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

COMMITTEE ON COMMERCE

Report of Regular Meeting
Tuesday, February 10, 2026
House Hearing Room 5 -- 2:00 P.M. OR UPON RECESS OR ADJOURNMENT OF FLOOR

Convened 2:52 P.M.
Adjourned 3:56 P.M.

RECEIVED
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Members Present
Representative Aguilar
Representative Carter
Representative Cavero
Representative Connolly
Representative Diaz
Representative Hendrix
Representative Villegas
Representative Willoughby
Representative Wilmeth
Representative Way, Vice-Chairman
Representative Weninger, Chairman

Members Not Present

Agenda
Original Agenda – Attachment 1

Request to Speak
Report – Attachment 2

Committee Attendance
Report – Attachment 3

Committee Action

Bill	Action	Vote	Attachments
HB2863	HELD		
HB2174	DPA/SE	10-0-0-1	4,5,6
HB2496	DP	9-1-1-0	7,8
HB2910	DP	10-1-0-0	9,10
HB2938	DPA	11-0-0-0	11,12,13
HB2744	DP	10-1-0-0	14,15

Abby Selvey, Committee Secretary
February 10, 2026

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

REVISED #3 - 2/09/26 **REVISED #3 - 2/09/26** **REVISED #3 - 2/09/26**

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

Conv: 2:52 pm
Adjrn: 3:56 pm

REGULAR MEETING AGENDA

COMMITTEE ON COMMERCE

DATE Tuesday, February 10, 2026 ROOM HHR 5 TIME 2:00 P.M. or upon recess or adjournment of Floor

Members of the public may access a livestream of the meeting here:
https://www.azleg.gov/videoplayer/?clientID=6361162879&eventID=2026021050

Members:

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

Bills		Short Title	Strike Everything Title
*HB2174	DPA S/E	insurance; modeling organizations; predictive models	**S/E: insurance; modeling and data organizations**
	10-0-0-1	(Livingston: Blackman) COM, RULES	
HB2496	DP	revitalization districts; construction contracts	
	9-1-1-0	(Way) COM, RULES	
~~HB2588~~		~~municipalities; planned communities; design; prohibition.~~	
		~~(Way)~~ ~~COM, RULES~~	
HB2744	DP	industrial commission; wages; adjudication	
	10-1-0-0	(Rivero) COM, RULES	
HB2863	Held	landlord tenant; eviction; personal property	
		(Nguyen) COM, RULES	
*HB2910	DP	registrar of contractors; administrative recovery	
	10-1-0-0	(Hendrix) COM held 0-0-0-0-0, RULES	

ATTACHMENT 1

Bills		Short Title	Strike Everything Title
HB2938	DPA	mandatory rounding method; cash transactions	
		(Martinez: Aguilar, Crews, et al)	
	11-0-0-0	COM, RULES	
~~HB2951~~		~~automatic subscription renewals; contracts; requirements~~	
		~~(Connolly: Aguilar, Austin, et al)~~	
		~~COM, RULES~~	

* On previous agenda

ORDER OF BILLS TO BE SET BY THE CHAIRMAN

~~RA~~
~~VC~~
~~RA~~
VC
~~02/04/2026~~
~~02/06/2026~~
02/09/2026

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ARIZONA STATE LEGISLATURE

Fifty-seventh Legislature - Second Regular Session

COMMITTEE ATTENDANCE RECORD

COMMITTEE ON **COMMERCE**

CHAIRMAN: Jeff Weninger VICE-CHAIRMAN: Michael Way

DATE	02/10/26
CONVENED	2:52 PM
RECESSED	
RECONVENED	
ADJOURNED	3:56 PM

MEMBERS	PRESENT	NOT PRESENT
Aguilar		
Carter N	✓	
Cavero	✓	
Connolly	✓	
Diaz	✓	
Hendrix	✓	
Villegas	✓	
Willoughby	✓	
Wilmeth	✓	
Way, Vice-Chairman	✓	
Weninger, Chairman	✓	
TOTAL	11	

ATTACHMENT 2

Information Registered on the Request to Speak System

House Commerce (2/10/2026)

HB2174, insurance; modeling organizations; predictive models

Support:

Marc Osborn, RELX; Emily Raymond, CSAA INSURANCE; Courtney Coolidge, AZ CHAMBER OF COMMERCE; Mackenzie Shane, GREATER PHOENIX CHAMBER OF COMMERCE; Tim Beaubien, Arizona Association Of Realtors

Neutral:

Fausto Burruel, AZ DEPT. OF INSURANCE AND FINANCIAL INSTITUTIONS

HB2496, revitalization districts; construction contracts

Support:

Todd Wynn, ASSOCIATED GENERAL CONTRACTORS-AZ CHAPTER; Mike Gardner, AZ BUILDERS' ALLIANCE

Oppose:

Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ; Scott Smith, AZ League Of Cities And Towns; Tyler Cobb, Homebuilders Association Of Central Arizona; Pamela Giss, representing self; Susie Stevens, VALLEY PARTNERSHIP; Tom Savage, LEAGUE OF ARIZONA CITIES & TOWNS; Clark Princell, VALLEY PARTNERSHIP; Cole Libera, Pinal Partnership

HB2744, industrial commission; wages; adjudication

Support:

Mark Cardenas, CARPENTERS UNION LOCAL 1912; Conrad Carrasco, representing self

Neutral:

Charles Carpenter, INDUSTRIAL COMMISSION OF AZ

HB2863, landlord tenant; eviction; personal property

Oppose:

Courtney Gilstrap LeVinus, Arizona Multihousing Association; Beverly Janowitz-Price, representing self; Jeanne Casteen, representing self; Amber Rivera, representing self

ATTACHMENT 3

HB2910, registrar of contractors; administrative recovery

Support:

Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ

Oppose:

Carol Maas, representing self

HB2938, mandatory rounding method; cash transactions

Support:

Mackenzie Shane, GREATER PHOENIX CHAMBER OF COMMERCE; Dan Bogert, AZ RESTAURANT ASSOCIATION; Trish Hart, Arizona Food Marketing Alliance; Michelle Ahlmer, ARIZONA RETAILERS ASSOCIATION

All Comments:

Trish Hart, Arizona Food Marketing Alliance: We support the Rep. Weninger amendment to HB 2938.

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff

HB 2174: insurance; modeling organizations; predictive models
Sponsor: Representative Livingston, LD 28
Committee on Commerce

Summary of the Strike-Everything Amendment to HB 2174

Overview

Replaces statutory references of advisory organization with modeling and data organization and allows the organization to file models to be used by insurers.

History

Statute authorizes DIFI to adopt rules requiring each insurer licensed to write property or casualty insurance in this state to report its loss and expense experience, investment income, administrative expenses and other data for classes of risks. DIFI may designate one or more rate service organizations or advisory organizations to gather and compile the experience and data (A.R.S. § 20-235).

Each advisory organization that assists insurers who make their own filings or rating organizations in rate making, by the collection and furnishing of loss or expense statistics or the submission of recommendations, must file with DIFI: 1) a copy of its constitution, articles of agreement, or certificate of incorporation and a copy of its bylaws; 2) a list of its members; 3) the name and address of a resident upon whom notices or orders of DIFI may be served; and 4) an agreement that DIFI may examine the advisory organization (A.R.S. § 20-368).

Provisions

1. Redefines *advisory organization* as a *modeling and data organization.* (Sec. 5)
2. Authorizes a modeling and data organization to file with DIFI models to be used by insurers for making rates. (Sec. 3, 8)
3. Allows DIFI to require the modeling and data organization to file supporting data or any additional information related to the content of the model and the outputs of the model necessary to verify statutory compliance. (Sec. 8)
4. Specifies models, supporting data or additional information and model outputs are confidential and not subject to subpoena or public records requests. (Sec. 8)
5. Conforms the advisory organization's filing requirements as prescribed by statutes relating to *rates and rating organizations* to the requirements as prescribed by statutes relating to *open competition rates and rating organizations.* (Sec. 3)

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

ATTACHMENT 4

6. Replaces the term *advisory organization* with *modeling and data organizations.* (Sec. 1, 2, 3, 6, 7, 8, 9, 10, 11, 12, 13)
7. Makes a conforming change. (Sec. 4)

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2174
(Reference to printed bill)

Strike everything after the enacting clause and insert:

"Section 1. Section 20-235, Arizona Revised Statutes, is amended to read:

20-235. Insurers; financial disclosure; requirements

A. The director may adopt rules which require each insurer licensed to write property or casualty insurance in this state to report its loss and expense experience, investment income, administrative expenses and other data, as he may require, for classes of risks which he may designate. Such reports shall be in addition to the annual statement required by section 20-223.

B. The department may designate one or more rate service organizations or ~~advisory organizations~~ MODELING AND DATA ORGANIZATIONS to gather and compile the experience and data.

C. The director by order may require an insurer authorized to transact insurance in this state to submit statistical and other financial data including the information prescribed in subsection A of this section in a form and content consistent with rules adopted pursuant to subsection A, with any model guideline, regulation, rule or act adopted by the national association of insurance commissioners or with the classification basis used by the insurer. The director shall prescribe the time period and form in which the data shall be submitted.

D. An insurer who fails to provide the information required under subsection C of this section is subject to payment of a late fee of not more than one hundred dollars for each day of delinquency. The director shall notify an insurer of late fees that it will incur as a result of noncompliance with this section at least ten days prior to the date any such late fees become due.

