ARIZONA HOUSE OF REPRESENTATIVES
Fifty-seventh Legislature - Second Regular Session
COMMITTEE ON COMMERCE
Report of Regular Meeting
Tuesday, February 17, 2026
House Hearing Room 5 -- 2:00 P.M. OR UPON RECESS OR ADJOURNMENT OF FLOOR

Convened 2:51 P.M.
Adjourned 8:22 P.M.

Members Present

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

Members Not Present

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Agenda
Original Agenda – Attachment 1

Request to Speak
Report – Attachment 2

Committee Attendance
Report – Attachment 3

Committee Action

Bill	Action	Vote	Attachments
HB2911	HELD		4,5
HB4020	DP	10-0-0-1	6,7
HB2255	DP	10-0-0-1	8,9
HB2591	DPA	10-0-0-1	10,11,12
HB2680	DPA	10-1-0-0	13,14,15
HB2979	DPA	11-0-0-0	16,17,18
HB2868	DP	8-1-2-0	19,20
HB2429	DPA/SE	8-2-1-0	21,22,23,24
HB4011	DP	11-0-0-0	25,26,27
HB2397	DPA	11-0-0-0	28,29,30
HB4026	DP	8-3-0-0	31,32,33
HB2128	DPA	11-0-0-0	34,35,36
HB2991	DP	10-1-0-0	37,38,39
HB4088	FAILED	4-6-1-0	40,41
HB4086	DP	8-2-1-0	42,43,44
HB2999	DPA/SE	8-1-1-1	45,46,47,48
HB4001	DPA	9-1-0-1	49,50,51
HB2996	DPA	10-0-0-1	52,53,54
HB2834	DPA	10-0-0-1	55,56,57
HB2951	DPA/SE	10-0-0-1	58,59,60
HB4017	DP	10-0-0-1	61,62

Keesha Esquerette

Keesha Esquerette, Committee Secretary
February 19, 2026

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

Conv: 2:51 pm
Adj: 8:22 p.m

REVISED - 2/13/26 **REVISED - 2/13/26** **REVISED - 2/13/26**

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

REGULAR MEETING AGENDA

COMMITTEE ON COMMERCE

DATE Tuesday, February 17, 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=2026021092

Members:

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

Bills		Short Title	Strike Everything Title
HB2128	DPA 11-0-0-0	homeowners' associations; condominiums; actions; meetings (Carter N: Gress) COM, RULES	
HB2255	DP 10-0-0-1	teachers academy; community college students (Weninger) ED w/d, COM, RULES	
HB2397	DPA 11-0-0-0	homeowners' associations; property covenants; disclosures (Biasiucci) COM, RULES	
HB2429	DPA S/E 8-2-1-0	vacation rentals; short-term rentals; occupancy (Bliss) COM, RULES	**S/E: same subject**
HB2591	DPA 10-0-0-1	apprenticeships; registration; certificate (Wilmeth) COM, RULES	

Attachment 1

Bills		Short Title	Strike Everything Title
HB2680	DPA	worker's compensation; notice; fraud; commission	
		(Hernandez A: Aguilar, Austin, et al)	
	10-1-0-0	COM, RULES	
HB2834	DPA	claims against HOAs; filing fees	
		(Carter N)	
	10-0-0-1	COM, RULES	
HB2868	DP	installation license; insurance; rules	
		(Wilmeth)	
	8-1-2-0	COM, RULES	
HB2911	Held	registrar of contractors; restitution; repeal	
		(Hendrix)	
		COM, RULES	
*HB2951	DPA/SE	automatic subscription renewals; contracts; requirements	**S/E: same subject**
		(Connolly: Aguilar, Austin, et al)	
	10-0-0-1	COM, RULES	
HB2979	DPA	credit unions; certificates; powers; committee	
		(Wilmeth)	
	11-0-0-0	COM, RULES	
HB2991	DP	social media; online content; minors	**S/E: application distributor; minor**
		(Carbone)	
	10-1-0-0	COM, RULES	
HB2996	DPA	DIFI; certificates of insurance	
		(Weninger)	
	10-0-0-1	COM, RULES	
**HB2999	DPA/SE	municipal improvement districts; technical correction	**S/E: infrastructure finance districts**
		(Weninger)	
	8-1-1-1		
HB4001	DPA	alternative nicotine products; regulation.	
		(Weninger)	
	9-1-0-1	COM, RULES	
HB4011	DP	HOAs; duties	
		(Pingerelli)	
	11-0-0-0	COM, RULES	

Bills		Short Title	Strike Everything Title
HB4017	DP	pet ownership limits; planned communities.	
		(Gress)	
	10-0-0-1	GOV w/d, COM, RULES	
HB4020	DP	insurance; fraud unit; assessment; increase	
		(Livingston: Blackman, Heap, et al)	
	10-0-0-1	COM, RULES	
HB4026	DP	public infrastructure improvements; distribution limit	
		(Carbone: Connolly, Livingston, et al)	
	8-3-0-0	COM, RULES	
HB4086	DP	escrow agents; notice; property sale	
		(Griffin)	
	8-2-1-0	COM, RULES	
HB4088	Failed	commercial motor vehicle; liability insurance	
		(Lopez: Biasiucci, Marshall, et al)	
	4-6-1-0	COM, RULES	

* On previous agenda
** If printed, first read and assigned

ORDER OF BILLS TO BE SET BY THE CHAIRMAN

~~VC~~
RA
~~02/10/2026~~
~~02/11/2026~~
02/13/2026

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

Information Registered on the Request to Speak System

House Commerce (2/17/2026)

HB2128, homeowners' associations; condominiums; actions; meetings

Support:

David Winstanley, representing self; Lisa Marx, representing self; Dennis J Legere, ARIZONA HOMEOWNERS COALITION; John Krahn, representing self; Michele Morrison, representing self; Linda Ross, representing self; Charmaine Roth, representing self; Roseanne and Steve Elson, representing self; Melanie Teixeira, representing self; Pierre Desombre, representing self; Raymond Wasson, representing self; Kathleen Harden-Wasson, representing self; deana corsa, representing self; Irene Smith, representing self; Teresa Pinter, representing self; Clare Scarpulla, representing self; Julia Abston, representing self; Shirley DIane Mier, representing self; Denise Priddy, representing self; Leo Brown, representing self; Henry Schubel, representing self; Diana Dow, representing self; Kathryn Kendall, representing self; Jeff Carr, representing self; James Roth, representing self; Ann Friday, representing self; Larry Springer, representing self

Oppose:

Lynelle Glysson, representing self; Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ

All Comments:

David Winstanley, Self: This bill corrects a conflict in law between 33-1804 and 10-3821 that permits HOA boards to make decisions without visibility of their constituents. It is critical to correct so HOA homeowners have visibility in their own communities.; Lisa Marx, Self: Dennis Legere will present my statement.; Dennis J Legere, ARIZONA HOMEOWNERS COALITION: The purpose of this section is to ensure transparency in the association business for the homeowners who pay for it all. The use of "Action without a meeting" is one way this law is violated daily across the state. Minor amendment required.; John Krahn, Self: If I am unable to attend in person (or virtualy), please allow Dennis Legere to testify on my behalf; Michele Morrison, Self: Many HOA management companies advise boards to make decisions by written consent and outside noticed meetings, effectively rendering ARS 33-1804 & 33-1248 meaningless, especially when boards adopt policies broadly opposed by the community.; Roseanne and Steve Elson, Self: our HOA has abused the executive sessions on many occasions and circumventing open meeting law by gaining support for their position by talking to other board members individually resulting in little to no discussion during the open meeting.; Clare Scarpulla, Self: Our HOA Board lacks transparency. They routinely discuss topics and make decisions in closed meetings. The 'action without a meeting' is misused with little documentation. They also go into 'executive sessions' for reasons not applicable.; Denise Priddy, Self: Transparency in our HOA is a major issue. The HOA board of directors will not provide essential information and/or misrepresent and mislead the owners in the HOA whenever they don't want owners to know the purpose of their actions or inactions.; Diana Dow, Self: Our HOA denied a permitted request, revised rules mid-process, and used executive sessions to hide decisions. This opaque, punitive process caused legal costs. HB-2128 promotes transparency. Please vote YES.; Jeff Carr, Self: Open meetings are crucial; James Roth, Self: This provides for more transparency and limits abuse of 'action without a meeting" by boards.; Ann Friday, Self: My HOA uses the Executive session exceptions for item discussions that should be conducted in open meetings. My husband was a

Attachment 2

board member. They would continue even after he told them they must stop. Also emergency exception to use email to vote.; Larry Springer, Self: As a former board member I have seen this used to avoid informing the membership of actions taken.; Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ: Neutral with Weninger amendment

HB2255, teachers academy; community college students

Support:

Lauren Armour, MARICOPA COUNTY COMMUNITY COLLEGE DIST; Jessica Rainbow, MOHAVE COMMUNITY COLLEGE; Kristen Boilini, YAVAPAI COLLEGE; Beverly Janowitz-Price, representing self; Christina Mollica, representing self; Becky Sayler, representing self; Carol Poole, representing self; Francesca Pardes, representing self; Maryann Kenney, representing self; Dee Maitland, representing self; Danny Baker, representing self; Judith Lohr, representing self; Courtney Coolidge, AZ CHAMBER OF COMMERCE; Mary Elizabeth Pollard, representing self; Mary Beth Tripp, representing self; Michele Garrick Nave, representing self; Terri Farneti, representing self; Cheryl McCutcheon, representing self; Lois Hansen, representing self; Shelley Erickson, representing self; Mackenzie Shane, GREATER PHOENIX CHAMBER OF COMMERCE; Greg Olszta, representing self; Ruth Porter-Tilman, representing self; Leslie Cox, representing self; Shana Hornstein, representing self; Margaret Deming, representing self; Pam Spicer, representing self; Carolyn Drennan, representing self; Judy Shivack, representing self

Oppose:

Shari Schroeder, representing self

All Comments:

Lauren Armour, MARICOPA COUNTY COMMUNITY COLLEGE DIST: Maricopa Community Colleges urges support for allowing our bachelor's of education students to receive four years of Arizona Teachers Academy scholarship funding.; Francesca Pardes, Self: It is great that this bill expands the Teachers Academy scholarship for community college students to 4 years; supporting an affordable means to teacher certification. It increases access to higher education & helps expand the teacher workforce in AZ; Maryann Kenney, Self: Helpful to increase access to higher ed and teacher certification; Danny Baker, Self: We need qualified, certified teachers in Arizona. Please support this bill.; Cheryl McCutcheon, Self: I believe this bill will increase access to higher education and diversify the teaching workforce by facilitating a lower-cost pathway to teacher certification.; Lois Hansen, Self: This bill will increase access to higher education and diversify the teaching workforce by facilitating a lower-cost pathway to teacher certification.; Margaret Deming, Self: All for anything to improve the quality of teachers in the AZ education system.; Judy Shivack, Self: I support affordable pathways to teacher certification given the teacher shortage.; Shari Schroeder, Self: I'm against any bill that does not extend to all forms of education that my tax dollars fund

HB2397, homeowners' associations; property covenants; disclosures

Support:

Dennis J Legere, ARIZONA HOMEOWNERS COALITION; Linda Ross, representing self; Charmaine Roth, representing self; Melanie Teixeira, representing self; Lisa Marx, representing self; Pierre Desombre, representing self; Raymond Wasson, representing self; Kathleen Harden-Wasson, representing self; deana corsa, representing self; Teresa Pinter, representing self; Clare Scarpulla, representing self; Julia Abston, representing self; Shirley Dlane Mier,

representing self; Denise Priddy, representing self; Leo Brown, representing self; Henry Schubel, representing self; Diana Dow, representing self; Jeff Carr, representing self

Neutral:

Tom Farley, Arizona Association Of Realtors; James Roth, representing self

Oppose:

Daniel Stasi, representing self; Lynelle Glysson, representing self; Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ

All Comments:

Dennis J Legere, ARIZONA HOMEOWNERS COALITION: This bill reflects 10 years of effort to finally address inadequate disclosure requirements for home buyers. The amendment is still a work in progress as vital provisions were removed or significantly altered WITHOUT the consensus of the homeowners.; Lisa Marx, Self: Unbale to; Clare Scarpulla, Self: There have been several lawsuits and an investigation against my HOA, which ought to have been required to be disclosed to potential home buyers without a specific request.; Denise Priddy, Self: We were informed that the common area directly behind our home was owned and maintained by the HOA.The HOA has not maintained the area and the common area is a major fire danger as noted in 3 violation letters from the local fire dept fire marshal.; Diana Dow, Self: HB-2397 increases HOA transparency and accountability by limiting arbitrary covenants, requiring accurate buyer disclosures, and clarifying member and board duties. It protects property rights and prevents spiteful actions. Please vote YES.; Jeff Carr, Self: We need full disclosure; Daniel Stasi, Self: Terms in this bill can be interpreted differently. Being "spiteful" will be seen by one side as just being fair and by the other side as unfair.; Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ: Neutral with the Weninger Amendment

HB2429, vacation rentals; short-term rentals; occupancy

Support:

Kathryn Senseman, City Of Sedona; Tom Savage, LEAGUE OF ARIZONA CITIES & TOWNS; Theresa Prichard, representing self; Paul Davenport, representing self; Carol Rohe, representing self; Tom Farley, Arizona Association Of Realtors, AIRBNB, INC; Sandra Stark, representing self; Michael Racy, Lobbyist, PIMA COUNTY; Dave Long, representing self; Janie Hydrick, representing self; Mayor Robyn Prud'homme-Bauer, Clarkdale, representing self; Judith Simons, representing self; Dwight Kadar, representing self; Andrea Kadar, representing self; Mary Pradelt, representing self; Karen Kruse, COCONINO COUNTY; Sandra Kravetz, representing self; Marguerite Chaikin, representing self; Rebecca Smith Gross, representing self; Peggie Jo Vincent, representing self; Henne Queisser, representing self; Kevin Brown, representing self; Opal Wagner, representing self; Jeanne Casteen, representing self; Mary Ann Graffagnino, representing self; David Higuera, representing self; Lisa Olson, representing self; Christina Mollica, representing self; Dianne Post, representing self; Alice Stambaugh, representing self; Cynthia Couture, representing self; Sherrilynn James, representing self; Diana Roy, representing self; jacqueline Johnson, representing self; Michele Smith, representing self; Elizabeth Schauer, representing self; Gail Kamaras, representing self; Charlie Silver, representing self; Susan Morris, representing self; Brent Gibbs, representing self; Sally Harvey, representing self; Robin LaVoie, representing self; Julie Golding, representing self; Linda Schwartz, representing self; Brenda Nelson, representing self; Christine Keitges, representing self; Beverlee Loat, representing self; Chris Senko, representing self; Linda Edwards, representing self; Jeri Dow, representing self; Mary Martiniak, representing self; Allen Carlson, representing self; Katherine Lathrop, representing self; Janet Senf,

representing self; Michelle Winker, representing self; Kathy Pyner, representing self; Joan Murphy, representing self; Judy Walruff, representing self; Penny Boone, representing self; Ralph Meredith, representing self; Gayle Meredith, representing self; Valerie Policastro Edie, representing self; Vera Markgraf, representing self; Amy Etzkorn, representing self; Mariette Francis, representing self; Kathleen Dubbs, representing self; Margaret DeVries, representing self; Mary-Jeanne Fincher, representing self; Matthew Nelson, representing self; Francesca Pardes, representing self; Glenn Sollers, representing self; Roxanna Kearns, representing self; William S. James, representing self; Jo Ann Caruthers, representing self; Eileen Goldman, representing self; Edna Weigel, representing self; Mary Ganapol, representing self; Steve Gorman-Hackstadt, representing self; Carolyn Watson, representing self; Rebecca Haynes, representing self; Mary Nelson, representing self; Kristen Abrahamson, representing self; Bart James, representing self; Saher Afzal, representing self; Bonnie Oakes, representing self; Cassandra Morano, representing self; Karen Peterson, representing self; Ann Johnson, representing self; Fred Miller, representing self; Emily Norton, representing self; Kathryn Anderson, representing self; Charlotte Lis, representing self; William Yohey, representing self; Elizabeth Brauer, representing self; Mary Gaudio, representing self; Dee Maitland, representing self; Barbara Larson, representing self; Carol Garnett, representing self; Jennifer Dawson, representing self; Sandra Rizzo, representing self; Linda Block, representing self; Paula Van Derven, representing self; Amy Gaiennie, representing self; Jean Meconi, representing self; Allison Jackson, representing self; Mary Keerins, representing self; Cynthia Wagner, representing self; Nadine Smith, representing self; Nancy Hancock, representing self; Kathleen Schanus-Gohl, representing self; Nelson Morgan, representing self; Joseph Alexander, representing self; Roger Blain, representing self; Donna Corbin, representing self; Alicia Vaughan, representing self; Angela Buer, representing self; Gail Graves, representing self; Kat Ginzel, representing self; Charmaine Roth, representing self; Margaret Tinsley, representing self; Traci Garcia, representing self; John Raeder, BUCKEYE, CITY OF; Lisa Maczura, representing self; Jacqueline deSa, representing self; Michael Tarek, representing self; Jennifer Horne, representing self; Sarah Giles, representing self; Carol Campbell, representing self; Alicia Messing, representing self; Greg Olszta, representing self; Eden Winget, representing self; Eric Kadel, representing self; Frederick James, representing self; Susan Ordway, representing self; Marilyn Murov, representing self; Felisa Gilley, representing self; Suzanne Zimmerman, representing self; Mitchell Smith, representing self; Patty Goldsmith, representing self; Libby Stortz, representing self; Karen Brown, representing self; Salie Travis, representing self; Christopher Cerrato, representing self; Devon Sloan, representing self; Rivko Knox, representing self; Ann Lebert, representing self; Coconino County Supervisor Tammy Ontiveros, representing self; STACEY NORDWALL, representing self; Pamela Chittenden, representing self; Deborah Anderson, representing self; Remy Sinclair, representing self; Leonora Midgley, representing self; Barbara Lucas, representing self; Susan Ashley , representing self; Steven Esposito, representing self; Kathleen Butler, representing self; Terri Farneti, representing self; Caroline Esmond, representing self; Patricia Brunner, representing self; Susan Matheson, representing self; Zinah Burke, representing self; Allen Brown, representing self; Dieter Knecht, representing self; Sundrop Carter, representing self; Kristan Larson, representing self; Jerrold Borchardt, representing self; Danielle Hedegard, representing self; Bridget Clark-Cooper, representing self; John Cummings, representing self; Jillian Ryan, representing self; Coconino County Supervisor Patrice Horstman, representing self; Marcia Tingley, representing self; Donna Rugg, representing self; Amy Licht, representing self; Tiffany Hall, representing self; Amy Gosla, representing self; Garyh Rulapaugh, representing self; Jonathan Brechner, representing self; Janie Smieszek, representing self; Marcella Deluca, representing self; Donna Jones, representing self; Kymberli Ricks-WhiteColbourne, representing self; Christa Trexler, representing self; marcia stewart, representing self; Theresa Ryan, representing self; Ruth Porter-Tilman, representing self; James Roth, representing self; Patricia Poe, representing self; Sara Isett, representing self; Jan Allen, representing self; Janet Lewis-Weaver, representing self; Linda Meerow, representing self; Valarie Bryant, representing self; Aaron Essif, representing self; Paige Spencer, representing self; Julia Allison, representing self; Claudia Yeager-Smith, representing self; JoAnn McCay, representing self; JOHN FIENE, representing self; Clarissa Vela, representing self; Chris Hill, representing self;

William Bowlus-Root, representing self; Sue Diaz, representing self; Melinda Bell, representing self; Nadya Laliberte, representing self; Barbara Jones, representing self; Sally Evans, representing self; Kathleen Woessner, representing self; Ken Jones, representing self; Lisa Koenig, representing self; Roy L Carrington Jr., representing self; Cheryl Benefield, representing self; Mary Pena, representing self; Leigh Marino, City Of Cottonwood; Karen Perry, representing self; Christine Cielens, representing self; Michele Parent, representing self; RITA DEPUYDT, representing self; Barbara Rodman, representing self; NEIGHBORHOOD COALITION OF GREATER PHOENIX, representing self; lore dickey, representing self; Jeanmarie Haney, representing self; Kayla Lundquist, representing self; Coconino County Supervisor Jeronimo Vasquez, representing self; Kathryn Avila Hammond, representing self; Erin Dahl, representing self; Sery Johnson, representing self; Jane Johnson, representing self; Melissa Boyle, representing self; Susan Bowen, representing self; Mary Rose, representing self; Dara Marks-Marino, representing self; Dimitrios Gockel, representing self; Deirdre MacDonald, representing self; Gina Gral, representing self; Carolyn Drennan, representing self; Kathleen Sauer, representing self; Margaret Babbitt-Pierce, representing self; JD Butler, ARIZONA LODGING AND TOURISM ASSOCIATION; Jackie Rich, representing self; Sarah Grossman, representing self; Michelle Lerman, representing self; Margie Gomez, representing self; Kathryn Dorn, representing self; Kristin White, representing self; Benjamin Cromwell, representing self; Jessie Kline Loganbill, representing self; Stephen Flaaen, representing self; Sara Sparman, "SCOTTSDALE, CITY OF "; Amy Tremper, representing self; Marin Lersch, representing self; Alison Danis, representing self; Lisa Wayman, representing self

Neutral:

Susan Edwards, representing self

Oppose:

Martha O'Connor, representing self; Beverly Janowitz-Price, representing self; Judith Lohr, representing self; Wego All, representing self; Alisa McMahon, representing self; Michael Fiflis, representing self; Victoria Bacs, representing self

All Comments:

Theresa Prichard, Self: Local control of the short term rentals in our communities is much needed.; Paul Davenport, Self: I support the original bill. Communities need to be able to limit the number of STRs. The striker is helpful but falls short of what communities need.. With the striker, this bill falls are short of what is needed. .; Janie Hydrick, Self: "Locals" such as cities and counties know better when and how to regulate local short-term and vacation rentals.; Dwight Kadar, Self: The quality of life for Sedona residences is suffering because of STR's. Give us local control.; Andrea Kadar, Self: The quality of life for Sedona residences is suffering because of STR's. Give us local control.; Marguerite Chaikin, Self: Cities and Towns need to have sway over the proportion of STR homes in the mix of housing options to maintain community cohesion.; Mary Ann Graffagnino, Self: Very much needed.; David Higuera, Self: It's about local control. Cities and counties are in the best position to determine whether and how short-term rentals should be regulated in their communities. This would give them that authority. Govt closest to the people is best.; Lisa Olson, Self: The GOP-led legislature allowed for excessive rental properties in 2016, which has led to gentrification. Sedona is an example of the negative impact of pricing out everyday residents and driving a housing emergency. We must address this. I support!; Brenda Nelson, Self: This legislation addresses short-term & vacation rentals and fix the harms caused by banning local regulation. SUPPORT; Linda Edwards, Self: Local regulation is the only way to go.; Penny Boone, Self: Cities and counties need to be able to regulate the number of short-term and vacation rentals; Valerie Policastro Edie, Self: this is becoming a huge issue in Pima county; Kathleen Dubbs, Self: Local rule!; Francesca Pardes, Self: By allowing cities & counties to limit the number of short-term rentals by capping permits or licenses or requiring minimum distance requirements would certainly help everyday AZ residents' ability to find affordable housing for their families.; Roxanna Kearns, Self: Allow cities and

counties to limit the number of short-term and vacation rentals by capping permits or licenses or by establishing minimum distance requirements.; Carolyn Watson, Self: Please vote yes on this bill, allowing cities to maintain some local contol for vacation rentals. Unbridled vacation rentals have blown the housing market into a direction no one can afford. Thank you.; Rebecca Haynes, Self: The grandfather clause is still problematic, but the legislature must address the harms they caused by banning local regulation, and you have to start somewhere.; Kristen Abrahamson, Self: I agree - these short term rentals are pricing our residents out of access to reasonable rents and affordable housing.; Fred Miller, Self: Good legislation.; Elizabeth Brauer, Self: There needs to be limits on short term rentals, which are a waste of housing resources; Mary Gaudio, Self: STRs are out of control; cities and towns must be able to regulate the bad actors. Vote YES!; Barbara Larson, Self: comment; Carol Garnett, Self: Short term rentals are taking homes from local employees. It should be regulated locally.; Sandra Rizzo, Self: Cities need this for stability.; Amy Gaiennie, Self: I strongly support a bill that allows cities and counties to regulate the number of short-term and vacation rentals.; Mary Keerins, Self: Allow cities and counties to regulate the number of short-term and vacation rentals. Local regulation makes sense; Angela Buer, Self: The GOP-led legislature allowed for excessive rental properties in 2016, which has led to gentrification. Sedona is an example of the negative impact of pricing out everyday residents and driving a housing emergency. We must address this. I support!; Margaret Tinsley, Self: This is an issue that should be subject to local control. Please vote yes.; Lisa Maczura, Self: Keep regulation local. Locals know.; Jacqueline deSa, Self: Regulation of short term and vacation rentals is a good step in the right direction; Susan Ordway, Self: Not allowing local communities to limit the number of short term rentals has, in some communities, priced local residents out of the market. This is unfair, and needs to change.; Salie Travis, Self: It is time to allow cities and counties to limit the number of short-term and vacation rentals. Sedona is one example of the state's overreach in this case; allowing workers to sleep in cars is ridiculous. Support.; Martha O'Connor, Self: Harms local regulation; Allen Brown, Self: I support HB 2429. Short term rentals have helped to price the average person out of home ownership. Allowing cities and counties to limit short term vacation rentals fixes a problem that was previously created by the Arizona legislature.; Jerrold Borchardt, Self: In 2016 the legislature banned local regulation, which adversely affected the housing market. This bill will address some of the harms caused by that 2016 bill. I don't like it, but I SUPPORT this bill.; Bridget Clark-Cooper, Self: It's important to keep control of the rules for the # of short term & vacation rentals in the local city or county. Local regulation is CRITICAL!; Jillian Ryan, Self: We aren't happy about the grandfather clause, but the legislature must address the harms they caused by banning local regulation, and they have to start somewhere; Marcia Tingley, Self: Limiting cities' ability to regulate short-term rentals created a crisis for the AZ housing market, often pricing out residents. Local regulation would help alleviate this housing crisis.; Jonathan Brechner, Self: Makes sense regarding rentals.; Janie Smieszek, Self: Counties should have the power to regulate the number of rentals; marcia stewart, Self: Guardrails are needed for this out of control industry; James Roth, Self: Protects homeowners from public nuisance that reduces property values; Patricia Poe, Self: Please vote for this bill. Cities and counties bear the brundt health, safety & law enforcement related to short-term rentals. They should at least be able to limit the number in their jurisdictions. Thank you.; Sara Isett, Self: Good policy that will help alleviate the housing shortage.; Aaron Essif, Self: Good bill; JOHN FIENE, Self: My wife and I are surrounded by short-term rentals in Sedona. We have no neighbors; we have no street parking, and dangerous ingress and egress on party weekends. Please limit STRs! LD1 voter; William Bowlus-Root, Self: This makes good sense.; Mary Pena, Self: The legislature must address the harms they caused by banning local regulation; Christine Cielens, Self: Yes regulate vac and short term rentals; Wego All, Self: proposed section 11a) ESTABLISHING MAX # OF VACA/SHORT-TERM RENTAL REGULATORY PERMITS restricting private property rights big time through the issuance of permits and is a slippery slope for other issues like well permits, and water service permits.; RITA DEPUYDT, Self: Cities and counties should have more control over STRs.; NEIGHBORHOOD COALITION OF GREATER PHOENIX, Self: HB2429 provides common-sense guardrails that protect neighborhood quality of life while maintaining property rights. It doesn't ban short-term rentals or harm Arizona's tourism economy. It strengthens safety protections for Arizona neighborhoods.; Jeanmarie Haney,

Self: Life as I knew it was ruined by runaway STRs. We had to sell, as over 1/2 of our neighborhood converted to STRs with 2am noise and fights and no local entity to call. Police were often called. Return control and regulation of STRs to the locals!; Kathryn Avila Hammond, Self: cities and counties must have the ability to regulate short term rentals, to assure available housing for workers who keep the economy running.; Erin Dahl, Self: I am in support of the bill allowing cities and counties to regulate the number of short-term and vacation rentals.; Alisa McMahon, Self: S/E: I supported the introduced bill even though it was far too little, far too late. The striker doesn't begin to scratch the surface of the reforms needed to correct the STR mess created by the legislature.; Susan Bowen, Self: 20% OF SEDONA HOMES ARE NOW SHORT-TERM RENTALS DRIVING A HOUSING EMERGENCY THAT HAS THE CITY SCRAMBLING WITH DRASTIC MEASURES LIKE CREATING A PROGRAM THAT ALLOWS WORKERS TO SLEEP IN THEIR CARS. NOT HAPPY ABOUT GRANDFATHERING - HAVE TO START SOMEWHER; Deirdre MacDonald, Self: This is a problem in my neighborhood in Yuma where 4 houses out of 15 on our cul-de-sac are short-term and vacation rentals.; Jackie Rich, Self: Thank you for hearing and supporting this bill which would help control dangerous party houses in short term rentals. Please also give regulation authority of STRs back to local governments. STR problems are local and not statewide.; Michelle Lerman, Self: Cities and counties should regulate the number of short-term and vacation rentals in their communities.; Michael Fiflis, Self: S/E: I would have supported the introduced bill, but cannot support the striker as it does nothing to solve the STR crisis.; Victoria Bacs, Self: Building code violation language far to generic Sex offender required background check requirement is irrational- what hotel has this requirement? Occupancy requirements are FAR more restrictive than hotels? WHY? 4 adults can sleep in hotel rooms!?!; Margie Gomez, Self: The GOP-led legislature allowed for excessive rental properties in 2016, which has led to gentrification. Sedona is an example of the negative impact of pricing out everyday residents and driving a housing emergency. We must address this. SUPPORT; Susan Edwards, Self: 90% of AZ's STRs are illegal w/o TPT licenses. The ad rules deleted by the striker encourage that to continue, along w/cities' inability to enforce occupancy. Taking away ability to control density will create more "neighborless neighborhoods"; Kristin White, Self: Anything to help cities control the housing crisis is welcome news.; Stephen Flaaen, Self: Yes for local control over the regulation of short-term rentals.; Sara Sparman, "SCOTTSDALE, CITY OF ": Support the strike everything amendment.

