHT TECHNOLOGY

Optics + Photonics



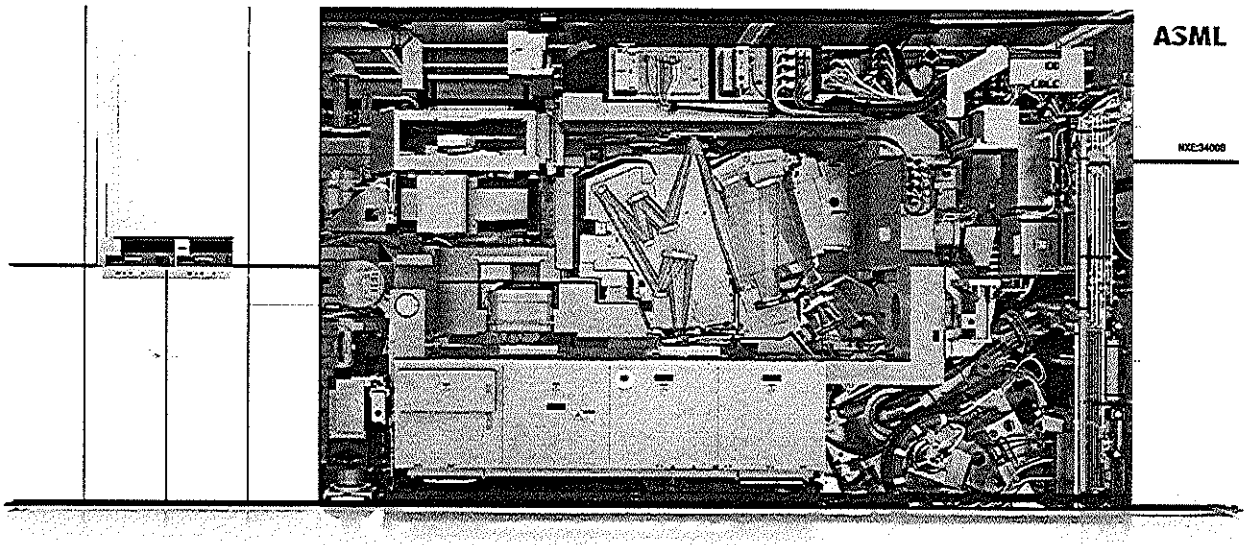






HOW TO INVEST

Hint, you already are.



HOW TO BECOME "SILICA" VALLEY

Risk Capital/Equity Investment In Pre-Revenue Startups
(Tax credits don't help these companies)

Marketing Campaigns Making "Light-Tech" The Next Big Thing
(Investing can be heavily trend based)

Leverage The Optical Knowledge of Tucson at Phoenix Scale
(Attract light-technology based enterprise)

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
Second Regular Session

Senate: COM DPA/SE 5-3-1-0 | 3rd Read 16-12-2-0

SB 1278: labor organizations; fiduciary guidelines; definitions
S/E: labor benefits organization; damages; definitions
Sponsor: Senator Mesnard, LD 17
Committee on Commerce

Summary of the Strike-Everything Amendment to SB 1278

Overview

Outlines damages against a labor benefits organization for certain benefits and an exemption from the liability.

History

Pursuant to A.R.S. § 23-1421, a labor organization that collects benefit monies or union dues is subject to similar fiduciary guidelines as required by employers or third-party administrators providing benefits to employees. These requirements include:

1) annually disclosing specified financial information to its members;
2) permitting a member to obtain various benefits of the member's own choosing instead of the benefits offered by the labor organization;
3) any fringe benefit contributions received by the labor organization being refunded to the employee; and
4) not accepting dues or benefits contributions for employees that have not voluntarily joined the union.

Provisions

1. Repeals current statute relating to fiduciary guidelines for labor organizations. (Sec. 1)
2. Entitles an employee to recover triple the calculated damages from a labor benefits organization for benefits paid by the employee. (Sec. 2)
3. Entitles an employer to recover triple the calculated damages from a labor benefits organization for benefits incurred by the employer. (Sec. 2)
4. Outlines what level of monies paid for benefits is excessive and the calculated damages that may be recovered from them. (Sec. 2)
5. Specifies that a benefit established by a labor benefits organization is considered:
   a) disproportionate and excessive if it has an hourly or daily rate and the underlying expense is not directly tied to the individual contribution for that employee; and
   b) discriminatory if it does not result in a direct and additional benefit to an employee who works additional hours. (Sec. 2)
6. Asserts that a labor benefits organization has a duty to act in the best interests of its member employees, including not charging excessive rates. (Sec. 2)

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

Attachment 5

7. Asserts that an employer is presumed to be in a disadvantageous position to a labor benefits organization if it uses a standardized labor union agreement and the employer has limited negotiating power. (Sec. 2)

8. Exempts a labor benefits organization from liability for benefits if it:
   a) provides a reconciliation to its member employees that contains specified information that allows an employee to determine the costs and expenses of the benefits provided by the labor benefits organization;
   b) allows an employee to opt out of any health, pension, vacation leave or sick leave benefits and allows the employer to withhold payment to the labor benefits organization for that particular benefits category;
   c) eliminates any penalty for an employer to use employees that are not affiliated with the labor benefits organization; and
   d) eliminates any penalty for an employee or employer to terminate the relationship with the labor benefits organization. (Sec. 2)

9. Applies the benefits liability and exemption to any labor benefits organization that negotiates the rates or collects monies for employee benefits on behalf of a resident of Arizona or an employer that is located in Arizona. (Sec. 2)

10. Excludes from the benefits liability and exemption: a) an employer of an employee, insurer, insurance agent, investment management firm or third-party administrator preforming a purely administrative role; and b) a government employee. (Sec. 2)

11. Defines *benefits* and *labor benefits organization.* (Sec. 2)

Fifty-fifth Legislature
Second Regular Session

Commerce
S.B. 1278

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1278

(Reference to Senate engrossed bill)

Strike everything after the enacting clause and insert:

"Section 1. Repeal

Section 23-1421, Arizona Revised Statutes, is repealed.

Sec. 2. Title 23, chapter 8, article 7, Arizona Revised Statutes, is amended by adding a new section 23-1421, to read:

23-1421. Labor benefits organizations; damages; presumptions; applicability; definitions

A. AN EMPLOYEE MAY RECOVER THREE TIMES THE CALCULATED DAMAGES FROM A LABOR BENEFITS ORGANIZATION FOR BENEFITS PAID BY THE EMPLOYEE. AN EMPLOYER MAY RECOVER THREE TIMES THE CALCULATED DAMAGES FROM A LABOR BENEFITS ORGANIZATION FOR THE COST OF BENEFITS INCURRED BY THE EMPLOYER. THE CALCULATED DAMAGES ARE AS FOLLOWS:

1. FOR HEALTH, PENSION OR VACATION OR SICK LEAVE BENEFITS, ANY MONIES PAID FOR THE CATEGORY OF THE EMPLOYEE DURING A TWELVE-MONTH PERIOD THAT IS MORE THAN ONE HUNDRED TWENTY PERCENT OF THE COST OF AN EQUIVALENT PLAN OR INSURANCE POLICY. TO SHOW EQUIVALENCY, THE PLAINTIFF MAY SUBMIT A MATHEMATICAL OR AN ACTUARIAL DATA ANALYSIS THAT DEMONSTRATES THAT THE EMPLOYEE WOULD HAVE RECEIVED AT LEAST NINETY-FIVE PERCENT OF THE SAME VALUE FROM A PRODUCT AVAILABLE THROUGH THE EMPLOYER OR ON THE GENERAL MARKET.

2. FOR TRAINING BENEFITS, ANY MONIES PAID IN EXCESS OF ONE HUNDRED TWENTY PERCENT OF ANY REASONABLE TRAINING COSTS INCURRED DURING A TWELVE-MONTH PERIOD FOR THE SPECIFIC BENEFIT OF THE EMPLOYEE'S JOB SKILL.

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

Attachment 6

3. FOR ANY OTHER BENEFIT, ANY MONIES PAID IN EXCESS OF $1,000 DURING A TWELVE-MONTH PERIOD WHERE NO DIRECT BENEFIT CAN BE ATTRIBUTED TO THE EMPLOYEE.

4. FOR ALL OTHER BENEFITS THAT ARE NOT INCLUDED IN PARAGRAPH 1, 2 OR 3 OF THIS SUBSECTION, ANY MONIES PAID BY THE EMPLOYEE DURING A TWELVE-MONTH PERIOD FOR HOURS WORKED IN EXCESS OF THE LESSER AMOUNT OF ANY OF THE FOLLOWING:

(a) IF THE EMPLOYEE WAS NOT ELIGIBLE FOR A BENEFIT DURING THE TWELVE-MONTH PERIOD, THE AMOUNT IS ZERO.

(b) IF THE BENEFIT CONTAINS AN ELIGIBILITY PROVISION, THE HOURS REQUIRED TO REMAIN ELIGIBLE.

(c) IF THE BENEFIT DOES NOT REQUIRE AN ELIGIBILITY PERIOD, THE HOURS CONSIDERED TO BE A FULL-TIME EMPLOYEE.

(d) ONE THOUSAND EIGHT HUNDRED HOURS.

B. A LABOR BENEFITS ORGANIZATION IS NOT LIABLE PURSUANT TO THIS SECTION IF THE LABOR BENEFITS ORGANIZATION SATISFIES ALL OF THE FOLLOWING:

1. PROVIDES A RECONCILIATION TO ITS MEMBER EMPLOYEES THROUGH UNITED STATES MAIL OR EMAIL THAT WOULD REASONABLY ALLOW AN EMPLOYEE TO DETERMINE THE COSTS AND EXPENSES OF THE BENEFITS. THE RECONCILIATION MUST BE LISTED BY BENEFIT FOR A TWELVE-MONTH PERIOD AND PROVIDE THE FOLLOWING:

(a) THE SPECIFIC RATES CHARGED TO THE EMPLOYEE AND EMPLOYER.

(b) THE DIRECT EXPENSE RATES CHARGED TO THE PLAN BY THIRD-PARTY INSURERS AND PLAN PROVIDERS.

(c) THE TOTAL NUMBER OF EMPLOYEES, INCLUDING HOURS AND REVENUE COLLECTED IN THIS STATE AND NATIONALLY.

(d) THE TOTAL DIRECT CLAIMS EXPENSES OR PAYMENTS TO BENEFICIARIES, IF ANY, IN THIS STATE AND NATIONALLY.

(e) A LIST OF TOTAL PAYMENTS MADE TO ANY THIRD-PARTY INSURERS OR PLAN PROVIDERS IN THIS STATE AND NATIONALLY.

(f) A LIST OF ALL ADMINISTRATIVE EXPENSES INCURRED IN THIS STATE AND NATIONALLY.