Sec. 2. Section 20-341, Arizona Revised Statutes, is amended to read:

20-341. Purpose of insurance rate regulation

A. The purpose of this article is to promote the public welfare by regulating insurance rates to the end that they shall not be excessive, inadequate or unfairly discriminatory, and to authorize and regulate cooperative action among insurers in rate making and in other matters within the scope of this article. Nothing in this article is intended to prohibit or discourage reasonable competition, or to prohibit or encourage, except to the extent necessary to accomplish the purpose stated in this section, uniformity in insurance rates, rating systems, rating

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

ATTACHMENT 5

plans or practices. This article shall be liberally interpreted to carry into effect the provisions of this section.

B. Where the rules and regulations of a rating bureau or ~~advisory organization~~ MODELING AND DATA ORGANIZATION conflict with the law, the rules and regulations do not apply.

Sec. 3. Section 20-368, Arizona Revised Statutes, is amended to read:

20-368. Modeling and data organizations

A. Every group, association or other organization of insurers, whether located within or outside this state, which assists insurers which make their own filings or rating organizations in rate making, by the collection and furnishing of loss or expense statistics, or by the submission of recommendations, but which does not make filings under this article, shall be known as ~~an advisory organization~~ A MODELING AND DATA ORGANIZATION.

B. Every ~~advisory organization~~ MODELING AND DATA ORGANIZATION shall file with the director:

1. A copy of its constitution, its articles of agreement or association or its certificate of incorporation and a copy of its bylaws, rules and regulations governing its activities.

2. A list of its INSURER members, IF APPLICABLE.

3. The name and address of a resident of this state upon whom notices or orders of the director or process affecting the ~~advisory organization~~ MODELING AND DATA ORGANIZATION may be served.

~~4. An agreement that the director may examine the advisory organization in accordance with the provisions of section 20-370.~~

C. If, after a hearing, the director finds that the furnishing of such information or assistance involves any act or practice which is unfair or unreasonable or otherwise inconsistent with the provisions of this article, he may issue a written order specifying in what respects such act or practice is unfair or unreasonable or otherwise inconsistent, and requiring the discontinuance of such act or practice.

D. No insurer which makes its own filings nor any rating organization shall support its filings by statistics or adopt rate making recommendations furnished to it by an ~~advisory organization~~ MODELING AND DATA ORGANIZATION which has not complied with this section or with an order of the director involving such statistics or recommendations issued under subsection C of this section. If the director finds the insurer or rating organization to be in violation of this subsection, he may issue an order requiring the discontinuance of the violation.

E. THIS SECTION DOES NOT PRECLUDE A MODELING AND DATA ORGANIZATION FROM FILING A MODEL PURSUANT TO SECTION 20-390, SUBSECTION C.

Sec. 4. Section 20-370, Arizona Revised Statutes, is amended to read:

20-370. Examinations of rating organizations

A. The director, as often as he deems it expedient, may make or cause to be made an examination of each rating organization licensed in this state~~, each advisory organization referred to in section 20-368~~ and each group, association or other organization referred to in section

20-369. The reasonable costs of such examination shall be paid by the rating organization~~, advisory organization~~ or group, association or other organization examined upon presentation to it of a detailed account of the cost.

B. The officers, managers, agents and employees of the rating organization~~, advisory organization~~ or group, association or other organization may be examined at any time under oath, and shall exhibit all books, records, accounts, documents or agreements governing its method of operation.

C. The director shall furnish two copies of the examination report to the organization, group or association examined and shall notify the organization, group or association that, within twenty days thereafter, it may request a hearing on the report or on any facts or recommendations in the report. Before filing the report for public inspection, the director shall grant a hearing to the organization, group or association examined.

D. The report of the examination, when filed for public inspection, shall be admissible in evidence in any action or proceeding brought by the director against the organization, group or association examined, or its officers or agents, and shall be prima facie evidence of the facts stated in the report.

E. The director may withhold the report of the examination from public inspection for such time as the director deems proper.

F. In lieu of the examination, the director may accept the report of an examination made by the insurance supervisory official of another state, pursuant to the laws of such state.

Sec. 5. Section 20-381, Arizona Revised Statutes, is amended to read:

20-381. Definitions

In this article, unless the context otherwise requires:

~~1. "Advisory organization":~~

~~(a) Means any person other than a single insurer who assists two or more insurers or rate service organizations in the making of rates by compiling and furnishing loss or expense statistics or other statistical information and data, or by the submission of recommendations as to rates, forms or supplementary rate information.~~

~~(b) Does not include a joint underwriting association, any actuarial or legal consultant, any employee of an insurer or insurers under common control or management or their employees or manager.~~

~~2.~~ 1. "Loss cost adjustment":

(a) Means that portion of a rate filed by an insurer with the director that includes the insurer's general expenses, total product expenses, taxes, licenses and fee expenses and underwriting profit and contingencies.

(b) Does not include loss adjustment expenses or prospective loss costs.