HB2591, apprenticeships; registration; certificate

Support:

Barry M. Aarons, CONSTRUCTION TRADES COALITION; Beverly Janowitz-Price, representing self; Bonnie Eckard, representing self; Shawn Hutchinson, representing self; Judith Lohr, representing self

Neutral:

Kathy Ber, DES Director of Legislative Services, Arizona Department Of Economic Security

All Comments:

Bonnie Eckard, Self: Avoid passive renewals; Shawn Hutchinson, Self: True apprenticeship training must be clearly defined so prospective candidates fully understand the scope, expectations, and long-term career outcomes of the training they are entering.

HB2680, worker's compensation; notice; fraud; commission

Support:

Mark Cardenas, CARPENTERS UNION LOCAL 1912

Neutral:

Charles Carpenter, INDUSTRIAL COMMISSION OF AZ

HB2834, claims against HOAs; filing fees

Support:

Annette Cohen, representing self; Dennis J Legere, ARIZONA HOMEOWNERS COALITION; Harold Bergsma, representing self; Linda Ross, representing self; Melanie Teixeira, representing self; Lisa Marx, representing self; Pierre Desombre, representing self; Raymond Wasson, representing self; Kathleen Harden-Wasson, representing self; deana corsa, representing self; Irene Smith, representing self; Teresa Pinter, representing self; Clare Scarpulla, representing self; Marcia Tolin, representing self; Julia Abston, representing self; Denise Priddy, representing self; Leo Brown, representing self; Henry Schubel, representing self; Kathryn Kendall, representing self; Jeff Carr, representing self; Ann Friday, representing self; Larry Springer, representing self

Oppose:

Lynelle Glysson, representing self; Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ

All Comments:

Annette Cohen, Self: Dennis Legere to represent me at the committee meeting; Dennis J Legere, ARIZONA HOMEOWNERS COALITION: The dispute resolution process was always intended as a lower-cost alternative to civil litigation to enforce the laws and governing documents of these communities. But that fee is set by the ADRE rule at $500 per issue, which is unreasonable.; Clare Scarpulla, Self: The cost of $500 reduced to $300 helps those who need to challenge their HOA Boards in the Dispute Resolution Process.; Denise Priddy, Self: The ADRE dispute resolution process for owners in an HOA is our only tool to enforce the law without extremely costly litigation.The $500 per issue filing fee is a deterrence to use this process to ensure the HOA follows the law. $300 is reasonable.; Jeff Carr, Self: Common sense legislation; Ann Friday, Self: I have experienced events in which the HOA exceeded their authority to impose new regs outside of our CCR's or held "emergency" email voting meetings without proper notice or subsequent minutes. The $500 filing fee discouraged me from using ADRE.; Larry Springer, Self: This fee is too high per issue and discourages members from filing. They feel defeated before starting.; Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ: Neutral with Weninger or Carter amendment

HB2868, installation license; insurance; rules

Support:

Rivko Knox, representing self

HB2911, registrar of contractors; restitution; repeal

Support:

JOHN FIENE, representing self

Oppose:

Glenn Sollers, representing self; Stephen Flaaen, representing self; Dave Long, representing self; Janie Hydrick, representing self; Judith Simons, representing self; Mary Pradelt, representing self; Sandra Kravetz, representing self; Rebecca Smith Gross, representing self; Kevin Brown, representing self; Beverly Janowitz-Price, representing self; Anita Mosesman, representing self; Jeanne Casteen, representing self; Alisa McMahon, representing self; Lisa Olson, representing self; Michael Fiflis, representing self; Claudia Bloom, representing self; Dianne Post, representing self; Cynthia Couture, representing self; Sherrilynn James, representing self; jacqueline Johnson, representing self; Elizabeth Schauer, representing self; Gail Kamaras, representing self; Charlie Silver, representing self; Susan Morris, representing self; Brent Gibbs, representing self; Sally Harvey, representing self; Julie Golding, representing self; Brenda Nelson, representing self; Beverlee Loat, representing self; Chris Senko, representing self; Linda Edwards, representing self; Jeri Dow, representing self; Mary Martiniak, representing self; Katherine Lathrop, representing self; Janet Senf, representing self; Kathy Pyner, representing self; Joan Murphy, representing self; Penny Boone, representing self; Ralph Meredith, representing self; Gayle Meredith, representing self; Amy Etzkorn, representing self; Mariette Francis, representing self; Martha O'Connor, representing self; Kathleen Dubbs, representing self; Mary-Jeanne Fincher, representing self; Matthew Nelson, representing self; Francesca Pardes, representing self; Roxanna Kearns, representing self; William S. James, representing self; Jo Ann Caruthers, representing self; Edna Weigel, representing self; Mary Ganapol, representing self; Steve Gorman-Hackstadt, representing self; Carolyn Watson, representing self; Rebecca Haynes, representing self; Mary Nelson, representing self; Bart James, representing self; Saher Afzal, representing self; Bonnie Oakes, representing self; Cassandra Morano, representing self; Ann Johnson, representing self; Fred Miller, representing self; Kathryn Anderson, representing self; Charlotte Lis, representing self; William Yohey, representing self; Mary Gaudio, representing self; Dee Maitland, representing self; Barbara Larson, representing self; Carol Garnett, representing self; Jennifer Dawson, representing self; Sandra Rizzo, representing self; Linda Block, representing self; Paula Van Derven, representing self; Amy Gaiennie, representing self; Jean Meconi, representing self; Allison Jackson, representing self; ALICE BUCK, representing self; Mary Keerins, representing self; Cynthia Wagner, representing self; Nancy Hancock, representing self; Kathleen Schanus-Gohl, representing self; Chrisie Gilbert, representing self; Nelson Morgan, representing self; Linda Paul, representing self; Donna Corbin, representing self; Angela Buer, representing self; Gail Graves, representing self; Kat Ginzel, representing self; Margaret Tinsley, representing self; Traci Garcia, representing self; Jacqueline deSa, representing self; William Bowlus-Root, representing self; Susan Matheson, representing self; Jerrold Borchardt, representing self; marcia stewart, representing self; Marilyn Murov, representing self; Frederick James, representing self; Marcia Tingley, representing self; Kathleen Butler, representing self; Theresa Ryan, representing self; RITA DEPUYDT, representing self; Christopher Cerrato, representing self; Kathleen Sauer, representing self; Aaron Essif, representing self; Lisa Maczura, representing self; Susan Ordway, representing self; Kathleen Woessner, representing self; Kristan Larson, representing self; Barbara Jones, representing self; Alicia Messing, representing self; Michael Tarek, representing self; Theresa Prichard, representing self; Dieter Knecht, representing self; Carol Campbell, representing self; Bridget Clark-Cooper, representing self; Erin Dahl, representing self; Libby Stortz, representing self; Remy Sinclair, representing self; Patricia Brunner, representing self; Devon Sloan, representing self; Jennifer Horne, representing self; Eden Winget, representing self; Eric Kadel, representing self; Suzanne Zimmerman, representing self; Mitchell Smith, representing self; Karen Brown, representing self; Felisa Gilley, representing self; Salie Travis, representing self; Ann Lebert, representing self; Rivko Knox, representing self; STACEY NORDWALL, representing self; Pamela

Chittenden, representing self; Leonora Midgley, representing self; Sharon Arnst, representing self; Barbara Lucas, representing self; Zinah Burke, representing self; Jillian Ryan, representing self; Caroline Esmond, representing self; John Cummings, representing self; Pam Spicer, representing self; Carol Rohe, representing self; Donna Rugg, representing self; Garyh Rulapaugh, representing self; Marcella Deluca, representing self; Christa Trexler, representing self; Greg Olszta, representing self; Janet Lewis-Weaver, representing self; Steven Esposito, representing self; Sara Isett, representing self; Valarie Bryant, representing self; Julia Allison, representing self; Claudia Yeager-Smith, representing self; JoAnn McCay, representing self; Kymberli Ricks-WhiteColbourne, representing self; Sue Diaz, representing self; Jonathan Brechner, representing self; Ken Jones, representing self; Lisa Koenig, representing self; Roy L Carrington Jr., representing self; Mary Pena, representing self; Cheryl Benefield, representing self; Allen Brown, representing self; Kathryn Avila Hammond, representing self; Mike Kunnecke, representing self; Sery Johnson, representing self; Melissa Boyle, representing self; Susan Bowen, representing self; Alison Danis, representing self; Mary Rose, representing self; Melinda Bell, representing self; Gina Gral, representing self; Carolyn Drennan, representing self; Michelle Lerman, representing self; Nadya Laliberte, representing self; Margie Gomez, representing self; Kathryn Dorn, representing self; Jane Johnson, representing self; Jessie Kline Loganbill, representing self; Kristin White, representing self; Marin Lersch, representing self

All Comments:

JOHN FIENE, Self: We live next to a house that has been under demolition and construction for 3 years. The owners have been cheated by two general contractors. With the latest abandonment, we have to view the mess every day. Punish the cheaters! LD1 voter; Glenn Sollers, Self: Getting reimbursed from this fund is a labyrinthine process that can take years; even if a homeowner is entitled to a claim, there must be money in the fund for them to receive a payout. This bill is an attack on consumer protection.; Stephen Flaaen, Self: Do not remove consumer protections!; Judith Simons, Self: Homeowners deserve protection when contractors fail to uphold contract obligations. This bill attacks that protection.; Alisa McMahon, Self: Terrible idea. The statute that would be repealed incentivizes contractors to perform their work properly. It also provides one of the few recourses consumers have against irresponsible entities in an industry we all deal with.; Michael Fiflis, Self: Removing one of the key tools available to get work done to minimum standards by the class of contractors for which those tolls are needed will only encourage non-compliance. I see the need for it over and over with my clients who have work done.; Charlie Silver, Self: Not holding the responsible party responsible. Really?; Susan Morris, Self: Why should contractors who do lousy work not be held accountable?; Brenda Nelson, Self: This proposed legislation attacks consumer protections. OPPOSE; Chris Senko, Self: It's about accountability.; Linda Edwards, Self: Is the bill's sponsor linked to a contractor?; Jeri Dow, Self: this bill is an attack on consumer protection; Kathy Pyner, Self: Contractors must be held accountable; Penny Boone, Self: NO! This bill is an attack on consumer protection; Martha O'Connor, Self: This bill is an attack on consumer protection.; Kathleen Dubbs, Self: So we don't want consumers to be protected from scams and shoddy work?; Francesca Pardes, Self: This bill is an attack on consumer protection. Now, homeowners can file an administrative claim against a recovery fund that contractors pay into at licensing,to provide restitution for work not one or defective. with this bill they have no recourse.; Roxanna Kearns, Self: This bill is an attack on consumer protection. Licensed contractors must provide restitution to homeowners if they abandon residential contracts or do work so shoddy it constitutes grounds to suspend their license.; Carolyn Watson, Self: Please vote "no" on this bill and allow consumer protection from dishonest/shoddy contractors to remain in place. Thank you.; Rebecca Haynes, Self: This bill is an attack on consumer protection.; Mary Gaudio, Self: Protect AZ consumers, not contractors.; Carol Garnett, Self: Homeowners should be able to file these claims.; Jennifer Dawson, Self: an attack on consumer protection.; Sandra Rizzo, Self: I can't believe how anti-consumer protection some lawmakers are! OF COURSE this should not pass, as many people are bilked without an adequate means of compensation. Do not pass this bill.; Amy Gaiennie, Self: I strongly oppose this bill.; Jean Meconi, Self: Consumers are already under protected

from shoddy and incomplete workmanship. I had to have a bathroom remodel completed redone due to shoddy workmanship, so ended up paying twice for the same job.; Mary Keerins, Self: Do you have a fly-by-night contractor friend? This bill is an attack on consumer protection.; Chrisie Gilbert, Self: This is a terrible idea. ROC would lose one of its tools to require contractors to pay back victims through the administrative process. Homeowners would likely have to go to court instead. Removing that option shifts more burden onto homeowners.; Donna Corbin, Self: This is an attack on consumer protections.; Angela Buer, Self: This bill is an attack on Arizona homeowners. By repealing the Registrar of Contractors' authority to order restitution, this bill leaves families with no recourse against shoddy work or abandoned contracts. We must protect consumers. I OPPOSE.; Margaret Tinsley, Self: This bill is an attack on Arizona consumers, also known as voters and constituents. The only ones to be helped are shoddy and dishonest contractors. Please vote no.; Jacqueline deSa, Self: I was one who suffered after a licensed contractor took my money and ran. Got NO help from the contractors' Registrar. Definitely NO on this one.; Jerrold Borchardt, Self: This bill is an attack on consumer protection. OPPOSED!!; Marilyn Murov, Self: Consumers need reliable, easy to access protection from shoddy or incomplete work.; Marcia Tingley, Self: Currently, aggrieved homeowners can file an administrative claim, but reimbursement through this process can take years. This bill is an attack on consumer protection. Strongly oppose.; Theresa Ryan, Self: This bill is an attack on consumer protection.; Christopher Cerrato, Self: This bill is an attack on consumer protections; Aaron Essif, Self: This is an attack on consumer protection.; Susan Ordway, Self: This bill is an attack on consumer protection.; Michael Tarek, Self: This bill is an attack on consumer protection.; Theresa Prichard, Self: Why? A proposal to protect contractors and limits the rights of the consumer. Why?; Bridget Clark-Cooper, Self: It's critical that homeowners can file an administrative claim against a contractor who provided shoddy work or abandoned the job completely. This is consumer protection. TV shows (Holmes "Make it Right") show real life not covered by this fund.; Erin Dahl, Self: I oppose the bill that would repeal the Registrar of Contractors' ability to order licensed contractors to provide restitution to homeowners if they abandon residential contracts or do work so shoddy it constitutes grounds to suspend their license.; Karen Brown, Self: Homeowners must have some means of holding contractors accountable and be able to receive compensation for poor workmanship.; Felisa Gilley, Self: This bill is an attack on consumer protection.; Salie Travis, Self: Oh, hell, NO! Consumers don't have enough problems finding honest contractors who do good work and now we want to remove any protections for shoddy work/workers? Arizona could become a haven for contractor fraud! What could go wrong? Oppose!; Barbara Lucas, Self: This bill is an attack on consumer protection; Jillian Ryan, Self: This bill is an attack on consumer protection.; Greg Olszta, Self: This bill is an attack on consumer protection.; Sara Isett, Self: This bill is an attack on consumer protection.; Claudia Yeager-Smith, Self: This bill is an attack on consumer protection in so many ways. STRONGLY OPPOSE!!!!; Sue Diaz, Self: Licensed contractors should pay restitution for inferior work.; Jonathan Brechner, Self: Why wouldn't we want to protect homeowners against poor work and attack contractors who are at fault?; Mary Pena, Self: This bill is an attack on consumer protection.; Allen Brown, Self: I oppose HB2911. This bill strips any safeguards that consumers have for restitution for shoddy workmanship by a contractor.; Kathryn Avila Hammond, Self: this bill is an attack on consumer protection. Homeowners deserve to be protected from dishonest and shoddy construction; Susan Bowen, Self: GETTING REIMBURSE FROM THIS FUND IS A LABYRINTHINE PROCESS THAT CAN TAKE YEARS. THIS BILL IS AN ATTACK ON CONSUMER PROTECTION.; Michelle Lerman, Self: Protect consumers seeking refunds for defective workmanship.; Margie Gomez, Self: This bill is an attack on Arizona homeowners. By repealing the Registrar of Contractors' authority to order restitution, this bill leaves families with no recourse against shoddy work or abandoned contracts. We must protect consumers. OPPOSE; Kathryn Dorn, Self: Why exactly would the Legislature offer this legal and financial shield to contractors who effectively break their contracts with homeowners, rather than protecting the injured homeowners?; Marin Lersch, Self: This strips away consumer protection designed to protect homeowners from poor workmanship.

HB2951, automatic subscription renewals; contracts; requirements

Support:

Marguerite Chaikin, representing self; Theresa Prichard, representing self; Sandra Stark, representing self; Michelle Lerman, representing self; Dave Long, representing self; Janie Hydrick, representing self; Judith Simons, representing self; Mary Pradelt, representing self; Janet Larkin, representing self; Sandra Kravetz, representing self; Rebecca Smith Gross, representing self; Henne Queisser, representing self; Maria Salvucci, representing self; Kevin Brown, representing self; Beverly Janowitz-Price, representing self; Anita Mosesman, representing self; Jeanne Casteen, representing self; Mary Ann Graffagnino, representing self; David Higuera, representing self; Laurie Stoff, representing self; Lisa Olson, representing self; Michael Fiflis, representing self; Claudia Bloom, representing self; Christina Mollica, representing self; Dianne Post, AZ NATIONAL ORGANIZATION FOR WOMEN (NOW), Self; Alice Stambaugh, representing self; Cynthia Couture, representing self; Sherrilynn James, representing self; Diana Roy, representing self; jacqueline Johnson, representing self; James Scheid, representing self; Elizabeth Schauer, representing self; Gail Kamaras, representing self; Charlie Silver, representing self; Becky Sayler, representing self; Susan Morris, representing self; Brent Gibbs, representing self; Sally Harvey, representing self; Robin LaVoie, representing self; Julie Golding, representing self; Linda Schwartz, representing self; Brenda Nelson, representing self; Christine Keitges, representing self; Chris Senko, representing self; Bobbie Howard, representing self; Linda Edwards, representing self; Jeri Dow, representing self; Mary Martiniak, representing self; Allen Carlson, representing self; Gail Block, representing self; Katherine Lathrop, representing self; Janet Senf, representing self; Kathy Pyner, representing self; Tess Calvert, representing self; Joan Murphy, representing self; Penny Boone, representing self; Ralph Meredith, representing self; Gayle Meredith, representing self; Valerie Policastro Edie, representing self; Vera Markgraf, representing self; Amy Etzkorn, representing self; Martha O'Connor, representing self; Kathleen Dubbs, representing self; Margaret DeVries, representing self; Mary-Jeanne Fincher, representing self; Matthew Nelson, representing self; Glenn Sollers, representing self; Roxanna Kearns, representing self; Edna Weigel, representing self; Mary Ganapol, representing self; Steve Gorman-Hackstadt, representing self; Rebecca Haynes, representing self; Mary Nelson, representing self; Kristen Abrahamson, representing self; Bart James, representing self; Saher Afzal, representing self; Bonnie Oakes, representing self; Cassandra Morano, representing self; Karen Peterson, representing self; Ann Johnson, representing self; Fred Miller, representing self; Emily Norton, representing self; Kathryn Anderson, representing self; Charlotte Lis, representing self; William Yohey, representing self; Mary Gaudio, representing self; Dee Maitland, representing self; Barbara Larson, representing self; Carol Garnett, representing self; Jennifer Dawson, representing self; Sandra Rizzo, representing self; Linda Block, representing self; Katie Rice, representing self; Paula Van Derven, representing self; Amy Gaiennie, representing self; Jean Meconi, representing self; Allison Jackson, representing self; Harold Bergsma, representing self; ALICE BUCK, representing self; Mary Keerins, representing self; Cynthia Wagner, representing self; Nancy Hancock, representing self; Kathleen Schanus-Gohl, representing self; Nelson Morgan, representing self; Judith Lohr, representing self; Karen Robbins, representing self; Joseph Alexander, representing self; Linda Paul, representing self; Roger Blain, representing self; Donna Corbin, representing self; Alicia Vaughan, representing self; Angela Buer, representing self; Gail Graves, representing self; Kat Ginzel, representing self; Margaret Tinsley, representing self; Traci Garcia, representing self; Jacqueline deSa, representing self; William Bowlus-Root, representing self; Susan Matheson, representing self; Jerrold Borchardt, representing self; marcia stewart, representing self; Kymberli Ricks-WhiteColbourne, representing self; Karen Weihs, representing self; Rivko Knox, representing self; Lisa Maczura, representing self; Michael Tarek, representing self; Jennifer Horne, representing self; Alicia Messing, representing self; Carol Campbell, representing self; Greg Olszta, representing self; Eden Winget, representing self; Eric Kadel, representing self; Frederick James, representing self; Susan Ordway, representing self; Suzanne Zimmerman, representing self; Libby Stortz, representing self; Patty Goldsmith, representing self; Mitchell Smith, representing self; Karen Brown, representing self; Devon Sloan, representing self;

Christopher Cerrato, representing self; Salie Travis, representing self; STACEY NORDWALL, representing self; Pamela Chittenden, representing self; Remy Sinclair, representing self; Leonora Midgley, representing self; Barbara Lucas, representing self; Kathleen Butler, representing self; Susan Ashley , representing self; Steven Esposito, representing self; Terri Farneti, representing self; Caroline Esmond, representing self; Patricia Brunner, representing self; Zinah Burke, representing self; Dieter Knecht, representing self; Danielle Hedegard, representing self; Kristan Larson, representing self; John Cummings, representing self; Jillian Ryan, representing self; Pam Spicer, representing self; Carol Rohe, representing self; Bridget Clark-Cooper, representing self; Marcia Tingley, representing self; Donna Rugg, representing self; Tiffany Hall, representing self; Amy Licht, representing self; Salvatore Caputo, representing self; Amy Gosla, representing self; Garyh Rulapaugh, representing self; Jonathan Brechner, representing self; Marcella Deluca, representing self; Janie Smieszek, representing self; Donna Jones, representing self; Christa Trexler, representing self; Allen Brown, representing self; Alfred Pena, representing self; Theresa Ryan, representing self; Patricia Poe, representing self; Sara Isett, representing self; Janet Lewis-Weaver, representing self; Jan Allen, representing self; Valarie Bryant, representing self; Linda Meerow, representing self; Aaron Essif, representing self; Denbie Nash, representing self; Paige Spencer, representing self; Julia Allison, representing self; Claudia Yeager-Smith, representing self; JoAnn McCay, representing self; Clarissa Vela, representing self; Chris Hill, representing self; Sue Diaz, representing self; Melinda Bell, representing self; Nadya Laliberte, representing self; Barbara Jones, representing self; Sally Evans, representing self; Don Howard, representing self; Kathleen Woessner, representing self; Ken Jones, representing self; Lisa Koenig, representing self; Roy L Carrington Jr., representing self; Mike Kunnecke, representing self; Cheryl Benefield, representing self; Mary Pena, representing self; Karen Perry, representing self; Michele Parent, representing self; RITA DEPUYDT, representing self; Barbara Rodman, representing self; lore dickey, representing self; Kayla Lundquist, representing self; Kathryn Avila Hammond, representing self; Erin Dahl, representing self; Sery Johnson, representing self; Allison Newton, representing self; Jane Johnson, representing self; Melissa Boyle, representing self; Susan Bowen, representing self; Mary Rose, representing self; Gina Gral, representing self; Dimitrios Gockel, representing self; Carolyn Drennan, representing self; Kathleen Sauer, representing self; Sarah Grossman, representing self; Margie Gomez, representing self; Kathryn Dorn, representing self; Kristin White, representing self; Benjamin Cromwell, representing self; Jessie Kline Loganbill, representing self; Stephen Flaaen, representing self; Amy Tremper, representing self; Lisa Wayman, representing self

Neutral:

Nadine Smith, representing self

Oppose:

Jo Ann Caruthers, representing self; Beverlee Loat, representing self; Craig McDermott, representing self; Michelle Ahlmer, ARIZONA RETAILERS ASSOCIATION

All Comments:

Marguerite Chaikin, Self: Help protect consumers from predatory subscription contracts that can tap needed income this is especially pertaining to seniors!; Theresa Prichard, Self: helpful to AZ consumers; Michelle Lerman, Self: Protect consumers dealing with automatic subscription renewals.; Janie Hydrick, Self: We definitely need consumer protection from automatic subscription renewals. Please pass this bill.; Janet Larkin, Self: Invariably these scams hook those who can least afford it.; Mary Ann Graffagnino, Self: Great for the average consumer.; David Higuera, Self: Yes, please! Corporations should not be allowed to trap us into automatically renewing subscriptions that are difficult or impossible to cancel. This is basic consumer protection. Please vote YES.; Lisa Olson, Self: We need consumer protections for automatic subscription renewals. I personally would like to be refunded by companies that have sneakily renewed my subscription, without my consent. I support this bill!; Diana

Roy, Self: consumer protection!; Brenda Nelson, Self: SUPPORT this legislation protecting consumers.; Mary Martiniak, Self: Thank you for looking out for us! This makes good sense!; Penny Boone, Self: Az consumers need protections for automatic subscription renewals, for sure!; Valerie Policastro Edie, Self: Thank you; Martha O'Connor, Self: Companies would have to clearly disclose renewal terms, allow consumers to opt in directly rather than being passively renewed, and offer an easy cancellation mechanism.; Kathleen Dubbs, Self: People have been taken in by this scam forever! Time to make it transparent; Roxanna Kearns, Self: Support this consumer friendly bill. Companies would be required to clearly disclose renewal terms, allow consumers to opt in directly rather than being passively renewed, and offer an easy cancellation mechanism.; Rebecca Haynes, Self: Companies would have to clearly disclose renewal terms, allow consumers to opt in directly rather than being passively renewed, and offer an easy cancellation mechanism. Protecting consumers is an excellent idea!; Kristen Abrahamson, Self: This is much needed protection from automatic subscription renewals.; Bonnie Oakes, Self: Seniors thank sponsor for greater consumer protection from being taken advantage of.; Fred Miller, Self: Give consumers transparency.; Mary Gaudio, Self: Yes, those automatic subscription renewals get me every time!; Dee Maitland, Self: What a great idea! Thanks!; Carol Garnett, Self: Many people end up paying for subscriptions they no longer use. This would help.; Sandra Rizzo, Self: Very good move to protect consumers from exploitation in this economy - thank you for working to support consumers in this state!; Amy Gaiennie, Self: I strongly support a bill that creates consumer protections for automatic subscription renewals.; Mary Keerins, Self: Protect consumers - create consumer protections for automatic subscription renewals; Karen Robbins, Self: Corporate automatic renewals are a disservice to consumers! It should be consumers deciding whether to renew a subscription, NOT the corporations.; Donna Corbin, Self: A good bill for consumer protections.; Angela Buer, Self: We need consumer protections for automatic subscription renewals. I personally would like to be refunded by companies that have sneakily renewed my subscription, without my consent. I support this bill!; Margaret Tinsley, Self: This would be so beneficial for many Arizonans. Please vote yes.; Jacqueline deSa, Self: So pleased to see this bill. Seems we spend so much time having to cancel automatic subscription renewals.; William Bowlus-Root, Self: Help consumers know what's happening. Don't let corporations and other businesses take advantage of them!; Jerrold Borchardt, Self: I SUPPORT this bill to create consumer protections for automatic subscription renewals.; marcia stewart, Self: COnsumer protections have been cut on a federal level. SUpport our AZ folks from scams; Lisa Maczura, Self: This makes sense.; Susan Ordway, Self: A good consumer protection bill.; Mitchell Smith, Self: Auto opt-out of renewals with consumer action required to opt-in for a renewal would be good.; Salie Travis, Self: I LOVE this proposal! The elderly population is a big target for scams and this will go a long way in providing a way out! Strongly support!; Barbara Lucas, Self: consumer protections for automatic subscription renewals is a no brainer for constituents.; Jillian Ryan, Self: Companies would have to clearly disclose renewal terms, allow consumers to opt in directly rather than being passively renewed, and offer an easy cancellation mechanism.; Bridget Clark-Cooper, Self: I had a subscription that didn't notify me of the renewal date, nor the way I could cancel my subscription. This bill is needed! Consumers need protection from companies that don't follow the law.; Marcia Tingley, Self: This is a very good idea, which would let consumers clearly understand renewal terms and allow direct buy-in rather than an automatic renewal and would offer easy cancellation mechanism.; Beverlee Loat, Self: laughable that state $ would be spent that way; Tiffany Hall, Self: This is an excellent consumer protection proposal. Automatic renewals shouldn't be a surprise and it should be as easy to cancel as it was for the company to automatically renew your subscription.; Salvatore Caputo, Self: It's important that companies check with individual consumers to ensure they authorize a subscription renewal at the time they wish to charge the consumer and that the company cannot automatically charge to renew without consent given at that moment.; Jonathan Brechner, Self: Protecting people is important. Auto-renewals are a sneaky way to harm us.; Allen Brown, Self: HB2951 is an excellent bill and very much needed. I support HB2951.; Patricia Poe, Self: Please vote for this bill. Help protect consumers from predatory automatic subscription renewals. Thank you.; Sara Isett, Self: Excellent way to protect consumers.; Craig McDermott, Self: re: the striker; Aaron Essif, Self: Very good idea.; Claudia Yeager-Smith, Self: Well thought out,

reasonable consumer protections. SUPPORT and thank you for your work!; Mike Kunnecke, Self: A vote against this is not a "Public Service" & not an act of a Public Servant!; Mary Pena, Self: Would create consumer protections for automatic subscription renewals.; Kathryn Avila Hammond, Self: Let's help keep predatory subscription services in check, no one needs unlimited subscriptions, except the people making money off these never-ending subscriptions.; Erin Dahl, Self: I am in support of the bill creating consumer protections for automatic subscription renewals.; Susan Bowen, Self: YES, THIS IS PROTECTING YOUR CONSTITUENTS AND CONSUMERS!!!; Margie Gomez, Self: We need consumer protections for automatic subscription renewals. I personally would like to be refunded by companies that have sneakily renewed my subscription, without my consent. SUPPORT; Stephen Flaaen, Self: Yes to consumer protections!