(g) A LIST THAT SUMMARIZES THE DIFFERENCE BETWEEN THE REVENUES AND EXPENSES IN SUBDIVISIONS (a) THROUGH (f) OF THIS PARAGRAPH IN THIS STATE AND NATIONALLY LISTED IN TOTAL DOLLARS AND AS A PERCENTAGE OF REVENUE.

2. ALLOWS AN EMPLOYEE TO OPT OUT OF ANY HEALTH, PENSION OR VACATION OR SICK LEAVE BENEFITS AND TO CHOOSE EITHER:

(a) BENEFITS FROM THE EMPLOYEE'S EMPLOYER IF THE EMPLOYER AGREES AND THE EMPLOYER WITHHOLDS PAYMENT TO THE LABOR BENEFITS ORGANIZATION FOR THAT PARTICULAR BENEFIT CATEGORY.

(b) BENEFITS OUTSIDE THE EMPLOYMENT RELATIONSHIP IF THE EMPLOYER WITHHOLDS PAYMENT FROM THE LABOR BENEFITS ORGANIZATION FOR THAT PARTICULAR BENEFIT CATEGORY AND FORWARDS THE MONIES TO THE EMPLOYEE.

3. ELIMINATES ANY PENALTY FOR AN EMPLOYER TO USE EMPLOYEES THAT ARE NOT AFFILIATED WITH THE LABOR BENEFITS ORGANIZATION.

4. ELIMINATES ANY PENALTY FOR AN EMPLOYEE OR EMPLOYER TO TERMINATE THE RELATIONSHIP WITH THE LABOR BENEFITS ORGANIZATION, INCLUDING LIABILITY FOR ANY BENEFITS THAT ARE ACTUARILY UNDERFUNDED.

C. FOR THE PURPOSES OF THIS SECTION:

1. ANY BENEFIT THAT IS ESTABLISHED WITH AN HOURLY OR DAILY RATE WHERE THE UNDERLYING EXPENSE IS NOT DIRECTLY TIED TO THE INDIVIDUAL CONTRIBUTION FOR THAT EMPLOYEE IS PRESUMED TO BE DISPROPORTIONATE AND EXCESSIVE. IF AN EMPLOYEE WORKS ADDITIONAL HOURS AND THE CHARGES TO THE EMPLOYEE DO NOT RESULT IN A DIRECT ADDITIONAL BENEFIT TO THE EMPLOYEE, THE BENEFITS ARE DISCRIMINATORY.

2. A LABOR BENEFITS ORGANIZATION HAS A DUTY TO ACT IN THE BEST INTERESTS OF ITS MEMBER EMPLOYEES, INCLUDING NOT CHARGING EXCESS RATES.

3. IF A LABOR BENEFITS ORGANIZATION USED A STANDARDIZED LABOR UNION AGREEMENT AND THE EMPLOYER HAD LIMITED NEGOTIATING POWER, THE EMPLOYER IS PRESUMED TO BE IN A DISADVANTAGEOUS POSITION TO THE LABOR BENEFITS ORGANIZATION.

D. THIS SECTION APPLIES TO ANY LABOR BENEFITS ORGANIZATION THAT ESTABLISHES OR NEGOTIATES THE RATES OR COLLECTS MONIES FOR EMPLOYEE BENEFITS

ON BEHALF OF A RESIDENT OF THIS STATE OR AN EMPLOYER THAT IS LOCATED IN THIS STATE.

E. THIS SECTION DOES NOT APPLY TO EITHER:

1. AN EMPLOYER OF AN EMPLOYEE, INSURER, INSURANCE AGENT, INVESTMENT MANAGEMENT FIRM OR THIRD-PARTY ADMINISTRATOR PERFORMING A PURELY ADMINISTRATIVE ROLE.

2. AN EMPLOYEE WHO IS EMPLOYED BY THE FEDERAL GOVERNMENT OR A POLITICAL SUBDIVISION OF THIS STATE.

F. FOR THE PURPOSES OF THIS SECTION:

1. "BENEFITS":

(a) MEANS MONIES PAID BY AN EMPLOYEE OR EMPLOYER TO A LABOR BENEFITS ORGANIZATION FOR THE BENEFIT OF THE EMPLOYEE AND INCLUDES HEALTH, PENSION, VACATION OR SICK LEAVE OR OTHER BENEFITS.

(b) DOES NOT INCLUDE LABOR ORGANIZATION MEMBERSHIP DUES.

2. "LABOR BENEFITS ORGANIZATION" INCLUDES ANY LABOR ORGANIZATION AS DEFINED IN SECTIONS 23-1301 AND 23-1321 AND ANY TAFT HARTLEY TRUST, OTHER FUND OR ENTITY USED TO ADMINISTER ANY BENEFIT REQUIRED BY A LABOR AGREEMENT ADOPTED BY A LABOR BENEFITS ORGANIZATION."

Amend title to conform

JEFF WENINGER

~~1278BLANK~~
~~03/16/2022~~
~~3:19 PM~~
~~C: SK~~

1278WENINGER
03/17/2022
3:47 PM
H: PRB/ls

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1278

DATE March 22, 2022 MOTION: DPA/SE

	PASS	AYE	NAY	PRESENT	ABSENT
Carter		✓			
Chávez			✓		
Cook		✓			
Espinoza					✓
Kaiser		✓			
Liguori			✓		
Meza			✓		
Wilmeth		✓			
Chaplik, Vice-Chairman		✓			
Weninger, Chairman		✓			
		6	3	0	1

Jacqueline Darling
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
JOSEPH CHAPLIK, Vice-Chairman

ATTACHMENT 7

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
Second Regular Session

Senate: FIN DP 6-2-2-0 | 3rd Read 19-9-2-0

SB 1021: health care liens; limitation
Sponsor: Senator Ugenti-Rita, LD 23
Committee on Commerce

Overview
Prescribes health care provider lien and assignment restrictions and compromise requirements.

History
Any health care provider, health care institution or ambulance entity that provides care and treatment or transportation services to an injured person may assert a lien on the injured person's claims settlement to recover costs associated with the services provided. A county that maintains, operates or provides health care services may impose an assignment on an injured person's settlement for costs associated with the care and treatment or transportation of the injured person. The lien or assignment extends to all claims of liability or indemnity, except health insurance and underinsured motorist and uninsured motorist coverage benefits (A.R.S. § 33-931).

In order to perfect a lien, a health care provider or health care institution must record a verified written statement with the county recorder in the county where the health care provider or health care institution is located within 30 days after an injured person receives any medical services or is discharged. The statement must include: 1) the dates of services received by the injured person; 2) the amount claimed due for services; 3) the name and address of the injured person; and 4) the name and location of the health care provider or health care institution. Within five days after recording the claim or lien, the health care provider or health care institution must mail a copy to the injured person and either mail or provide notice to all persons, firms or corporations and insurance carriers liable for damages, as applicable (A.R.S. § 33-932).

Provisions
1. Specifies health care provider liens and county assignments are subject to prescribed restrictions. (Sec. 1)
2. Prescribes the following restrictions to liens and assignments:
   a) exempts the first $20,000 of any third-party judgment, settlement or award from any authorized lien or assignment;
   b) stipulates the contract must expressly allow the claimant to assert an authorized lien or assignment if the services provided are covered by the injured person's health insurance or similar medical benefit plan with which the health care provider has a contract and invalidates the lien or assignment in the absence of that contract provision;
   c) specifies the lien amount exemption and contract provision requirement do not apply if: i) the services provided are not covered by the injured person's health insurance or similar medical benefit plan in which the health care provider has a contract; or ii) the insured person is not covered by any health insurance or benefit plan;

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

d) permits a claimant to enforce an authorized lien or assignment for the amount of a patient's responsibility for outstanding copayments and deductibles that are due under the injured person's health insurance or benefit plan; and
e) requires any valid and enforceable lien or assignment to be compromised in accordance with prescribed criteria. (Sec. 1)

3. Requires health care providers to compromise any lien or assignment to provide a settlement of the claim that is fair and equitable. (Sec. 2)
4. Prescribes factors that a health care provider must consider in determining the extent of the required compromise. (Sec. 2)
5. Permits the injured person to file an action for a judicial determination of an appropriate compromise of the lien or assignment based on the prescribed factors if the parties cannot agree on a compromise. (Sec. 2)
6. Prohibits a prevailing party in a lien or assignment judgment from recovering the statutorily authorized attorney fees. (Sec. 2)
7. Asserts health care provider liens and county assignments are enforceable by a cause of action as prescribed by statute. (Sec. 1)
8. Specifies a health care provider lien or county assignment does not extend to medical payments coverage. (Sec. 1)
9. Applies the health care provider lien restrictions and compromise requirements to liens that are filed for services that are provided beginning January 1, 2023. (Sec. 3)
10. Makes technical and clarifying changes. (Sec. 1)

Fifty-fifth Legislature
Second Regular Session

Commerce
S.B. 1021

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1021

(Reference to Senate engrossed bill)

Page 2, line 4, strike "THE FIRST $20,000" insert "NO MORE THAN FIFTY PERCENT NET RECOVERY"

Line 5, Strike "EXEMPT" insert "PAYABLE"

Strike lines 42 through 44 insert:

"4. THE HEALTH CARE PROVIDER'S CUSTOMARY CHARGES FOR THE SERVICES RENDERED TO THE PATIENT."

Amend title to conform

DAVID L. COOK

1021COOK
03/21/2022
09:24 AM
H: PRB/ra

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

Attachment 9

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. 1021

DATE 3/22/2022 Cook Amendment MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Carter	✓			✓	
Chávez second		✓			
Cook		✓			
Espinoza Request		✓			
Kaiser			✓		
Liguori		✓			
Meza			✓		
Wilmeth		✓			
Chaplik, Vice-Chairman			✓		
Weninger, Chairman			✓		
		5	4	1	0

Jacqueline Derby
COMMITTEE SECRETARY

APPROVED:
Jeff Weninger
JEFF WENINGER, Chairman
JOSEPH CHAPLIK, Vice-Chairman

ATTACHMENT 10

Fifty-fifth Legislature
Second Regular Session

Commerce
S.B. 1021

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1021

(Reference to Senate engrossed bill)

Page 2, line 6, strike "THE SERVICES PROVIDED ARE COVERED BY"; strike "PERSON'S" insert "PERSON IS COVERED AS AN INSURED OR DEPENDENT UNDER A"

Line 7, strike "WITH WHICH" insert "AND"

Line 8, after "A" insert "VALID AND BINDING"; after the first "CONTRACT" insert "WITH THAT INSURER OR PLAN AS AN IN-NETWORK PROVIDER"

Line 9, strike "CLAIMANT" insert "HEALTH CARE PROVIDER"

Line 12, after "33-934" insert "EXCEPT AS ALLOWED UNDER PARAGRAPH 3 OR 4 OF THIS SUBSECTION"

Line 13, after "IF" insert "ANY OF THE FOLLOWING EXCEPTIONS ARE MET:

(a)"

Line 15, strike "IN WHICH" insert ".