~~3.~~ 2. "Loss cost modification factor" means that rating factor filed by an insurer with the director for the purpose of modifying the rate service organization's prospective loss cost filing.

3. "MODELING AND DATA ORGANIZATION":

(a) MEANS ANY PERSON OTHER THAN A SINGLE INSURER WHO ASSISTS TWO OR MORE INSURERS OR RATE SERVICE ORGANIZATIONS IN THE MAKING OF RATES BY COMPILING AND FURNISHING LOSS OR EXPENSE STATISTICS OR OTHER STATISTICAL INFORMATION AND DATA, OR BY THE SUBMISSION OF RECOMMENDATIONS AS TO RATES, FORMS OR SUPPLEMENTARY RATE INFORMATION.

(b) DOES NOT INCLUDE A JOINT UNDERWRITING ASSOCIATION, ANY ACTUARIAL OR LEGAL CONSULTANT, ANY EMPLOYEE OF AN INSURER OR INSURERS UNDER COMMON CONTROL OR MANAGEMENT OR THEIR EMPLOYEES OR MANAGER.

4. "Prospective loss costs" means the historical aggregate losses and loss adjustment expenses filed by a rate service organization with the director on which a portion of a rate is based, adjusted through actuarial trending to a future point in time and developed to their ultimate values.

5. "Rate":

(a) Means that cost of insurance per exposure unit whether expressed as a single number or as a prospective loss cost with an adjustment to account for the treatment of expenses, profit and individual insurer variation in loss experience before any application of individual risk variations based on loss or expense considerations.

(b) Does not include the minimum premium.

6. "Rate service organization":

(a) Means any person other than a single insurer who assists insurers by compiling and furnishing loss or expense statistics and recommending, making or filing rates, forms or supplementary rate information.

(b) Does not include a joint underwriting association, any actuarial or legal consultant, any employee of an insurer or insurers under common control or management, or their employees or manager.

7. "Supplementary rate information":

(a) Means any manual or plan of rates, statistical plan, classification, rating schedule, minimum premium, schedule of fees, including membership fees charged by a reciprocal or mutual insurer, rating rule, rate related underwriting rule and other information used by an insurer in making rates.

(b) Does not include the final rate pages that combine the prospective loss costs with the loss cost adjustments.

Sec. 6. Section 20-387, Arizona Revised Statutes, is amended to read:

20-387. Delegation of rate making and rate filing obligations

A. An insurer may establish rates and supplementary rate information based on the factors in section 20-384 using, if desired, the recommendations of ~~an advisory organization~~ A MODELING AND DATA ORGANIZATION, or rates and supplementary rate information prepared by a rate service organization, with average expense factors determined by the rate service organization or with such modification for its own expense and loss experience as the credibility of that experience allows.

B. An insurer may discharge its obligations pursuant to section 20-385 by giving notice to the director that it uses rates and supplementary rate information prepared by a designated rate service organization, with such information about modifications of the rates as is

necessary to inform the director. The insurer's rates and supplementary rate information are those filed by the rate service organization, including any amendments to the rate as filed, subject to the modifications filed by the insurer.

C. Licensed rate service organizations, ~~advisory organizations~~ MODELING AND DATA ORGANIZATIONS and admitted insurers are authorized to exchange information and experience data with rate service organizations, ~~advisory organizations~~ MODELING AND DATA ORGANIZATIONS and insurers in this and other states and may consult with them with respect to rate making.

Sec. 7. Section 20-388, Arizona Revised Statutes, is amended to read:

20-388. Disapproval of rates

If the director finds that a rate is not in compliance with section 20-383, the director shall issue an order specifying in what respects it so fails and stating that, within thirty days after the order is issued, the rate is no longer effective. The order does not affect any contract or policy made or issued prior to the effective date of the order. The order shall be served immediately pursuant to section 20-151. Any insurer, rate service organization or ~~advisory organization~~ MODELING AND DATA ORGANIZATION may request a hearing pursuant to title 41, chapter 6, article 10, and the request for a hearing stays the effectiveness of the order as provided in section 20-162.

Sec. 8. Section 20-390, Arizona Revised Statutes, is amended to read:

20-390. Modeling and data organizations; filing with director

A. ~~An advisory organization~~ A MODELING AND DATA ORGANIZATION shall not conduct its operations in this state until it files with the director:

1. A copy of its constitution, charter, articles of organization, agreement, association or incorporation and a copy of its bylaws and any other rules or regulations governing its activities.

2. A list of its INSURER members and subscribers, IF APPLICABLE.

3. The name and address of one or more residents of this state upon whom notices, process affecting it or orders of the director may be served.

B. ~~An advisory organization~~ A MODELING AND DATA ORGANIZATION shall promptly file any amendments to a document required to be filed pursuant to this section.