HB2979, credit unions; certificates; powers; committee

Support:

Brooke Parent, Gowest Credit Union Association

Neutral:

Fausto Burruel, AZ DEPT. OF INSURANCE AND FINANCIAL INSTITUTIONS

HB2991, social media; online content; minors

Support:

Charmaine Roth, representing self; Susan Cheatham, representing self; James Roth, representing self

Neutral:

Corinne Johnson, representing self; Peter Gentala, CENTER FOR ARIZONA POLICY

Oppose:

Jose Torres, TECHNOLOGY NETWORK AKA TECHNET; Montana Miranda, representing self; Jennifer Hanley, representing self; Patrick Hedger, representing self

All Comments:

James Roth, Self: Protects minors from undue influence by social media without parental consent; Patrick Hedger, Self: Representing NetChoice; Peter Gentala, CENTER FOR ARIZONA POLICY: Leisa Brug (CAP VP Advocacy) will be in committee and can share about letter previously sent if it would be helpful for the sponsor.

HB2996, DIFI; certificates of insurance

Support:

Jennifer Harris, INDEPENDENT INSURANCE AGENTS & BROKERS OF AZ; Lisa Hankal, representing self; Shane Opdahl, representing self; Whitney Hoelzen, representing self

Neutral:

Fausto Burruel, AZ DEPT. OF INSURANCE AND FINANCIAL INSTITUTIONS

HB2999, municipal improvement districts; technical correction

Support:

Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ; Tyler Cobb, HOME BUILDERS ASSOCIATION OF CENTRAL ARIZONA; Emily Ryan, Southern Arizona Home Builders Association; Courtney Coolidge, AZ CHAMBER OF COMMERCE; Clark Princell, VALLEY PARTNERSHIP; Jake Hinman, ARIZONA NEIGHBORHOOD PROJECT; Jeremy Browning, HOME BUILDERS ASSOCIATION OF CENTRAL ARIZONA; Steve Trussell, AZ ROCK PRODUCTS ASSN

Neutral:

Dante Mitchell, ARIZONA FINANCE AUTHORITY

Oppose:

Tom Savage, LEAGUE OF ARIZONA CITIES & TOWNS; Robert Wisler, APACHE JUNCTION, CITY OF

All Comments:

Emily Ryan, Southern Arizona Home Builders Association: In support of the strike everything amendment.

HB4001, alternative nicotine products; regulation.

Support:

Jobe Dickinson, Border Security Alliance; John Paul Willett, representing self; Tom Dorn, Vapor Technology Association; Beverly Janowitz-Price, representing self; Geoff Habicht, representing self; Judith Lohr, representing self; David Kopilovitch, representing self; michael damiano, representing self; Heidi Walton, representing self

Oppose:

Brian Hummell, American Cancer Society Cancer Action Network; Lisa Bednar, AZ FOOD MARKETING ALLIANCE; Pat VanMaanen, representing self; JoAnna Strother, AMERICAN LUNG ASSOCIATION IN ARIZONA; Marilyn Rodriguez, AZ ATTORNEYS FOR CRIMINAL JUSTICE (AACJ); Joshua Umar, Arizona Petroleum Marketers Association

All Comments:

John Paul Willett, Self: President of Arizona Innovates: The Harm Reduction Coalition; Geoff Habicht, Self: This is great legislation that protects AZ consumers and AZ businesses that are good actors. It is rational and logical law that properly penalizes bad actors and regulates this properly as an adult product like alcohol.; Heidi Walton, Self: Please protect early childhood funding so children and families can access quality early childhood education. Young children can't wait!; Brian Hummell, American Cancer Society Cancer Action Network: Creates a new product outside of tobacco. Only licenses ANP not all tobacco products. License should be self sustaining.; Pat VanMaanen, Self: All tobacco products should be regulated similarly.

HB4011, HOAs; duties

Support:

Dennis J Legere, ARIZONA HOMEOWNERS COALITION; Harold Bergsma, representing self; Linda Ross, representing self; Charmaine Roth, representing self; Melanie Teixeira, representing self; Lisa Marx, representing self; Raymond Wasson, representing self; Kathleen Harden-Wasson, representing self; Irene Smith, representing self; Teresa

Pinter, representing self; Clare Scarpulla, representing self; Julia Abston, representing self; Henry Schubel, representing self; Diana Dow, representing self; Kathryn Kendall, representing self; James Roth, representing self; Marcia Tolin, representing self

Neutral:

Pierre Desombre, representing self; Lynelle Glysson, representing self; Denise Priddy, representing self; Summer Cole, representing self

Oppose:

Daniel Stasi, representing self

All Comments:

Dennis J Legere, ARIZONA HOMEOWNERS COALITION: I support the bill as amended; Diana Dow, Self: HB-4011 ensures HOA boards follow clear duties, promoting fair, consistent, and transparent governance. It prevents arbitrary or capricious actions, protecting homeowners from surprise rule changes and unnecessary legal disputes. Please vote Yes.; James Roth, Self: prohibits HOA boards from arbitary decision-making in secret; Daniel Stasi, Self: A duty to act "fairly" will not be interpreted by all the same. Those that are a grieved will frequently see it as unfair.; Lynelle Glysson, Self: with the new language, I am changing my position to neutral.

HB4017, pet ownership limits; planned communities.

Support:

Dennis J Legere, ARIZONA HOMEOWNERS COALITION; MJ Simpson, WM E MORRIS INSTITUTE FOR JUSTICE; Briana Romero, HUMANE WORLD FOR ANIMALS; Martha German, HVA, INC. DBA HUMANE VOTERS OF ARIZONA; Maureen Beyers, representing self; Steven Hansen, ARIZONA HUMANE SOCIETY; Thomas Krepitch, representing self; Linda Ross, representing self; Melanie Teixeira, representing self; Lisa Marx, representing self; Pierre Desombre, representing self; Raymond Wasson, representing self; Kathleen Harden-Wasson, representing self; Teresa Pinter, representing self; Clare Scarpulla, representing self; Marcia Tolin, representing self; Julia Abston, representing self; Denise Priddy, representing self; Diana Dow, representing self; Kathryn Kendall, representing self

Neutral:

Henry Schubel, representing self

Oppose:

Charmaine Roth, representing self; Dieter Knecht, representing self; Jeff Carr, representing self; James Roth, representing self

All Comments:

Dennis J Legere, ARIZONA HOMEOWNERS COALITION: These associations have the authority to regulate the behaviors of homeowners, their guest or pets to protect the safety of other members or the ability of those other members to enjoy their homes and common property without nuisance behaviors.; MJ Simpson, WM E MORRIS INSTITUTE FOR JUSTICE: Arizona families should be free of biased and non-evidence based restrictions on the companion animals they choose to have in their home. Breed bans create housing barriers and overcrowded animal shelters. Please vote yes.; Steven Hansen, ARIZONA HUMANE SOCIETY: The Arizona Humane Society receives 10,000 calls monthly form pet owners. Rental housing restrictions are one of the top two reasons pet

owners call to relinquish their pets to the Arizona Humane Society.; Denise Priddy, Self: The purpose of an HOA is to ensure our property value by maintaining the community. Giving HOA's the right to decide what breed, size and weight of our pets is not their purpose.; Diana Dow, Self: HB-4017 protects homeowners' right to keep pets by prohibiting breed, size, or weight restrictions while allowing reasonable rules on pet behavior consistent with the law. Please vote YES.; Jeff Carr, Self: Leave this to the community; James Roth, Self: It seems a better idea to let local community based on the community consensus to decide this issue and not have the state imposing its dictates

HB4020, insurance; fraud unit; assessment; increase

Support:

Daniel Romm, AIG, ALLSTATE INSURANCE CO, American Family Insurance, Chubb Insurance , FARMERS INSURANCE GROUP OF COMPANIES, GOVERNMENT EMPLOYEES INSURANCE COMPANY (GEICO); Marie Isaacson, STATE FARM INSURANCE COMPANIES; Don Isaacson, STATE FARM INSURANCE COMPANIES

Neutral:

Fausto Burruel, AZ DEPT. OF INSURANCE AND FINANCIAL INSTITUTIONS

All Comments:

Don Isaacson, STATE FARM INSURANCE COMPANIES: will speak, if necessary

HB4026, public infrastructure improvements; distribution limit

Support:

Courtney Coolidge, AZ CHAMBER OF COMMERCE; Timothy Bourcet, representing self; Mayor Julia Wheatley, representing self; Dianne McCallister, Arizona Technology Council; Nick Simonetta, PEORIA, CITY OF; Theresa Ulmer, AZ MUNICIPAL WATER USERS ASSN; Barry M. Aarons, AZ MUNICIPAL WATER USERS ASSN; Eric Emmert, Arizona Association For Economic Development , East Valley Chambers Of Commerce Alliance ; Robert Dalager, GREATER PHOENIX ECONOMIC COUNCIL; Tom Savage, LEAGUE OF ARIZONA CITIES & TOWNS; Maegan Johnson , PHOENIX, CITY OF; Heather Bernacki Wilkey, QUEEN CREEK, TOWN OF; Rodney Short, YUMA, CITY OF; Steve Hetsler, representing self; Doris Mills, representing self; Melissa Taylor, GREATER PHOENIX LEADERSHIP; Ryan Sullivan, ECOLAB; Mackenzie Shane, GREATER PHOENIX CHAMBER OF COMMERCE; Laura French, TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY, LTD.; Clark Princell, VALLEY PARTNERSHIP; John Raeder, BUCKEYE, CITY OF; Allison Grigg, AMKOR TECHNOLOGY; Brittany Barba, CITY OF CHANDLER

Oppose:

Dwight Kadar, representing self; Andrea Kadar, representing self; Cathy Schwanke, representing self; Aimee Yentes, AZ FREE ENTERPRISE CLUB; Randal Scott, representing self; Elizabeth King, representing self; Michael Gabrick, representing self; Kristine Nelson, representing self; Michael Steffens, representing self; Bonnie Kistler, representing self; Stephen Harris, representing self; Leslie White, representing self; Linda Jorgensen, representing self; Susan Bolt, representing self; Jeffrey Scott Christopher, representing self; Linda Busam, representing self; William & Mary Jurica, representing self; John Yoder, representing self; Charmaine Roth, representing self; Nikki Colletti, representing self; Bridget Nelke, representing self; Greg Blackie, AZ FREE ENTERPRISE CLUB; Melanie Hutchings, representing self; Jean Ferguson, representing self; Christi Sourk, representing self; Cara Kretz,

representing self; Cherie Anello, representing self; Peter Anello, representing self; Susan O'Daniel, representing self; Laurie Reiner, representing self; Pam Reinke, representing self; Mozelle Ault, representing self; J Holmes, representing self; Carol Kliewer, representing self; Dale Brewer, representing self; Thomas Simacek, representing self; Donna Booth, representing self; Merl Nielsen, representing self; Kathryn Farkas, representing self; louise liggett, representing self; karen enns, representing self; Jeffrey Luft, representing self; Carrie Cox, representing self; Mary Jamsa, representing self; Roy Scott Lassell, representing self; Pam Throw, representing self; Margaret Barnes, representing self; brenda simon, representing self; Douglas Simon, representing self; Cornel Choskey, representing self; Joelene Williamson, representing self; conrad tolson, representing self; Donald Koeppen, representing self; Lydia Choskey, representing self; Lynda Patrick-Hayes, LD10STRONG!, representing self; Shay Cardell, representing self; Laurel Lynn Scott, representing self; Pamela Calik, representing self; Michele Lennane-Root, representing self; Barbara Scott, representing self; Steve Kolter, representing self; Ronald Pardini, representing self; Lynda Brady, representing self; Renee Yarbrough, representing self; LEE YARBROUGH, representing self; James Roth, representing self; Joyce Mansur, representing self

All Comments:

Rodney Short, YUMA, CITY OF: Please have some of this funding return to the rural/non-metropolitan areas of Arizona.; Aimee Yentes, AZ FREE ENTERPRISE CLUB: Not available to testify, but will email committee members testimony.; Randal Scott, Self: No to this; Leslie White, Self: NO! NO! Terrible idea. Leslie White PC - LD5 - Oregon District; Linda Jorgensen, Self: Please reject this bill; Bridget Nelke, Self: I OPPOSE THIS BILL; J Holmes, Self: No more taxpayers subsidizing buildings; let corporate do that.; Dale Brewer, Self: I have 2 grandchildren and one great grandchild. I am very concerned about their futures.; karen enns, Self: State taxpayers should not subsidize local businesses. Furthermore this would lead to all sorts of corruption,; Mary Jamsa, Self: Our state taxpayers should not have to subsidize these business projects. I do not support this bill.; Roy Scott Lassell, Self: I do not support this bill. It is not appropriate and should not be passed. Taxpayers should not subsidize wasted expense.; Joelene Williamson, Self: I do not support. state TPT revenues should not be used to subsidize local public infrastructure improvement projects developed by businesses.; Lynda Brady, Self: A serious vote no is required here. Thank you for reading and considering a constituents opinion. I understand how overloaded your plate is, by design, to keep you from having time to thoughtfully consider your vote.; James Roth, Self: Uses state TPT revenues to subsidize local public infrastructure improvement projects developed by businesses. Bad idea.

HB4086, escrow agents; notice; property sale

Support:

Debi Gotlieb, representing self; Liz Recchia, AZ DEPT OF REAL ESTATE

All Comments:

Liz Recchia, AZ DEPT OF REAL ESTATE: Az legalized deed fraud (ARS 12-523 to 12-527). No way for property owner to know the fraud is occurring. Affects all real property, not just residential.

HB4088, commercial motor vehicle; liability insurance

Oppose:

Tony Bradley, President and CEO, Arizona Trucking Association

All Comments:

Tony Bradley, Arizona Trucking Association: HB 4088 abandons Arizona's existing towing consumer protections for DPS tows and to towing companies unlimited lien rights without rate caps, oversight, or dispute resolution.

ARIZONA STATE LEGISLATURE

Fifty-seventh Legislature - Second Regular Session

COMMITTEE ATTENDANCE RECORD

COMMITTEE ON **COMMERCE**

CHAIRMAN: Jeff Weninger VICE-CHAIRMAN: Michael Way

DATE	02/17/26	
CONVENED	2:51 pm	
RECESSED		
RECONVENED		
ADJOURNED	8:22 pm	
MEMBERS	PRESENT	NOT PRESENT
Aguilar	✓	
Blackman	✓	
Carter N	✓	
Cavero	✓	
Connolly	✓	
Diaz	✓	
Hendrix	✓	
Villegas	✓	
Wilmeth	✓	
Way, Vice-Chairman	✓	
Weninger, Chairman	✓	
TOTAL	11	

Attachment 3

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff

HB 2911: registrar of contractors; restitution; repeal
Sponsor: Representative Hendrix, LD 14
Committee on Commerce

Overview

Repeals the statute relating to a recommendation made by an administrative law judge that restitution be provided by a licensed contractor.

History

As part of the Registrar of Contractor's (ROC) compliant process, the ROC can assign an amount of restitution be paid to a person who was financially harmed by a licensed contractor. The licensed contractor can contest the amount awarded by requesting a hearing. Contested cases are sent to the Office of Administrative Hearings (OAH), which is overseen by an administrative law judge. The administrative law judge must issue a written decision within 20 days after the hearing is concluded. Within 30 days after the date OAH sends a copy of the decision to the agency head, the agency head may review the decision and accept, reject or modify it. The agency head's decision is the final administrative decision with outlined exemptions. The administrative law judge is statutory permitted to recommend that a licensee provide restitution to any person who is injured or whose property is damaged by actions of the licensee (A.R.S. §§ 32-1156, 32-1156.01, 41-1092.08).

Provisions

1. Repeals statute allowing an administrative law judge to recommend that a licensee provide restitution to any person who is injured or whose property is damaged by actions of the licensee. (Sec. 1)

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

Attachment 4

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2911

DATE February 17, 2026 MOTION: DP

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

Held

Abby Selvey
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 5

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff

HB4020: insurance; fraud unit; assessment; increase
Sponsor: Representative Livingston, LD 28
Committee on Commerce

Overview

Increases the maximum annual amount the Director of the Department of Insurance and Financial Institutions (DIFI) can assess each licensed insurer to up to $1,350.

History

Established within DIFI, the Fraud Unit investigates any act or practice of insurance fraud. The Director employs investigators who possess peace officer status while performing their duties. The Director annually assesses each insurer authorized to transact business in Arizona up to $1,050 for the administration and operation of the Fraud Unit and the prosecution of fraud. Monies collected are deposited in the Fraud Unit Assessment Fund and are continuously appropriated (A.R.S. §§ 20-466, 20-466.05).

Provisions

1. Increases the maximum assessment amount from $1,050 to $1,350. (Sec. 1)
2. Makes the legislation retroactive to July 1, 2026. (Sec. 2)
3. Contains a Proposition 108 clause. (Sec. 3)

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

Attachment 6

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 4020

DATE February 17, 2026 MOTION: DP

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

Abby Selwey
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 7

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff

HB 2255: teachers academy; community college students
Sponsor: Representative Weninger, LD 13
Committee on Commerce

Overview

Doubles the number of academic years or semesters for which a community college student who is enrolled in the Arizona Teachers Academy (Academy) may receive a tuition and fees scholarship.

History

Eligible postsecondary institutions operate an Academy to incentivize students to teach in Arizona public schools or in schools that primarily serve public school students with disabilities. The Academy must include accelerated models for: 1) high-demand teacher specializations; 2) critical need areas; 3) individuals seeking postbaccalaureate coursework resulting in professional certification; 4) dual enrollment teachers; and 5) students in noneducation programs to complete teacher preparation courses.

An eligible postsecondary institution must provide each Academy student a scholarship, after all other financial aid is considered, up to the actual cost of: 1) tuition and fees for undergraduate, graduate and community college students, subject to academic year and semester limitations; 2) obtaining National Board certification and renewal; and 3) obtaining a teaching certificate. For each academic year the student successfully completes and receives a tuition and fee scholarship, the student must agree to teach for one full school year in an Arizona public school. A teacher seeking a National Board certification must teach for one additional year after completing the certification program. Statute details circumstances in which a student or teacher must reimburse the Arizona Board of Regents for an Academy scholarship if the student or teacher does not fulfill the service requirement. Arizona Teachers Academy Fund monies may be used to reimburse Academy scholarships (A.R.S. § 15-1655).

Provisions

1. Increases the number of academic years or semesters for which an eligible postsecondary institution must provide an Academy tuition and fees scholarship to community college students, from a maximum of two academic years or four semesters, to a maximum of four academic years or eight semesters. (Sec. 1)
2. Contains a Proposition 105 clause. (Sec. 2)

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

Attachment 8

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2255

DATE February 17, 2026 MOTION: DP

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

Abby Selvey
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 9

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff

HB 2591: apprenticeships; registration; certificate
Sponsor: Representative Wilmeth, LD 2
Committee on Commerce

Overview

Prescribes requirements for the Department of Economic Security (DES) registered apprenticeships.

History

DES is a state agency that provides protective and assistance services to Arizona's children, adults and families. DES administers a broad range of programs related to children's services, guardianship and adoption, child support enforcement, developmental disabilities, vocational rehabilitation, domestic violence, adult protective services, medical assistance eligibility, nutritional assistance, independent living, employment assistance and unemployment insurance. Its three primary goals are to strengthen individuals and families, increase self-sufficiency and develop the capacity of communities (Title 41, Chapter 14, A.R.S.).

DES establishes special purpose councils as are required by state and federal law, rules or regulations or determined to be essential to the public's interest, including an apprenticeship advisory council (A.R.S. 41-1981).

The Arizona Apprenticeship Advisory Committee coordinates, advises and recommends approval of procedures for the registration of apprenticeship programs and establishes quality thresholds of employers and employees in a sound, voluntary system of apprenticeship for men and women in skilled trades and occupations.

Provisions

1. Declares apprenticeships that are registered by DES must:
   a. include written apprenticeship agreements;
   b. define work processes and training plans;
   c. provide progressive wage increases;
   d. provide proper supervision and safety training; and
   e. issue certificates of completion. (Sec. 1)
2. Defines *apprenticeship* as a formal, structured, earn-and-learn training model that combines paid, supervised on-the-job learning with related technical instruction to develop competent and skilled workers in an industry-recognized occupation. (Sec. 1)
3. Makes technical changes. (Sec. 1)

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

Attachment 10

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2591
(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. Section 41-1951, Arizona Revised Statutes, is amended to read:

41-1951. Definitions

In this chapter, unless the context otherwise requires:

1. "Agency" includes one or more of the state agencies consolidated into the department of economic security by this chapter.

2. "APPRENTICESHIP" MEANS A FORMAL, STRUCTURED, EARN-AND-LEARN TRAINING MODEL THAT COMBINES PAID, SUPERVISED ON-THE-JOB LEARNING WITH RELATED TECHNICAL INSTRUCTION [PURSUANT TO THE UNITED STATES DEPARTMENT OF LABOR STANDARDS FOR REGISTERING APPRENTICESHIP PROGRAMS] TO DEVELOP COMPETENT AND SKILLED WORKERS IN AN INDUSTRY-RECOGNIZED OCCUPATION.

~~7.~~ 3. "Community work and training" means work, training or job development ~~which~~ THAT will be provided through a plan jointly entered into by the department and an agency, department, board or commission of ~~the~~ THIS state or THE federal government~~,~~ OR A county, city, political subdivision or private agency. Such work, training or job development will take place in and about public or private works or improvements and will ~~utilize~~ USE labor and services required to be performed where feasible by those eligible for this program.

~~2.~~ 4. "Comprehensive plan" means an evaluation of client needs and the availability of services to meet these needs within ~~the~~ THIS state.

~~3.~~ 5. "Council" means the economic security council.

~~4.~~ 6. "Department" means the department of economic security.

~~5.~~ 7. "Director" means the director of the department of economic security.

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

Attachment 11

~~6.~~ 8. "State plan" means any of the several state plans ~~which~~ THAT establish the federal-state contractual relationships necessary for federal funding.

Sec. 2. Section 41-1955, Arizona Revised Statutes, is amended to read:

41-1955. Duty of department concerning employment stabilization, ex-offender rehabilitation, income maintenance and manpower development; research studies; apprenticeships

The department, with the advice and aid of its advisory councils, shall:

1. Take appropriate steps to reduce and prevent unemployment and dependency~~,~~ and to assist in alleviating the economic and social impact of unemployment and dependency on the person and ~~his~~ THE PERSON'S family.

2. Encourage and assist in ~~the adoption of~~ ADOPTING practical methods of manpower services, occupational training, vocational counseling and guidance, vocational rehabilitation and retraining, supportive services and other such services the director deems appropriate.

3. Research, recommend, advise and assist in ~~the establishment of~~ ESTABLISHING community or area facilities, public and private, or both, to provide an integration of direct services and programs for ~~the development of the~~ DEVELOPING THIS state's manpower and ~~the reduction of~~ REDUCING dependency.

4. Promote the effective ~~utilization~~ USE of unemployed and ~~under-utilized~~ UNDER-USED workers.

5. Aid in ~~the rehabilitation of~~ REHABILITATING employable ex-offenders, in cooperation with the department of corrections. An ex-offender, by accepting the assistance provided for by this article, shall not be disqualified from receiving further assistance from any other state agency to which ~~he~~ THE EX-OFFENDER is legally entitled.

6. Be the state registration agency for apprenticeship functions prescribed by the federal government.

7. Carry out and publish the results of research studies for the purpose of this chapter.

~~[B. APPRENTICESHIPS THAT ARE REGISTERED BY THE DEPARTMENT SHALL:~~

~~1. INCLUDE WRITTEN APPRENTICESHIP AGREEMENTS.~~

~~2. DEFINE WORK PROCESSES AND TRAINING PLANS.~~

~~3. PROVIDE PROGRESSIVE WAGE INCREASES.~~

~~4. PROVIDE PROPER SUPERVISION AND SAFETY TRAINING.~~

~~5. ISSUE CERTIFICATES OF COMPLETION.]~~

House Amendments to H.B. 2591

1 Enroll and engross to conform
2 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 2591

DATE February 17, 2026 MOTION: DPA

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

Abby Selvey
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 12

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff

HB 2680: worker's compensation; notice; fraud; commission
Sponsor: Representative Hernandez A, LD 20
Committee on Commerce

Overview

Requires the Industrial Commission of Arizona to maintain a database containing certain workers' compensation information.

History

The Industrial Commission of Arizona (ICA) administers and enforces state laws relating to the protection of life, health, safety and welfare of Arizona's employees, including workers' compensation. Worker's compensation insurance provides coverage of medical costs, rehabilitation and lost wages for an employee who has suffered injury or illness in the course of performing job related duties. Employers are statutorily required to provide workers' compensation to their employees either by securing insurance through an authorized carrier or providing the ICA with proof of financial ability to pay workers' compensation costs. An employer can demonstrate financial ability to pay benefits directly or through participation in an approved self-insurance compensation pool (A.R.S. §§ 23-107 and 23-961).

The ICA is statutorily required to establish a fraud unit which investigates fraudulent activities, statements or representations made in connection with workers' compensation claims. The fraud unit may investigate allegations of fraud either on receiving a complaint or on the fraud unit's own motion. If, on investigation, the fraud unit determines that fraudulent activities, statements or representations were made, the fraud unit may report violations of law to the claimant or claimant's representative, to the reporting employer, self-insured employer or insurance carrier, to the appropriate licensing agency, and to the appropriate county attorney or the attorney general for prosecution (A.R.S. § 23-934).

Provisions

1. Requires the ICA to generate and maintain a publicly accessible database containing an employer's workers' compensation information that includes:
   a. the name of the insured person;
   b. the name of the insurer; and
   c. the expiration date of the policy. (Sec. 1)
2. Instructs the ICA to maintain a record of the workers' compensation policies sold by each insurance broker or agent. (Sec. 1)
3. Details information that a licensed or certified insurer must provide to the ICA. (Sec. 1)

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

Attachment 13

4. Requires the ICA, on notice by an insurer, to investigate allegations of workers' compensation or premium insurance fraud. (Sec. 1)
5. Requires insurers who issue a zero estimated exposure policy to include a specified statement signed by the applicant that attests to the accuracy of the information provided in the application and that the applicant has no employees and an estimated exposure of zero. (Sec. 1)
6. Stipulates an employer that provides business construction and improvement services obtains a zero estimated exposure policy must provide to each entity that the employer directly contracts with a copy of the policy and written notification that states that the employer has a total estimated exposure of zero. (Sec. 1)
7. Instructs an entity to retain the written notice and the policy for at least three years after the date it was received. (Sec. 1)
8. Defines *zero estimated exposure policy* as an insurance policy that is obtained by an employer to cover the employer's liability to pay compensation after the employer reports a total estimated exposure of zero. (Sec. 1)
9. Applies the zero estimated exposure policy requirements to contracts that are entered into after the effective date of this act. (Sec. 2)

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2680
(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. Title 23, chapter 6, article 1, Arizona Revised Statutes, is amended by adding section 23-911, to read:

23-911. Workers' compensation; proof of insurance; public database; notice; definition

[~~A. THE COMMISSION SHALL GENERATE AND MAINTAIN A PUBLICLY ACCESSIBLE DATABASE THAT CONTAINS AN EMPLOYER'S WORKERS' COMPENSATION INFORMATION, AND THE DATABASE MUST INCLUDE ALL OF THE FOLLOWING:~~

~~1. THE NAME OF THE PERSON THAT IS INSURED.~~

~~2. THE NAME OF THE INSURER.~~

~~3. THE EXPIRATION DATE OF THE POLICY.~~

~~B. THE COMMISSION SHALL MAINTAIN A RECORD OF THE WORKERS' COMPENSATION POLICIES SOLD BY EACH INSURANCE BROKER OR AGENT.~~

~~C. AN INSURER THAT IS LICENSED OR CERTIFIED IN THIS STATE SHALL PROVIDE BOTH OF THE FOLLOWING TO THE COMMISSION:~~

~~1. A COPY OF THE DECLARATION PAGE FOR EACH WORKERS' COMPENSATION POLICY FOR INCLUSION ON THE DATABASE.~~

~~2. THE NAME OF THE INSURANCE BROKER OR AGENT THAT SOLD THE WORKERS' COMPENSATION POLICY.~~]

[~~D.~~] [A.] A [~~DECLARATION PAGE~~] [CERTIFICATE OF INSURANCE] SHALL INCLUDE ALL OF THE FOLLOWING:

1. A QUICK-RESPONSE CODE THAT DIRECTS A USER TO THE [WORKERS COMPENSATION VERIFICATION] DATABASE [~~AS PRESCRIBED IN SUBSECTION A OF THIS SECTION~~].

2. THE NUMBER OF EMPLOYEES THAT ARE EMPLOYED BY THE INSURED.

3. THE ESTIMATED PAYROLL AMOUNT PER EMPLOYEE CLASSIFICATION.

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

Attachment 14

[~~E. ON NOTICE BY AN INSURER, THE COMMISSION SHALL INVESTIGATE ALLEGATIONS OF WORKERS' COMPENSATION OR PREMIUM INSURANCE FRAUD OF AN INSURED.~~]

[~~F.~~] [B.] IF AN INSURER ISSUES A ZERO ESTIMATED EXPOSURE POLICY, THE ZERO ESTIMATED EXPOSURE POLICY SHALL INCLUDE A STATEMENT SIGNED BY THE APPLICANT THAT ATTESTS TO THE ACCURACY OF THE INFORMATION PROVIDED IN THE APPLICATION AND THAT THE APPLICANT HAS NO EMPLOYEES AND AN ESTIMATED EXPOSURE OF ZERO, AS FOLLOWS:

I ATTEST THAT THE INFORMATION PROVIDED ON THIS APPLICATION IS CURRENT, TRUE, CORRECT, ACCURATE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF. I FURTHER ATTEST THAT I DO NOT HAVE ANY EMPLOYEES AND AN ESTIMATED EXPOSURE OF ZERO. IF I EMPLOY AN EMPLOYEE DURING THE POLICY PERIOD, I WILL PROVIDE WRITTEN NOTIFICATION TO MY WORKERS' COMPENSATION INSURER OF THE EMPLOYMENT WITHIN SIXTY DAYS AND WILL INCLUDE THE ESTIMATED PAYROLL AND CLASSIFICATION CODES OF THE NEW EMPLOYEE. I UNDERSTAND THAT AN INTENT TO DEFRAUD OR ANY OMISSION OR MISREPRESENTATION CONTAINED IN THIS APPLICATION IS UNLAWFUL.