(b)"; strike "HAS" insert "DOES NOT HAVE"; after "A" insert "VALID AND BINDING"

Line 16, strike ", OR IF" insert "AS AN IN-NETWORK PROVIDER.

(c)"

Between lines 17 and 18, insert:

(d) THE INJURED PERSON AND THE HEALTH CARE PROVIDER HAVE A WRITTEN AND SIGNED DOCUMENT STATING THAT THEY ELECT NOT TO USE ANY COVERAGE POTENTIALLY AVAILABLE UNDER A HEALTH INSURANCE OR SIMILAR MEDICAL BENEFIT PLAN THAT COVERS THE INJURED AS AN INSURED OR DEPENDENT."

Line 19, strike "CLAIMANT" insert "HEALTH CARE PROVIDER"

Line 20, strike "THE AMOUNT OF A PATIENT'S"

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

Attachment 11

Page 2, line 21, strike "RESPONSIBILITY FOR" insert "ALL AMOUNTS FOR WHICH A PATIENT IS PERSONALLY RESPONSIBLE, INCLUDING"; after "OUTSTANDING" insert "COINSURANCE AMOUNTS,"

Line 22, after "PERSON'S" insert "OR DEPENDENT'S"

Between lines 26 and 27, insert:

"F. THIS SECTION DOES NOT AFFECT THE RIGHTS OF A HEALTH CARE PROVIDER TO ENFORCE A CONSENSUAL AGREEMENT, WHETHER CALLED A LIEN OR CONTRACT, AGAINST THE PATIENT WHO HAS SIGNED THE AGREEMENT."

Line 38, after "THE" insert "AVAILABILITY AND"

Between lines 39 and 40, insert:

"3. WHETHER THE HEALTH CARE PROVIDER OR THE HOSPITAL HAS RECEIVED ANY PAYMENT."

Renumber to conform

Strike lines 42 through 44

Renumber to conform

Page 3, line 4, after "AWARD" insert "AND THE PRIORITY POSITION OF THE LIENS"

Amend title to conform

STEVE KAISER

1021KAISER2
03/21/2022
08:52 AM
H: PRB/HR/ls

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1021

DATE March 22, 2022 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Carter	✓	✓			
Chávez	✓		✓		
Cook		✓			
Espinoza	✓	✓			
Kaiser		✓			
Liguori			✓		
Meza		✓			
Wilmeth		✓			
Chaplik, Vice-Chairman		✓			
Weninger, Chairman		✓			
		8	2	0	0

Jacqueline Derlan
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
JOSEPH CHAPLIK, Vice-Chairman

ATTACHMENT 12

Provided by: Tom Farley - Against SB1021

We stand in opposition to SB 1021 for the following reasons, and ask that you vote against the Bill:

SB 1021 mandates the use of health insurance, including catastrophic policies and policies with high deductibles. This will cause patients to go without care due to an inability to pay their insurance copays and deductibles.

SB 1021 will limit the choices a patient has because less providers will be willing to treat patients without the ability to file a lien for services rendered.

SB 1021 exempts the first $20,000 of any third-party settlement from a health care provider lien or assignment, regardless of the medical bills the patient incurs or the amount of the settlement.

SB 1021 requires healthcare providers to "compromise" on their medical charges in all settlements, regardless of the medical services they provided or the amount of the settlement.

We, your constituents, ask you to vote NO on SB 1021.

Date	Signature	Full Name	Mailing Address	E-Mail Address
3/18/2022	Kelly K. Hav	Kelly K Havunen	11319 W Madison Ellise DR Surprise AZ	Kellyhavunen@yahoo.com
3/14/22		Melanie Gayton	7128 W Monterey Way Phx AZ 85033	gaytonmelanie@gmail.com
3/15/22		B. [illegible]	7816 E Kim Dr Scottsdale AZ 85250	[illegible]
3/18/22		DR STEVEN DOLLS	453 N 6th [illegible] Phx [illegible]	DOHOLSCHRO@AOL.COM
3/19/22		DR. Sydney BRINER	3812 E DESERT BROOM DR Cranline AZ 85286	sydneyyy31@gmail.com
3/18/22		[illegible]	17235N 75th ave	[illegible]
3/18/22	NR	Nicole Renteria	17235 N 75th	Legal.Pilg@gmail.com
3/18/22		ARTHUR SCHURGIN	4629 E CARON ST.	
3/18/22		Teresa Flores	1926 E Clarendon Ave Phx 85016	teresa@azspinecenters.com

Attachment 13

We stand in opposition to SB 1021 for the following reasons, and ask that you vote against the Bill:

SB 1021 mandates the use of health insurance, including catastrophic policies and policies with high deductibles. This will cause patients to go without care due to an inability to pay their insurance copays and deductibles.

SB 1021 will limit the choices a patient has because less providers will be willing to treat patients without the ability to file a lien for services rendered.

SB 1021 exempts the first $20,000 of any third-party settlement from a health care provider lien or assignment, regardless of the medical bills the patient incurs or the amount of the settlement.

SB 1021 requires healthcare providers to "compromise" on their medical charges in all settlements, regardless of the medical services they provided or the amount of the settlement.

We, your constituents, ask you to vote NO on SB 1021.

Date	Signature	Full Name	Mailing Address	E-Mail Address
3/18/22	Jocelyn Chavez	Jocelyn Chavez	402 N. 34th Ave Phoenix, AZ 85009	Jocycas19@gmail.com
3/18/22	Cynthia Garcia Estrada	Cynthia Garcia Estrada	5021 W Sheridan St Phoenix AZ 85035	cynthiagarcia@gmail.com
	George Poramatheekis	George Poramatheekis	17218 N 35th Dr	
	Wilma Germie	Wilma Germie	5917 S. Inez Dr. Gilbert, AZ 85298	
	Melody Van Hoose	Melody Van Hoose	8050 N. 90th Pl Mesa, AZ 85207	
	Barry Sholen	Barry Sholen	55 E. Lexington Ave, AZ 85012	go.bsholen@gmail.com
	Robin Sholen	Robin Sholen	~~Same~~ Same	
3-18-22	Michael V Giacuppo DC	Michael V Giacuppo DC	6448 W Townley Dr Glendale AZ 85308	MVGIACU@GMAIL.COM

We stand in opposition to SB 1021 for the following reasons, and ask that you vote against the Bill:

SB 1021 mandates the use of health insurance, including catastrophic policies and policies with high deductibles. This will cause patients to go without care due to an inability to pay their insurance copays and deductibles.

SB 1021 will limit the choices a patient has because less providers will be willing to treat patients without the ability to file a lien for services rendered.

SB 1021 exempts the first $20,000 of any third-party settlement from a health care provider lien or assignment, regardless of the medical bills the patient incurs or the amount of the settlement.

SB 1021 requires healthcare providers to "compromise" on their medical charges in all settlements, regardless of the medical services they provided or the amount of the settlement.

We, your constituents, ask you to vote NO on SB 1021.

4705 S. Adelle Circle
Mesa AZ 85212

Date	Signature	Full Name	Mailing Address	E-Mail Address
		Christina Lajeunesse	Christinalajeunesse@gmail.com	
		Jenny Nguyen	85006	
		Melissa Rigenos	85233	
		Charles R Everts	1830 South Alma school Rd Mesa AZ 85210 Suite 135	
		TRICIA BELISO	15136 W. ROMA AVE. GOODYEAR, AZ 85395	tricia@findPIdocs.com
		Danelle Lajeunesse	15136 W Roma Ave Goodyear AZ 85395	dmlajeunesse@hotmail.com
		DEANNA JORDAN	4162 E. Granada Rd Phx AZ 85008	Deanna=jordan@yahoo.com
		Alvaro H. Vasquez	2302 W Cavalier Dr Phx AZ 85023	
		Jennifer Polk	1804 E Yale Dr Tempe, AZ 85283	

We stand in opposition to SB 1021 for the following reasons, and ask that you vote against the Bill:

SB 1021 mandates the use of health insurance, including catastrophic policies and policies with high deductibles. This will cause patients to go without care due to an inability to pay their insurance copays and deductibles.

SB 1021 will limit the choices a patient has because less providers will be willing to treat patients without the ability to file a lien for services rendered.

SB 1021 exempts the first $20,000 of any third-party settlement from a health care provider lien or assignment, regardless of the medical bills the patient incurs or the amount of the settlement.

SB 1021 requires healthcare providers to "compromise" on their medical charges in all settlements, regardless of the medical services they provided or the amount of the settlement.

We, your constituents, ask you to vote NO on ~~SB~~ 1021.

Date	Signature	Full Name	Mailing Address	E-Mail Address
03/19/2022		STEVEN P GREGORY	4126 E CONTRA ST PHX	dregiacopp@gmail.com
3/18/22		Mark Siegel	1530 W Glendale Ave #103 PHX	drmsiegel@cahotline11
3/18/22		Ed Madrid	18631 N 19th Ave PHX AZ 85027	ed.duchingel gmail.com
3/18/22		Sargon Khoury	4422 N. 75th St. Unit 2104	Sargon@mdkattorneys.com
3/18/22		Michelle LeBlanc	22467 E. Amado Del Valley	wellness3oil@gmail.com
3/18/22		Jess Boyd	11558 E Camino St Mesa	
3/18/22		Kim Phan	152 S. Country Cir 85225	kimophan2@~~kimophan2~~ gmail.com
3/18/22		Glenn Boyd	7000 N. 16th St #120-454	gaprell164@gmail.com
3/18/22		TRAN TRAN	7008 N. 16TH ST Ste 120-54	Tran@axisemployment.com

We stand in opposition to SB 1021 for the following reasons, and ask that you vote against the Bill:

SB 1021 mandates the use of health insurance, including catastrophic policies and policies with high deductibles. This will cause patients to go without care due to an inability to pay their insurance copays and deductibles.

SB 1021 will limit the choices a patient has because less providers will be willing to treat patients without the ability to file a lien for services rendered.

SB 1021 exempts the first $20,000 of any third-party settlement from a health care provider lien or assignment, regardless of the medical bills the patient incurs or the amount of the settlement.

SB 1021 requires healthcare providers to "compromise" on their medical charges in all settlements, regardless of the medical services they provided or the amount of the settlement.

We, your constituents, ask you to vote NO on SB 1021.

Date	Signature	Full Name	Mailing Address	E-Mail Address
3/18/22	Jessica Seel	Jessica Seil	37218 N Conestoga Tr Cave Creek, AZ 85383	jessie@novapainandwellness.com
3/18/22	Cacinda Maloney	Cacinda DC	7132 N. 20th St Phx AZ 85020	drcmaloney@gmail.com
3/18/22		Lovepreet Dhaliwal	8402 E Shea Blvd Ste 100 Scottsdale, AZ 85260	vcenter@thenervesurgery.com
3/18/22		Tay Koch	14891 N. Northsight Blvd Ste 117 Scottsdale, AZ	Dr.Tay@kare Chiropractic AZ
3/18/22		Beth Zuckerberg	1929 E Aire Libre Ave Phoenix 85022	Beth@AZCPM.com

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
Second Regular Session

Senate: COM DP 8-0-1-0 | 3rd Read 22-6-2-0

SB 1168: vacation rentals; short-term rentals; enforcement
Sponsor: Senator Mesnard, LD 17
Committee on Commerce

Overview

Outlines further regulations of vacation or short-term rentals and restructures the civil penalties for verified violations.