C. A MODELING AND DATA ORGANIZATION MAY FILE WITH THE DIRECTOR MODELS TO BE USED BY INSURERS IN THIS STATE FOR MAKING RATES. THE DIRECTOR MAY REQUIRE THE MODELING AND DATA ORGANIZATION TO FILE SUPPORTING DATA OR ANY ADDITIONAL INFORMATION RELATED TO THE CONTENT OF THE MODEL AND THE OUTPUTS OF THE MODEL NECESSARY TO VERIFY THAT THE MODEL COMPLIES WITH THE REQUIREMENTS OF THIS TITLE.

D. MODELS, ANY SUPPORTING DATA OR ADDITIONAL INFORMATION REQUESTED BY THE DIRECTOR AND MODEL OUTPUTS FILED BY MODELING AND DATA ORGANIZATIONS PURSUANT TO SUBSECTION C OF THIS SECTION ARE CONFIDENTIAL AND NOT SUBJECT TO SUBPOENA OR TITLE 39, CHAPTER 1.

~~C.~~ E. It is unlawful for ~~an advisory organization~~ A MODELING AND DATA ORGANIZATION to engage in any unfair or unreasonable practice.

Sec. 9. Section 20-392, Arizona Revised Statutes, is amended to read:

20-392. Rate agreements among insurers prohibited

A. Except with respect to apportionment agreements among insurers approved by the director pursuant to section 20-395, an insurer shall not assume any obligation to any person, other than a policyholder or other insurers which, with it, are under common control or management or are members of a joint underwriting or joint reinsurance organization, to use or adhere to certain rates or rules. No person other than the director may impose any penalty or other adverse consequence for failure of an insurer to adhere to certain rates or rules.

B. Members and subscribers of rate service organizations or ~~advisory organizations~~ MODELING AND DATA ORGANIZATIONS may use the work products and services of such organizations as their individual judgment may dictate. Such use by two or more authorized insurers shall not be sufficient to support a finding that an agreement to adhere exists and may be used only for the purpose of supplementing direct evidence of such an agreement.

Sec. 10. Section 20-393, Arizona Revised Statutes, is amended to read:

20-393. Recording and reporting of experience

The director shall promulgate reasonable rules, including rules providing statistical plans, for use by all insurers in the recording and reporting of loss and expense experience, in order that the experience of such insurers may be made available to the director. No insurer may be required to record or report its experience on a classification basis inconsistent with its own rating system. An insurer may report its experience to any rate service organization or ~~advisory organization~~ MODELING AND DATA ORGANIZATION with which it affiliates.

Sec. 11. Section 20-394, Arizona Revised Statutes, is amended to read:

20-394. Examination of rate service organizations and joint underwriting and joint reinsurance organizations

The director, as often as considered necessary, may examine each rate service organization, each ~~advisory organization~~ MODELING AND DATA ORGANIZATION and each group, association or other organization filing pursuant to section 20-391. The director shall examine only those activities conducted pursuant to this article. The director may examine the officers, manager, agents and employees of such organizations at any time under oath. The organization examined shall pay the reasonable costs of the examination upon presentation to it of a detailed account of the costs. The organization examined shall exhibit all books, records, accounts, documents or agreements governing its method of operation. In lieu of the examination the director may accept the report of an examination made by the insurance supervisory official of another state, pursuant to the laws of such state.

Sec. 12. Section 20-396, Arizona Revised Statutes, is amended to read:

20-396. Hearing and judicial review

Any insurer, rate service organization or ~~advisory organization~~ MODELING AND DATA ORGANIZATION to which the director has issued an order or decision may request a hearing pursuant to title 41, chapter 6, article 10 and, except as provided in section 41-1092.08, subsection H, seek judicial review pursuant to title 12, chapter 7, article 6.

Sec. 13. Section 20-409, Arizona Revised Statutes, is amended to read:

20-409. Recognized surplus lines

A. If after a hearing the director finds that a particular insurance coverage or type, class or kind of coverage is not readily procurable from authorized insurers, the director may by order declare such coverage or coverages to be recognized surplus lines until the director's further order.

B. The order is subject to modification by the director. The director shall modify any coverage if the director determines that the coverage is no longer entitled to recognition as surplus lines after a hearing held on the director's initiative or on the request of any insurance producer, surplus lines broker, broker, insurer, rating or ~~advisory organization~~ MODELING AND DATA ORGANIZATION, or other person."

Amend title to conform

JEFF WENINGER

2174WENINGER SE.docx
02/06/2026
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ARIZONA HOUSE OF REPRESENTATIVES
Fifty-seventh Legislature - Second Regular Session

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2174

DATE February 10, 2026 MOTION: DPA S/E

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar		✓			
Carter N		✓			
Cavero		✓			
Connolly		✓			
Diaz					✓
Hendrix		✓			
Villegas		✓			
Willoughby		✓			
Wilmeth		✓			
Way, Vice-Chairman		✓			
Weninger, Chairman		✓			
		10	0	0	1

Abby Selvey
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 6

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff

HB 2496: revitalization districts; construction contracts
Sponsor: Representative Way, LD 15
Committee on Commerce

Overview

Delineates requirements for contracts entered into by a revitalization district.