[~~G.~~] [C.] IF AN EMPLOYER THAT PROVIDES BUSINESS CONSTRUCTION AND IMPROVEMENT SERVICES OBTAINS A ZERO ESTIMATED EXPOSURE POLICY, THE EMPLOYER SHALL PROVIDE TO EACH ENTITY THAT THE EMPLOYER DIRECTLY CONTRACTS WITH A COPY OF THE POLICY AND WRITTEN NOTIFICATION THAT STATES THAT THE EMPLOYER HAS A TOTAL ESTIMATED EXPOSURE OF ZERO. AN ENTITY THAT RECEIVES WRITTEN NOTICE UNDER THIS SUBSECTION SHALL RETAIN THE NOTICE AND THE POLICY FOR AT LEAST THREE YEARS AFTER THE DATE OF RECEIPT.

[~~H.~~] [D.] FOR THE PURPOSES OF THIS SECTION, "ZERO ESTIMATED EXPOSURE POLICY" MEANS AN INSURANCE POLICY THAT IS OBTAINED BY AN EMPLOYER TO COVER THE EMPLOYER'S LIABILITY TO PAY COMPENSATION AFTER THE EMPLOYER REPORTS A TOTAL ESTIMATED EXPOSURE OF ZERO.

Sec. 2. Applicability

Section 23-911, Arizona Revised Statutes, as added by this act, applies to contracts that are entered into on or after the effective date of this act.

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 2680

DATE February 17, 2026 MOTION: DPA

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

Abby Selvey
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 15

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff

HB 2979: credit unions; certificates; powers; committee
Sponsor: Representative Wilmeth, LD 2
Committee on Commerce

Overview

Includes requirements relating to approval of a credit union's bylaws, name changes, and changes to the principal place of business.

History

The Department of Insurance and Financial Institutions (DIFI) is a multifaceted agency that regulates the insurance industry, financial institutions and enterprises as well as the distribution of Arizona Automobile Theft Authority Fund monies to combat auto theft.

DIFI regulates such industries through licensure of financial and insurance professionals such as collection agencies, mortgage bankers and brokers, insurers and insurance producers, registering and certifying state-chartered banks and credit unions and conducting scheduled examinations and investigating complaints of licensed professionals and businesses (Title 6, A.R.S.).

Provisions

Credit Union; Amendments to Bylaws

1. Instructs the Deputy Director to submit an acknowledgment of receipt or request additional information within 10 business days after receiving a completed proposed amendment request. (Sec. 2)
2. Requires Deputy Director to make a decision within 30 business days after the date that the acknowledgment of receipt is submitted to the credit union. (Sec. 2)
3. Allows the Deputy Director to extend the response time for good cause shown. (Sec. 2)

Credit Union; Name Change

4. Instructs the Deputy Director to submit an acknowledgment of receipt or request additional information within 10 business days after receiving a completed request for a name change. (Sec. 3)
5. Requires the Deputy Director to make a decision within 30 business days after the date that the acknowledgment of receipt is submitted to the credit union. (Sec. 3)

Credit Union; Change in Principal Place of Business

6. Instructs the Deputy Director to submit an acknowledgment of receipt or request additional information within 10 business days after receiving a completed request for a change in the principal place of business or branch. (Sec. 4)

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

Attachment 16

7. Requires the Deputy Director to make a decision within 60 days after the date that the acknowledgment of receipt is submitted to the credit union. (Sec. 4)

8. Allows the Deputy Director to extend the response time for good cause shown. (Sec. 4)

Miscellaneous

9. Deletes the prohibition for a credit union to delegate the exercise of any specified power to certain persons without prior written approval. (Sec. 5)

10. Includes that a credit union is authorized to exercise all of the rights, powers and privileges of any out-of-state credit union. (Sec. 6)

11. Requires a credit union, prior to exercising any right, power or privilege, to submit a request and reference the specific statutory or regulatory source of the right, power or privilege to be exercised. (Sec. 6)

12. Clarifies appeals to the credit committee relating to loans must be approved or denied by a majority of the committee members. (Sec. 7)

13. Makes a technical and conforming changes. (Sec. 1, 2, 6, 8)

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2979
(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. Section 6-506, Arizona Revised Statutes, is amended to read:

6-506. Organization procedure

A. Any seven or more residents of this state who are of legal age and who have a common bond of interest or association may apply to the deputy director for permission to organize a credit union under this chapter.

B. The incorporators shall prepare, adopt and execute a certificate of organization and shall agree to comply with the requirements of the certificate and with all of the laws and rules applicable to credit unions. The certificate shall state:

1. The credit union's name and the location of the proposed principal place of business.

2. That the existence of the credit union is perpetual.

3. The names and addresses of the incorporators and the number of shares subscribed to by each.

4. The purpose for which the credit union is formed.

C. The incorporators shall prepare, adopt and execute bylaws consistent with this chapter for the general governance of the credit union. The bylaws, among other things, shall provide:

1. The proposed field of membership that shall consist of one or more groups having a common bond of interest, occupation or association or to groups within a well-defined neighborhood, community or rural district consistent with the purposes of the credit union.

2. The par value, IF ANY, of shares.

3. The number of directors of the credit union, which shall not be fewer than five, all of whom shall be members, together with the titles of

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

Attachment 17

the officers and the number of members of the supervisory committee, which shall not be fewer than three.

4. The conditions under which shares may be issued, transferred or withdrawn, loans may be made and repaid and monies may be otherwise invested.

5. The number of members of the credit committee, which shall not be fewer than three, or the authorization of a credit manager.

D. The incorporators shall select at least five persons who are eligible for membership and who agree to become members and serve on the board of directors, and at least three persons who are eligible for membership and who agree to become members and serve on the supervisory committee. The persons selected to serve on the board of directors and the supervisory committee shall execute an agreement to serve in those capacities until the first annual meeting or until the election of their respective successors, whichever is later.

E. The incorporators shall forward to the deputy director such application as is required by the deputy director, along with the application fee provided for in section 6-126, the certificate of organization, the bylaws and the agreements to serve and any additional information that the deputy director may request.

F. The incorporators shall not transact any business in the name of the credit union until the certificate of incorporation has been issued by the corporation commission and the application and the bylaws have been approved by the deputy director.

Sec. 2. Section 6-508, Arizona Revised Statutes, is amended to read:

6-508. Certificate of organization and bylaws

A. The deputy director shall prepare standard forms of the certificate of organization and bylaws~~,~~ THAT ARE consistent with this chapter~~, which~~ AND THAT may be used by credit union incorporators.

B. The board of directors may adopt proposed amendments to the certificate of organization at a duly held meeting. The board of directors shall submit the proposed amendments to the members for ratification at a regular or special meeting, after which they shall be submitted to the deputy director for the deputy director's approval or disapproval. If approved by the deputy director, the board of directors shall follow the procedure for organization prescribed in section 6-507, subsection B.

C. The board of directors may adopt proposed amendments to the bylaws at any duly held meeting by a three-fourths majority vote. After proposed amendments have been approved, the board shall submit the proposed amendments to the deputy director for the deputy director's approval. WITHIN TEN BUSINESS DAYS AFTER RECEIVING A COMPLETED PROPOSED AMENDMENT REQUEST, THE DEPUTY DIRECTOR SHALL SUBMIT AN ACKNOWLEDGMENT OF RECEIPT OR REQUEST ADDITIONAL INFORMATION. THE DEPUTY DIRECTOR SHALL MAKE A DECISION WITHIN THIRTY BUSINESS DAYS AFTER THE DATE THAT THE ACKNOWLEDGMENT OF RECEIPT IS SUBMITTED TO THE CREDIT UNION. FOR GOOD

CAUSE SHOWN, THE DEPUTY DIRECTOR MAY EXTEND THE RESPONSE TIME. The amendments are effective on approval of the deputy director. At the next regular or special meeting of the membership, the board shall submit all amendments to the bylaws to the members for ratification.

Sec. 3. Section 6-509, Arizona Revised Statutes, is amended to read:

6-509. Exclusive use of name; exception

A. The name of every credit union organized under this chapter shall include the words "credit union". A credit union shall not adopt a name either identical to the name of any other credit union doing business in this state or so similar as to be misleading or cause confusion.

B. It is unlawful for any person to engage in this state in the business of a credit union or to make use of the words "credit union" or any other words in a manner reasonably calculated to convey the impression that the person is engaged in the business of a credit union in this state, unless the act is done by or on behalf of a person having authority under this chapter, except an association of credit unions, or an organization, corporation or association whose membership or ownership consists primarily of credit unions or credit union organizations, may use a name or title containing the words "credit union".

C. A credit union may change its name only on the written authorization of the deputy director. WITHIN TEN BUSINESS DAYS AFTER RECEIVING A COMPLETED REQUEST FOR A CREDIT UNION NAME CHANGE, THE DEPUTY DIRECTOR SHALL SUBMIT AN ACKNOWLEDGMENT OF RECEIPT OR REQUEST ADDITIONAL INFORMATION. THE DEPUTY DIRECTOR SHALL MAKE A DECISION WITHIN THIRTY BUSINESS DAYS AFTER THE DATE THAT THE ACKNOWLEDGMENT OF RECEIPT IS SUBMITTED TO THE CREDIT UNION.

Sec. 4. Section 6-510, Arizona Revised Statutes, is amended to read:

6-510. Principal place of business; branch office

A. A credit union may change its principal place of business or branch within this state with the prior approval of the deputy director and the payment of the fee provided in section 6-126.

B. A credit union may establish a branch office with the prior approval of the deputy director.

C. A credit union organized under this chapter may conduct business in other states or territories of the United States where it is allowed to do so on approval of the deputy director, if it is reasonably necessary to service its members.

D. WITHIN TEN BUSINESS DAYS AFTER RECEIVING A COMPLETED REQUEST FOR A CHANGE IN THE CREDIT UNION'S PRINCIPAL PLACE OF BUSINESS OR BRANCH THAT IS LOCATED IN THIS STATE, THE DEPUTY DIRECTOR SHALL SUBMIT AN ACKNOWLEDGMENT OF RECEIPT OR REQUEST ADDITIONAL INFORMATION. THE DEPUTY DIRECTOR SHALL MAKE A DECISION WITHIN SIXTY BUSINESS DAYS AFTER THE DATE THAT THE ACKNOWLEDGMENT OF RECEIPT IS SUBMITTED TO THE CREDIT UNION. FOR GOOD CAUSE SHOWN, THE DEPUTY DIRECTOR MAY EXTEND THE RESPONSE TIME.

Sec. 5. Section 6-516, Arizona Revised Statutes, is amended to read:

6-516. General powers

A. In addition to the powers prescribed elsewhere in this chapter and except as prohibited by law, a credit union may:

1. Enter into contracts of any nature.

2. Sue or be sued.

3. Adopt, use and display a corporate seal.

4. Acquire, lease, hold, assign, pledge, hypothecate, sell, discount or otherwise dispose of property or assets, either in whole or in part, necessary or incidental to its operations.

5. Borrow money from any source, except that a credit union shall obtain the prior written approval of the deputy director to borrow in excess of an aggregate of fifty percent of its capital.

6. Purchase all or a portion of the assets and assume all or a portion of the liabilities of a credit union chartered under the laws of any state, a federal credit union, a bank or an out-of-state bank.

7. Offer financial services incidental to the purposes of a credit union, including electronic fund transfers, safe deposit boxes and leasing and correspondent arrangements with other financial institutions.

8. Hold membership in other credit unions organized under this chapter or other laws or in other associations and organizations.

9. Engage in activities and programs offered by any governmental unit that are incidental or reasonably related to credit union activities.

10. Act as a fiscal agent for and receive payments on share and deposit accounts from a governmental unit.

11. Make contributions to any nonprofit civic, charitable or service organizations.

B. A credit union may exercise all incidental powers that are convenient, suitable or necessary to enable it to promote or carry out its purposes.

C. A credit union shall not delegate the management of a credit union ~~or the exercise of any power set forth in this section~~ to any person who is not an officer, director or employee of the credit union without the prior written approval of the deputy director. The deputy director may examine the books, records and business affairs of any person or entity to whom the credit union proposes to delegate any such authority.

Sec. 6. Section 6-517, Arizona Revised Statutes, is amended to read:

6-517. Federal parity

In addition to all other rights, powers and privileges, a credit union THAT IS organized under the laws of this state AND whose accounts are insured by an insuring organization:

1. Has all of the rights, powers and privileges and is entitled to the same exemptions and immunities as any credit union THAT IS chartered under the laws of the United States.

2. MAY EXERCISE ALL OF THE RIGHTS, POWERS AND PRIVILEGES OF ANY OUT-OF-STATE CREDIT UNION [WITH THE PRIOR APPROVAL OF THE DEPUTY DIRECTOR]. [~~BEFORE EXERCISING ANY SUCH RIGHT, POWER OR PRIVILEGE,~~] THE CREDIT UNION SHALL SUBMIT A REQUEST TO THE DEPUTY DIRECTOR ON A FORM PRESCRIBED BY THE DEPUTY DIRECTOR AND REFERENCE THE SPECIFIC STATUTORY OR REGULATORY SOURCE OF THE RIGHTS, POWERS OR PRIVILEGES THAT THE CREDIT UNION WISHES TO EXERCISE.

Sec. 7. Section 6-538, Arizona Revised Statutes, is amended to read:

6-538. Credit committee

A. The credit committee has the general supervision of all loans to members, unless it is replaced by a credit manager as provided in section 6-539. The credit committee may approve or disapprove loans subject to written policies established by the board of directors.

B. The credit committee shall meet as often as the business of the credit union requires but not less frequently than monthly, to review the lending activities of the credit union and to consider applications for loans. ~~A loan shall not be made unless it is~~ APPEALS TO THE CREDIT COMMITTEE AS PROVIDED IN SECTION 6-540 SHALL BE approved OR DENIED by a majority of the members of the committee who are present at the meeting at which the application is considered.

C. The credit committee or the credit manager shall keep a record of all actions taken and shall report on such actions to the board at its next meeting.

Sec. 8. Section 6-551, Arizona Revised Statutes, is amended to read:

6-551. Share accounts

A. Share accounts shall be subscribed to and paid for in such manner as the board of directors prescribes. A credit union may require its members to subscribe to and make payments on membership shares. Membership shares may not be pledged as security on any loan.

B. The par value, IF ANY, of any membership shares may differ from the par value of other shares.

C. A credit union may limit the amount in share accounts and deposit accounts and any such limit must apply to all account holders.

Enroll and engross to conform
Amend title to conform

JUSTIN WILMETH

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2979

DATE February 17, 2026 MOTION: DPA

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

Abby Selvey
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 18

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff

HB 2868: installation license; insurance; rules
Sponsor: Representative Wilmeth, LD 2
Committee on Commerce

Overview

Includes licensure requirements and removes certain duties of the Board of Manufactured Housing relating to rule adoption.

History

The Arizona Department of Housing (ADOH) is responsible for: 1) establishing policies, procedures and programs to address the affordable housing issues confronting Arizona, including issues of low income families, moderate income families, housing affordability, special needs populations and decaying housing stock; 2) providing, to qualified housing participants and political subdivisions of Arizona, financial, advisory, consultative, planning, training and educational assistance for the development of safe, decent and affordable housing, including housing for low and moderate income households; and 3) maintaining and enforcing standards of quality and safety for manufactured homes, mobile homes and factory-built buildings (A.R.S. § 41-3953).

The Director of ADOH is responsible for establishing licensing and regulation procedures and issuing certification documents for compliance with the licensing and bonding requirements. The Director issues manufacturer, dealer, broker, salesperson and installer licenses through qualification, investigation and examination. Before receiving and holding a license the applicant must submit a valid fingerprint clearance card. The license expires one year after the date of issuance. An application for renewal with evidence of a valid bond or cash deposit authorizes the licensee to operate until the actual issuance of the renewal license (A.R.S. §§ 41-4023, 41-4025, 41-2027).

Provisions

1. Requires an installation license applicant for a manufactured home or mobile home to provide evidence of and maintain insurance in an amount that will cover the costs for damages to the home caused by the installer during the installation. (Sec. 1)
2. Allows ADOH to require the licensed installer to provide proof of insurance at any time. (Sec. 1)
3. Instructs the licensed installer to notify ADOH of any changes or cancellations regarding the insurance coverage. (Sec. 1)

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

Attachment 19

4. Requires an application for license renewal to include evidence of a valid fingerprint clearance card and proof of the required insurance for authorization to operate until the renewal license is issued. (Sec. 2)

5. Removes the requirement for the Board of Manufactured Housing to adopt:
   a. separate rules for dealer trust and escrow accounts trust and escrow accounts; (Sec. 3)
   b. rules establishing procedures for filed cosmetic complaints, including rules for determining the date of installation of a new manufactured home; and (Sec. 4)
   c. rules establishing procedures for scheduling repair and replacement of complaint items. (Sec. 5)

6. Makes technical changes. (Sec. 2, 4)

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2868

DATE February 17, 2026 MOTION: DP

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

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 20

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff

HB 2429: vacation rentals; short-term rentals; occupancy
S/E: same subject
Sponsor: Representative Bliss, LD 1
Committee on Commerce

Summary of the Strike-Everything Amendment to HB 2429

Overview

Includes additional regulations that cities, towns and counties (local governments) may enforce regarding vacation and short-term rentals.

History

Local governments are statutorily prohibited from preventing vacation rentals or short-term rentals as well as restricting the use of or regulate vacation rentals or short-term rentals based on their classification, use or occupancy. Local governments may regulate vacation rentals or short-term rentals only to the extent as permitted by statute (A.R.S. §§ 9-500.39, 11-269.17).

Provisions

1. Allows a local government to limit the maximum occupancy for an overnight stay in vacation rentals or short-term rentals to two adults per sleeping area plus up to two additional persons, not including minors. (Sec.1, 2)
2. Specifies the occupancy limits only apply to guests staying overnight. (Sec. 1, 2)
3. Increases the period, from 12 to 24 months, in which three verified violations must occur for a local government to suspend a local regulatory license or permit. (Sec. 1, 2)
4. Allows the local government to suspend a local regulatory license or permit after one verified violation of a building code that presents a serious threat to public health or safety, that is related to constructing, modifying or altering the rental without a required building permit or failing to remedy an unsafe or unsanitary condition. (Sec. 1, 2)
5. Clarifies a local government that requires *a local regulatory permit or license to adopt an ordinance requiring* sex offender background checks on a vacation rental or short-term rental *booking* guest. (Sec. 1, 2)
6. Adds that a city or town may deny issuance of a local regulatory permit or license if the applicant has unpaid fines or civil penalties for violations of the city's or town's vacation rental or short-term rental ordinance associated with that property. (Sec. 1)

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

Attachment 21

HB 2429
Attachment

ARIZONA NEIGHBORHOOD ALLIANCE

Protecting the residential integrity of Arizona's neighborhoods

https://aznalliance.org/

HOUSEHOLDS & VOTERS AFFECTED BY STRs in AZ LD 13

APPROXIMATE NUMBERS* AS OF 12/31/22

Senator:

J.D. Mesnard 602-926-4481 jmesnard@azleg.gov

Reps :

Jeff Weninger 602-926-4392 jweninger@azleg.gov

Julie Willoughby 602-926-3181 jwilloughby@azleg.gov

ZIP	CITY/TOWN/AREA	# STRs[1]	# OF CONTIGUOUS HOMES[2]	# OF VOTERS AFFECTED[3]	VOTERS LOST[3]	Zip Shared w/ Other LDs?[4]
85224	Chandler	112	896	1344	168	*12*
85225	Chandler	198	1580	2370	296	*12*
85233	Gilbert	96	764	1146	143	*12*
85234	Gilbert	125	1000	1500	188	*10,14*
85248	Chandler, Sun Lakes	73	587	880	110	*12,16*
85249	Chandler	50	396	594	74	*14*
85286	Chandler	118	944	1416	177	*NO*
85295	Gilbert	83	664	996	125	*14*
85296	Gilbert	82	656	984	123	*14*
85297	Gilbert	76	604	906	113	*14*
85298	Gilbert	41	324	486	61	*14*
TOTAL		**1052**	**8415**	**12622**	***1578***	

NOTE: THESE NUMBERS ARE 3 YEARS OLD AND WOULD BE HIGHER NOW, BUT THEY ARE THE BEST AVAILABLE

[1] *If a zip code is included in more than one LD, the # of STRs listed for each LD is the total STRs in a zip/the # of LDs sharing that zip*

[2] *# of Contiguous Homes = 2-8 X the # of STRs, depending on estimated community density*

[3] *# of Voters = 1.5 X the # of Homes (Fed. est.)*

[4] *If a zip code is included in more than one Legislative District, the sharing LDs for that zip are noted*

STR estimate methodology available on request

In 2016, Senate Bill 1350 opened the floodgates for Short-Term Rentals (STRs) in Arizona.

We now have over 70,000 STR units. Every one should have a TPT license.

WHY ARE 90% UNLICENSED?

ARIZONA TRANSACTION PRIVILEGE TAX ACCOUNTS - FYE 2016-FYE 2025

COUNTY	2016 HTL/MTL/ STR TPT ACCTS	2017 HTL/MTL/ STR TPT ACCTS	2018 HTL/MTL/ STR TPT ACCTS	2019 HTL/MTL/ STR TPT ACCTS	2020 HTL/MTL/ STR TPT ACCTS	2021 HTL/MTL/ STR TPT ACCTS	2022 HTL/MTL/ STR TPT ACCTS	2023 HTL/MTL/ STR TPT ACCTS	2024 HTL/MTL/ STR TPT ACCTS	2025 HTL/MTL/STR TPT ACCTS
Apache	51	54	54	56	48	46	53	60	66	74
Cochise	174	174	157	168	148	156	154	162	178	178
Coconino	409	502	577	630	547	525	638	813	1,059	1,206
Gila	74	75	85	92	86	93	101	128	142	154
Graham	14	14	16	14	14	14	20	20	20	14
Greenlee	12	14	14	12	14	13	17	16	17	13
La Paz	59	60	55	60	67	74	87	91	87	116
Maricopa	987	1,159	1,443	1,745	1,648	1,572	2,220	3,465	4,020	4,482
Mohave	175	223	248	298	268	315	415	520	655	667
Navajo	164	182	201	217	178	166	196	243	289	355
Pima	315	321	418	500	479	461	517	663	832	815
Pinal	111	120	85	152	130	125	144	159	183	223
Santa Cruz	56	51	48	52	45	45	56	56	66	65
Yavapai	255	316	422	492	451	464	595	766	852	918
Yuma	101	97	100	102	89	94	98	109	105	108
TOTAL	**2,957**	**3,362**	**3,923**	**4,590**	**4,212**	**4,163**	**5,311**	**7,271**	**8,571**	**9,388**

TOTAL HOTEL/MOTEL/STR TPT ACCOUNTS:	7,271	8,571	9,388
LESS HOTEL/MOTEL TPT ACCTS AS OF 6/30/16 (Pre SB 1350):	-2,957	-2,957	-2,957
NET INCREASE IN TPT LICENSES FROM FY2016-FY2025:	***4,314***	***5,614***	***6,431***
LESS ESTIMATED HOTELS ADDED (@20/Year):	-140	-160	-180
APPROXIMATE # OF STR TPT LICENSES:	***4,174***	***5,454***	***6,251***

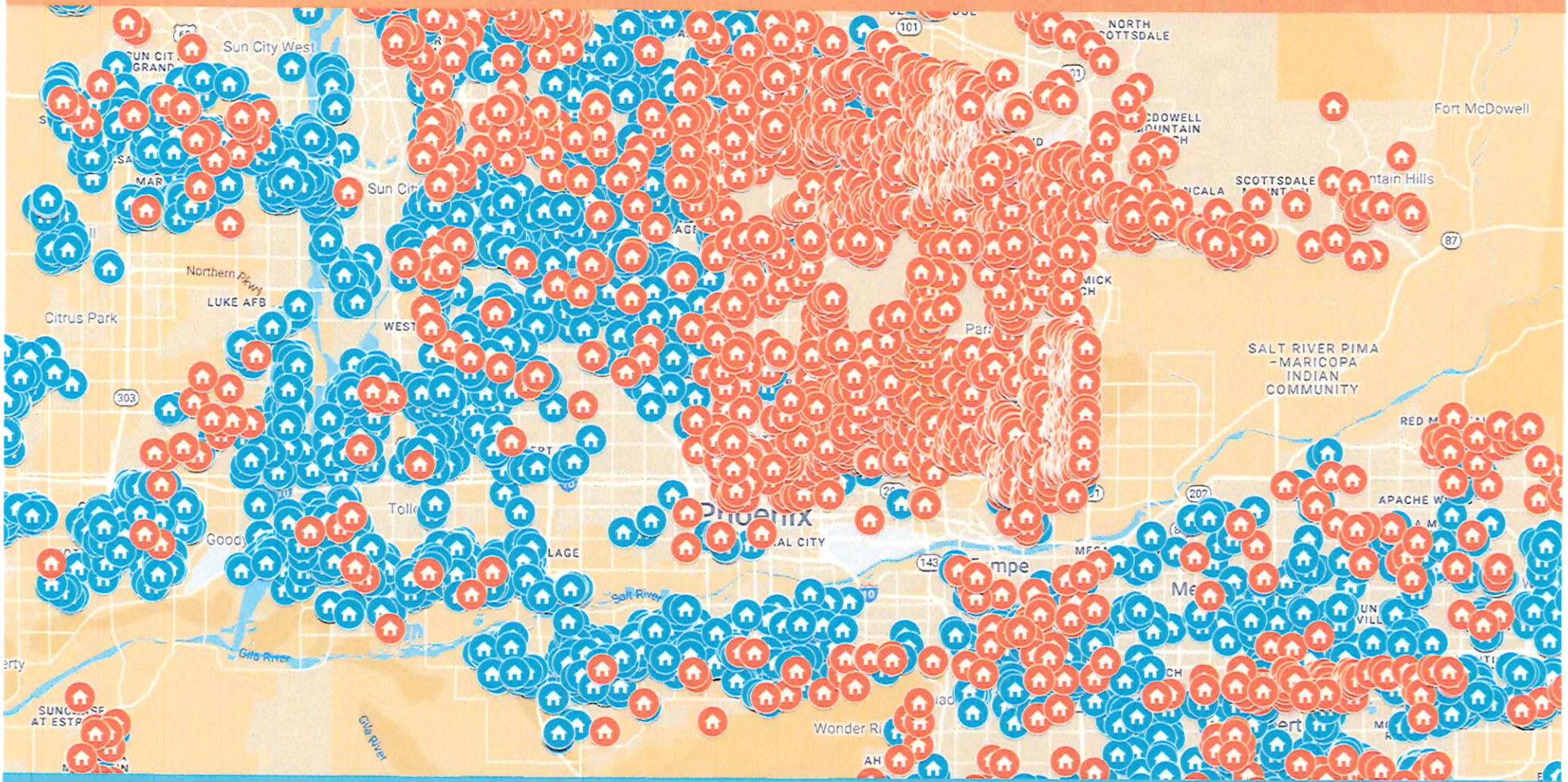
ARIZONA NEIGHBORHOOD ALLIANCE

https://aznalliance.org/

Bottom Line: Only about 9% of the STRs in Arizona are operating legally.

TPT = Transaction Privilege Tax : all STRs are required to be registered to file & pay on all online lodging transactions pursuant to A.R.S. §42-5005 L.2.

COMMODIFICATION OF HOUSING



Just in Maricopa County:

Blue = Wall Street Owned

(only 6k of the +/- 71k are on this map)

Red = Non-Owner-Occupied Short-Term Rentals

(only 3,500 of the +/- 35,000 are on this map)

ARIZONA NEIGHBORHOOD ALLIANCE

ARIZONA NEIGHBORHOOD ALLIANCE

Protecting the residential integrity of Arizona's neighborhoods

https://aznalliance.org/

Who is Paying the Biggest Price for

Arizona's Runaway Short-Term Rental Problem?