History

A city, town or county (local government) may not restrict the use of or regulate vacation or short-term rentals based on their classification, use or occupancy, except to: 1) protect the public's health and safety; 2) adopt and enforce residential use and zoning ordinances; and 3) limit or prohibit the use of a rental for specified purposes.

Local governments are statutorily required to, within 30 days after a verified violation, notify the Department of Revenue (DOR) and the vacation or short-term rental owner of the violation and whether a civil penalty has been imposed. A *verified violation* is a finding of guilt or civil responsibility for violating any state law or local ordinance that has been finally adjudicated (A.R.S. §§ 9-500.39 and 11-269.17).

Pursuant to A.R.S. § 42-1125.02, DOR may impose civil penalties for an online lodging or a vacation or short-term rental owner that receives a verified violation. If the local government did not impose a civil penalty, the owner or operator must pay: 1) $500 for the first verified violation; 2) $1,000 for a second verified violation within a 12-month period; or 3) the greater of $1,500 or 50% of the gross monthly revenues for the month the violation occurs, for a third or subsequent violation within a 12-month period. If the local government imposed a civil penalty, the owner or operator must pay the difference between the statutory amount and the amount of the civil penalty the local government imposed.

Provisions

1. Caps the civil penalties a local government may impose on a vacation or short-term rental owner within the same 12-month period as follows:
   a) The greater of $500 or one-night's rent, as advertised on an online lodging marketplace, for the first verified violation;
   b) The greater of $1,000 or two-night's rent, as advertised on an online lodging marketplace, for the second verified violation on the same property; and
   c) The greater of $3,500 or three-night's rent, as advertised on an online lodging marketplace, for the third and any subsequent verified violation on the same property. (Sec. 1, 2)
2. Permits DOR, after proper notice and hearing, to suspend for one year the TPT license of a vacation or short-term rental owner that has three verified violations within the same 12-month period. (Sec. 1, 2, 4)

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

3. Allows a local government to require a vacation or short-term rental owner to:
   a) Maintain liability insurance appropriate to cover the rental in the aggregate of at least $500,000; or
   b) Advertise and offer each rental through a hosting platform that provides equal or greater coverage. (Sec. 1, 2)
4. Authorizes a local government to impose a civil penalty of up to $1,000 for every 30 days a vacation or short-term rental owner's failure to provide required contact information. (Sec. 1, 2)
5. Directs a local government to provide a vacation or short-term rental owner 30 days' notice prior to imposing an initial penalty for failure to provide required contact information. (Sec. 1, 2)
6. Removes language relating to the requirement for notifying DOR and the vacation or short-term rental owner of verified violations. (Sec. 1, 2)
7. Restates multiple verified violations that arise out of the same incident are considered one verified violation when assessing civil penalties or suspending a TPT license. (Sec. 1, 2)
8. Repeals laws relating to civil penalties imposed by DOR. (Sec. 3)
9. Removes the limitations on the types of ordinances that a local government may adopt and enforce. (Sec. 1, 2)
10. Provides a definition for *online lodging marketplace*. (Sec. 1, 2)
11. Removes timeshare from the definition of *vacation rental* or *short-term rental*. (Sec.1, 2)
12. Prescribes civil penalties for online lodging operators who fail to comply with certain advertisement requirements. (Sec. 4)

Fifty-fifth Legislature
Second Regular Session

Commerce
S.B. 1168

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1168

(Reference to Senate engrossed bill)

Page 1, line 15, strike "~~Protecting~~"

Line 17, strike the second comma insert "AND"

Line 18, strike "and designation of an emergency point of contact,"

Line 21, after "and" insert "ENFORCE" strike "~~residential use and zoning~~"

Line 22, strike "ENFORCE" insert "residential use and zoning"

Line 32, strike "with" insert "AN EMERGENCY POINT OF"

Line 34, after "complaints" insert "OR EMERGENCIES"; strike "in person,"; strike "or" insert a comma; after "email" insert "OR IN PERSON IF AVAILABLE,"

Between lines 41 and 42, insert:

"5. A CITY OR TOWN MAY REQUIRE AN OWNER OF A VACATION RENTAL OR SHORT-TERM RENTAL TO OBTAIN AND MAINTAIN A LOCAL REGULATORY PERMIT OR LICENSE PURSUANT TO TITLE 9, CHAPTER 7, ARTICLE 4. AS A CONDITION OF ISSUANCE OF A PERMIT OR LICENSE, THE APPLICATION FOR THE PERMIT OR LICENSE MAY ONLY REQUIRE AN APPLICANT TO PROVIDE THE FOLLOWING:

(a) NAME, ADDRESS, PHONE NUMBER AND EMAIL ADDRESS FOR THE OWNER OR OWNER'S AGENT.

(b) ADDRESS OF THE VACATION RENTAL OR SHORT-TERM RENTAL.

(c) A VALID TRANSACTION PRIVILEGE TAX LICENSE NUMBER ISSUED PURSUANT TO SECTION 42-5005.

(d) INFORMATION REQUIRED PURSUANT TO PARAGRAPH 4 OF THIS SUBSECTION.

(e) ACKNOWLEDGMENT THAT THE OWNER WILL COMPLY WITH ALL APPLICABLE STATE LAWS AND ORDINANCES.

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

Attachment 15

(f) A FEE NOT TO EXCEED THE ACTUAL COST OF ISSUING THE PERMIT OR LICENSE OR $250, WHICHEVER IS LESS.

6. TO REQUIRE, AFTER OBTAINING A PERMIT OR LICENSE PURSUANT TO PARAGRAPH 5 OF THIS SUBSECTION BUT BEFORE OFFERING A VACATION RENTAL OR SHORT-TERM RENTAL FOR RENT FOR THE FIRST TIME, THE OWNER OF A VACATION RENTAL OR SHORT-TERM RENTAL TO NOTIFY THE OWNERS OF ALL RESIDENTIAL PROPERTY OWNERS ADJACENT TO, DIRECTLY AND DIAGONALLY ACROSS THE STREET FROM, OR IN THE SAME BUILDING AS, THE VACATION RENTAL OR SHORT-TERM RENTAL. A CITY OR TOWN MAY REQUIRE ADDITIONAL NOTIFICATION PURSUANT TO THIS PARAGRAPH IF THE CONTACT INFORMATION PREVIOUSLY PROVIDED CHANGES."

Renumber to conform

Page 1, line 42, strike "OWNER OF A"

Line 44, strike "OR TO ADVERTISE" insert a period

Page 2, line 1, strike "AND OFFER EACH VACATION RENTAL OR SHORT-TERM RENTAL THROUGH" insert "ANY ORDINANCE ADOPTED PURSUANT TO THIS PARAGRAPH SHALL ALLOW THE REQUIRED INSURANCE TO BE PROVIDED BY THE OWNER OR"

Line 2, after "MARKETPLACE" insert a period, strike the remainder of line

Between lines 13 and 14, insert:

"C. A CITY OR TOWN THAT REQUIRES A LOCAL REGULATORY PERMIT OR LICENSE PURSUANT TO THIS SECTION SHALL ISSUE OR DENY THE PERMIT OR LICENSE WITHIN SEVEN BUSINESS DAYS OF RECEIPT OF THE INFORMATION REQUIRED BY SUBSECTION B, PARAGRAPH 5 OF THIS SECTION AND OTHERWISE IN ACCORDANCE WITH SECTION 9-835, EXCEPT THAT A CITY OR TOWN MAY DENY ISSUANCE OF A PERMIT OR LICENSE ONLY FOR ANY OF THE FOLLOWING:

1. FAILURE TO PROVIDE THE INFORMATION REQUIRED BY SUBSECTION B, PARAGRAPH 5, SUBDIVISIONS (a) THROUGH (f) OF THIS SECTION.

2. FAILURE TO PAY THE REQUIRED PERMIT OR LICENSE FEE.

3. AT THE TIME OF APPLICATION THE OWNER HAS A SUSPENDED PERMIT OR LICENSE, PURSUANT TO SUBSECTION B, PARAGRAPH 5 OF THIS SECTION, FOR THE SAME VACATION RENTAL OR SHORT-TERM RENTAL.

4. THE APPLICANT PROVIDES FALSE INFORMATION. "

Reletter to conform

Page 2, line 14, strike "IMPOSE A" insert "ADOPT AN ORDINANCE THAT PROVIDES FOR THE IMPOSITION OF A"

Line 16, strike "OWNER" insert "PROPERTY"

Lines 22 and 25, after "OR" insert "UP TO"

Line 30, strike "MAY" insert "SHALL"

Line 31, after "MONTHS" strike remainder of line

Strike lines 32 through 34, insert "THE USE OF A VALID TRANSACTION PRIVILEGE TAX LICENSE FOR A VACATION RENTAL OR SHORT-TERM RENTAL IF THE VACATION RENTAL OR SHORT-TERM RENTAL RECEIVES THREE VERIFIED VIOLATIONS WITHIN THE SME TWELVE-MONTH PERIOD. THE TRANSACTION PRIVILEGE TAX LICENSE SHALL REMAIN VALID FOR VACATION RENTALS OR SHORT-TERM RENTALS THAT DO NOT HAVE THREE VERIFIED VIOLATIONS, ACCOUNTING FOR VACATION RENTAL OR SHORT-TERM RENTAL OWNERS AND OPERATORS THAT USE A TRANSACTION PRIVILEGE TAX LICENSE FOR MULTIPLE PROPERTIES."

Line 38, after "PENALTIES" insert "OR SUSPENDING THE OWNER'S REGULATORY PERMIT OR LICENSE"

Page 3, between lines 15 and 16, insert:

"J. AN OWNER-OCCUPIED SHORT-TERM RENTAL OR VACATION RENTAL IS EXEMPT FROM THE LOCAL REGULATORY PERMIT OR LICENSE REQUIREMENT IN SUBSECTION B, PARAGRAPH 5 OF THIS SECTION, EXCEPT THE OWNER SHALL COMPLY WITH ALL OTHER PROVISIONS OF THIS SECTION, INCLUDING OBTAINING A VALID TRANSACTION PRIVILEGE TAX LICENSE ISSUED PURSUANT TO SECTION 42-5005."