History

The governing body of one or more municipalities may adopt a resolution declaring its intention to form a tax levying revitalization district to include property within the corporate boundaries of the district, if the public convenience and necessity require and on presentation of a petition signed by the owners of at least 51% of the net assessed property value proposed to be included in the district and a petition signed by at least 51% of the property owners in the area proposed to be included in the district. The resolution must include a general plan for the district which sets out a description of the improvements for which the district is proposed to be formed and the areas to be improved.

To further the implementation of the general plan, a revitalization district may enter into contracts and spend monies for any infrastructure purposes and enter into agreements with landowners and the municipality for the collection of fees and charges from landowners for infrastructure purposes, the advance of monies by landowners for infrastructure purposes or the granting of real property by the landowner for infrastructure purposes. An agreement between a landowner and a revitalization district may include agreements to repay all or part of such advances, fees and charges from the proceeds of bonds if issued or from advances, fees and charges collected from other landowners or users or those having a right to use any infrastructure. Public infrastructure, other than movable property, may be located only in or on lands owned by the state, the revitalization district or a municipality or county or dedicated or otherwise designated as public roadways, highways, streets, thoroughfares, easements or rights-of-way, whether in or out of the district or municipality.

A revitalization district has perpetual succession and, if the district does not have bonds or other outstanding obligations, must be dissolved 10 years after the date of formation unless the governing bodies extend the district by resolution for another 10 years. The governing body by resolution may order the participation in the costs of any public infrastructure purpose, including the payment of bond debt service (Title 48, Chapter 39, Article 1, A.R.S.).

Provisions

1. Declares any construction contract a revitalization district enters into must provide for:

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

ATTACHMENT 7

a. allowing a contractor to suspend performance or terminate a construction contract for failure by the district to make timely payment of amounts certified and approved for payment;
b. allowing a subcontractor to suspend performance or terminate a contract with a general contractor or subcontractor for a district if specified conditions are met;
c. allowing a subcontractor to suspend performance or terminate if the district makes timely payment of certified and approved amounts for the subcontractor's work but the contractor fails to pay the subcontractor;
d. allowing a subcontractor to suspend performance or terminate if the district declines to approve and certify portions of the contractor's billing for the subcontractor's work for reasons that are not the fault of or directly related to that subcontractor's work;
e. allowing a contractor or subcontractor that suspends performance to cease furnishing further labor, materials or services until being paid the amount that was certified and approved;
f. requiring the award of reasonable attorney fees and costs to the successful party in any action or arbitration; and
g. requiring that any written notice is deemed provided upon specified occurrences. (Sec. 1)

2. Provides a time frame for providing written notice relating to intention of suspension or termination of a contraction contract. (Sec. 1)
3. Adds that a contractor or subtractor is not in breach of the construction contract for suspending performance or terminating the contract. (Sec. 1)
4. Apples the construction contract requirements prospectively. (Sec. 2)

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2496

DATE February 10, 2026 MOTION: DP

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

Abby Selvey
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 8

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff

HB 2910: registrar of contractors; administrative recovery
Sponsor: Representative Hendrix, LD 14
Committee on Commerce

Overview

Changes the amount of time in which the contractor's right to contest is deemed waived.

History

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

The ROC also oversees the Residential Contractor's Recovery Fund, which pays claims of up to $30,000 to homeowners who have been financially harmed by a licensed contractor. The Recovery Fund is financed mainly by a contractor-paid assessment when they obtain or renew their licenses (Title 32, Article 2.1, A.R.S.).

The ROC may order payment from the Recovery Fund to remedy a violation that caused a contractor's license to be revoked or suspended. The ROC must serve the contractor a notice setting forth the amount claimed or to be awarded. If the contractor contests the amount or propriety of the payment, the contractor must respond in writing within 10 days after the date of service by requesting a hearing to determine the amount or propriety of the payment. A contractor's failure to respond within 10 days after the date of service may be deemed as a waiver of the right to contest (A.R.S. § 32-1133.01).

Provisions

1. Increases, from 10 days to 20 days, the amount of time for which the contractor's failure to respond is deemed a waiver of the right to contest. (Sec. 1)

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

ATTACHMENT 9

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2910

DATE February 10, 2026 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar		✓			
Carter N		✓			
Cavero		✓			
Connolly		✓			
Diaz		✓			
Hendrix		✓			
Villegas		✓			
Willoughby			✓		
Wilmeth		✓			
Way, Vice-Chairman		✓			
Weninger, Chairman		✓			
		10	1	0	0

Abby Salvey
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 10

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff

HB 2938: mandatory rounding method; cash transactions
Sponsor: Representative Martinez, LD 16
Committee on Commerce

Overview

Mandates the use of *Swedish Rounding* for cash transactions when the penny is unavailable or not used.