LEGIS. DIST.	LEGISLATORS	RANK	STRs in DIST[1]	AFFECTED HOMES[2]	AFFECTED VOTERS[3]	LOST VOTERS[4]
4	Werner/Carter & Gress	1st	7522	60173	90260	11283
1	Finchem/Bliss & Nguyen	2nd	7440	29761	44642	6696
8	Kuby/Connolly & Garcia	3rd	6684	53470	80205	10026
7	Rogers/Blackman & Marshall	4th	5445	28213	42320	4901
30	Angius/Biasiucci & Gillette	5th	3722	28205	42308	2792
6	Hatathlie/Peshlakai & Tsosie	6th	3508	18768	28152	3157
5	Alston/Liguori & Marquez	7th	3123	24985	37478	4685
3	Kavanagh/Chaplik & Kolodin	8th	2789	22311	33466	4184
18	Sundareshan/Gutierrez & Mathis	9th	2019	16155	24232	3029
11	Miranda/Cavero & De Los Santos	10th	1845	14756	22134	2768
29	Shamp/Montenegro & Taylor	11th	1704	13633	20449	2556
12	Epstein/P. Contreras & Travers	12th	1701	13607	20411	2552
9	Burch/Austin & Blattman	13th	1645	13156	19734	2468
25	Dunn/Carbone & Kupper	14th	1585	12677	19016	2378
20	Gonzales/A. Hernandez & Villegas	15th	1323	10574	15861	1985
17	Leach/Keshel & Volk	16th	1291	10331	15496	1937
21	Gabaldon/C. Hernandez & Stahl-Hamilton	17th	1278	8634	12950	1917
16	Shope/Lopez & Martinez	18th	1235	9878	14817	1853
2	Bolick/Simacek & Wilmeth	19th	1190	9518	14277	1785
10	Farnsworth/Heap & Olson	20th	1127	9016	13524	1691
28	Carroll/Livingston & Pingerelli	21st	1065	8521	12781	1598
13	Mesnard/Weninger & Willoughby	22nd	1052	8415	12622	1578
27	Payne/Fink & Rivero	23rd	1026	8204	12306	1539
19	Gowan/L. Diaz & Griffin	24th	889	5141	7712	800
22	E. Diaz/L. Contreras & Luna-Najera	25th	882	7055	10582	1323
23	Fernandez/Pena & Sandoval	26th	876	7011	10516	1314
14	Petersen/Hendrix & Khyl	27th	730	5487	8230	1095
26	Bravo/Aguilar & Crews	28th	694	5549	8323	1041
24	Ortiz/L. Hernandez & Abeytia	29th	393	3133	4699	590
15	Hoffman/Carter & Way	30th	392	3139	4708	588
	EST. TOTALS (12/31/22)**:**		**66175**	**469476**	**704211**	**86102**
	EST. TOTALS - NOW(12/31/25)**:**		**70000**	**496300**	**744450**	**105000**

[1] *As of 12/31/22; STR estimate methodology available on request. 2025 numbers by zip code/LD are no longer available, only by "markets"*

[2] *# of Contiguous Homes=2-8 X the # of STRs, depending on est. of community density*

[3] *# of Voters = 1.5 X the # of Homes (Fed. est.)*

[4] *In Districts with large concentrations of second homes, estimates of lost Voters are reduced significantly*

For further information, contact Susan Edwards: sedwards@neighborhoodsconnect.org

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2429
(Reference to printed bill)

Strike everything after the enacting clause and insert:

"Section 1. Section 9-500.39, Arizona Revised Statutes, is amended to read:

9-500.39. Limits on regulation of vacation rentals and short-term rentals; state preemption; civil penalties; transaction privilege tax license suspension; definitions

A. A city or town may not prohibit vacation rentals or short-term rentals.

B. A city or town may not restrict the use of or regulate vacation rentals or short-term rentals based on their classification, use or occupancy except as provided in this section. A city or town may regulate vacation rentals or short-term rentals as follows:

1. To protect the public's health and safety, including rules and regulations related to fire and building codes, health and sanitation, transportation or traffic control and solid or hazardous waste and pollution control, if the city or town demonstrates that the rule or regulation is for the primary purpose of protecting the public's health and safety.

2. To adopt and enforce use and zoning ordinances, including ordinances related to noise, protection of welfare, property maintenance and other nuisance issues, if the ordinance is applied in the same manner as other property classified under sections 42-12003 and 42-12004.

3. To limit or prohibit the use of a vacation rental or short-term rental for the purposes of housing sex offenders, operating or maintaining a sober living home, selling illegal drugs, liquor control or pornography, obscenity, nude or topless dancing and other adult-oriented businesses.

4. To require the owner of a vacation rental or short-term rental to provide the city or town with emergency contact information for the owner or the owner's designee who is responsible for responding to complaints or emergencies in a timely manner in person if required by public safety personnel, over the phone or by email at any time of day before offering for rent or renting the vacation rental or short-term rental. In addition to any other penalty imposed pursuant to this section, the city or town may impose a civil penalty of up to $1,000 against the owner for every thirty days the owner fails to provide contact information as prescribed by this paragraph. The city or town shall provide thirty days' notice to the owner before imposing the initial civil penalty.

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

Attachment 23

5. To require the owner of a vacation rental or short-term rental to obtain and maintain a local regulatory permit or license. As a condition of issuance of a permit or license, the application for the permit or license may require an applicant to provide only the following:

(a) The name, address, telephone number and email address for the owner or owner's agent.

(b) The address of the vacation rental or short-term rental.

(c) Proof of compliance with section 42-5005.

(d) Contact information required pursuant to paragraph 4 of this subsection.

(e) Acknowledgment of an agreement to comply with all applicable laws, regulations 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, before offering a vacation rental or short-term rental for rent for the first time, the owner or the owner's designee of a vacation rental or short-term rental to notify all single-family residential properties adjacent to and directly and diagonally across the street from the vacation rental or short-term rental. Notice shall be deemed sufficient in a multifamily residential building if given to residents on the same building floor. A city or town may require additional notification pursuant to this paragraph if the contact information previously provided changes. Notification provided in compliance with this paragraph shall include the permit or license number if required by the city or town, the address of the vacation rental or short-term rental and the information required pursuant to paragraph 4 of this subsection. The owner or the owner's designee shall demonstrate compliance with this paragraph by providing the city or town with an attestation of notification compliance that consists of the following information:

(a) The permit or license number of the vacation rental or short-term rental, if required by the city or town.

(b) The address of each property notified.

(c) A description of the manner in which the owner or owner's designee chose to provide notification to each property subject to notification.

(d) The name and contact information of the person attesting to compliance with this paragraph.

7. To require the owner or owner's designee of a vacation rental or short-term rental to display the local regulatory permit number or license number, if any, on each advertisement for a vacation rental or short-term rental that the owner or owner's designee maintains. A city or town that does not require a local regulatory permit or license may require the owner or owner's designee of a vacation rental or short-term rental to display the transaction privilege tax license number required by section 42-5042 on each advertisement for a vacation rental or short-term rental that the owner or owner's designee maintains.

8. To require the vacation rental or short-term rental to maintain liability insurance appropriate to cover the vacation rental or short-term rental in the aggregate of at least $500,000 or to advertise and offer each vacation rental or short-term rental through an online lodging marketplace that provides equal or greater coverage.

9. To require the owner of a vacation rental or short-term rental to reside on the property if the property contains an accessory dwelling unit and if a certificate of occupancy, certificate of completion or similar final approval for the accessory dwelling unit was issued by the municipality on or after September 14, 2024. This paragraph does not apply to an owner of a vacation rental or short-term rental if the property contains an accessory dwelling unit and the certificate of completion, the certificate of occupancy or a similar final approval for the accessory dwelling unit was issued on or before September 13, 2024.

10. FOR LIMITS ON OCCUPANCY, THE MAXIMUM OCCUPANCY FOR AN OVERNIGHT STAY IN A VACATION RENTAL OR SHORT-TERM RENTAL SHALL BE CALCULATED AS FOLLOWING:

(a) THE MAXIMUM OCCUPANCY FOR OVERNIGHT STAYS FOR A VACATION RENTAL OR SHORT-TERM RENTAL UNIT SHALL BE LIMITED TO TWO ADULTS PER SLEEPING AREA PLUS UP TO TWO ADDITIONAL PERSONS, NOT INCLUDING MINORS.

(b) OCCUPANCY LIMITS FOR VACATION RENTAL OR SHORT-TERM RENTAL UNITS SHALL ONLY APPLY TO GUESTS STAYING OVERNIGHT.

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 (e) 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 for the same vacation rental or short-term rental.

4. The applicant provides false information.

5. The owner or owner's designee of a vacation rental or short-term rental is a registered sex offender or has been convicted of any felony offense that resulted in death or serious physical injury or any felony use of a deadly weapon within the past five years.

6. THE APPLICANT HAS UNPAID FINES OR CIVIL PENALTIES FOR VIOLATIONS OF THE CITY'S OR TOWN'S VACATION RENTAL OR SHORT-TERM RENTAL ORDINANCE ASSOCIATED WITH THAT PROPERTY.

D. A city or town that requires a local regulatory permit or license pursuant to this section shall adopt an ordinance to allow the city or town to initiate an administrative process to suspend a local regulatory permit or license for a period of up to twelve months for the following verified violations associated with a property:

1. Three verified violations within a ~~twelve-month~~ TWENTY-FOUR-MONTH period, not including any verified violation based on an aesthetic,

solid waste disposal or vehicle parking violation that is not also a serious threat to public health and safety.

2. One verified violation that results in or constitutes any of the following:

(a) A felony offense committed at or in the vicinity of a vacation rental or short-term rental by the vacation rental or short-term rental owner or owner's designee.

(b) A serious physical injury or wrongful death at or related to a vacation rental or short-term rental resulting from the knowing, intentional or reckless conduct of the vacation rental or short-term rental owner or owner's designee.

(c) An owner or owner's designee knowingly or intentionally housing a sex offender, allowing offenses related to adult-oriented businesses, sexual offenses or prostitution, or operating or maintaining a sober living home, in violation of a regulation or ordinance adopted pursuant to subsection B, paragraph 3 of this section.

(d) An owner or owner's designee knowingly or intentionally allowing the use of a vacation rental or short-term rental for a special event that would otherwise require a permit or license pursuant to a city or town ordinance or a state law or rule or for a retail, restaurant, banquet space or other similar use.

(e) A VIOLATION OF A BUILDING CODE THAT PRESENTS A SERIOUS THREAT TO PUBLIC HEALTH OR SAFETY THAT IS RELATED TO CONSTRUCTING, MODIFYING OR ALTERING A VACATION RENTAL OR SHORT-TERM RENTAL WITHOUT A REQUIRED BUILDING PERMIT OR FAILING TO REMEDY AN UNSAFE OR UNSANITARY CONDITION.

3. Notwithstanding paragraphs 1 and 2 of this subsection, any attempted or completed felony offense, arising from the occupancy or use of a vacation rental or short-term rental, that results in a death, or actual or attempted serious physical injury, shall be grounds for judicial relief in the form of a suspension of the property's use as a vacation rental or short-term rental for a period of time that shall not exceed twelve months.

E. A city or town that requires A LOCAL REGULATORY PERMIT OR LICENSE PURSUANT TO THIS SECTION SHALL ADOPT AN ORDINANCE REQUIRING sex offender background checks on a vacation rental or short-term rental BOOKING guest AND shall waive the requirement if an online lodging marketplace performs a sex offender background check of the booking guest.

F. Notwithstanding any other law, a city or town may impose a civil penalty of the following amounts against an owner of a vacation rental or short-term rental if the owner receives one or more verified violations related to the same vacation rental or short-term rental property within the same twelve-month period:

1. Up to $500 or up to an amount equal to one night's rent for the vacation rental or short-term rental as advertised, whichever is greater, for the first verified violation.

2. Up to $1,000 or up to an amount equal to two nights' rent for the vacation rental or short-term rental as advertised, whichever is greater, for the second verified violation.

3. Up to $3,500 or up to an amount equal to three nights' rent for the vacation rental or short-term rental as advertised, whichever is greater, for a third and any subsequent verified violation.

G. A vacation rental or short-term rental that fails to apply for a local regulatory permit or license in accordance with subsection B, paragraph 5 of this section, within thirty days of the local regulatory permit or license application process being made available by the city or town issuing such permits or licenses, must cease operations. In addition to any civil penalties imposed pursuant to subsection F of this section, a city or town may impose a civil penalty of up to $1,000 per month against the owner if the owner or owner's designee fails to apply for a regulatory permit or license within thirty days after receiving written notice of the failure to comply with subsection B, paragraph 5 of this section.

H. If multiple verified violations arise out of the same response to an incident at a vacation rental or short-term rental, those verified violations are considered one verified violation for the purpose of assessing civil penalties or suspending the regulatory permit or license of the owner pursuant to this section.

I. If the owner of a vacation rental or short-term rental has provided contact information to a city or town pursuant to subsection B, paragraph 4 of this section and if the city or town issues a citation for a violation of the city's or town's applicable laws, regulations or ordinances or a state law that occurred on the owner's vacation rental or short-term rental property, the city or town shall make a reasonable attempt to notify the owner or the owner's designee of the citation within seven business days after the citation is issued using the contact information provided pursuant to subsection B, paragraph 4 of this section. If the owner of a vacation rental or short-term rental has not provided contact information pursuant to subsection B, paragraph 4 of this section, the city or town is not required to provide such notice.

J. This section does not exempt an owner of a residential rental property, as defined in section 33-1901, from maintaining with the assessor of the county in which the property is located information required under title 33, chapter 17, article 1.

K. A vacation rental or short-term rental may not be used for nonresidential uses, including for a special event that would otherwise require a permit or license pursuant to a city or town ordinance or a state law or rule or for a retail, restaurant, banquet space or other similar use.

L. For the purposes of this section:

1. "Accessory dwelling unit" has the same meaning prescribed in section 9-461.18.

2. "Online lodging marketplace" has the same meaning prescribed in section 42-5076.

3. "Transient" has the same meaning prescribed in section 42-5070.

4. "Vacation rental" or "short-term rental":

(a) Means any individually or collectively owned single-family or one-to-four-family house or dwelling unit or any unit or group of units in

a condominium or cooperative that is also a transient public lodging establishment or owner-occupied residential home offered for transient use if the accommodations are not classified for property taxation under section 42-12001.

(b) Does not include a unit that is used for any nonresidential use, including retail, restaurant, banquet space, event center or another similar use.

5. "Verified violation" means a finding of guilt or civil responsibility for violating any state law or local ordinance relating to a purpose prescribed in subsection B, D, F or K of this section that has been finally adjudicated.

Sec. 2. Section 11-269.17, Arizona Revised Statutes, is amended to read:

11-269.17. Limits on regulation of vacation rentals and short-term rentals; state preemption; civil penalties; transaction privilege tax license suspension; definitions

A. A county may not prohibit vacation rentals or short-term rentals.

B. A county may not restrict the use of or regulate vacation rentals or short-term rentals based on their classification, use or occupancy except as provided in this section. A county may regulate vacation rentals or short-term rentals within the unincorporated areas of the county as follows:

1. To protect the public's health and safety, including rules and regulations related to fire and building codes, health and sanitation, transportation or traffic control and solid or hazardous waste and pollution control, if the county demonstrates that the rule or regulation is for the primary purpose of protecting the public's health and safety.

2. To adopt and enforce use and zoning ordinances, including ordinances related to noise, protection of welfare, property maintenance and other nuisance issues, if the ordinance is applied in the same manner as other property classified under sections 42-12003 and 42-12004.

3. To limit or prohibit the use of a vacation rental or short-term rental for the purposes of housing sex offenders, operating or maintaining a sober living home, selling illegal drugs, liquor control or pornography, obscenity, nude or topless dancing and other adult-oriented businesses.

4. To require the owner of a vacation rental or short-term rental to provide the county with emergency contact information for the owner or the owner's designee who is responsible for responding to complaints or emergencies in a timely manner in person if required by public safety personnel, over the phone or by email at any time of day before offering for rent or renting the vacation rental or short-term rental. In addition to any other penalty imposed pursuant to this section, the county may impose a civil penalty of up to $1,000 against the owner for every thirty days the owner fails to provide contact information as prescribed by this paragraph. The county shall provide thirty days' notice to the owner before imposing the initial civil penalty.

5. To require the owner of a vacation rental or short-term rental to obtain and maintain a local regulatory permit or license. As a condition of issuance of a permit or license, the application for the permit or license may require an applicant to provide only the following:

(a) The name, address, telephone number and email address for the owner or owner's agent.

(b) The address of the vacation rental or short-term rental.

(c) Proof of compliance with section 42-5005.

(d) Contact information required pursuant to paragraph 4 of this subsection.

(e) Acknowledgment of an agreement to comply with all applicable laws, regulations 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, before offering a vacation rental or short-term rental for rent for the first time, the owner or the owner's designee of a vacation rental or short-term rental to notify all single-family residential properties adjacent to and directly and diagonally across the street from the vacation rental or short-term rental. Notice shall be deemed sufficient in a multifamily residential building if given to residents on the same building floor. A county may require additional notification pursuant to this paragraph if the contact information previously provided changes. Notification provided in compliance with this paragraph shall include the permit or license number if required by the county, the address of the vacation rental or short-term rental and the information required pursuant to paragraph 4 of this subsection. The owner or the owner's designee shall demonstrate compliance with this paragraph by providing the county with an attestation of notification compliance that consists of the following information:

(a) The permit or license number of the vacation rental or short-term rental, if required by the county.

(b) The address of each property notified.

(c) A description of the manner in which the owner or owner's designee chose to provide notification to each property subject to notification.

(d) The name and contact information of the person attesting to compliance with this paragraph.

7. To require the owner or owner's designee of a vacation rental or short-term rental to display the local regulatory permit number or license number, if any, on each advertisement for a vacation rental or short-term rental that the owner or owner's designee maintains. A county that does not require a local regulatory permit or license may require the owner or owner's designee of a vacation rental or short-term rental to display the transaction privilege tax license number required by section 42-5042 on each advertisement for a vacation rental or short-term rental that the owner or owner's designee maintains.

8. To require the vacation rental or short-term rental to maintain liability insurance appropriate to cover the vacation rental or short-term

rental in the aggregate of at least $500,000 or to advertise and offer each vacation rental or short-term rental through an online lodging marketplace that provides equal or greater coverage.

9. To require the owner of a vacation rental or short-term rental to reside on the property if the property contains an accessory dwelling unit and if a certificate of occupancy, certificate of completion or similar final approval for the accessory dwelling unit was issued by the county on or after September 14, 2024. This paragraph does not apply to an owner of a vacation rental or short-term rental if the property contains an accessory dwelling unit and the certificate of completion, the certificate of occupancy or a similar final approval for the accessory dwelling unit was issued on or before September 13, 2024.

10. FOR LIMITS ON OCCUPANCY, THE MAXIMUM OCCUPANCY FOR AN OVERNIGHT STAY IN A VACATION RENTAL OR SHORT-TERM RENTAL SHALL BE CALCULATED AS FOLLOWING:

(a) THE MAXIMUM OCCUPANCY FOR OVERNIGHT STAYS FOR A VACATION RENTAL OR SHORT-TERM RENTAL UNIT SHALL BE LIMITED TO TWO ADULTS PER SLEEPING AREA PLUS UP TO TWO ADDITIONAL PERSONS, NOT INCLUDING MINORS.

(b) OCCUPANCY LIMITS FOR UNITS SHALL ONLY APPLY TO GUESTS STAYING OVERNIGHT.

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 11-1602, 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 (e) 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 for the same vacation rental or short-term rental.

4. The applicant provides false information.

5. The owner or owner's designee of a vacation rental or short-term rental is a registered sex offender or has been convicted of any felony offense that results in death or serious physical injury or any felony use of a deadly weapon within the past five years.

D. A county that requires a local regulatory permit or license pursuant to this section shall adopt an ordinance to allow the county to initiate an administrative process to suspend a local regulatory permit or license for a period of up to twelve months for the following verified violations associated with a property:

1. Three verified violations within a ~~twelve-month~~ TWENTY-FOUR-MONTH period, not including any verified violation based on an aesthetic, solid waste disposal or vehicle parking violation that is not also a serious threat to public health or safety.

2. One verified violation that results in or constitutes any of the following:

(a) A felony offense committed at or in the vicinity of a vacation rental or short-term rental by the vacation rental or short-term rental owner or owner's designee.

(b) A serious physical injury or wrongful death at or related to a vacation rental or short-term rental resulting from the knowing, intentional or reckless conduct of the vacation rental or short-term rental owner or owner's designee.

(c) An owner or owner's designee knowingly or intentionally housing a sex offender, allowing offenses related to adult-oriented businesses, sexual offenses or prostitution, or operating or maintaining a sober living home, in violation of regulation or ordinance adopted pursuant to subsection B, paragraph 3 of this section.

(d) An owner or owner's designee knowingly or intentionally allowing the use of a vacation rental or short-term rental for a special event that would otherwise require a permit or license pursuant to a county ordinance or a state law or rule or for a retail, restaurant, banquet space or other similar use.

(e) A VIOLATION OF A BUILDING CODE THAT PRESENTS A SERIOUS THREAT TO PUBLIC HEALTH OR SAFETY THAT IS RELATED TO CONSTRUCTING, MODIFYING OR ALTERING A VACATION RENTAL OR SHORT-TERM RENTAL WITHOUT A REQUIRED BUILDING PERMIT OR FAILING TO REMEDY AN UNSAFE OR UNSANITARY CONDITION.

3. Notwithstanding paragraphs 1 and 2 of this subsection, any attempted or completed felony offense, arising from the occupancy or use of a vacation rental or short-term rental, that results in a death, or actual or attempted serious physical injury, shall be grounds for judicial relief in the form of a suspension of the property's use as a vacation rental or short-term rental for a period of time that shall not exceed twelve months.

E. A county that requires A LOCAL REGULATORY PERMIT OR LICENSE PURSUANT TO THIS SECTION SHALL ADOPT AN ORDINANCE REQUIRING sex offender background checks on a vacation rental or short-term rental BOOKING guest AND shall waive the requirement if an online lodging marketplace performs a sex offender background check of the booking guest.

F. Notwithstanding any other law, a county may impose a civil penalty of the following amounts against an owner of a vacation rental or short-term rental if the owner receives one or more verified violations related to the same vacation rental or short-term rental property within the same twelve-month period:

1. Up to $500 or up to an amount equal to one night's rent for the vacation rental or short-term rental as advertised, whichever is greater, for the first verified violation.

2. Up to $1,000 or up to an amount equal to two nights' rent for the vacation rental or short-term rental as advertised, whichever is greater, for the second verified violation.

3. Up to $3,500 or up to an amount equal to three nights' rent for the vacation rental or short-term rental as advertised, whichever is greater, for a third and any subsequent verified violation.

G. A vacation rental or short-term rental that fails to apply for a local regulatory permit or license in accordance with subsection B, paragraph 5 of this section, within thirty days of the local regulatory permit or license application process being made available by the county issuing such permits or licenses, must cease operations. In addition to any civil penalties imposed pursuant to subsection F of this section, a county may impose a civil penalty of up to $1,000 per month against the owner if the owner or owner's designee fails to apply for a regulatory permit or license within thirty days after receiving written notice of the failure to comply with subsection B, paragraph 5 of this section.

H. If multiple verified violations arise out of the same response to an incident at a vacation rental or short-term rental, those verified violations are considered one verified violation for the purpose of assessing civil penalties or suspending the regulatory permit or license of the owner pursuant to this section.

I. If the owner of a vacation rental or short-term rental has provided contact information to a county pursuant to subsection B, paragraph 4 of this section and if the county issues a citation for a violation of the county's applicable laws, regulations or ordinances or a state law that occurred on the owner's vacation rental or short-term rental property, the county shall make a reasonable attempt to notify the owner or the owner's designee of the citation within seven business days after the citation is issued using the contact information provided pursuant to subsection B, paragraph 4 of this section. If the owner of a vacation rental or short-term rental has not provided contact information pursuant to subsection B, paragraph 4 of this section, the county is not required to provide such notice.

J. This section does not exempt an owner of a residential rental property, as defined in section 33-1901, from maintaining with the assessor of the county in which the property is located information required under title 33, chapter 17, article 1.

K. A vacation rental or short-term rental may not be used for nonresidential uses, including for a special event that would otherwise require a permit or license pursuant to a county ordinance or a state law or rule or for a retail, restaurant, banquet space or other similar use.

L. For the purposes of this section:

1. "Accessory dwelling unit" has the same meaning prescribed in section 11-810.01.

2. "Online lodging marketplace" has the same meaning prescribed in section 42-5076.

3. "Transient" has the same meaning prescribed in section 42-5070.

4. "Vacation rental" or "short-term rental":

(a) Means any individually or collectively owned single-family or one-to-four-family house or dwelling unit or any unit or group of units in a condominium or cooperative that is also a transient public lodging establishment or owner-occupied residential home offered for transient use if the accommodations are not classified for property taxation under section 42-12001.

(b) Does not include a unit that is used for any nonresidential use, including retail, restaurant, banquet space, event center or another similar use.

5. "Verified violation" means a finding of guilt or civil responsibility for violating any state law or local ordinance relating to a purpose prescribed in subsection B, D, F or K of this section that has been finally adjudicated."

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 2429

DATE February 17, 2026 MOTION: DPA S/E

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

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 24

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff

HB 4011: HOAs; duties
Sponsor: Representative Pingerelli, LD 28
Committee on Commerce

Overview

Declares an HOA has a duty to act reasonably in the exercise of their discretionary powers.

History

A condominium or planned community association (HOA) is formed and organized under governing documents which include a declaration, bylaws and articles of incorporation, if any. An HOA is responsible for managing, maintaining and improving community property. Members of the association elect a board of directors who are given general management powers to act on behalf of the association (Title 33, Chapters 9 & 16, A.R.S.).

Provisions

1. Asserts condominium and planned community associations have a duty to act reasonably in the exercise of its discretionary powers. (Sec. 1, 2)
2. Defines *duty to act reasonably* as the duty to exercise discretionary powers neutrally, fairly, without favoritism and in a nonarbitrary fashion. (Sec. 1, 2)

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

Attachment 25

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 4011
(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. Section 33-1242, Arizona Revised Statutes, is amended to read:

33-1242. Powers of unit owners' association; notice to unit owner of violation

A. Subject to the provisions of the declaration, the association may:

1. Adopt and amend bylaws and rules.

2. Adopt and amend budgets for revenues, expenditures and reserves and collect assessments for common expenses from unit owners.

3. Hire and discharge managing agents and other employees, agents and independent contractors.

4. Institute, defend or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more unit owners on matters affecting the condominium.

5. Make contracts and incur liabilities.

6. Regulate the use, maintenance, repair, replacement and modification of common elements.

7. Cause additional improvements to be made as a part of the common elements.

8. Acquire, hold, encumber and convey in its own name any right, title or interest to real or personal property, except that common elements may be conveyed or subjected to a security interest only pursuant to section 33-1252.

9. Grant easements, leases, licenses and concessions through or over the common elements.

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

Attachment 26

10. Impose and receive any payments, fees or charges for the use, rental or operation of the common elements other than limited common elements described in section 33-1212, paragraphs 2 and 4 and for services provided to unit owners.

11. Impose charges for late payment of assessments after the association has provided notice that the assessment is overdue or provided notice that the assessment is considered overdue after a certain date and, after notice and an opportunity to be heard, impose reasonable monetary penalties on unit owners for violations of the declaration, bylaws and rules of the association.

12. Impose reasonable charges for the preparation and recordation of amendments to the declaration or statements of unpaid assessments.

13. Provide for the indemnification of its officers and executive board of directors and maintain directors' and officers' liability insurance.

14. Assign its right to future income, including the right to receive common expense assessments, but only to the extent the declaration expressly provides.

15. Be a member of a master association or other entity owning, maintaining or governing in any respect any portion of the common elements or other property benefitting or related to the condominium or the unit owners in any respect.

16. Exercise any other powers conferred by the declaration or bylaws.

17. Exercise all other powers that may be exercised in this state by legal entities of the same type as the association.

18. Exercise any other powers necessary and proper for the governance and operation of the association.

B. A unit owner who receives a written notice that the condition of the property owned by the unit owner is in violation of a requirement of the condominium documents without regard to whether a monetary penalty is imposed by the notice may provide the association with a written response by sending the response by certified mail within twenty-one calendar days after the date of the notice. The response shall be sent to the address identified in the notice.

C. Within ten business days after receipt of the certified mail containing the response from the unit owner, the association shall respond to the unit owner with a written explanation regarding the notice that shall provide at least the following information unless previously provided in the notice of violation:

1. The provision of the condominium documents that has allegedly been violated.

2. The date of the violation or the date the violation was observed.

3. The first and last name of the person or persons who observed the violation.

4. The process the unit owner must follow to contest the notice.

D. Unless the information required in subsection C, paragraph 4 of this section is provided in the notice of violation, the association shall not proceed with any action to enforce the condominium documents, including the collection of attorney fees, before or during the time prescribed by subsection C of this section regarding the exchange of information between the association and the unit owner and shall give the unit owner written notice of the unit owner's option to petition for an administrative hearing on the matter in the state real estate department pursuant to section 32-2199.01. At any time before or after completion of the exchange of information pursuant to this section, the unit owner may petition for a hearing pursuant to section 32-2199.01 if the dispute is within the jurisdiction of the state real estate department as prescribed in section 32-2199.01.

E. [IN ADDITION TO THE DUTIES PRESCRIBED BY STATUTE AND THE CONDOMINIUM DOCUMENTS,] THE ASSOCIATION HAS [~~A DUTY~~] [THE FOLLOWING DUTIES TO THE MEMBERS OF THE ASSOCIATION:

1.] TO ACT REASONABLY IN THE EXERCISE OF ITS DISCRETIONARY POWERS [, INCLUDING RULEMAKING, ENFORCEMENT AND DESIGN CONTROL POWERS]. [~~FOR THE PURPOSES OF THIS SUBSECTION, "DUTY TO ACT REASONABLY" INCLUDES THE DUTY TO EXERCISE DISCRETIONARY POWERS NEUTRALLY,~~]

[2. TO TREAT UNIT OWNERS] FAIRLY[~~, WITHOUT FAVORITISM AND IN A NONARBITRARY FASHION~~].

[3. TO PROVIDE UNIT OWNERS REASONABLE ACCESS TO INFORMATION ABOUT THE ASSOCIATION, THE COMMON ELEMENTS AND THE FINANCIAL AFFAIRS OF THE ASSOCIATION.

4. TO USE ORDINARY CARE AND PRUDENCE IN MANAGING THE PROPERTY AND FINANCIAL AFFAIRS OF THE CONDOMINIUM THAT ARE SUBJECT TO ITS CONTROL.]

Sec. 2. Title 33, chapter 16, article 1, Arizona Revised Statutes, is amended by adding section 33-1821, to read:

33-1821. Association's duty to act reasonably

[~~A.~~] [IN ADDITION TO THE DUTIES PRESCRIBED BY STATUTE AND THE COMMUNITY DOCUMENTS,] THE ASSOCIATION HAS [~~A DUTY~~] [THE FOLLOWING DUTIES TO THE MEMBERS OF THE ASSOCIATION:

1.] TO ACT REASONABLY IN THE EXERCISE OF ITS DISCRETIONARY POWERS [, INCLUDING RULEMAKING, ENFORCEMENT AND DESIGN CONTROL POWERS].

[~~B. FOR THE PURPOSES OF THIS SECTION, "DUTY TO ACT REASONABLY" INCLUDES THE DUTY TO EXERCISE DISCRETIONARY POWERS NEUTRALLY,~~]

[2. TO TREAT MEMBERS] FAIRLY[~~, WITHOUT FAVORITISM AND IN A NONARBITRARY FASHION~~].

[3. TO PROVIDE MEMBERS REASONABLE ACCESS TO INFORMATION ABOUT THE ASSOCIATION, THE COMMON ELEMENTS AND THE FINANCIAL AFFAIRS OF THE ASSOCIATION.