Reletter to conform

Between lines 18 and 19, insert:

"2. "OWNER-OCCUPIED" MEANS A DWELLING WITH FOUR OR FEWER UNITS, ON WHICH THE OWNER RESIDES IN ONE OF THE UNITS AS THEIR LEGAL PRIMARY RESIDENCE AND THE OWNER IS ONSITE DURING THE RENTAL PERIOD. FOR PURPOSES OF THIS DEFINITION, A PERSON CAN HAVE ONLY ONE "LEGAL PRIMARY RESIDENCE", WHICH MEANS THE USUAL PLACE OF RETURN FOR HOUSING OF THE OWNER OF THE DWELLING FOR AT LEAST 275 DAYS OF THE CALENDAR YEAR AND AS DOCUMENTED BY AT LEAST TWO OF THE FOLLOWING:

(a) MOTOR VEHICLE REGISTRATION.

(b) DRIVER'S LICENSE OR ARIZONA STATE IDENTIFICATION CARD.

(c) INCOME TAX RETURN.

(d) PROPERTY TAX BILL.

(e) UTILITY BILL.

3. "ONSITE" MEANS THE OWNER MAINTAINS A PHYSICAL PRESENCE IN THE DWELLING AND RESIDES IN A HABITABLE DWELLING UNIT OR PORTION THEREOF THROUGHOUT A GUEST'S STAY."

Renumber to conform

Page 4, line 5, strike the second comma insert "AND"

Line 6, strike "and designation of an emergency point of contact,"

Line 9, after "and" insert "ENFORCE" strike "~~residential use and zoning~~"

Line 10, strike "ENFORCE" insert "residential use and zoning"

Line 20, strike "with" insert "AN EMERGENCY POINT OF"

Line 22, after "complaints" insert "OR EMERGENCIES"; strike "in person,"; strike "or" insert a comma; after "email" insert "OR IN PERSON IF AVAILABLE,"

Between lines 28 and 29, insert:

"5. A COUNTY MAY REQUIRE AN OWNER OF A VACATION RENTAL OR SHORT-TERM RENTAL TO OBTAIN AND MAINTAIN A LOCAL REGULATORY PERMIT OR LICENSE PURSUANT TO TITLE 9, CHAPTER 7, ARTICLE 4. AS A CONDITION OF ISSUANCE OF A PERMIT OR LICENSE, THE APPLICATION FOR THE PERMIT OR LICENSE MAY ONLY REQUIRE AN APPLICANT TO PROVIDE THE FOLLOWING:

(a) NAME, ADDRESS, PHONE NUMBER AND EMAIL ADDRESS FOR THE OWNER OR OWNER'S AGENT.

(b) ADDRESS OF THE VACATION RENTAL OR SHORT-TERM RENTAL.

(c) A VALID TRANSACTION PRIVILEGE TAX LICENSE NUMBER ISSUED PURSUANT TO SECTION 42-5005.

(d) INFORMATION REQUIRED PURSUANT TO PARAGRAPH 4 OF THIS SUBSECTION.

(e) ACKNOWLEDGMENT THAT THE OWNER WILL COMPLY WITH ALL APPLICABLE STATE LAWS AND ORDINANCES.

(f) A FEE NOT TO EXCEED THE ACTUAL COST OF ISSUING THE PERMIT OR LICENSE OR $250, WHICHEVER IS LESS.

6. TO REQUIRE, AFTER OBTAINING A PERMIT OR LICENSE PURSUANT TO PARAGRAPH 5 OF THIS SUBSECTION BUT BEFORE OFFERING A VACATION RENTAL OR SHORT-TERM RENTAL FOR RENT FOR THE FIRST TIME, THE OWNER OF A VACATION RENTAL OR SHORT-TERM RENTAL TO NOTIFY THE OWNERS OF ALL RESIDENTIAL PROPERTY OWNERS ADJACENT TO, DIRECTLY AND DIAGONALLY ACROSS THE STREET FROM, OR IN THE SAME BUILDING AS, THE VACATION RENTAL OR SHORT-TERM RENTAL. A COUNTY MAY REQUIRE ADDITIONAL NOTIFICATION PURSUANT TO THIS PARAGRAPH IF THE CONTACT INFORMATION PREVIOUSLY PROVIDED CHANGES."

Renumber to conform

Page 4, line 29, strike "OWNER OF A"

Line 31, strike "OR TO ADVERTISE" insert a period

Line 32, strike "AND OFFER EACH VACATION RENTAL OR SHORT-TERM RENTAL THROUGH" insert "ANY ORDINANCE ADOPTED PURSUANT TO THIS PARAGRAPH SHALL ALLOW THE REQUIRED INSURANCE TO BE PROVIDED BY THE OWNER OR"

Line 33, after "MARKETPLACE" insert a period, strike the remainder of line

After line 44, insert:

"C. A COUNTY THAT REQUIRES A LOCAL REGULATORY PERMIT OR LICENSE PURSUANT TO THIS SECTION SHALL ISSUE OR DENY THE PERMIT OR LICENSE WITHIN SEVEN BUSINESS DAYS OF RECEIPT OF THE INFORMATION REQUIRED BY SUBSECTION B, PARAGRAPH 5 OF THIS SECTION AND OTHERWISE IN ACCORDANCE WITH SECTION 9-835, EXCEPT THAT A COUNTY MAY DENY ISSUANCE OF A PERMIT OR LICENSE ONLY FOR ANY OF THE FOLLOWING:

1. FAILURE TO PROVIDE THE INFORMATION REQUIRED BY SUBSECTION B, PARAGRAPH 5, SUBDIVISIONS (a) THROUGH (f) OF THIS SECTION.

2. FAILURE TO PAY THE REQUIRED PERMIT OR LICENSE FEE.

3. AT THE TIME OF APPLICATION THE OWNER HAS A SUSPENDED PERMIT OR LICENSE, PURSUANT TO SUBSECTION B, PARAGRAPH 5 OF THIS SECTION, FOR THE SAME VACATION RENTAL OR SHORT-TERM RENTAL.

4. THE APPLICANT PROVIDES FALSE INFORMATION. "

Reletter to conform

Page 5, line 1, strike "CITY OR TOWN" insert "COUNTY"; strike "IMPOSE A" insert "ADOPT AN ORDINANCE THAT PROVIDES FOR THE IMPOSITION OF A"

Line 3, strike "OWNER" insert "PROPERTY"

Lines 9 and 12, after "OR" insert "UP TO"

Line 17, strike "MAY" insert "SHALL"

Line 18, after "MONTHS" strike remainder of line

Strike lines 19 through 21, insert "THE USE OF A VALID TRANSACTION PRIVILEGE TAX LICENSE FOR A VACATION RENTAL OR SHORT-TERM RENTAL IF THE VACATION RENTAL OR SHORT-TERM RENTAL RECEIVES THREE VERIFIED VIOLATIONS WITHIN THE SME TWELVE-MONTH PERIOD. THE TRANSACTION PRIVILEGE TAX LICENSE SHALL REMAIN VALID FOR VACATION RENTALS OR SHORT-TERM RENTALS THAT DO NOT HAVE THREE VERIFIED VIOLATIONS, ACCOUNTING FOR VACATION RENTAL OR SHORT-TERM RENTAL OWNERS AND OPERATORS THAT USE A TRANSACTION PRIVILEGE TAX LICENSE FOR MULTIPLE PROPERTIES."

Line 25, after "PENALTIES" insert "OR SUSPENDING THE OWNER'S REGULATORY PERMIT OR LICENSE"

Page 6, between lines 4 and 5, insert:

"J. AN OWNER-OCCUPIED SHORT-TERM RENTAL OR VACATION RENTAL IS EXEMPT FROM THE LOCAL REGULATORY PERMIT OR LICENSE REQUIREMENT IN SUBSECTION B, PARAGRAPH 5 OF THIS SECTION, EXCEPT THE OWNER SHALL COMPLY WITH ALL OTHER PROVISIONS OF THIS SECTION, INCLUDING OBTAINING A VALID TRANSACTION PRIVILEGE TAX LICENSE ISSUED PURSUANT TO SECTION 42-5005."

Reletter to conform

Between lines 7 and 8, insert:

"2. "OWNER-OCCUPIED" MEANS A DWELLING WITH FOUR OR FEWER UNITS, ON WHICH THE OWNER RESIDES IN ONE OF THE UNITS AS THEIR LEGAL PRIMARY RESIDENCE AND THE OWNER IS ONSITE DURING THE RENTAL PERIOD. FOR PURPOSES OF THIS DEFINITION, A PERSON CAN HAVE ONLY ONE "LEGAL PRIMARY RESIDENCE", WHICH MEANS THE USUAL PLACE OF RETURN FOR HOUSING OF THE OWNER OF THE DWELLING FOR AT LEAST 275 DAYS OF THE CALENDAR YEAR AND AS DOCUMENTED BY AT LEAST TWO OF THE FOLLOWING:

(a) MOTOR VEHICLE REGISTRATION.

(b) DRIVER'S LICENSE OR ARIZONA STATE IDENTIFICATION CARD.

(c) INCOME TAX RETURN.

(d) PROPERTY TAX BILL.

(e) UTILITY BILL.

3. "ONSITE" MEANS THE OWNER MAINTAINS A PHYSICAL PRESENCE IN THE DWELLING AND RESIDES IN A HABITABLE DWELLING UNIT OR PORTION THEREOF THROUGHOUT A GUEST'S STAY."

Renumber to conform

Amend title to conform

STEVE KAISER

1168KAISER2
03/21/2022
10:05 AM
H: PRB/ls

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1168

DATE March 22, 2022 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Carter		✓			
Chávez		✓			
Cook		✓			
Espinoza					✓
Kaiser		✓			
Liguori		✓			
Meza		✓			
Wilmeth		✓			
Chaplik, Vice-Chairman		✓			
Weninger, Chairman		✓			
		9	0	0	1

Jacqueline Denlinger
COMMITTEE SECRETARY

APPROVED:
JEFF WENINGER, Chairman
JOSEPH CHAPLIK, Vice-Chairman

ATTACHMENT 16

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
Second Regular Session

Senate: APPROP DPA/SE 7-2-1-0 | 3rd Read 28-0-2-0

SB 1179: JLBC; reporting
S/E: video service; boundary change; definition
Sponsor: Senator Gowan, LD 14
Committee on Commerce

Summary of the Strike-Everything Amendment to SB 1179

Overview

Modifies the definition of *video service* as it relates to city, town or county (local government) licensing and regulation of video service providers. Adds requirements for boundary change notifications.

History

Statute establishes uniform licensing and regulation of video service providers and use of video service and grants local governments the exclusive authority to issue a uniform video service license to a person to provide video service and to construct and operate a video service network in any service area within its boundaries (Title 9, Chapter 13, A.R.S.; Title 11, Chapter 14, A.R.S.).

A *video service provider* is a person that: 1) provides or offers to provide video service over a video service network to subscribers in Arizona; 2) is an incumbent cable operator that elected to terminate its local license and a multichannel video programming distributor; and 3) is not a holdover cable operator.

Video service is the provision of multichannel video programming generally considered comparable to video programming delivered by a television broadcast station, video service or other digital television service, whether provided as part of a tier, on demand or on a per-channel basis, without regard to the technology used to deliver the video service, including internet protocol technology or any successor technology, including cable service.