History

The Weights and Measures Services Division (WMSD), administered by the Arizona Department of Agriculture (AZDA), ensures fairness and accuracy in commercial transactions by regulating, weighing and measuring devices used in commerce. Additionally, WMSD conduct a wide variety of inspection programs to protect the marketplace and auditing measuring devices and enforcing the statutes, rules and regulations governing their use.

The Secretary of the Treasury has the authority to mint and issue pennies in amounts necessary to meet the needs of the United States. The Secretary of the Treasury ceased penny production November 12, 2025.

Provisions

1. Mandates Swedish rounding, when pennies are unavailable or not used by a seller, to a total transaction amount that rounds the total transaction amount to the nearest five-cent increment as follows:
   a. $0.01, $0.02, $0.06 or $0.07; rounded *down* to the nearest multiple of $0.05; and
   b. $0.03, $0.04, $0.08 or $0.09; rounded *up* to the nearest multiple of $0.05. (Sec. 2)
2. Applies Swedish rounding requirements to a final total transaction amount of a cash transaction after taxes, fees and other charges are calculated. (Sec. 2)
3. Excludes all non-cash payment methods from Swedish rounding requirements. (Sec. 2)
4. Requires sellers to post visible notice at the point of sale explaining the rounding policy. (Sec. 2)
5. Prohibits a seller from applying a rounding method other than the Swedish rounding. (Sec. 2)
6. Authorizes the WMSD to enforce Swedish rounding requirements by issuing warnings, orders and imposing civil penalties. (Sec. 2)
7. Declares the Swedish rounding requirements are intended to operate consistently with US coinage and legal tender law. (Sec. 2)

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

ATTACHMENT 11

8. Specifies Swedish rounding requirements do not:
   a. declare any coin or currency invalid as legal tender;
   b. require acceptance or refusal of any specific denomination of the U.S. coin or currency; and
   c. preempt, conflict with or supersede any provision of federal law regulation.
9. Contains a legislative intent clause. (Sec. 3)
10. Makes a technical change. (Sec. 1)

Fifty-seventh Legislature
Second Regular Session

Commerce
H.B. 2938

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2938
(Reference to printed bill)

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

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

Section 1. Heading change

The chapter heading of title 44, chapter 38, Arizona Revised Statutes, is changed from "BUSINESSES EXEMPT FROM MASK MANDATE" to "BUSINESSES GENERALLY".

Sec. 2. Title 44, chapter 38, article 1, Arizona Revised Statutes, is amended by adding section 44-7952, to read:

44-7952. Cash transactions; mandatory rounding of transaction totals; notice; enforcement

A. IF ONE-CENT COINS ARE NOT AVAILABLE OR ARE NOT USED BY A SELLER AT A POINT OF SALE, THE SELLER SHALL APPLY SWEDISH ROUNDING TO A TOTAL TRANSACTION AMOUNT THAT ROUNDS THE TOTAL TRANSACTION AMOUNT TO THE NEAREST FIVE-CENT INCREMENT. IF A TOTAL TRANSACTION AMOUNT ENDS:

1. IN ONE OR TWO CENTS, THE TOTAL TRANSACTION AMOUNT IS ROUNDED DOWN TO THE NEAREST MULTIPLE OF FIVE CENTS.

2. IN THREE OR FOUR CENTS, THE TOTAL TRANSACTION AMOUNT IS ROUNDED UP TO THE NEAREST MULTIPLE OF FIVE CENTS.

3. IN SIX OR SEVEN CENTS, THE TOTAL TRANSACTION AMOUNT IS ROUNDED DOWN TO THE NEAREST MULTIPLE OF FIVE CENTS.

4. IN EIGHT OR NINE CENTS, THE TOTAL TRANSACTION AMOUNT IS ROUNDED UP TO THE NEAREST MULTIPLE OF FIVE CENTS.

B. SWEDISH ROUNDING APPLIES TO A FINAL TOTAL TRANSACTION AMOUNT OF A CASH TRANSACTION AFTER TAXES, FEES AND OTHER CHARGES ARE CALCULATED.

C. SWEDISH ROUNDING DOES NOT APPLY TO A TRANSACTION THAT IS PAID BY A CREDIT CARD, DEBIT CARD, ELECTRONIC FUNDS TRANSFER, MOBILE PAYMENT APPLICATION OR OTHER NON-CASH PAYMENT METHOD.

D. A SELLER THAT IS SUBJECT TO THIS SECTION SHALL POST A NOTICE THAT IS VISIBLE TO CUSTOMERS AT THE POINT OF SALE STATING "CASH

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

ATTACHMENT 12

TRANSACTIONS ARE ROUNDED TO THE NEAREST FIVE-CENT INCREMENT PURSUANT TO STATE LAW".