4. TO USE ORDINARY CARE AMD PRUDENCE IN MANAGING THE PROPERTY AND FINANCIAL AFFAIRS OF THE COMMUNITY THAT ARE SUBJECT TO ITS CONTROL.]

Enroll and engross to conform

Amend title to conform

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 4011

DATE February 17, 2026 MOTION: DP

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

Abby Salvey
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 27

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff

HB 2397: homeowners' associations; property covenants; disclosures
Sponsor: Representative Biasiucci, LD 30
Committee on Commerce

Overview

Makes revision to Condominium and Planned Communities statutes relating to the sale of units or properties.

History

A condominium or planned community association (HOA) is formed and organized under governing documents which include a declaration, bylaws and articles of incorporation, if any. An HOA is responsible for managing, maintaining and improving community property. Members of the association elect a board of directors who are given general management powers to act on behalf of the association (Title 33, Chapters 9 & 16, A.R.S.).

Provisions

Private Covenants

1. Includes a stipulation that the private covenant does not violate public policy for the covenant to the criteria in determining the validity and enforceability of a covenant. (Sec. 1)
2. Provides characteristics of a covenant that constitute a violation of public policy. (Sec. 1)
3. Allows any property owner that is subject to a private covenant to challenge the validity of any provision in that covenant in a court of competent jurisdiction. (Sec. 1)
4. Defines pertinent terms. (Sec. 1)

Condominiums

5. Restates, for condominiums with fewer than 50 units, that a unit owner must *electronically transmit* specified information to the purchaser within 10 *calendar* days after *acceptance of the purchaser's offer to purchase.* (Sec. 2)
6. Allows the unit owner to request the association to provide the unit owner with the specified information on listing the unit for sale. (Sec. 2)
7. Restates, for condominiums with 50 units or more, that the association must *electronically transmit* specified information to the purchaser within 10 *calendar* days after receipt of a written notice of a pending sale containing the name, *email address* and *mailing* address of the purchaser. (Sec. 2)
8. Modifies the specified information contained in the dated statement that must be sent to the purchaser prior to sale. (Sec. 2)

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

Attachment 28

9. Outlines additional information that must be provided to the purchaser prior to sale, relating to declarant control, percentage of units owned by an owner and viewing a summarized report in its entirety. (Sec. 2)

10. Adds that a purchaser may accept the reported information, propose a cure to address any concerns identified in the reported information or withdraw the offer without penalty or loss of earnest money. (Sec. 2)

11. Requires the completed disclosure report be returned to the seller if a contract is canceled. (Sec. 2)

12. Clarifies that a purchaser or seller may pursue all remedies at law against the unit owner for providing materially false or misleading statements in the disclosure report. (Sec. 2)

13. Requires the association to provide to an escrow agent any requested information that is relevant to the close of the escrow at no cost. (Sec. 2)

14. Allows the association to charge a nominal fee to the purchaser for compensation for updating the new owner information in the association records. (Sec. 2)

15. Specifies any payment for fees associated with the disclosure report must be made directly and only to the association. (Sec. 2)

16. Requires the declarant, for initial sales of a condominium unit from the declarant, to provide to any purchaser the prescribed documents relating to the disclosure report. (Sec. 2)

Planned Communities

17. Declares any provision of a declaration that would impose mandatory assessments for membership in a private recreational club or for the maintenance or use of separate public or private property that is not owned by the association is invalid and unenforceable. (Sec. 4)

18. Specifies any prescribed creates both an unreasonable restraint on alienation and on trade or competition and applies the following:
    a. the board of directors of any association that has a declaration that contains such a provision shall remove that provision by amendment to the declaration; and
    b. the association may not use common expense assessments for the maintenance, use or subsidy of third-party public or private property that is not directly owned by the association. (Sec. 4)

19. Authorizes the association allow the use of resources or monies to effect the emergency repairs and bill the public or private entity that owns the separate property for the costs of the repairs if emergency measure are taken to maintain access to the association's property. (Sec 4)

20. Allows the association to provide for voluntary assessments on individual property for the use of third-party property, recreational facilities or other facilities. (Sec. 4)

21. Restates, for communities with fewer than 50 properties, that a member must *electronically transmit* specified information to the purchaser within 10 *calendar* days after *acceptance of the purchaser's offer to purchase.* (Sec. 5)

22. Allows the member to request the association to provide the member with the specified information on listing the property for sale. (Sec. 5)

23. Restates, for communities with 50 properties or more, that the association must *electronically transmit* specified information to the purchaser within 10 *calendar* days after receipt of a written notice of a pending sale containing the name, *email address* and *mailing* address of the purchaser. (Sec. 5)

24. Modifies the specified information contained in the dated statement that must be sent to the purchaser prior to sale. (Sec. 5)

25. Outlines additional information that must be provided to the purchaser prior to sale, relating to declarant control and viewing a summarized report in its entirety. (Sec. 5)

26. Adds that a purchaser may accept the reported information, propose a cure to address any concerns identified in the reported information or withdraw the offer without penalty or loss of earnest money. (Sec. 5)

27. Requires the completed disclosure report be returned to the seller if a contract is canceled. (Sec. 5)

28. Clarifies that a purchaser or seller may pursue all remedies at law against the member for providing materially false or misleading statements in the disclosure report. (Sec. 5)

29. Requires the association to provide to an escrow agent any requested information that is relevant to the close of the escrow at no cost. (Sec. 5)

30. Allows the association to charge a nominal fee to the purchaser for compensation for updating the new owner information in the association records. (Sec. 5)

31. Specifies any payment for fees associated with the disclosure report must be made directly and only to the association. (Sec. 5)

32. Requires the declarant, for initial sales of a property from the declarant, to provide to any purchaser the prescribed documents relating to the disclosure report. (Sec. 5)

33. Defines *member* and *association*. (Sec. 3,5)

Fifty-seventh Legislature
Second Regular Session

Commerce
H.B. 2397

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2397
(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. Section 33-440, Arizona Revised Statutes, is amended to read:~~

~~33-440. Enforceability of private covenants; amendment of declaration; definitions~~

~~A. An owner of real property may enter into a private covenant regarding that real property and the private covenant is valid and enforceable according to its terms if all of the following apply:~~

~~1. The private covenant is not prohibited by any other existing private covenant or declaration affecting the real property, and does not violate any statute governing the subject matter of the private covenant that is in effect before September 26, 2008 AND DOES NOT VIOLATE PUBLIC POLICY. COVENANTS THAT VIOLATE PUBLIC POLICY INCLUDE A COVENANT THAT:~~

~~(a) IS ARBITRARY, SPITEFUL OR CAPRICIOUS.~~

~~(b) UNREASONABLY BURDENS A FUNDAMENTAL RIGHT UNDER THE CONSTITUTION.~~

~~(c) IMPOSES AN UNREASONABLE RESTRAINT ON ALIENATION OF PROPERTY.~~

~~(d) IMPOSES AN UNREASONABLE RESTRAINT ON TRADE OR COMPETITION.~~

~~(e) IS UNCONSCIONABLE.~~

~~2. The owner of the real property affected by the private covenant and any person on whom the private covenant imposes any liability or obligation have consented to the private covenant.~~

~~3. Any consent requirements contained in the express provisions of any existing private covenant or declaration affecting the real property have been met.~~

~~B. NOTWITHSTANDING ANY PROVISION OF A PRIVATE COVENANT TO THE CONTRARY, ANY PROPERTY OWNER THAT IS SUBJECT TO THE PRIVATE COVENANT MAY~~

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

Attachment 29

~~CHALLENGE THE VALIDITY OF ANY PROVISION IN THAT PRIVATE COVENANT IN A COURT OF COMPETENT JURISDICTION.~~

~~B. C. A private covenant is deemed not to constitute an amendment to any existing private covenant or declaration unless the private covenant expressly violates an express provision of the existing private covenant or declaration.~~

~~C. D. Except during the period of declarant control, or if during the period of declarant control with the written consent of the declarant in each instance, the following apply to an amendment to a declaration:~~

~~1. The declaration may be amended by the association, if any, or, if there is no association or board, the owners of the property that is subject to the declaration, by an affirmative vote or written consent of the number of owners or eligible voters specified in the declaration, including the assent of any individuals or entities that are specified in the declaration.~~

~~2. An amendment to a declaration may apply to fewer than all of the lots or less than all of the property that is bound by the declaration and an amendment is deemed to conform to the general design and plan of the community, if both of the following apply:~~

~~(a) The amendment receives the affirmative vote or written consent of the number of owners or eligible voters specified in the declaration, including the assent of any individuals or entities that are specified in the declaration.~~

~~(b) The amendment receives the affirmative vote or written consent of all of the owners of the lots or property to which the amendment applies.~~

~~3. Within thirty days after the adoption of any amendment pursuant to this subsection, the association or, if there is no association or board, a property owner that is authorized by the affirmative vote on or the written consent to the amendment shall prepare, execute and record a written instrument setting forth the amendment.~~

~~4. Notwithstanding any provision in the declaration that provides for periodic renewal of the declaration, an amendment to the declaration is effective immediately on recordation of the instrument in the county in which the property is located.~~

~~D. E. Subsection C D of this section does not apply to a condominium as defined in section 33-1202 or a timeshare plan or association as defined in section 33-2202.~~

~~E. F. For the purposes of this section:~~

~~1. "Declaration" means any instrument, however denominated, that establishes restrictive covenants on the development or use of real property.~~

~~2. "Private covenant" means any uniform or nonuniform covenant, restriction or condition regarding real property that is contained in any deed, contract, agreement or other recorded instrument affecting real property.~~

~~3. "SPITEFUL" MEANS THAT THE PURPOSE OF THE COVENANT WAS TO CAUSE HARM TO ANOTHER RATHER THAN TO SECURE A BENEFIT TO THE CREATING PARTY.~~

~~4. "UNREASONABLE RESTRAINT ON ALIENATION" MEANS ANY RESTRAINT ON ALIENATION TO WHICH EITHER OF THE FOLLOWING APPLIES:~~

~~(a) THE INJURIOUS CONSEQUENCES OF THE RESTRAINT OUTWEIGH THE UTILITY OF THE RESTRAINT.~~

~~(b) THE RESTRAINT HAS NO RATIONAL JUSTIFICATION OR IS UNCONSCIONABLE.~~>>

Section 1. Section 33-1260, Arizona Revised Statutes, is amended to read:

33-1260. Sale of units; information required; fees; civil penalty; applicability; definition

A. [~~EXCEPT AS PRESCRIBED BY SUBSECTION I OF THIS SECTION,~~] For condominiums with fewer than fifty units, a unit owner shall ~~mail~~ ELECTRONICALLY TRANSMIT or deliver to a purchaser [or a purchaser's] ~~authorized~~ [DESIGNATED] [agent] THE INFORMATION REQUIRED BY THIS SUBSECTION within ten [~~CALENDAR~~] days after [receipt of a written notice of a pending sale of the unit]~~, and~~ [~~ACCEPTANCE OF THE PURCHASER'S OFFER TO PURCHASE. THE UNIT OWNER MAY REQUEST THE ASSOCIATION TO PROVIDE THE UNIT OWNER WITH THE INFORMATION REQUIRED BY THIS SUBSECTION ON LISTING THE UNIT FOR SALE~~]. For condominiums with fifty or more units, the association shall ~~mail~~ ELECTRONICALLY TRANSMIT or deliver to a purchaser [or a purchaser's] ~~authorized~~ [DESIGNATED] [agent] within ten [~~CALENDAR~~] days after receipt of a written notice of a pending sale that contains the name, EMAIL ADDRESS and MAILING address of the purchaser [OR THE PURCHASER'S DESIGNATED AGENT] all of the following in either paper or electronic format:

1. A copy of the CURRENT bylaws and the CURRENT rules of the association.

2. A copy of the CURRENT RECORDED declaration AND [FINAL] PLAT[, OR AN ELECTRONIC COPY OF THE FINAL PLAT, IF AVAILABLE].

[3. A COPY OF THE MINUTES OF ALL OPEN MEETINGS OF THE BOARD OF DIRECTORS FOR THE PREVIOUS THREE MONTHS.]

[~~3.~~] [4.] A dated statement containing [~~OR IDENTIFYING~~]:

(a) The telephone number and address of a principal contact for the association, which may be an association manager, an association management company, an officer of the association or any other person designated by the board of directors.

(b) The amount of the ANNUAL common expense assessment for the unit, ~~and~~ THE REQUIRED INSTALLMENTS AND PAYMENT SCHEDULES ON ANY APPROVED SPECIAL ASSESSMENT [~~AND ANY REMAINING INSTALLMENTS ON THE SPECIAL ASSESSMENT~~], IF ANY.

(c) THE ESTIMATED [~~DOLLAR~~] AMOUNT AND PURPOSE OF ANY [~~CONTEMPLATED AND EITHER~~] APPROVED [~~AND RATIFIED OR ANTICIPATED TO BE APPROVED AND RATIFIED~~] [BUT UNRATIFIED] SPECIAL ASSESSMENT [~~OR FINANCING BEING DEVELOPED BY THE ASSOCIATION FOR ASSESSMENT~~] WITHIN THE [~~SUBSEQUENT~~] [PREVIOUS] SIX MONTHS[~~, IF ANY~~].

(d) ANY KNOWN MATERIAL DEFICIENCY OR CONDITION OF THE LIMITED COMMON ELEMENTS ASSOCIATED WITH THE UNIT OR COMMON ELEMENTS [KNOWN BY THE ASSOCIATION] FOR WHICH THE PURCHASER WILL BE LIABLE FOR THE DIRECTLY ASSESSED REPAIR COSTS WITHIN SIX MONTHS OF THE PURCHASE, IF ANY.

(e) THE CURRENT AMOUNT OF any unpaid common expense assessment~~, special assessment or other assessment, fee or charge currently due and payable from the selling unit owner. If the request is made by a lienholder, escrow agent, unit owner or person designated by a unit owner pursuant to section 33-1256, failure to provide the information pursuant to this subdivision within the time provided for in this subsection shall extinguish any lien for any unpaid assessment then due against that unit~~ LIEN OR JUDGMENT LIEN ON THE UNIT DUE TO THE ASSOCIATION PURSUANT TO SECTION 33-1256 AND ANY LIS PENDENS RECORDED BY THE ASSOCIATION AGAINST THE UNIT.

~~(c) A statement as to whether a portion of the unit is covered by insurance maintained by the association.~~

~~(d) The total amount of money held by the association as reserves.~~

~~(e) If the statement is being furnished by the association, a statement as to whether the records of the association reflect any alterations or improvements to the unit that violate the declaration. The association is not obligated to provide information regarding alterations or improvements that occurred more than six years before the proposed sale. Nothing in this subdivision relieves the seller of a unit from the obligation to disclose alterations or improvements to the unit that violate the declaration, nor precludes the association from taking action against the purchaser of a unit for violations that are apparent at the time of purchase and that are not reflected in the association's records.~~

~~(f) If the statement is being furnished by the unit owner, a statement as to whether the unit owner has any knowledge of any alterations or improvements to the unit that violate the declaration.~~

~~(g) A statement of case names and case numbers for pending litigation with respect to the unit filed by the association against the unit owner or filed by the unit owner against the association. The unit owner or the association shall not be required to disclose information concerning the pending litigation that would violate any applicable rule of attorney-client privilege under Arizona law.~~

~~(h) A statement that provides "I hereby acknowledge that the declaration, bylaws and rules of the association constitute a contract between the association and me (the purchaser). By signing this statement, I acknowledge that I have read and understand the association's contract with me (the purchaser). I also understand that as a matter of Arizona law, if I fail to pay my association assessments, the association may foreclose on my property." The statement shall also include a signature line for the purchaser and shall be returned to the association within fourteen calendar days.~~

(f) THE AMOUNT AND PURPOSE OF ANY TITLE TRANSFER FEE OR OTHER SIMILAR FEE, HOWEVER DENOMINATED, THAT IS AUTHORIZED IN THE DECLARATION AND ESTABLISHED BY THE ASSOCIATION PURSUANT TO SECTION 33-442.

(g) A COPY OF THE ASSOCIATION'S MOST RECENT INCOME AND EXPENSES FINANCIAL STATEMENT FOR ALL OPERATING AND RESERVE ACCOUNTS, AS APPLICABLE.

(h) ANY OUTSTANDING AND UNRESOLVED VIOLATION OF THE ASSOCIATION'S CONDOMINIUM DOCUMENTS THAT WAS CITED AGAINST THE UNIT, IF ANY[~~, AND THAT THE SELLER IS RESPONSIBLE FOR APPEALING, RESOLVING OR ARRANGING FOR THE RESOLUTION OF ALL CITED VIOLATIONS~~].

[~~4.~~] [5.] A copy of the current operating budget of the association.

[~~5.~~] [6.] A copy of the most recent annual ~~financial~~ AUDIT, REVIEW OR COMPILATION report of the association PRESCRIBED BY SECTION 33-1243, SUBSECTION J. If the report is more than ten pages, the association may provide a summary of the report in lieu of the entire report.

[~~6.~~] [7.] A copy of the most recent reserve study OR LONG-RANGE PLAN AND THE ASSOCIATED FUNDING STRATEGY of the association, if any. IF THE REPORT IS MORE THAN TEN PAGES, THE ASSOCIATION MAY PROVIDE A SUMMARY OF THE REPORT IN LIEU OF THE ENTIRE REPORT.

[~~7.~~] [8.] A statement summarizing any pending lawsuits, except those relating to the collection of assessments owed by unit owners other than the selling unit owner, in which the association is a named party, including the amount of any money claimed.

[~~8.~~] [9.] A STATEMENT AS TO WHETHER A PORTION OF THE UNIT IS COVERED BY INSURANCE MAINTAINED BY THE ASSOCIATION AND A COPY OF ALL INSURANCE CERTIFICATES IDENTIFYING THE COVERAGE LIMITS AND DEDUCTIBLES MAINTAINED BY THE ASSOCIATION PURSUANT TO SECTION 33-1253.

[~~9.~~] [10.] A STATEMENT AS TO WHETHER THE CONDOMINIUM IS UNDER DECLARANT CONTROL AND THE PERCENTAGE OF UNITS IDENTIFIED ON THE RECORDED PLAT THAT ARE CURRENTLY OWNED BY THE DECLARANT.

[~~10.~~] [11.] A STATEMENT IDENTIFYING WHETHER ANY [~~OWNER OR ENTITY OTHER THAN THE DECLARANT~~] [CORPORATION, LIMITED LIABILITY COMPANY OR TRUST] OWNS [~~TWENTY-FIVE~~] [THIRTY-FIVE] PERCENT OR MORE OF THE UNITS.

[~~11.~~] [12.] A STATEMENT THAT, FOR ANY REPORT PROVIDED IN SUMMARY FORMAT PURSUANT TO THIS SUBSECTION, THE PURCHASER MAY REQUEST TO VIEW THE ENTIRE REPORT FROM THE ASSOCIATION DIRECTLY, AND THE ASSOCIATION SHALL PROVIDE ACCESS TO THAT REPORT WITHIN THREE BUSINESS DAYS AFTER A WRITTEN REQUEST.

[~~12.~~] [13.] A STATEMENT TO BE SIGNED BY THE PURCHASER AT THE CLOSE OF ESCROW THAT PROVIDES "I HEREBY ACKNOWLEDGE THAT WITH THE PURCHASE OF THIS HOME OR PROPERTY, I WILL BE CONTRACTUALLY BOUND TO THE VALID COVENANTS, CONDITIONS AND RESTRICTIONS OF THE RECORDED DECLARATION, AND WILL BE [CONTRACTUALLY] BOUND TO PAY ALL COMMON EXPENSE ASSESSMENTS APPLIED TO MY HOME OR PROPERTY AS AUTHORIZED IN THE DECLARATION AND TITLE 33, CHAPTER 9 OR 16, ARIZONA REVISED STATUTES, AS APPLICABLE. IF I FAIL TO PAY COMMON EXPENSE ASSESSMENTS, I MAY BE SUBJECT TO COLLECTION ACTIVITY BY THE ASSOCIATION UP TO AND INCLUDING FORECLOSURE ACTION, WITHOUT THE

EQUITY PROTECTION OF THE HOMESTEAD ACT PURSUANT TO TITLE 33, CHAPTER 8, ARIZONA REVISED STATUTES."

~~[B. WITHIN FIVE CALENDAR DAYS AFTER THE RECEIPT OF THE DISCLOSURE REPORT PRESCRIBED BY SUBSECTION A OF THIS SECTION, THE PURCHASER MAY ACCEPT THE INFORMATION, PROPOSE A CURE TO ADDRESS ANY CONCERNS IDENTIFIED IN THE REPORT OR WITHDRAW THE OFFER WITHOUT PENALTY OR LOSS OF EARNEST MONEY. IF A CONTRACT IS CANCELED FOR ANY REASON, THE COMPLETE DISCLOSURE REPORT SHALL BE RETURNED TO THE SELLER.]~~

[B.] ~~[C.]~~ A purchaser or seller who is damaged by ~~the failure of~~ the unit owner or the association [KNOWINGLY OR RECKLESSLY] FAILING to disclose the information required by subsection A of this section OR [KNOWINGLY OR RECKLESSLY] PROVIDING MATERIALLY FALSE OR MISLEADING STATEMENTS IN THE DISCLOSURE may pursue all remedies at law or in equity against the unit owner~~[, THE MANAGING AGENT FOR THE ASSOCIATION]~~ or the association, whichever failed to comply with subsection A of this section ~~[OR PROVIDED FALSE OR MISLEADING STATEMENTS IN THE DISCLOSURE]~~, including the recovery of reasonable attorney fees AS AWARDED BY THE COURT.

~~[D.]~~ [C.] THE ASSOCIATION SHALL PROVIDE TO AN ESCROW AGENT THAT IS LICENSED PURSUANT TO TITLE 6, CHAPTER 7 AND THAT IS DESIGNATED FOR THE TRANSACTION ANY REQUESTED INFORMATION THAT IS RELEVANT TO THE CLOSE OF ESCROW, SUBJECT TO AND PURSUANT TO SECTION 33-1256 ~~[AT NO COST TO THE ESCROW AGENT OR ADDITIONAL COST TO THE SELLER OR BUYER]~~ [AND MAY CHARGE THE FEES AUTHORIZED BY THIS SECTION].

~~C.~~ ~~[E.]~~ [D.] ~~[IF THE ASSOCIATION PROVIDED THE DISCLOSURE REPORT REQUESTED BY THE UNIT OWNER,]~~ The association may charge the unit owner a fee of not more than an aggregate of ~~four hundred dollars~~ $400 to compensate the association for the costs incurred in the preparation and delivery of a ~~statement~~ REPORT or other documents furnished by the association pursuant to this section for purposes of resale disclosure, lien estoppel and any other services related to the transfer or use of the property. In addition, the association may charge a rush fee of not more than ~~one hundred dollars~~ $100 if the rush services are required to be performed within seventy-two hours after the request for rush services. ~~, and~~ THE UNIT OWNER may REQUEST THE ASSOCIATION TO UPDATE THE REPORT IF THIRTY DAYS OR MORE HAVE PASSED SINCE THE DATE OF THE ORIGINAL DISCLOSURE REPORT. THE ASSOCIATION MAY charge a ~~statement or other documents~~ DOCUMENT update fee of not more than ~~fifty dollars if thirty days or more have passed since the date of the original disclosure statement or the date the documents were delivered~~ $50. The association shall make available to any interested party the amount of any fee established from time to time by the association. ~~If the aggregate fee for purposes of resale disclosure, lien estoppel and any other services related to the transfer or use of a property is less than four hundred dollars on January 1, 2010, the fee may increase at a rate of not more than twenty percent per year based on the immediately preceding fiscal year's amount not to exceed the four hundred dollar aggregate fee.~~ The association may charge

the same fee without regard to whether the association is furnishing the statement or other documents in paper or electronic format.

[~~F. IF THE ASSOCIATION WAS NOT REQUESTED TO PROVIDE THE DISCLOSURE REPORT PRESCRIBED BY SUBSECTION A OF THIS SECTION, THE ASSOCIATION MAY CHARGE A NOMINAL FEE TO THE PURCHASER TO COMPENSATE THE ASSOCIATION FOR THE COST OF UPDATING THE NEW OWNER INFORMATION IN THE ASSOCIATION RECORDS, COMMENSURATE WITH THE DIRECT COST INCURRED.~~]

~~D.~~ [~~G.~~] [E.] The fees prescribed by this section shall be collected ~~no~~ NOT earlier than at the close of escrow and may only be charged once to a unit owner OR PURCHASER for that transaction between the parties ~~specified in the notice required pursuant to subsection A of this section~~. [~~ANY PAYMENT SHALL BE MADE DIRECTLY AND ONLY TO THE ASSOCIATION.~~] An association shall not charge or collect a fee relating to services for resale disclosure, lien estoppel and any other services related to the transfer or use of a property except as specifically authorized in this section. An association that charges or collects a fee in violation of this section is subject to a civil penalty of not more than ~~one thousand two hundred dollars~~ $1,200.

~~E.~~ [~~H.~~] [F.] This section applies to a managing agent for an association that is acting on behalf of the association.

[~~I. FOR THE INITIAL SALE OF A CONDOMINIUM UNIT FROM THE DECLARANT, THE DECLARANT SHALL PROVIDE TO ANY PURCHASER WITHIN THE TIME PRESCRIBED BY SUBSECTION A OF THIS SECTION THE DOCUMENTS PRESCRIBED IN SUBSECTION A, PARAGRAPHS 1, 2 AND 12 OF THIS SECTION.~~]

~~F.~~ [~~J.~~] [G.] The following are exempt from this section:

1. A sale in which a public report is issued pursuant to section 32-2183 or 32-2197.02.

2. A sale pursuant to section 32-2181.02.

3. A conveyance by recorded deed that bears an exemption listed in section 11-1134, subsection B, paragraph 3 or 7. On recordation of the deed ~~and for no additional charge~~, the ~~unit owner~~ PURCHASER shall provide the association with the changes in ownership, including the unit owner's name, billing address and phone number. Failure to provide the information shall not prevent the unit owner from qualifying for the exemption pursuant to this section.

~~G.~~ [~~K.~~] [H.] This section does not apply to timeshare plans or associations that are subject to chapter 20 of this title.

~~H.~~ [~~L.~~] [I.] For the purposes of this section, unless the context otherwise requires, "unit owner":

1. Means the seller of the condominium unit title. ~~and excludes~~

2. DOES NOT INCLUDE:

(a) Any real estate salesperson or real estate broker who is licensed under title 32, chapter 20 and who is acting as a salesperson or broker. ~~,~~

(b) Any escrow agent who is licensed under title 6, chapter 7 and who is acting as an escrow agent. ~~and also excludes~~

(c) A trustee of a deed of trust who is selling the property in a trustee's sale pursuant to chapter 6.1 of this title.