Video service does not include: 1) video programming provided solely as part of, and through, a service that enables users to access content, information, e-mail, messaging or other services that are offered via the public internet; 2) direct broadcast satellite service; and 3) wireless multichannel video programming that is provided by a commercial mobile service provider.

Provisions

1. Clarifies *video service* means the provision *by a video service provider* of multichannel video programming generally considered comparable to video programming. (Sec. 1, 3)
2. Specifies *video service* does not include digital audiovisual works delivered over the internet, including streaming content, rather than video programming that enables users to access content or other services offered via the internet. (Sec. 1, 3)
3. Clarifies direct broadcast satellite service that is provided by a licensee for a Ku-band satellite system or any distributor who controls a minimum number of channels using a Ku-band fixed

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

Attachment 17

service satellite system for the provision of video programming directly to a home is not included as *video service*. (Sec. 1, 3)

4. Requires a local government's boundary change notifications to be sent by certified mail, email or personal delivery. (Sec. 2, 4)
5. Prevents a video service provider from being required to pay certain licensing fees for at least 30 days after the boundary change notification is provided to the video service provider. (Sec. 2, 4)
6. Specifies the boundary change notification must be provided to the contract person and address specified by the video service provider. (Sec. 2, 4)
7. Directs the video service provider to provide a written notice to the local government of any change in the designated contract person or address. (Sec. 2, 4)

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1179

(Reference to Senate engrossed bill)

Strike everything after the enacting clause and insert:

"Section 1. Section 9-1401, Arizona Revised Statutes, is amended to read:

9-1401. Definitions

In this chapter, unless the context otherwise requires:

1. "Affiliate" means a person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with a video service provider.

2. "Agreement" means any agreement or contract.

3. "Boundaries of a local government" or "boundaries" means all of the area within the corporate limits of the city or town.

4. "Cable operator" has the same meaning prescribed in 47 United States Code section 522.

5. "Cable service" has the same meaning prescribed in 47 United States Code section 522.

6. "Cable system" has the same meaning prescribed in 47 United States Code section 522.

7. "Commercial mobile service provider" means a person that provides commercial mobile service as defined in 47 United States Code section 332(d) or commercial mobile radio service as described in 47 Code of Federal Regulations section 20.3.

8. "Day" means a calendar day, except a Saturday or Sunday or a holiday prescribed in section 1-301.

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

Attachment 18

9. "Gross revenue":

(a) Means all cash, credits, property of any kind or nature or other consideration that is received directly or indirectly by a video service provider, its affiliates, or any person, firm or corporation in which the video service provider has a financial interest or that has a financial interest in the video service provider and that is derived from the video service provider's operation of its video service network to provide video service in the service area.

(b) Includes all revenue from charges for video service to subscribers and all charges for installation, removal, connection or reinstatement of equipment necessary for a subscriber to receive video service and any other receipts from subscribers derived from the video service provider's operation of the video service network to provide video service, including receipts from forfeited deposits, sale or rental of equipment to provide video service, late charges, interest and sale of program guides.

(c) Does not include:

(i) Any revenue not received, even if billed, such as bad debt net of any recoveries of bad debt or any refunds, credits, allowances or discounts to subscribers to the extent that the refund, rebate, credit, allowance or discount is attributed to video service.

(ii) Revenue from commercial advertising on the video service network, the use or lease of studio facilities of the video service network, internet access service, the use or lease of its facilities located in the highways, the use or lease of leased access channels or bandwidth, the use or lease of towers, the production of video programming by the video service provider, the sale, exchange, use or cablecast of any programming by the video service provider in the service area, sales to the video service provider's subscribers by programmers of home shopping services, reimbursements paid by programmers for launch fees or marketing expenses, license fees, taxes or other fees or charges that the video service provider collects and pays to any governmental authority, any

increase in the value of any stock, security or asset, or any dividends or other distributions made from any stock or securities.

10. "Highway" means all roads, streets and alleys and other dedicated public rights-of-way that are operated and maintained by a local government.

11. "Holder" means a video service provider that has been issued a uniform video service license pursuant to this chapter.

12. "Holdover cable operator" means an incumbent cable operator that elects under sections 9-1412 and 9-1413 to continue to operate within its service area pursuant to its local license.

13. "Incumbent cable operator" means a cable operator or other video service provider that on December 31, 2019 is providing video service in this state pursuant to a local license.

14. "Information service" has the same meaning prescribed in 47 United States Code section 153.

15. "Interactive computer service" has the same meaning prescribed in 47 United States Code section 230(f).

16. "License" means a franchise as defined in 47 United States Code section 522.

17. "License fee" means a license fee imposed by a local government on a video service provider for using the highways to provide and for the privilege of providing video service.

18. "Local government" means any city, including a charter city, or town.

19. "Local law" means any charter, code, ordinance, resolution, regulation or other law of a local government.

20. "Local license" means any license, agreement, permit or similar authorization that meets all of the following:

(a) Allows a person to construct or operate a video service network within the boundaries of a local government.

(b) Is issued, granted, approved, extended or renewed by the local government before January 1, 2020 pursuant to the authority of any federal, state or local law in effect at the time of the issuance, grant, approval, extension or renewal.

(c) Is effective under federal, state or local law on December 31, 2019 for the person to continue to construct or operate a video service network within the boundaries of a local government.

21. "Multichannel video programming distributor" has the same meaning prescribed in 47 United States Code section 522.

22. "Service area" means that part of the boundaries of a local government within which a video service provider is authorized to provide video service pursuant to a uniform video service license or a local license.

23. "Subscriber":

(a) Means any person in this state that purchases video service. ~~Subscriber~~

(b) Does not include any person that purchases video service for resale and that, on resale, is required to pay a license fee pursuant to this chapter or the terms of a local license.

24. "Telecommunications":

(a) Means the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information sent and received, regardless of the facilities, equipment or technology used.

(b) Does not include commercial mobile radio service, pay phone service, interstate service or cable service.

25. "Telecommunications provider" means a person that is required to obtain from the corporation commission a certificate of public convenience and necessity to provide telecommunications service.

26. "Telecommunications service" means the offering of telecommunications for a fee directly to the public, or to such users as to be effectively available directly to the public, regardless of the equipment, facilities or technology used.

27. "Uniform video service license" means a license that is issued by a local government in the form of a uniform video service license agreement as adopted pursuant to section 9-1411.

28. "Video service":

(a) Means the provision BY A VIDEO SERVICE PROVIDER of multichannel video programming generally considered comparable to video programming delivered by a television broadcast station, video service or other digital television service, whether provided as part of a tier, on demand or on a per-channel basis, without regard to the technology used to deliver the video service, including internet protocol technology or any successor technology.

(b) Includes cable service.

(c) Does not include any of the following:

~~(i) Video programming provided solely as part of, and through, a service that enables users to access content, information, e-mail, messaging or other services that are offered via the public internet.~~

(i) DIGITAL AUDIOVISUAL WORKS DELIVERED OVER THE INTERNET, INCLUDING STREAMING CONTENT.

(ii) Direct broadcast satellite service PROVIDED BY A PROVIDER OF DIRECT BROADCAST SATELLITE SERVICE AS DEFINED IN 47 UNITED STATES CODE SECTION 335(b)(5).

(iii) Wireless multichannel video programming that is provided by a commercial mobile service provider.

29. "Video service network":

(a) Means a wireline network, or any component of a wireline network, that is located in this state, constructed in whole or in part in, on, under or over any highway and used to provide video service.

(b) Includes a cable system.

30. "Video service provider":

(a) Means any person that provides or offers to provide video service over a video service network to subscribers in this state.

(b) Includes an incumbent cable operator that elected pursuant to sections 9-1412 and 9-1413 to terminate its local license and a multichannel video programming distributor.

(c) Does not include a holdover cable operator.

Sec. 2. Section 9-1418, Arizona Revised Statutes, is amended to read:

9-1418. Boundary change; license fees; exemption; notice

A. Each local government whose boundaries change shall notify in a timely manner each video service provider that operates in the boundaries. NOTIFICATION SHALL BE MADE BY CERTIFIED MAIL, EMAIL OR PERSONAL DELIVERY.

B. A VIDEO SERVICE PROVIDER MAY NOT BE SUBJECT TO OR REQUIRED TO PAY LICENSE FEES ON GROSS REVENUES AS PRESCRIBED IN SECTION 9-1443 WITHIN THE AREA ENCOMPASSED BY A BOUNDARY CHANGE FOR AT LEAST THIRTY DAYS AFTER THE NOTIFICATION OF A BOUNDARY CHANGE, REQUIRED BY SUBSECTION A OF THIS SECTION, IS PROVIDED TO THE VIDEO SERVICE PROVIDER.

C. THE NOTICE REQUIRED BY SUBSECTION A OF THIS SECTION SHALL BE PROVIDED TO THE CONTACT PERSON AND ADDRESS SPECIFIED BY THE VIDEO SERVICE PROVIDER. THE VIDEO SERVICE PROVIDER SHALL INFORM THE LOCAL GOVERNMENT OF ANY CHANGE IN THE DESIGNATED CONTACT PERSON OR ADDRESS BY PROVIDING WRITTEN NOTICE TO THE GOVERNING BODY OF THE LOCAL GOVERNMENT.

Sec. 3. Section 11-1901, Arizona Revised Statutes, is amended to read:

11-1901. Definitions

~~A.~~ In this chapter, unless the context otherwise requires:

1. "Affiliate" means a person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with a video service provider.

2. "Agreement" means any agreement or contract.

3. "Boundaries of a county" or "boundaries" means all of the area of the county that is not within the corporate limits of any city or town, including unincorporated territory that is surrounded on all sides by a combination of one or more cities, towns or Indian reservations.

4. "Cable operator" has the same meaning prescribed in 47 United States Code section 522.

5. "Cable service" has the same meaning prescribed in 47 United States Code section 522.

6. "Cable system" has the same meaning prescribed in 47 United States Code section 522.

7. "Commercial mobile service provider" means a person that provides commercial mobile service as defined in 47 United States Code section 332(d) or commercial mobile radio service as described in 47 Code of Federal Regulations section 20.3.

8. "Day" means a calendar day, except a Saturday or Sunday or a holiday prescribed in section 1-301.

9. "Gross revenue":

(a) Means all cash, credits, property of any kind or nature or other consideration that is received directly or indirectly by a video service provider, its affiliates, or any person, firm or corporation in which the video service provider has a financial interest or that has a financial interest in the video service provider and that is derived from the video service provider's operation of its video service network to provide video service in the service area.

(b) Includes all revenue from charges for video service to subscribers and all charges for installation, removal, connection or reinstatement of equipment necessary for a subscriber to receive video service and any other receipts from subscribers derived from the video service provider's operation of the video service network to provide video service, including receipts from forfeited deposits, sale or rental of

equipment to provide video service, late charges, interest and sale of program guides.