E. A SELLER MAY NOT APPLY A ROUNDING METHOD OTHER THAN SWEDISH ROUNDING.

[F. A SELLER SHALL CALCULATE AND REMIT ALL TAXES AND FEES THAT ARE IMPOSED BY A STATE OR MUNICIPAL TAXING AUTHORITY BASED ON THE SALES PRICE BEFORE THE CASH TRANSACTION WAS ROUNDED.]

[~~F.~~] [G.] THIS SECTION SHALL BE ENFORCED BY THE WEIGHTS AND MEASURES SERVICES DIVISION OF THE ARIZONA DEPARTMENT OF AGRICULTURE PURSUANT TO TITLE 3, CHAPTER 19. THE DIVISION MAY ISSUE WARNINGS AND ORDERS AND IMPOSE CIVIL PENALTIES IN ADDITION TO OTHER ENFORCEMENT MEASURES.

[H. A SELLER IS NOT IN VIOLATION OF ANY STATE OR MUNICIPAL REQUIREMENT, LAW, REGULATION OR STANDARD IF THE ACTION IS BASED ON COMPLIANCE WITH THIS SECTION.]

[~~G.~~] [I.] THIS SECTION IS INTENDED TO OPERATE CONSISTENTLY WITH FEDERAL LAW THAT GOVERNS UNITED STATES COINAGE AND LEGAL TENDER.

[~~H.~~] [J.] THIS SECTION DOES NOT:

1. DECLARE ANY COIN OR CURRENCY INVALID AS LEGAL TENDER.
2. REQUIRE ACCEPTANCE OR REFUSAL OF ANY SPECIFIC DENOMINATION OF THE UNITED STATES COIN OR CURRENCY.
3. PREEMPT, CONFLICT WITH OR SUPERSEDE ANY PROVISION OF FEDERAL LAW REGULATION.

Sec. 3. Legislative intent

The legislature intends that section 44-7952, Arizona Revised Statutes, as added by this act, protects businesses and governmental agencies in this state.

Enroll and engross to conform
Amend title to conform

JEFF WENINGER

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2938

DATE February 10, 2026 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar		✓			
Carter N		✓			
Cavero		✓			
Connolly		✓			
Diaz		✓			
Hendrix		✓			
Villegas		✓			
Willoughby		✓			
Wilmeth		✓			
Way, Vice-Chairman		✓			
Weninger, Chairman		✓			
		11	0	0	0

Abby Selvey
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 13

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff

HB 2744: industrial commission; wages; adjudication
Sponsor: Representative Rivero, LD 27
Committee on Commerce

Overview

Authorizes the Industrial Commission of Arizona (ICA) to investigate and adjudicate matters related to overtime wage pay violations.

History

The Fair Labor Standards Act (Act) authorizes the U.S. Department of Labor (USDOL) to investigate and supervise the payment of unpaid wages or unpaid overtime compensation owing to any employee. The Act mandates that employees covered by the Act must receive overtime pay for hours worked over 40 in a workweek at a rate not less than time and one-half their regular rates of pay. The Act specifies that there is no limit on the number of hours employees aged 16 and older may work in a workweek and is applied on a workweek basis. The Wage and Labor Division of the USDOL is the primary agency responsible for enforcing overtime laws under the Act.

If an employer fails to pay the wages due to the employee, the employee may recover in a civil action against an employer an amount that is treble the amount of the unpaid wages. Alternatively, an employee may file a written claim with the ICA for unpaid wages against an employer if the amount of such wages does not exceed $12,000 and if such claim is filed within one year of the accrual of such claim. The ICA, on behalf of an employee, may obtain judgment and execution, garnishment, attachment or other available remedies for collection of unpaid wages established by the department's final determination (A.R.S. §§ 23-355, 23-356).

Provisions

1. Authorizes the ICA to investigate and adjudicate matters related to overtime wage pay violations. (Sec. 1)
2. Requires an employee to file a complaint with the ICA within a year of the occurrence of the alleged violation. (Sec. 1)
3. Requires the ICA to adopt rules governing the complaint process and investigation procedures. (Sec. 1)
4. Prescribes the ICA's authority in overseeing overtime wage adjudication cases. (Sec. 1)
5. Preserves an employee's ability to pursue other legal remedies. (Sec. 1)
6. Defines *commission, employee* and *overtime wage.* (Sec. 1)

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

ATTACHMENT 14

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2744

DATE February 10, 2026 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar		✓			
Carter N	✓	✓			
Cavero		✓			
Connolly		✓			
Diaz		✓			
Hendrix	✓	✓			
Villegas		✓			
Willoughby		✓			
Wilmeth		✓			
Way, Vice-Chairman			✓		
Weninger, Chairman		✓			
		10	1	0	0

Abby Selvey
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 15