~~<<Sec. 3. Section 33-1802, Arizona Revised Statutes, is amended to read:~~

~~33-1802. Definitions~~

~~In this chapter and in the community documents, unless the context otherwise requires:~~

~~1. "Association":~~

~~(a) Means a nonprofit corporation or unincorporated association of owners that is created pursuant to a declaration to own and operate portions of a planned community and that has the power under the declaration to assess association members to pay the costs and expenses incurred in the performance of the association's obligations under the declaration.~~

~~(b) Does not include a nonprofit corporation or unincorporated association of owners that is created or incorporated before January 1, 1974 and that does not have authority to enforce covenants, conditions or restrictions related to the use, occupancy or appearance of the separately owned lots, parcels or units in a real estate development, unless the nonprofit corporation or unincorporated association of owners elects to be subject to this chapter pursuant to section 33-1801, subsection D.~~

~~2. "Common expense lien" means the lien for assessments, charges for late payment of assessments if authorized in the declaration, reasonable collection fees and costs THAT ARE incurred or applied by the association and reasonable attorney fees and costs that are incurred with respect to those assessments, if the attorney fees and costs are awarded by a court.~~

~~3. "Community documents" means the declaration, bylaws, articles of incorporation, if any, and rules, if any.~~

~~4. "Declaration" means any instruments, however denominated, that establish a planned community and any amendment to those instruments.~~

~~5. "MEMBER" MEANS THE OWNER OF RECORD OF ANY INDIVIDUALLY OWNED PROPERTY THAT IS SUBJECT TO THE DECLARATION IN A PLANNED COMMUNITY.~~

~~5. 6. "Member expenses":~~

~~(a) Means fees, charges, late charges and monetary penalties or interest.~~

~~(b) Does not include any amount that is included in a common expense lien.~~

~~6. 7. "Planned community":~~

~~(a) Means a real estate development that includes real estate THAT IS SUBJECT TO A DECLARATION AND THAT IS owned and operated by or real estate on which an easement to maintain roadways or a covenant to maintain roadways is held by a nonprofit corporation or unincorporated association of owners, that is created for the purpose of managing, maintaining or improving the property and in which the declaration expressly states both that the owners of separately owned lots, parcels or units are mandatory~~

~~members and that the owners are required to pay MANDATORY assessments to the association for these purposes.~~

~~(b) Does not include any of the following:~~

~~(i) A timeshare plan or a timeshare association that is governed by chapter 20 of this title.~~

~~(ii) A condominium that is governed by chapter 9 of this title.~~

~~(iii) A real estate development that is not managed or maintained by an association.~~>>

<<~~Sec. 4. Section 33-1803, Arizona Revised Statutes, is amended to read:~~

~~33-1803. Third-party property; voluntary assessments; assessment limitation; penalties; notice to member of violation~~

~~A. ANY PROVISION OF A DECLARATION THAT WOULD IMPOSE MANDATORY ASSESSMENTS FOR MEMBERSHIP IN A PRIVATE RECREATIONAL CLUB OR FOR THE MAINTENANCE OR USE OF SEPARATE PUBLIC OR PRIVATE PROPERTY THAT IS NOT OWNED BY THE ASSOCIATION IS INVALID AND UNENFORCEABLE AS A MATTER OF LAW. ANY PROVISION PRESCRIBED BY THIS SUBSECTION CREATES BOTH AN UNREASONABLE RESTRAINT ON ALIENATION AND AN UNREASONABLE RESTRAINT ON TRADE OR COMPETITION AND THE FOLLOWING APPLY:~~

~~1. ON THE EFFECTIVE DATE OF THIS AMENDMENT TO THIS SECTION, THE BOARD OF DIRECTORS OF ANY ASSOCIATION THAT HAS A DECLARATION THAT CONTAINS SUCH A PROVISION SHALL REMOVE THAT PROVISION BY AMENDMENT TO THE DECLARATION.~~

~~2. NOTWITHSTANDING ANY PROVISION OF THE COMMUNITY DOCUMENTS, THE ASSOCIATION MAY NOT USE COMMON EXPENSE ASSESSMENTS FOR THE MAINTENANCE, USE OR SUBSIDY OF THIRD-PARTY PUBLIC OR PRIVATE PROPERTY THAT IS NOT DIRECTLY OWNED BY THE ASSOCIATION.~~

~~B. IF EMERGENCY MEASURES MUST BE TAKEN WITH RESPECT TO THIRD-PARTY PUBLIC OR PRIVATE PROPERTY TO MAINTAIN ACCESS TO THE ASSOCIATION'S PROPERTY, THE ASSOCIATION MAY AUTHORIZE THE USE OF ASSOCIATION RESOURCES OR MONIES TO EFFECT THE EMERGENCY REPAIRS, BUT SHALL BILL THE PUBLIC OR PRIVATE ENTITY THAT OWNS THE SEPARATE PROPERTY FOR THE COSTS OF THE REPAIRS.~~

~~C. THE ASSOCIATION MAY PROVIDE FOR VOLUNTARY ASSESSMENTS ON INDIVIDUAL PROPERTY FOR THE USE OF THIRD-PARTY PROPERTY, RECREATIONAL FACILITIES OR OTHER FACILITIES.~~

~~A. D. Unless limitations in the community documents would result in a lower limit for the assessment, the association shall not impose a regular assessment that is more than twenty percent greater than the immediately preceding fiscal year's assessment without the approval of the majority of the members of the association. Unless reserved to the members of the association, the board of directors may impose reasonable charges for the late payment of assessments. A payment by a member is deemed late if it is unpaid fifteen or more days after its due date, unless the community documents provide for a longer period. Charges for the late payment of assessments are limited to the greater of fifteen~~

~~dollars $15 or ten percent of the amount of the unpaid assessment and may be imposed only after the association has provided notice that the assessment is overdue or provided notice that the assessment is considered overdue after a certain date. Any monies paid by the member for an unpaid assessment shall be applied first to the principal amount unpaid and then to the interest accrued.~~

~~B. E. After notice and an opportunity to be heard, the board of directors may impose reasonable monetary penalties on members for violations of the declaration, bylaws and rules of the association. Notwithstanding any provision in the community documents, the board of directors shall not impose a charge for a late payment of a penalty that exceeds the greater of fifteen dollars $15 or ten percent of the amount of the unpaid penalty. A payment is deemed late if it is unpaid fifteen or more days after its due date, unless the declaration, bylaws or rules of the association provide for a longer period. Any monies paid by a member for an unpaid penalty shall be applied first to the principal amount unpaid and then to the interest accrued. Notice pursuant to this subsection shall include information pertaining to the manner in which the penalty shall be enforced.~~

~~C. F. A member who receives a written notice that the condition of the property owned by the member is in violation of the community documents without regard to whether a monetary penalty is imposed by the notice may provide the association with a written response by sending the response by certified mail within twenty-one calendar days after the date of the notice. The response shall be sent to the address identified in the notice.~~

~~D. G. Within ten business days after receipt of the certified mail containing the response from the member, the association shall respond to the member with a written explanation regarding the notice that shall provide at least the following information unless previously provided in the notice of violation:~~

~~1. The provision of the community documents that has allegedly been violated.~~

~~2. The date of the violation or the date the violation was observed.~~

~~3. The first and last name of the person or persons who observed the violation.~~

~~4. The process the member must follow to contest the notice.~~

~~E. H. Unless the information required in subsection D G, paragraph 4 of this section is provided in the notice of violation, the association shall not proceed with any action to enforce the community documents, including the collection of attorney fees, before or during the time prescribed by subsection D G of this section regarding the exchange of information between the association and the member and shall give the member written notice of the member's option to petition for an administrative hearing on the matter in the state real estate department pursuant to section 32-2199.01. At any time before or after completion of~~

~~the exchange of information pursuant to this section, the member may petition for a hearing pursuant to section 32-2199.01 if the dispute is within the jurisdiction of the state real estate department as prescribed in section 32-2199.01.~~>>

Sec. 2. Section 33-1806, Arizona Revised Statutes, is amended to read:

33-1806. Sale of properties; information required; fees; civil penalty; definition

A. [~~EXCEPT AS PRESCRIBED BY SUBSECTION I OF THIS SECTION,~~] For planned communities with fewer than fifty ~~units~~ PROPERTIES, a member shall ~~mail~~ ELECTRONICALLY TRANSMIT or deliver to a purchaser [or a purchaser's] ~~authorized~~ [DESIGNATED] [agent] THE INFORMATION REQUIRED BY THIS SUBSECTION within ten [~~CALENDAR~~] days after [receipt of a written notice of a pending sale of the] ~~unit, and~~ [PROPERTY] [~~ACCEPTANCE OF THE PURCHASER'S OFFER TO PURCHASE. THE MEMBER MAY REQUEST THE ASSOCIATION TO PROVIDE THE MEMBER WITH THE INFORMATION REQUIRED BY THIS SUBSECTION ON LISTING THE MEMBER'S PROPERTY FOR SALE~~]. For planned communities with fifty or more ~~units~~ PROPERTIES, the association shall ~~mail~~ ELECTRONICALLY TRANSMIT or deliver to a purchaser [or a purchaser's] ~~authorized~~ [DESIGNATED] [agent] within ten [calendar] days after receipt of a written notice of a pending sale that contains the name, EMAIL ADDRESS and MAILING address of the purchaser [OR THE PURCHASER'S DESIGNATED AGENT] all of the following in either paper or electronic format:

1. A copy of the CURRENT bylaws and the CURRENT rules of the association.

2. A copy of the CURRENT declaration AND [FINAL] PLAT[, OR AN ELECTRONIC COPY OF THE FINAL PLAT, IF AVAILABLE].

[3. A COPY OF THE MINUTES OF ALL OPEN MEETINGS OF THE BOARD OF DIRECTORS FOR THE PREVIOUS THREE MONTHS.]

[~~3.~~] [4.] A dated statement containing [~~OR IDENTIFYING~~]:

(a) The telephone number and address of a principal contact for the association, which may be an association manager, an association management company, an officer of the association or any other person designated by the board of directors.

(b) The amount of the ANNUAL common regular assessment and the REQUIRED INSTALLMENTS AND PAYMENT SCHEDULES ON ANY APPROVED SPECIAL ASSESSMENT [~~AND ANY REMAINING INSTALLMENTS ON THE SPECIAL ASSESSMENT, IF ANY~~].

(c) THE ESTIMATED [~~DOLLAR~~] AMOUNT AND PURPOSE OF ANY [~~CONTEMPLATED, AND EITHER~~] APPROVED [~~AND RATIFIED OR ANTICIPATED TO BE APPROVED AND RATIFIED~~] [BUT UNRATIFIED] SPECIAL ASSESSMENT [~~OR FINANCING BEING DEVELOPED BY THE ASSOCIATION FOR ASSESSMENT~~] WITHIN THE [~~SUBSEQUENT~~] [PREVIOUS] SIX MONTHS[~~, IF ANY~~].

(d) THE CURRENT AMOUNT OF ANY unpaid common regular assessment~~, special assessment or other assessment, fee or charge currently due and payable from the selling member. If the request is made by a lienholder, escrow agent, member or person designated by a member~~

~~pursuant to section 33-1807, failure to provide the information pursuant to this subdivision within the time provided for in this subsection shall extinguish any lien for any unpaid assessment then due against that property~~ LIEN OR JUDGMENT LIEN ON THE PROPERTY DUE TO THE ASSOCIATION PURSUANT TO SECTION 33-1807 AND ANY LIS PENDENS RECORDED BY THE ASSOCIATION AGAINST THE PROPERTY.

~~(c) A statement as to whether a portion of the unit is covered by insurance maintained by the association.~~

~~(d) The total amount of money held by the association as reserves.~~

~~(e) If the statement is being furnished by the association, a statement as to whether the records of the association reflect any alterations or improvements to the unit that violate the declaration. The association is not obligated to provide information regarding alterations or improvements that occurred more than six years before the proposed sale. Nothing in this subdivision relieves the seller of a unit from the obligation to disclose alterations or improvements to the unit that violate the declaration, nor precludes the association from taking action against the purchaser of a unit for violations that are apparent at the time of purchase and that are not reflected in the association's records.~~

~~(f) If the statement is being furnished by the member, a statement as to whether the member has any knowledge of any alterations or improvements to the unit that violate the declaration.~~

~~(g) A statement of case names and case numbers for pending litigation with respect to the unit filed by the association against the member or filed by the member against the association. The member shall not be required to disclose information concerning such pending litigation that would violate any applicable rule of attorney-client privilege under Arizona law.~~

~~(h) A statement that provides "I hereby acknowledge that the declaration, bylaws and rules of the association constitute a contract between the association and me (the purchaser). By signing this statement, I acknowledge that I have read and understand the association's contract with me (the purchaser). I also understand that as a matter of Arizona law, if I fail to pay my association assessments, the association may foreclose on my property." The statement shall also include a signature line for the purchaser and shall be returned to the association within fourteen calendar days.~~

(e) THE AMOUNT AND PURPOSE OF ANY TITLE TRANSFER FEE OR OTHER SIMILAR FEE, HOWEVER DENOMINATED, THAT IS AUTHORIZED IN THE DECLARATION AND ESTABLISHED BY THE ASSOCIATION PURSUANT TO SECTION 33-442.

(f) A COPY OF THE ASSOCIATION'S MOST RECENT INCOME AND EXPENSES FINANCIAL STATEMENT FOR ALL OPERATING AND RESERVE ACCOUNTS, AS APPLICABLE.

(g) ANY OUTSTANDING AND UNRESOLVED VIOLATION OF THE ASSOCIATION'S COMMUNITY DOCUMENTS THAT WAS CITED AGAINST THE PROPERTY, IF ANY[~~; AND THAT THE SELLER IS RESPONSIBLE FOR APPEALING, RESOLVING OR ARRANGING FOR THE RESOLUTION OF ALL CITED VIOLATIONS~~].

[~~4.~~] [5.] A copy of the current operating budget of the association.

[~~5.~~] [6.] A copy of the most recent annual ~~financial~~ AUDIT, REVIEW OR [~~COMPILATION~~] [COMPILATION] report of the association PURSUANT TO SECTION 33-1810. If the report is more than ten pages, ~~the association may provide~~ a summary of the report ~~in lieu~~ MAY BE PROVIDED IN PLACE of the entire report.

[~~6.~~] [7.] A copy of the most recent reserve study OR LONG-RANGE PLAN AND ASSOCIATED FUNDING STRATEGY of the association, if any. IF THE REPORT IS MORE THAN TEN PAGES, THE ASSOCIATION MAY PROVIDE A SUMMARY OF THE REPORT IN PLACE OF THE ENTIRE REPORT.

[~~7.~~] [8.] A statement summarizing any pending lawsuits, except those relating to the collection of assessments owed by members other than the selling member, in which the association is a named party, including the amount of any money claimed.

[~~8.~~] [9.] A STATEMENT AS TO WHETHER THE PLANNED COMMUNITY IS UNDER DECLARANT CONTROL AND THE PERCENTAGE OF LOTS IDENTIFIED ON THE RECORDED PLAT THAT ARE CURRENTLY OWNED BY THE DECLARANT.

[~~9.~~] [10.] A STATEMENT THAT, FOR ANY REPORT PROVIDED IN SUMMARY FORMAT PURSUANT TO THIS SUBSECTION, THE PURCHASER MAY REQUEST TO VIEW THE ENTIRE REPORT FROM THE ASSOCIATION DIRECTLY, AND THE ASSOCIATION SHALL PROVIDE ACCESS TO THAT REPORT WITHIN THREE BUSINESS DAYS AFTER A WRITTEN REQUEST.

[~~10.~~] [11.] A STATEMENT TO BE SIGNED BY THE PURCHASER AT THE CLOSE OF ESCROW THAT PROVIDES "I HEREBY ACKNOWLEDGE THAT WITH THE PURCHASE OF THIS HOME OR PROPERTY, I WILL BE CONTRACTUALLY BOUND TO THE VALID COVENANTS, CONDITIONS AND RESTRICTIONS OF THE RECORDED DECLARATION, AND WILL BE [CONTRACTUALLY] BOUND TO PAY ALL COMMON EXPENSE ASSESSMENTS APPLIED TO MY HOME OR PROPERTY AS AUTHORIZED IN THE DECLARATION AND TITLE 33, CHAPTER 9 OR 16, ARIZONA REVISED STATUTES, AS APPLICABLE. IF I FAIL TO PAY COMMON EXPENSE ASSESSMENTS, I MAY BE SUBJECT TO COLLECTION ACTIVITY BY THE ASSOCIATION UP TO AND INCLUDING FORECLOSURE ACTION, WITHOUT THE EQUITY PROTECTION OF THE HOMESTEAD ACT PURSUANT TO TITLE 33, CHAPTER 8, ARIZONA REVISED STATUTES."

[~~B. WITHIN FIVE CALENDAR DAYS AFTER THE RECEIPT OF THE DISCLOSURE REPORT PRESCRIBED BY SUBSECTION A OF THIS SECTION, THE PURCHASER MAY ACCEPT THE INFORMATION, PROPOSE A CURE TO ADDRESS ANY CONCERNS IDENTIFIED IN THE REPORT OR WITHDRAW THE OFFER WITHOUT PENALTY OR LOSS OF EARNEST MONEY. IF A CONTRACT IS CANCELED FOR ANY REASON, THE COMPLETE DISCLOSURE REPORT SHALL BE RETURNED TO THE SELLER.~~]

[~~C.~~] [B.] A purchaser or seller who is damaged by ~~the failure of~~ the member or the association [KNOWINGLY OR RECKLESSLY] FAILING to disclose the information required by subsection A of this section OR [KNOWINGLY OR RECKLESSLY] PROVIDING MATERIALLY FALSE OR MISLEADING STATEMENTS IN THE DISCLOSURE may pursue all remedies at law or in equity against the member[~~, THE MANAGING AGENT FOR THE ASSOCIATION~~] or the association, whichever failed to comply with subsection A of this section

[~~OR PROVIDED MATERIALLY FALSE OR MISLEADING STATEMENTS IN THE DISCLOSURE~~], including the recovery of reasonable attorney fees AS AWARDED BY THE COURT.

[~~D.~~] [C.] THE ASSOCIATION SHALL PROVIDE TO AN ESCROW AGENT THAT IS LICENSED PURSUANT TO TITLE 6, CHAPTER 7 AND THAT IS DESIGNATED FOR THE TRANSACTION ANY REQUESTED INFORMATION THAT IS RELEVANT TO THE CLOSE OF ESCROW, SUBJECT TO AND PURSUANT TO SECTION 33-1807 [~~AT NO COST TO THE ESCROW AGENT OR ADDITIONAL COST TO THE SELLER OR BUYER~~] [AND MAY CHARGE THE FEES AUTHORIZED BY THIS SECTION].

~~C.~~ [~~E.~~] [D.] [~~IF THE ASSOCIATION PROVIDED THE DISCLOSURE REPORT REQUESTED BY THE MEMBER,~~] The association may charge the member a fee of not more than an aggregate of ~~four hundred dollars~~ $400 to compensate the association for the costs incurred in the preparation and delivery of a ~~statement~~ REPORT or other documents furnished by the association pursuant to this section for purposes of resale disclosure, lien estoppel and any other services related to the transfer or use of the property. In addition, the association may charge a rush fee of not more than ~~one hundred dollars~~ $100 if the rush services are required to be performed within seventy-two hours after the request for rush services. ~~, and~~ THE MEMBER may REQUEST THE ASSOCIATION TO UPDATE THE REPORT IF THIRTY DAYS OR MORE HAVE PASSED SINCE THE DATE OF THE ORIGINAL DISCLOSURE REPORT. THE ASSOCIATION MAY charge a ~~statement or other documents~~ DOCUMENT update fee of not more than ~~fifty dollars if thirty days or more have passed since the date of the original disclosure statement or the date the documents were delivered~~ $50. The association shall make available to any interested party the amount of any fee established from time to time by the association. ~~If the aggregate fee for purposes of resale disclosure, lien estoppel and any other services related to the transfer or use of a property is less than four hundred dollars on January 1, 2010, the fee may increase at a rate of not more than twenty percent per year based on the immediately preceding fiscal year's amount not to exceed the four hundred dollar aggregate fee.~~ The association may charge the same fee without regard to whether the association is furnishing the statement or other documents in paper or electronic format.

[~~F. IF THE ASSOCIATION WAS NOT REQUESTED TO PROVIDE THE DISCLOSURE REPORT PRESCRIBED BY SUBSECTION A OF THIS SECTION, THE ASSOCIATION MAY CHARGE A NOMINAL FEE TO THE PURCHASER TO COMPENSATE THE ASSOCIATION FOR THE COST OF UPDATING THE NEW OWNER INFORMATION IN THE ASSOCIATION RECORDS, COMMENSURATE WITH THE DIRECT COST INCURRED.~~]

~~D.~~ [~~G.~~] [E.] The fees prescribed by this section shall be collected ~~no~~ NOT earlier than at the close of escrow and may only be charged once to a member OR PURCHASER for that transaction between the parties ~~specified in the notice required pursuant to subsection A of this section~~. [~~ANY PAYMENT SHALL BE MADE DIRECTLY AND ONLY TO THE ASSOCIATION.~~] An association shall not charge or collect a fee relating to services for resale disclosure, lien estoppel and any other services related to the transfer or use of a property except as specifically

authorized in this section. An association that charges or collects a fee in violation of this section is subject to a civil penalty of not more than ~~one thousand two hundred dollars~~ $1,200.

~~E.~~ [~~H.~~] [F.] This section applies to a managing agent for an association that is acting on behalf of the association.

[~~I. FOR THE INITIAL SALE OF A PROPERTY FROM THE DECLARANT, THE DECLARANT SHALL PROVIDE TO ANY PURCHASER WITHIN THE TIME PRESCRIBED BY SUBSECTION A OF THIS SECTION THE DOCUMENTS PRESCRIBED IN SUBSECTION A, PARAGRAPHS 1, 2 AND 10.~~]

~~F.~~ [~~J.~~] [G.] The following are exempt from this section:

1. A sale in which a public report is issued pursuant to section 32-2183 or 32-2197.02.

2. A sale pursuant to section 32-2181.02.

3. A conveyance by recorded deed that bears an exemption listed in section 11-1134, subsection B, paragraph 3 or 7. On recordation of the deed ~~and for no additional charge~~, the ~~member~~ PURCHASER shall provide the association with the changes in ownership, including the member's name, billing address and phone number. Failure to provide the information shall not prevent the member from qualifying for the exemption pursuant to this section.

~~G.~~ [~~K.~~] [H.] For the purposes of this section, unless the context otherwise requires[.] [~~:~~]

[~~1. "ASSOCIATION" INCLUDES ANY MASTER AND LOCAL ASSOCIATION WITH RECORDED COVENANTS AFFECTING THE PROPERTY, AS APPLICABLE.~~

~~2.~~] "Member":

[~~(a)~~] [1.] Means the seller of the ~~unit~~ PROPERTY title. ~~and excludes~~

[~~(b)~~] [2.] DOES NOT INCLUDE:

[~~(i)~~] [(a)] Any real estate salesperson or real estate broker who is licensed under title 32, chapter 20 and who is acting as a salesperson or broker. ~~,~~

[~~(ii)~~] [(b)] Any escrow agent who is licensed under title 6, chapter 7 and who is acting as an escrow agent. ~~and also excludes~~

[~~(iii)~~] [(c)] A trustee of a deed of trust who is selling the property in a trustee's sale pursuant to chapter 6.1 of this title.

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 2397

DATE February 17, 2026 MOTION: DPA

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

Abby Selvey
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 30

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff

HB4026: public infrastructure improvements; distribution limit
Sponsor: Representative Carbone, LD 25
Committee on Commerce

Overview

Makes revisions relating to the requirements for distribution of monies for public infrastructure improvements.

History

From October 1, 2013, through October 1, 2023, the State Treasurer must pay a city, town or county for public infrastructure improvements for the benefit of a manufacturing facility. The total amount paid cannot exceed the total amount of TPT revenues collected from persons conducting business under the prime contracting classification that are derived from contracts to construct buildings and associated improvements for the benefit of a manufacturing facility or 80% of the total cost of the public infrastructure improvements, which is less. The aggregate amount paid cannot exceed $200,000,000 (A.R.S. § 42-5032.02).

Provisions

1. Changes the aggregate amount paid to all cities, towns and counties to a maximum of $75,000,000 each fiscal year, rather than $200,000,000. (Sec. 1)
2. Modifies the contents of the contract that a local government enters into with the Arizona Department of Revenue (ADOR) to:
   a. state that the city, town or county will immediately notify the department when monies received exceed *the total amount the local government is permitted to receive,* rather than 80% of the cost of the infrastructure improvements; and
   b. provide an analysis of the anticipated direct and indirect revenues Arizona will receive as a result of constructing the manufacturing facility to the Arizona Commerce Authority. (Sec. 1)
3. Clarifies the State Treasurer must cease payments if the total amount subject to any distribution has met the maximum allowable amount *as of June 30 of each year.* (Sec. 1)
4. Stipulates ADOR, for monies that are eligible to be paid to a local government that exceed the maximum allowable amount, to retain such monies and direct the State Treasurer to resume paying such monies in the following fiscal year. (Sec. 1)
5. Directs the State Treasurer to make payments in the order in which the expense is submitted for reimbursement. (Sec. 1)
6. Requires ADOR to post development agreements and intergovernmental agreements entered into with a local government on their website. (Sec. 1)

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

Attachment 31

7. Modifies the definition of *public infrastructure.* (Sec. 1)

ARIZONA CHAMBER OF COMMERCE & INDUSTRY

ARIZONA MANUFACTURERS COUNCIL

BUILT TO COMPETE

ARIZONA'S INFRASTRUCTURE ADVANTAGE

HOW HB 4026 SUPPORTS HIGH-WAGE MANUFACTURING JOBS AND LONG-TERM ECONOMIC GROWTH

SPONSORED BY REP. MICHAEL CARBONE

HOUSE BILL 4026 PROVIDES A SOLUTION THAT WILL:

- ✓ Keep Arizona the ***#1 destination for advanced manufacturing.***
- ✓ ***Unlock high-wage careers*** and a home-grown supply chain that anchors ***long-term economic growth.***
- ✓ Ensures ***municipalities*** can ***build the infrastructure, roads and wastewater systems*** needed to support mega-projects, ***without burdening taxpayers.***

PROVEN TOOL THAT'S DELIVERED REAL RESULTS

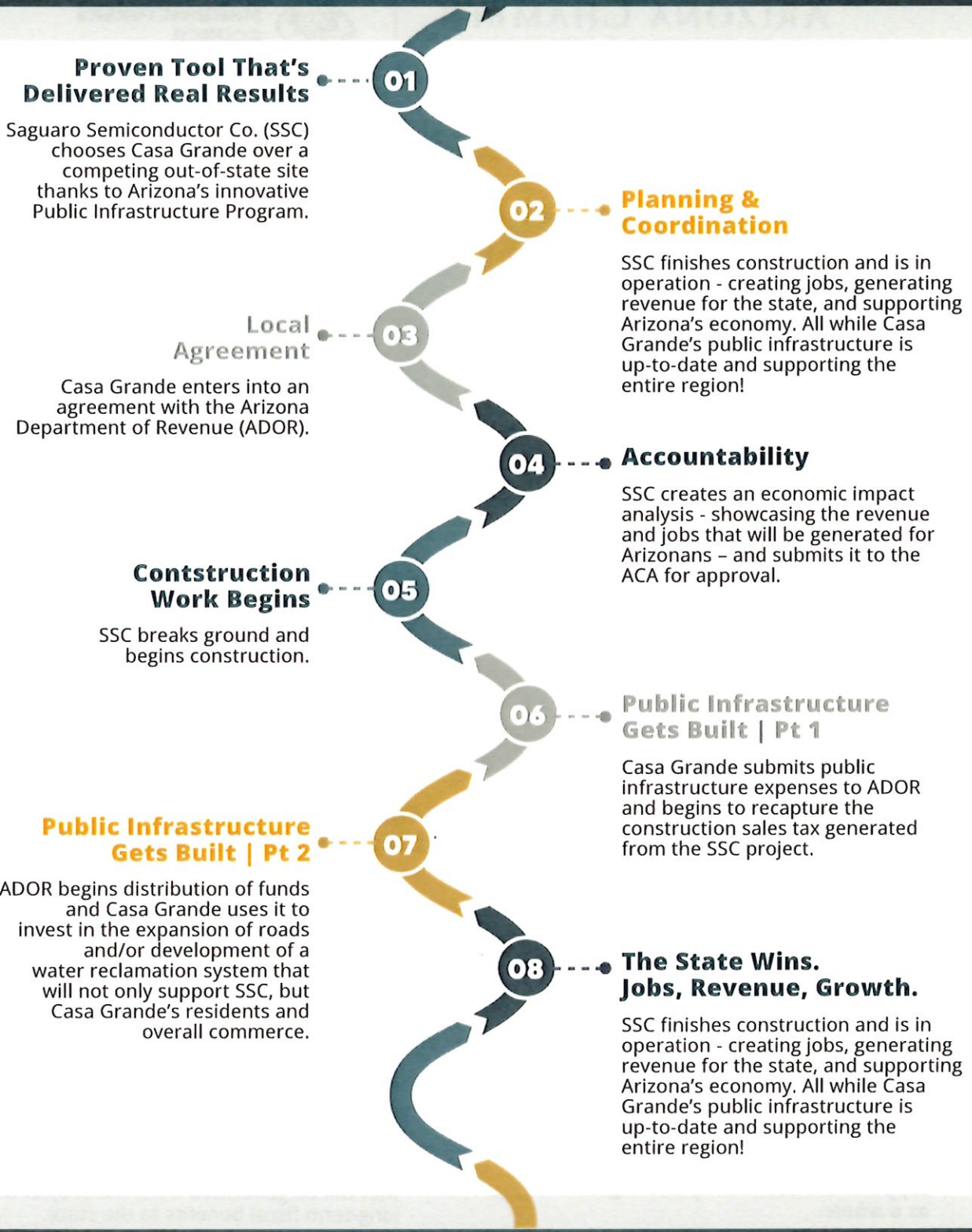
- Established in 2012, this program has been a cornerstone of the state's manufacturing success, securing billions in private capital investment and becoming the nation's leader in semiconductor manufacturing investment.
- ***These major investments come with real demands on local infrastructure.*** This program allows municipalities to recapture construction sales tax generated directly from the project itself and ***reinvest those dollars into public infrastructure that supports the community and region as a whole.***
- ***No new taxes. No general fund exposure. No giveaways.***

HB4026 – MEETING THE NEEDS OF ARIZONA'S GROWING ECONOMY

- The existing arbitrary lifetime cap of $200M is rapidly being reached. Without action, current public infrastructure projects are at risk of being underfunded, and communities across Arizona won't be able to compete for the jobs of the future.
- HB 4026 modernizes the program by:
  - Establishing an annual cap of $75M, ensuring predictable, statewide access.
  - Requiring a detailed economic analysis documenting the direct and indirect revenues that will be generated from the project and long-term fiscal benefits to the state.
  - Ensuring transparency, accountability, and a clear return on investment.

Attachment 32

PUBLIC INFRASTRUCTURE PROGRAM IN ACTION!



01 Proven Tool That's Delivered Real Results

Saguaro Semiconductor Co. (SSC) chooses Casa Grande over a competing out-of-state site thanks to Arizona's innovative Public Infrastructure Program.

02 Planning & Coordination

SSC finishes construction and is in operation - creating jobs, generating revenue for the state, and supporting Arizona's economy. All while Casa Grande's public infrastructure is up-to-date and supporting the entire region!

03 Local Agreement

Casa Grande enters into an agreement with the Arizona Department of Revenue (ADOR).

04 Accountability

SSC creates an economic impact analysis - showcasing the revenue and jobs that will be generated for Arizonans – and submits it to the ACA for approval.

05 Contstruction Work Begins

SSC breaks ground and begins construction.

06 Public Infrastructure Gets Built | Pt 1

Casa Grande submits public infrastructure expenses to ADOR and begins to recapture the construction sales tax generated from the SSC project.

07 Public Infrastructure Gets Built | Pt 2

ADOR begins distribution of funds and Casa Grande uses it to invest in the expansion of roads and/or development of a water reclamation system that will not only support SSC, but Casa Grande's residents and overall commerce.

08 The State Wins. Jobs, Revenue, Growth.

SSC finishes construction and is in operation - creating jobs, generating revenue for the state, and supporting Arizona's economy. All while Casa Grande's public infrastructure is up-to-date and supporting the entire region!

ARIZONA IS WINNING THE RACE TO ONSHORE MANUFACTURING.

HB 4026 ENSURES THAT WE HAVE THE INFRASTRUCTURE TO COMPETE.

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 4026

DATE February 17, 2026 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar			✓		
Blackman		✓			
Carter N		✓			
Cavero		✓			
Connolly		✓			
Diaz		✓			
Hendrix			✓		
Villegas			✓		
Wilmeth		✓			
Way, Vice-Chairman		✓			
Weninger, Chairman		✓			
		8	3	0	0

Abby Schwartz
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 33

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff

HB 2128: homeowners' associations; condominiums; actions; meetings
Sponsor: Representative Carter N, LD 15
Committee on Commerce

Overview

Removes the authority of a condominium or planned community association to take action without a meeting.