(c) Does not include:

(i) Any revenue not received, even if billed, such as bad debt net of any recoveries of bad debt or any refunds, rebates, credits, allowances or discounts to subscribers to the extent that the refund, rebate, credit, allowance or discount is attributed to video service.

(ii) Revenue from commercial advertising on the video service network, the use or lease of studio facilities of the video service network, internet access service, the use or lease of its facilities located in the highways, the use or lease of leased access channels or bandwidth, the use or lease of towers, the production of video programming by the video service provider, the sale, exchange, use or cablecast of any programming by the video service provider in the service area, sales to the video service provider's subscribers by programmers of home shopping services, reimbursements paid by programmers for launch fees or marketing expenses, license fees, taxes or other fees or charges that the video service provider collects and pays to any governmental authority, any increase in the value of any stock, security or asset or any dividends or other distributions made from any stock or securities.

10. "Highway" means all roads, streets and alleys and other dedicated public rights-of-way that are operated and maintained by the county.

11. "Holder" means a video service provider that has been issued a uniform video service license pursuant to this chapter.

12. "Holdover cable operator" means an incumbent cable operator that elects under sections 11-1912 and 11-1913 to continue to operate within its service area pursuant to its local license.

13. "Incumbent cable operator" means a cable operator or other video service provider that on December 31, 2019 is providing video service in this state pursuant to a local license.

14. "Information service" has the same meaning prescribed in 47 United States Code section 153.

15. "Interactive computer service" has the same meaning prescribed in 47 United States Code section 230(f).

16. "License" means a franchise as defined in 47 United States Code section 522.

17. "License fee" means a license fee imposed by a county on a video service provider for using the highways to provide and for the privilege of providing video service.

18. "Local law" means any code, ordinance, resolution, regulation or other law of a county.

19. "Local license" means any license, agreement, permit or similar authorization that meets all of the following:

(a) Allows a person to construct or operate a video service network within the boundaries of a county.

(b) Is issued, granted, approved, extended or renewed by the county before January 1, 2020 pursuant to the authority of any federal, state or local law in effect at the time of the issuance, grant, approval, extension or renewal.

(c) Is effective under federal, state or local law on December 31, 2019 for the person to continue to construct or operate a video service network within the boundaries of a county.

20. "Multichannel video programming distributor" has the same meaning prescribed in 47 United States Code section 522.

21. "Service area" means that part of the boundaries of a county within which a video service provider is authorized to provide video service pursuant to a uniform video service license or a local license.

22. "Subscriber":

(a) Means any person in this state that purchases video service. ~~Subscriber~~

(b) Does not include any person that purchases video service for resale and that, on resale, is required to pay a license fee pursuant to this chapter or the terms of a local license.

23. "Telecommunications":

(a) Means the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information sent and received, regardless of the facilities, equipment or technology used.

(b) Does not include commercial mobile radio service, pay phone service, interstate service or cable service.

24. "Telecommunications provider" means a person that is required to obtain from the corporation commission a certificate of public convenience and necessity to provide telecommunications service.

25. "Telecommunications service" means the offering of telecommunications for a fee directly to the public, or to such users as to be effectively available directly to the public, regardless of the equipment, facilities or technology used.

26. "Uniform video service license" means a license that is issued by a county in the form of A uniform video service license agreement as adopted pursuant to section 11-1911.

27. "Video service":

(a) Means the provision BY A VIDEO SERVICE PROVIDER of multichannel video programming generally considered comparable to video programming delivered by a television broadcast station, video service or other digital television service, whether provided as part of a tier, on demand or on a per-channel basis, without regard to the technology used to deliver the video service, including internet protocol technology or any successor technology.

(b) Includes cable service.

(c) Does not include any of the following:

~~(i) Video programming provided solely as part of, and through, a service that enables users to access content, information, e-mail, messaging or other services that are offered via the public internet.~~

(i) DIGITAL AUDIOVISUAL WORKS DELIVERED OVER THE INTERNET, INCLUDING STREAMING CONTENT.

(ii) Direct broadcast satellite service PROVIDED BY A PROVIDER OF DIRECT BROADCAST SATELLITE SERVICE AS DEFINED IN 47 UNITED STATES CODE SECTION 335(b)(5).

(iii) Wireless multichannel video programming that is provided by a commercial mobile service provider.

28. "Video service network":

(a) Means a wireline network, or any component of a wireline network, that is located in this state, constructed in whole or in part in, on, under or over any highway and used to provide video service.

(b) Includes a cable system.

29. "Video service provider":

(a) Means any person that provides or offers to provide video service over a video service network to subscribers in this state.

(b) Includes an incumbent cable operator that elected pursuant to sections 11-1912 and 11-1913 to terminate its local license and a multichannel video programming distributor.

(c) Does not include a holdover cable operator.

Sec. 4. Section 11-1918, Arizona Revised Statutes, is amended to read:

11-1918. Boundary change; license fees; exemption; notice

A. Each county whose boundaries change shall notify in a timely manner each video service provider that operates in the boundaries. NOTIFICATION SHALL BE MADE BY CERTIFIED MAIL, EMAIL OR PERSONAL DELIVERY.

B. A VIDEO SERVICE PROVIDER MAY NOT BE SUBJECT TO OR REQUIRED TO PAY LICENSE FEES ON GROSS REVENUES AS PRESCRIBED IN SECTION 11-1943 WITHIN THE AREA ENCOMPASSED BY A BOUNDARY CHANGE FOR AT LEAST THIRTY DAYS AFTER THE

NOTIFICATION OF A BOUNDARY CHANGE, REQUIRED BY SUBSECTION A OF THIS SECTION, IS PROVIDED TO THE VIDEO SERVICE PROVIDER.

C. THE NOTICE REQUIRED BY SUBSECTION A OF THIS SECTION SHALL BE PROVIDED TO THE CONTACT PERSON AND ADDRESS SPECIFIED BY THE VIDEO SERVICE PROVIDER. THE VIDEO SERVICE PROVIDER SHALL INFORM THE COUNTY OF ANY CHANGE IN THE DESIGNATED CONTACT PERSON OR ADDRESS BY PROVIDING WRITTEN NOTICE TO THE COUNTY BOARD OF SUPERVISORS."

Amend title to conform

JEFF WENINGER

1179WENINGER
03/18/2022
11:34 AM
C: LAT

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1179

DATE March 22, 2022 MOTION: DPA/SE

	PASS	AYE	NAY	PRESENT	ABSENT
Carter		✓			
Chávez		✓			
Cook		✓			
Espinoza					✓
Kaiser		✓			
Liguori		✓			
Meza		✓			
Wilmeth		✓			
Chaplik, Vice-Chairman		✓			
Weninger, Chairman		✓			
		9	0	0	1

Jacqueline Dunlap
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
JOSEPH CHAPLIK, Vice-Chairman

ATTACHMENT 19

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
Second Regular Session

Senate: FIN DPA 9-0-1-0 | 3rd Read 26-0-4-0

SB 1204: mortgage brokers; bankers; qualifications
Sponsor: Senator Pace, LD 25
Committee on Commerce

Overview
Permits a responsible individual of mortgage brokers and bankers to reside out-of-state.

History
All mortgage broker, commercial mortgage broker and commercial mortgage banker licenses must designate a natural person as a responsible individual for the license. If the licensee is natural person, that person is the responsible individual. If a licensee is a business entity, one member or employee of that entity must be designated in the license as the individual responsible for the entity (A.R.S. §§ 6-903; 6-976).

A mortgage broker license may not be given to a person, other than a natural person, who is not registered to do business in Arizona. If a natural person is not a resident of Arizona, an employee of that licensee must be designated in the license as the individual responsible for the licensee. The responsible individual must: 1) be a resident of Arizona; 2) be in active management of the licensee's activities; and 3) meet statutory broker license qualifications (A.R.S. § 6-903).

Likewise for a commercial mortgage banker, a license may not be given to a person, other than a natural person, who is not registered to do business in Arizona; and a natural person who is not resident in Arizona must designate a responsible individual. This responsible individual must: 1) be a resident of Arizona; 2) be in active management of the licensee's activities; and 3) have at least three years' experience in commercial mortgage banking (A.R.S. § 6-976).

Provisions

Responsible Individual

1. Permits a mortgage broker, commercial mortgage broker and a commercial mortgage banker who is a natural person, and not resident in Arizona, to designate as a responsible individual:
   a) an employee of an affiliated entity of the licensee; or
   b) an employee of the parent company of the licensee. (Sec. 2, 3)
2. Stipulates that the responsible individual for a mortgage broker or commercial mortgage broker must be resident in Arizona unless the Director of the Department of Insurance and Financial Institutions (DIFI) grants a Certificate of Exemption. (Sec. 2)
3. Strikes the requirement that the responsible individual for a commercial mortgage banker must be a resident of Arizona. (Sec. 3)

Certificate of Exemption

4. Permits a parent company to apply for a Certificate of Exemption, on behalf of a mortgage broker or commercial mortgage broker (entity), to allow a responsible individual to reside outside of Arizona. (Sec. 1)

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

Attachment 20

5. Requires a responsible individual residing outside of Arizona to:
   a) be a natural person;
   b) receive notification from the parent company that the parent company was granted a certificate of exemption by the Director of DIFI; and
   c) meet all the regular requirements to be a responsible individual. (Sec. 1)
6. Directs the parent company to apply on behalf of the entity and submit an attestation that the parent company:
   a) maintains a physical presence in Arizona;
   b) does not have any disciplinary actions by DIFI; and
   c) has a class of securities registered with the United States Securities and Exchange Commission. (Sec. 1)
7. Requires the applying parent company to pay all applicable fees prescribed by DIFI in rule. (Sec. 1)
8. Specifies that a Certificate of Exemption is continuous during the license's period. (Sec. 1)
9. Allows the Director of DIFI to revoke the Certificate of Exemption if: a) the interests of the consumer are not met; or b) the responsible individual does not meet statutory requirements. (Sec. 1)
10. Instructs the Director of DIFI to issue an order outlining the reasons for a denial or revocation of a Certificate of Exemption. (Sec. 1)
11. Permits the Director of DIFI to prescribe rules to implement the Certificate of Exemption. (Sec. 1)

Miscellaneous

12. Makes technical changes. (Sec. 2, 3)

Fifty-fifth Legislature
Second Regular Session

Commerce
S.B. 1204

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1204

(Reference to Senate engrossed bill)

Page 1, between lines 1 and 2, insert:

"Section 1. Section 6-901, Arizona Revised Statutes, is amended to read:

6-901. Definitions

In this article, unless the context otherwise requires:

1. "Affiliate" means an entity which directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with the entity specified.

2. "Commercial mortgage broker" means a person who for compensation or in the expectation of compensation either directly or indirectly makes, negotiates or offers to make or negotiate a commercial mortgage loan.

3. "Commercial mortgage loan" means a loan that is directly or indirectly secured by a mortgage or deed of trust or any lien interest on commercial property and that is created with the consent of the owner of the commercial property.

4. "Commercial property" means real property that is not a residential dwelling of one to four units.

5. "Compensation" means anything of value or any benefit, including points, commissions, bonuses, referral fees, loan origination fees and other similar fees but excluding periodic interest resulting from the application of the note rate of interest to the outstanding principal balance remaining unpaid from time to time.

6. "Continuing education unit" means a fifty minute period of time in a continuing education course that relates to the mortgage industry or to mortgage transactions, including courses taken to maintain recognized industry designations.

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

Attachment 21

7. "GENERALLY ACCEPTED ACCOUNTING PRINCIPLES" MEANS UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ISSUED BY THE FINANCIAL ACCOUNTING STANDARDS BOARD OR THE INTERNATIONAL FINANCIAL REPORTING STANDARDS ISSUED BY THE INTERNATIONAL ACCOUNTING STANDARDS BOARD.

~~7.~~8. "Investor" means a person who lends or invests money in mortgage loans.

~~8.~~9 "License" means a license issued under this article.

~~9.~~10. "Licensee" means a person licensed under this article.

~~10.~~11. "Loan originator" has the same meaning prescribed in section 6-991.

~~11.~~12 "Mortgage broker" means a person who is not exempt under section 6-902 and who for compensation or in the expectation of compensation either directly or indirectly makes, negotiates or offers to make or negotiate a mortgage loan.

~~12.~~13. "Mortgage loan" means a loan secured by a mortgage or deed of trust or any lien interest on real estate located in this state created with the consent of the owner of the real estate.

~~13.~~14. "Mortgage loan closing" means the day by which all documents relating to the mortgage loan have been executed and recorded and all monies have been accounted for under the terms of the escrow instructions.

~~14.~~15. "Residential mortgage loan" means a mortgage loan that has security in the form of a residential dwelling of one to four units."

Renumber to conform

Page 3, line 16, after "person" insert "OR AN EMPLOYEE OF AN AFFILIATED ENTITY OR THE PARENT COMPANY OF THE LICENSEE"

Line 21, after "licensee" strike remainder of line

Line 22, strike "THE LICENSEE"

Page 6, between lines 30 and 31, insert:

"Sec. 4. Section 6-941, Arizona Revised Statutes, is amended to read:

6-941. Definitions

In this article, unless the context otherwise requires:

1. "Affiliate" means an entity which directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with the entity specified.

2. "Compensation" means anything of value or any benefit including points, commissions, bonuses, referral fees, loan origination fees and other similar fees but excluding periodic interest resulting from the application of the note rate of interest to the outstanding principal balance remaining unpaid from time to time.

3. "GENERALLY ACCEPTED ACCOUNTING PRINCIPLES" MEANS UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ISSUED BY THE FINANCIAL ACCOUNTING STANDARDS BOARD OR THE INTERNATIONAL FINANCIAL REPORTING STANDARDS ISSUED BY THE INTERNATIONAL ACCOUNTING STANDARDS BOARD.

~~3.~~4. "License" means a license issued under this article.

~~4.~~5. "Licensee" means a person licensed under this article.

~~5.~~6. "Mortgage banker" means a person who is not exempt under section 6-942 and who for compensation or in the expectation of compensation either directly or indirectly makes, negotiates or offers to make or negotiate a mortgage banking loan or a mortgage loan.

~~6.~~7. "Mortgage banking loan" means a loan which is funded exclusively from the mortgage banker's own resources, which is directly or indirectly secured by a mortgage or deed of trust or any lien interest on real estate located in this state and which is created with the consent of the owner of the real property. For the purposes of this paragraph, "own resources" means any of the following:

(a) Cash, corporate capital, warehouse credit lines at commercial banks, savings banks or savings and loan associations or other sources that are liability items on the mortgage banker's financial statements for which its assets are pledged.

(b) Correspondent contracts between the mortgage banker and a bank, savings bank, trust company, savings and loan association, credit union, profit sharing or pension trust, consumer lender or insurance company.

(c) The mortgage banker's affiliates' cash, corporate capital, warehouse credit lines at commercial banks or other sources that are liability items on the affiliates' financial statements for which the affiliates' assets are pledged.

~~7.~~8. "Mortgage banking loan closing" means the day by which all documents relating to the mortgage banking loan or mortgage loan have been executed and recorded and all monies have been accounted for.

~~8.~~9. "Mortgage loan" means any loan, other than a mortgage banking loan, secured by a mortgage or deed of trust or any lien interest on real estate located in this state and created with the consent of the owner of the real estate."

Sec. 5. Section 6-971, Arizona Revised Statutes, is amended to read:

6-971. Definitions

In this article, unless the context otherwise requires:

1. "Affiliate" means an entity that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with the specified entity.

2. "Commercial mortgage banker" means a person who engages in the following:

(a) Originating commercial mortgage loans.

(b) Servicing commercial mortgage loans.

(c) Either directly or indirectly making, negotiating or offering to make or negotiate commercial mortgage loans.

3. "Commercial mortgage loan" means a loan that is directly or indirectly secured by a mortgage or deed of trust or any lien interest on commercial property and created with the consent of the owner of the commercial property.

4. "Commercial mortgage loan closing" means the day by which all documents relating to the commercial mortgage loan have been executed and recorded and all monies have been accounted for under the terms of the escrow instructions.

5. "Commercial property" means real estate that is located in this state and that is not used for a one to four family residence.

6. "Compensation" means anything of value or any benefit including points, commissions, bonuses, referral fees, loan origination fees and other similar fees but excluding periodic interest resulting from the application of the note rate of interest to the outstanding principal balance remaining unpaid from time to time.

7. "GENERALLY ACCEPTED ACCOUNTING PRINCIPLES" MEANS UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ISSUED BY THE FINANCIAL ACCOUNTING STANDARDS BOARD OR THE INTERNATIONAL FINANCIAL REPORTING STANDARDS ISSUED BY THE INTERNATIONAL ACCOUNTING STANDARDS BOARD.

~~7.~~8. "Institutional investor" means a person who in the regular course of business makes commercial mortgage loans of more than two hundred fifty thousand dollars that are funded exclusively from the institutional investor's own resources.

~~8.~~9. "Investor" means a person who directly or indirectly provides monies to a commercial mortgage banker that are, or are intended to be, used to make a loan, and any person who purchases a loan, or any interest in a loan, from a commercial mortgage banker or in a transaction that has been directly or indirectly arranged or negotiated by a commercial mortgage banker.

~~9.~~10. "License" means a license issued under this article.

~~10.~~11. "Licensee" means a person who is licensed under this article.

~~11.~~12. "Own resources" means any of the following:

(a) Cash, corporate capital, warehouse credit lines at commercial banks, savings banks or savings and loan associations or other sources that are liability items on the person's financial statements.

(b) Correspondent contracts between the commercial mortgage banker and an institutional investor, bank, savings bank, trust company, savings and loan association, credit union, profit sharing or pension trust, consumer lender or insurance company.

(c) The person's affiliates' cash, corporate capital, warehouse credit lines at commercial banks or other sources that are liability items on the affiliates' financial statements for which the affiliates' assets are pledged.

~~12.~~13. "Servicing commercial mortgage loans" means collecting payments at a location in this state on commercial mortgage loans, including:

(a) Principal.

(b) Interest.

(c) Trust items such as hazard insurance premiums, taxes and various reserves on an obligation under the terms of the obligation.

(d) Operational procedures covering accounting, bookkeeping, insurance, tax records, loan payment follow-up, delinquency loan follow-up, loan analysis and property valuation."

Renumber to conform

Page 6, line 37, after "person" insert "OR AN EMPLOYEE OF AN AFFILIATED ENTITY OR THE PARENT COMPANY OF THE LICENSEE"

Line 40, after "licensee" strike remainder of line

Line 41, strike "THE LICENSEE"

Amend title to conform

JEFF WENINGER

1204WENINGER2
03/16/2022
04:35 PM
H: PRB/ra

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1204

DATE March 22, 2022 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Carter		✓			
Chávez		✓			
Cook		✓			
Espinoza					✓
Kaiser		✓			
Liguori		✓			
Meza		✓			
Wilmeth		✓			
Chaplik, Vice-Chairman		✓			
Weninger, Chairman		✓			
		9	0	0	1

Jacqueline Darling
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
JOSEPH CHAPLIK, Vice-Chairman

ATTACHMENT 22

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
Second Regular Session

Senate: NREW DP 7-2-0-0 | 3rd Read 19-8-3-0

SB 1396: hydrogen study committee
Sponsor: Senator Shope, LD 8
Committee on Commerce

Overview
Establishes the Hydrogen Study Committee (Committee).

History
Statute defines, as an *alternative fuel,* liquefied petroleum gas, natural gas, hydrogen or a blend of hydrogen with liquefied petroleum or natural gas that is used in an engine that is certified to meet specified Environmental Protection Agency standards (A.R.S. § 1-215).

Provisions
1. Establishes the Hydrogen Study Committee and delineates the Committee membership. (Sec. 1)
2. Asserts Committee members who are not members of the Legislature do not have voting privileges. (Sec. 1)
3. Prescribes Committee responsibilities, which includes:
   a) investigate and evaluate existing state and federal laws, regulations and funding sources and recommend legislation related to the production, use, distribution and storage of hydrogen;
   b) study the production of hydrogen from any fuel source, the construction of a dedicated hydrogen pipeline or network of pipelines to serve users of hydrogen, carbon capture and sequestration, streamlined permitting processes for hydrogen facilities and cost-effective industrial rates for hydrogen production; and
   c) review the safety standards regarding the production, use, distribution and storage of hydrogen by state agencies.
4. Permits state agencies to take into consideration any applicable international and national codes, regulations and standards after the Committee's review, including from specified entities. (Sec. 1)
5. Instructs the Committee to make recommendations in consultation with specified entities. (Sec. 1)
6. Directs the Committee, by September 1, 2023, to submit a report regarding recommendations and include an economic impact analysis of the potential hydrogen value chain to the Legislature and provide a copy to the Secretary of State. (Sec. 1)
7. Repeals the Committee on October 1, 2024. (Sec. 1)

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

Attachment 23

Fifty-fifth Legislature
Second Regular Session

Commerce
S.B. 1396

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1396

(Reference to Senate engrossed bill)

Page 3, after line 20, insert:

"Sec. 2. Emergency

This act is an emergency measure that is necessary to preserve the public peace, health or safety and is operative immediately as provided by law."

Amend title to conform

JEFF WENINGER

1396WENINGER
03/16/2022
02:35 PM
H: PRB/ls

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

Attachment 24

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1396

DATE March 22, 2022 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Carter		✓			
Chávez		✓			
Cook		✓			
Espinoza					✓
Kaiser		✓			
Liguori		✓			
Meza		✓			
Wilmeth		✓			
Chaplik, Vice-Chairman		✓			
Weninger, Chairman		✓			
		9	0	0	1

Jacqueline Denlinger
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
JOSEPH CHAPLIK, Vice-Chairman

ATTACHMENT 25