History

A condominium or planned community association (HOA) is formed and organized under governing documents which include a declaration, bylaws and articles of incorporation, if any. An HOA is responsible for managing, maintaining and improving community property. Members of the association elect a board of directors who are given general management powers to act on behalf of the association. Statute dictates a condominium and a planned community association be organized as either a profit, nonprofit corporation or as an unincorporated association (Title 33, Chapters 9 & 16, A.R.S.).

Statute authorizes the board of directors of a nonprofit corporation to take action without a meeting if the action is taken by all of the directors. The action must be evidenced by one or more written consents describing the action taken, signed by each director and included in the minutes filed with the corporate records reflecting the action taken (A.R.S. § 10-3821).

Provisions

1. Exempts a condominium unit owners' association and a planned community members' association from statutory authority to take action without a meeting. (Sec. 1)
2. Makes a technical change. (Sec. 1)

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

Attachment 34

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2128
(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. Section 10-3821, Arizona Revised Statutes, is amended to read:

10-3821. Action without meeting; exception

A. Unless the articles of incorporation or bylaws provide otherwise, action required or ~~permitted~~ ALLOWED by chapters 24 through 40 of this title to be taken at a directors' meeting may be taken without a meeting if the action is taken by all of the directors. The action must be evidenced by one or more written consents describing the action taken, signed by each director and included in the minutes filed with the corporate records reflecting the action taken.

B. Action taken under this section is effective when the last director signs the consent, unless the consent specifies a different effective date.

C. The consent signed under this section has the effect of a meeting vote and may be described as such in any document.

D. Any director may revoke a consent by delivering a signed revocation of the consent to the president or secretary before the date the last director signs the consent.

E. For the purposes of this section, a consent may be signed using an electronic signature as defined in section 44-7002.

F. THIS SECTION DOES NOT APPLY TO AN ENTITY THAT IS SUBJECT TO SECTION 33-1248 OR 33-1804 [AFTER TERMINATION OF THE PERIOD OF DECLARANT CONTROL].

Sec. 2. Section 33-1248, Arizona Revised Statutes, is amended to read:

33-1248. Open meetings; exceptions; notice; agenda; policy statement

A. Notwithstanding any provision in the declaration, bylaws or other documents to the contrary, all meetings of the unit owners'

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

Attachment 35

association and the board of directors, and any regularly scheduled committee meetings, are open to all members of the association or any person designated by a member in writing as the member's representative and all members or designated representatives so desiring shall be allowed to attend and speak at an appropriate time during the deliberations and proceedings. The board may place reasonable time restrictions on those persons speaking during the meeting but shall allow a member or a member's designated representative to speak once after the board has discussed a specific agenda item but before the board takes formal action on that item in addition to any other opportunities to speak. The board shall provide for a reasonable number of persons to speak on each side of an issue. Persons attending may audiotape or videotape those portions of the meetings of the board of directors and meetings of the members that are open. The board of directors of the association shall not require advance notice of the audiotaping or videotaping and may adopt reasonable rules governing the audiotaping or videotaping of open portions of the meetings of the board and the membership, but such rules shall not preclude such audiotaping or videotaping by those attending, unless the board audiotapes or videotapes the meeting and makes the unedited audiotapes or videotapes available to members on request without restrictions on their use as evidence in any dispute resolution process. If a board records a meeting that is open to the members, the board shall keep a copy of the recording for at least six months and make the unedited recording available to any member on request in compliance with section 33-1258, subsection A. Any portion of a meeting may be closed only if that portion of the meeting is limited to consideration of one or more of the following:

1. Legal advice from an attorney for the board or the association. On final resolution of any matter for which the board received legal advice or that concerned pending or contemplated litigation, the board may disclose information about that matter in an open meeting except for matters that are required to remain confidential by the terms of a settlement agreement or judgment.

2. Pending or contemplated litigation.

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

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

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

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

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

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

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

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

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

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

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

F. It is the policy of this state as reflected in this section that all meetings of a condominium, whether meetings of the unit owners' association or meetings of the board of directors of the association, be conducted openly and that notices and agendas be provided in advance for those meetings that contain the information that is reasonably necessary to inform the unit owners of the matters to be discussed or decided and to ensure that unit owners have the ability to speak after discussion of agenda items, but before a vote of the board of directors or members is taken. Toward this end, any person or entity that is charged with the interpretation of these provisions, including members of the board of directors and any community manager, shall take into account this declaration of policy and shall construe any provision of this section in favor of open meetings.

G. This section does not apply to timeshare plans or associations that are subject to chapter 20 of this title.

H. [AFTER TERMINATION OF THE PERIOD OF DECLARANT CONTROL,] THE UNIT OWNERS' ASSOCIATION OR THE BOARD OF DIRECTORS THAT IS SUBJECT TO THIS SECTION IS NOT SUBJECT TO SECTION 10-3821.

Sec. 3. Section 33-1804, Arizona Revised Statutes, is amended to read:

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

A. Notwithstanding any provision in the declaration, bylaws or other documents to the contrary, all meetings of the members' association and the board of directors, and any regularly scheduled committee meetings, are open to all members of the association or any person designated by a member in writing as the member's representative and all members or designated representatives so desiring shall be allowed to attend and speak at an appropriate time during the deliberations and

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

1. Legal advice from an attorney for the board or the association. On final resolution of any matter for which the board received legal advice or that concerned pending or contemplated litigation, the board may disclose information about that matter in an open meeting except for matters that are required to remain confidential by the terms of a settlement agreement or judgment.

2. Pending or contemplated litigation.

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

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

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

B. Notwithstanding any provision in the community documents, all meetings of the members' association and the board shall be held in this state. A meeting of the members' association shall be held at least once each year. Special meetings of the members' association may be called by the president, by a majority of the board of directors or by members having at least twenty-five percent, or any lower percentage specified in

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

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

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

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

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

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

and approved at the next regularly scheduled meeting of the board of directors.

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

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

F. It is the policy of this state as reflected in this section that all meetings of a planned community, whether meetings of the members' association or meetings of the board of directors of the association, be conducted openly and that notices and agendas be provided in advance for those meetings that contain the information that is reasonably necessary to inform the members of the matters to be discussed or decided and to ensure that members have the ability to speak after discussion of agenda items, but before a vote of the board of directors or members is taken. Toward this end, any person or entity that is charged with the interpretation of these provisions, including members of the board of directors and any community manager, shall take into account this declaration of policy and shall construe any provision of this section in favor of open meetings.

G. [AFTER TERMINATION OF THE PERIOD OF DECLARANT CONTROL,] THE MEMBERS' ASSOCIATION OR THE BOARD OF DIRECTORS THAT IS SUBJECT TO THIS SECTION IS NOT SUBJECT TO SECTION 10-3821.

Enroll and engross to conform
Amend title to conform

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2128

DATE February 17, 2026 MOTION: DPA

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

Abby Selvey
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 36

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff

HB 2991: social media; online content; minors
S/E: application distributor; minor
Sponsor: Representative Carbone, LD 25
Committee on Commerce

Summary of the Strike-Everything Amendment HB 2991

Overview

Provides requirements for application distribution providers relating to identifying the age of an account holder.

History

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

Provisions

1. Requires an application distribution provider to:
   a. request the age of an individual who is creating an account;
   b. provide a developer of a covered application with the technical ability to identify an age signal, if the age signal is agreed to be shareable;
   c. provide the ability to prevent an account holder who is a minor from acquiring or using the developer's covered application from the application distributor provider;
   d. provide the capability to a developer to disclose the developer's relevant parental controls for a covered application through a centralized product page or a user interface that provides relevant information about the covered application; and
   e. comply with the prescribed obligations for its own covered applications for which the application distribution provider is also the developer. (Sec. 1)
2. Authorizes an application distribution provider to:
   a. use commercially reasonable efforts to obtain the age category of an account holder; and
   b. provide account holders with a mechanism to obtain the account holder's age category and the ability to request an update if believed the age category is incorrect. (Sec. 1)
3. Prohibits an application distribution provider from using certain collected data to give the application distribution provider preference relative to the third-party covered applications or to otherwise use the data in an anticompetitive manner. (Sec. 1)

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

Attachment 37

4. Exempts an application distribution provider, from specified liabilities, that operates in good faith to provide an account holder's age signal or makes a good faith effort to comply with the outlined provider requirements. (Sec. 1)
5. Exempts a developer of a covered application from liability for an erroneous age signal provided by an applications distribution provider if the develop meets certain stipulations. (Sec. 1)
6. Declares the developer of a covered application is solely liable to correctly identify whether the developer of a covered application's application is a covered application, as agreed on between the developer and a provider. (Sec. 1)
7. Authorizes the Attorney General to enforce and impose civil penalties for violations. (Sec. 1)
8. Specifies the application distribution provider requirements do not:
   a. create a private right of action; or
   b. require a developer to determine whether an account holder is an adult or a minor if the developer and an application distribution provider are controlled by the same entity. (Sec. 1)
9. Defines pertinent terms. (Sec. 1)
10. Cites this act as the *Mobile Ecosystem Responsibility Act.* (Sec. 2)

Patrick Hedger
Director of Policy, NetChoice
Washington, DC 20005

NetChoice
Protecting Free Speech and Free Enterprise Online

Arizona HB 2991

TESTIMONY IN OPPOSITION

February 17, 2026

Arizona House of Representatives
Committee on Commerce
and Government Efficiency
1700 W. Washington St.,
HHR 5
Phoenix, AZ 85007

Dear Chair Weninger, Vice Chair Way, and Distinguished Members of the Commerce Committee:

NetChoice respectfully asks that you **oppose HB 2991** which requires online platforms to verify all users' ages and obtain parental consent for certain minors. If enacted, this bill would almost certainly violate Arizonan's First Amendment rights, weaken their privacy, and fail to keep kids safe.

NetChoice is a trade association of leading internet businesses that promotes the value, convenience, and choice that internet business models provide to American consumers. Our mission is to make the internet safe for free enterprise and free expression.

We share the sponsor's goal to better protect minors from harmful content online. NetChoice members have taken the issues of children's and teen safety seriously and, in recent years, have rolled out new features, settings, parental tools, and protections to better empower parents and help them monitor their children's use of social media. We ask that you oppose age verification proposals and instead focus on proposals that more effectively protect young people online without violating the constitutional rights of every Arizonan of any age.

Age Verification–whether at the app store level, device or website-level raises constitutional issues—and is now being litigated in other states.

The Supreme Court and other federal courts have ruled that age verification mandates that block access to the exercise of First Amendment rights are unconstitutional. Age verification laws have recently failed to withstand legal scrutiny in several states. NetChoice has secured permanent injunctions against such censorious laws in

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Arkansas, Louisiana, and Ohio.[1] Implementing such a measure in Arizona would likely meet the same fate and lead to costly legal challenges without providing any real benefits to the state's residents.

As Federal Judge John W. deGravelles noted in granting a full injunction against Louisiana's age restriction law, "'It is . . . well established that the [Free Speech Clause] protects the right to receive information and ideas,' *Stanley v. Georgia*, 394 U.S. 557, 564 (1969), because 'the right to receive ideas follows ineluctably from the sender's First Amendment right to send them' and is necessary for the recipient's own 'meaningful exercise' of First Amendment rights, *Bd. of Educ., Island Trees Union Free Sch. Dist. No. 26 v. Pico*, 457 U.S. 853, 867 (1982) (plurality opinion). Even minors 'are entitled to a significant measure of First Amendment protection': '[O]nly in relatively narrow and well-defined circumstances may government bar public dissemination of protected materials to them.' *Erznoznik*, 422 U.S. at 212–13. Although States "possess[] legitimate power to protect children from harm, . . . that does not include a free-floating power to restrict the ideas to which children may be exposed.'"[2]

Beyond its First Amendment violations, HB 2991 is unconstitutional under the Dormant Commerce Clause because it regulates behavior and activities that take place outside of Arizona. The law also imposes requirements on websites for the use, tracking, and storage of information about their users who are under the age of 18. These requirements conflict with COPPA, a federal law that governs how websites handle minors' data. Therefore, HB 2991 also violates the Constitution's Supremacy Clause.

Given the legal landscape, HB 2991's age-verification and parental-consent requirements cannot survive judicial review. Unlike regulating access to physical products no one has a constitutionally enumerated right to buy (cigarettes, alcohol), requiring ID (or similar "identity-based" burdens) for accessing lawful speech violates the First Amendment rights of adults, minors, and businesses alike. "Age-verification schemes," a federal district court recently held in enjoining Arkansas's similar age-verification requirements, "are not only an additional hassle, but they also require that website visitors forgo the anonymity otherwise available on the internet."[3]

Age Verification proposals undermine parental authority.

Poorly-designed age verification laws not only face legal challenges, but also encroach upon parents' long-established prerogatives in guiding their children's upbringing and online activities. Many online platforms

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[1] See NetChoice v. Griffin, Western District of Arkansas (2023) https://netchoice.org/netchoice-v-griffin/ NetChoice v. Murrill, Middle District of Louisiana (2025) https://netchoice.org/netchoice-v-murrill-louisiana/ NetChoice v. Yost, Southern District of Ohio (2024) https://netchoice.org/netchoice-v-yost.

[2] NetChoice v. Murrill, https://netchoice.org/wp-content/uploads/2025/12/Louisiana-MSJ_Granted.pdf

[3] NetChoice v. Griffin, https://netchoice.org/wp-content/uploads/2025/04/Court-Permanently-Halts-Arkansas-Age-Verification-Law_NetChoice-v-Griffin_Mar-31-2025.pdf

have already implemented robust parental control features. For example, some online platforms have led the way with suites of tools for parents and teens to better protect themselves.

Additional parental controls are available at the browser, device, and ISP level. For example, iPhones and iPads already empower parents to limit the time their children can spend on the device, choose which applications (e.g., YouTube, Facebook, Snapchat, or Instagram) their children can use, set age-related content restrictions for those applications, filter online content, and control privacy settings. Market-driven innovation allows for diverse solutions that address different needs and preferences.

Moreover, if onerous requirements are forced onto social media platforms, minors will quickly shift their use to sites at the fringes of the internet, circumventing the protections the law aims to establish. This highlights the ineffectiveness of platform-level verification as a comprehensive solution.

Simply put, a one-size-fits-all government mandate will give users a false sense of security and will flatten the offerings for youth safety that are currently provided by the private sector. It would stifle innovation in this space and potentially reduce protections for Arizonan youth, as traffic shifts away from platforms operating in good faith and as companies focus on compliance rather than developing more effective, tailored solutions.

Age Verification proposals would put Arizonans' private data at risk, leaving them vulnerable to breaches and crime.

Mandating age verification creates immediate privacy and cybersecurity liabilities for users. Age verification systems require collecting and storing sensitive personal data, potentially including government-issued IDs or biometric information. This not only contradicts the bipartisan aim of improving data security but also creates a new target for cybercriminals, potentially putting Arizona consumers at risk of identity theft or other forms of fraud. As we know from recent experience, any time there is a store of sensitive information it becomes a prime target for identity thieves and other nefarious individuals.

Age verification technology remains unproven and insufficiently secure. There are countless examples of high-profile hacks of concentrated collections of sensitive data, from the federal Office of Personnel Management[4] to health insurance exchanges created by the Affordable Care Act.[5] Concentrating sensitive data creates a bullseye for bad actors. Age verification systems create such a target, demonstrated by the recent hack of an age verification system used in Australia to verify and store the information of adults accessing physical locations with age

[4] Sciutto, Jim, "OPM government data breach impacted 21.5 million," CNN, July 10, 2015, https://www.cnn.com/2015/07/09/politics/office-of-personnel-management-data-breach-20-million/index.html

[5] Mandler, C., "Following a 'significant' breach, DC Health Link user data is being sold on the dark web," CBS News, March 8, 2023, https://www.cbsnews.com/news/data-breach-washington-dc-health-link-user-data-sold-dark-web-congress/

restrictions, such as bars.[6] The requirements of HB 2991 would necessitate creating caches of sensitive data, including personal identification, of all Arizona users regardless of their age.

A quarter of minors become a victim of identity fraud or theft before their 18th birthday.[7] The problem is even worse for minors in foster care and child welfare systems. Identity fraud incidents can affect a young person's credit reports, holding them back on the path to financial stability. Age verification mandates stand to make this problem a catastrophe.

Conclusion

While age-verification proposals are well-intended, NetChoice strongly believes that the drawbacks outweigh potential benefits. We respectfully urge the committee to reject this unconstitutional and ineffective approach. Instead, we encourage fostering private sector innovation in parental controls and youth safety tools. NetChoice members remain committed to protecting minors online through empowering parents, educating users, and working with policymakers to develop more effective and constitutional solutions to address concerns about underage access to sensitive content or services.

We want to be a resource to discuss these issues in further detail, and we appreciate the opportunity to provide the committee with our thoughts on this important matter.

Sincerely,

Patrick Hedger
Director of Policy
NetChoice[8]

NetChoice is a trade association that works to protect free expression and promote free enterprise online.

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[6] Kidd, Jessica, "Cybercrime detectives arrest man following alleged data breach involving more than 1 million NSW clubs customer records," ABC News, May 1, 2024, https://www.abc.net.au/news/2024-05-02/clubs-nsw-cybersecurity-potential-data-breach-venues/103793584

[7] 25 percent of kids will face identity theft before turning 18. Age-verification laws will make this worse. - R Street Institute (2024).

[8] The views of NetChoice expressed here do not necessarily represent the views of all NetChoice members.

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2991

DATE February 17, 2026 MOTION: DP

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

Abby Selvey Jana Babo
COMMITTEE SECRETARY

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

ATTACHMENT 39

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff

HB4088: commercial motor vehicle; liability insurance
Sponsor: Representative Lopez, LD 16
Committee on Commerce

Overview

Mandates motor carriers transporting agricultural commodities to maintain a liability policy sufficient to cover emergency towing and recovery services.

History

Statute prescribes financial responsibility requirements which mandate individuals operating motor vehicles in furtherance of a commercial enterprise maintain combined single limit liability insurance based on the vehicles declared gross weight. For vehicles transporting nonhazardous property, the insurance minimum for vehicles weighting between 20,001 and 26,000 pounds is $300,000 and for vehicles weighing more than 26,000 pounds is $750,000 (A.R.S. § 28-4033).

Motor carrier is a person who operates or causes to be operated a commercial motor vehicle on a public highway. *Commercial motor vehicle* as a motor vehicle designed, used or maintained to transport passengers or property in the furtherance of a commercial enterprise on Arizona highways, including a vehicle that has either a gross weight of 26,001 or more pounds and that is used for intrastate commerce (A.R.S. § 28-5201).

Provisions

1. Requires motor carriers transporting agricultural commodities on Arizona highways for intrastate commerce to maintain a liability policy that is sufficient to cover emergency towing and recovery services. (Sec. 1)
2. Specifies the liability policy must be satisfied by cargo insurance coverage applicable to the agricultural commodity being transported or a surety bond or other approved financial security. (Sec.1)
3. Stipulates any unpaid amount owed to an operator for providing emergency towing and recovery services to a commercial motor vehicle towing agricultural commodities is a lien on the commercial motor vehicle and agricultural commodity of the motor carrier. (Sec. 1)
4. Allows the towing or recovery operator to perfect the lien against the commercial motor vehicle owner by recording a notice of the lien in the Office of the Secretary of State. (Sec. 1)

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

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5. Instructs the towing or recovery operator to issue a lien release, upon satisfaction, to the owner of the commercial motor vehicle and record the release in the Office of the Secretary of State. (Sec. 1)

6. Exempts the following from the liability policy requirements:
   a. farm-to-field operations;
   b. private hauling or self-hauling by a farmer or rancher; and
   c. a noncommercial or passenger vehicle. (Sec. 1)

7. Defines *agricultural commodity* and *emergency towing and recovery services.* (Sec. 1)

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 4088

DATE February 17, 2026 MOTION: Failed

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar			✓		
Blackman		✓			
Carter N			✓		
Cavero			✓		
Connolly				✓	
Diaz	✓	✓			
Hendrix			✓		
Villegas			✓		
Wilmeth		✓			
Way, Vice-Chairman			✓		
Weninger, Chairman		✓			
		4	6	1	0

Jana Babel
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 41

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff

HB4086: escrow agents; notice; property sale
Sponsor: Representative Griffin, LD 19
Committee on Commerce

Overview

Provides reporting requirements for escrow agents relating to transference of real property and instructs the Arizona Department of Real Estate (ADRE) to create an early alert system that notifies persons of pending sales or transfers of real estate ownership.

History

The Department of Insurance and Financial Institutions licenses, monitors and regulates the safety and soundness of regulated entities, including the examination of escrow agents and their trusts (A.R.S § 6-122). Simultaneously, the ADRE governs the licensing and enforcement of real estate brokers and salespersons under the authority of the real estate commissioner (A.R.S §§ 32-2102, 32-2107).

County recorders are required to provide a system for notifying a person or entity when any document is recorded in which the person or entity is mentioned. The system is voluntary and notice must be provided promptly through email, text message or other similar means (A.R.S § 11-467). In Maricopa County, the Maricopa County Title Alert system alerts entities after a document is officially recorded under an entities' name.

Provisions

1. Mandates an escrow agent to transmit specific property, owner and escrow company information to the ADRE, when either:
   a. receiving orders to transfer real property ownership through sale or inheritance and creates preliminary title reports; or
   b. five days before recording a title that is being handled as a courtesy, transferring ownership or placing a lien on real property. (Sec. 1)
2. Directs ADRE's Commissioner to create and administer an early alert system that, upon receiving notice from an escrow agent or company, notifies individuals of pending sales or transfers of real estate ownership. (Sec. 2)
3. Requires the early alert system to provide prompt notice by email, text message or other similar means of communication. (Sec. 2)
4. Specifies participation in the early alert system is voluntary and must allow individuals to opt in to the system. (Sec. 2)
5. Exempts the early alert system from public records statutes. (Sec. 2)
6. Makes technical changes. (Sec. 2)

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

Attachment 42

AZ DEPARTMENT OF REAL ESTATE

100 North 15th Avenue,
Suite 201
Phoenix, AZ, 85007

602.771.7700

KATIE HOBBS
GOVERNOR

SUSAN NICOLSON
COMMISSIONER

Dear Chairman Weninger and Members of the Committee,

I am writing to express my strong support for **HB4086**, a critical piece of legislation that will fundamentally change how Arizona protects its property owners from deed fraud.

As the leader of the agency on the frontline of intake for title theft cases, I have personally witnessed the devastation caused by this crime. Our data shows a clear need for proactive defense: of the over 80 deed fraud cases the Department has tracked in the past two and a half years, a staggering 87% would have passed through escrow. The current "best-practice" of merely setting up a Google alert is insufficient. HB4086 will stop deed theft before the final transfer of ownership, offering Arizonans a critical, proactive defense.

The proposed alert system operates as follows:

- **Consumer Registration:** Property owners voluntarily register for the alert system via the Department's website.
- **Escrow Integration:** Upon enactment, the Department will establish a consumable Application Programming Interface (API) for the escrow industry. Alternatives for data transfer will also be provided, including CSV/Excel uploads, a fillable form, or a dedicated email address.
- **Alert Trigger:** The system will receive transaction data from an escrow company and match it against the secure owner database, triggering an immediate alert if a match is found.
- **Owner Notification:** The alert will notify the property owner that a sale is in progress and provide clear, actionable instructions on the steps to take if they are not the party initiating the sale.
- **Department Response:** Upon receiving a verified alert from the property owner, the Department of Real Estate will contact the appropriate escrow office and coordinate a response with the Attorney General's criminal division.

HB4086 will create a real and substantial difference in protecting the citizens of Arizona. I urge the committee to approve this legislation.

Sincerely,

Commissioner Nicolson

Attachment 43

DESERT DECEPTION: DEED FRAUD HEADLINES FROM ARIZONA



MARICOPA COUNTY REPORTS SURGE IN FRAUDULENT TRANSFERS

Recorder's office sees spike in forged deed filings targeting vacant properties.

— *AZ Central*, Oct 2023



SENIORS TARGETED IN TUCSON 'TITLE THEFT' SCHEMES

Scammers exploit vulnerable homeowners, transferring titles without their knowledge.

— *Tucson Sentinel*, Nov 2023



ATTORNEY GENERAL ISSUES STATEWIDE ALERT ON PROPERTY SCAMS

Official warning highlights new tactics used by organized fraud rings in Arizona.

— *Arizona Daily Star*, Jan 2024



PHOENIX WOMAN DISCOVERS HOME SOLD WITHOUT HER KNOWLEDGE

Victim finds deed transferred to stranger; forced to fight for property rights in court.

— *AZ Family*, Mar 2024

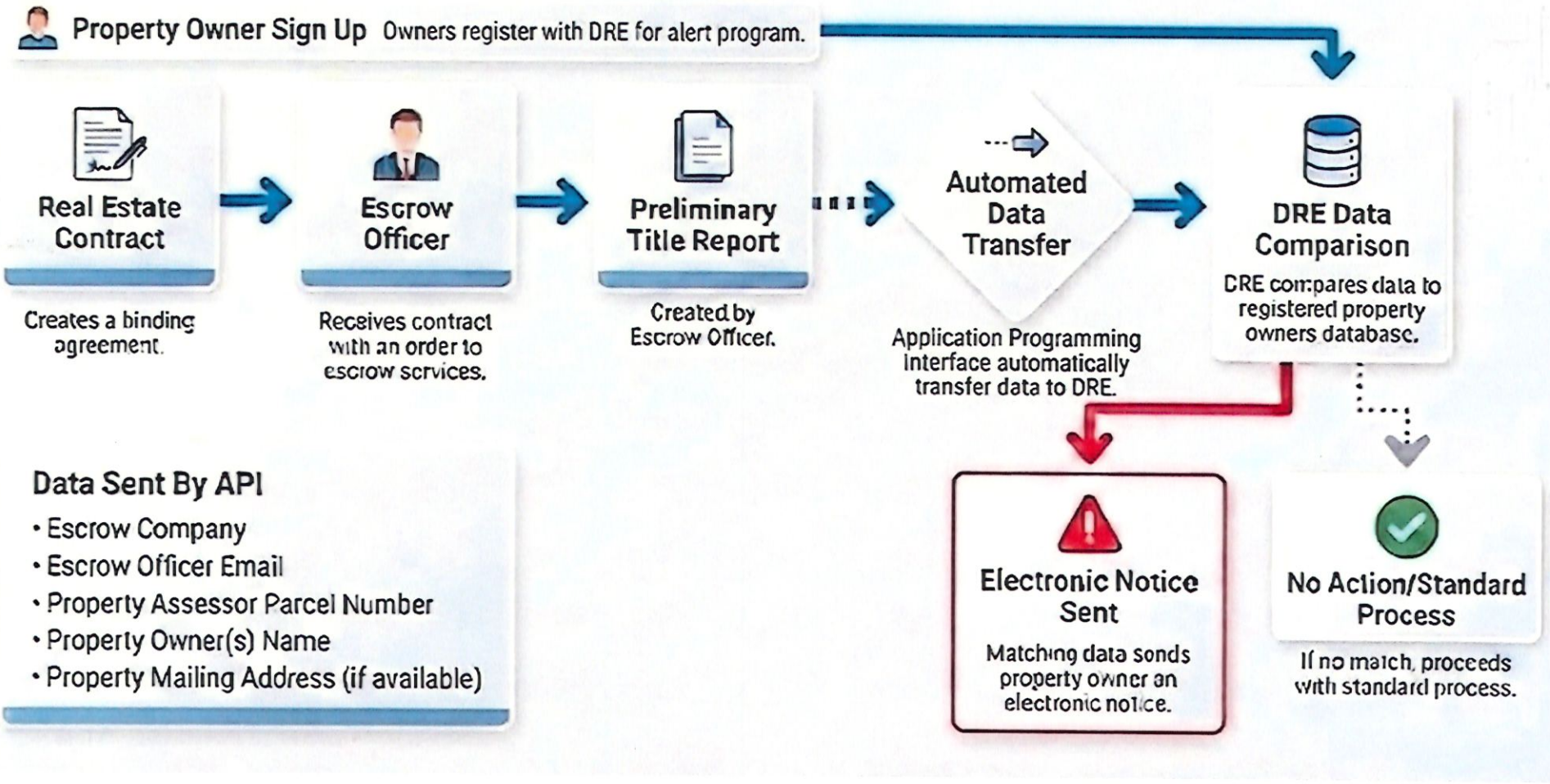


CALL TO ACTION: ARIZONA LAW MAKERS, VOTE YES ON HB4086

Protect Homeowners from Deed Fraud & Property Scams!



HB4086 Early Real Estate Sales Alert System



5 WAYS TO TRANSMIT REAL ESTATE TRANSACTION DATA TO THE EARLY REAL ESTATE ALERT SYSTEM



ESCROW AGENT'S OFFICE
Transaction Data Origin

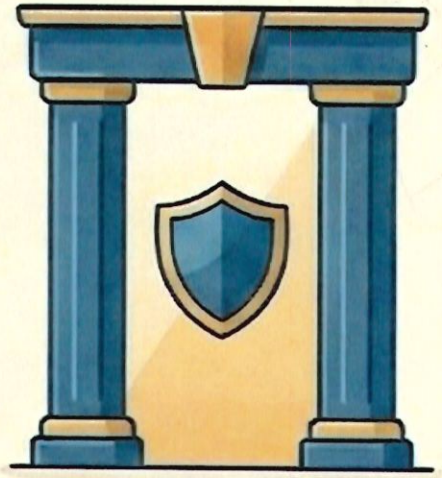
1. CONNECT TO DEPARTMENT'S CONSUMABLE API
Direct, automated data transfer via API integration.

2. WEBSITE BASED FILLABLE FORM
Manual data entry through a secure online form.

3. UPLOAD EXCEL SPREADSHEET
Structured data file upload for batch processing.

4. UPLOAD CSV FILE
Comma-separated values file upload for simple data.

5. SEND EMAIL WITH INFORMATION
Secure email submission of transaction details.



EARLY REAL ESTATE ALERT SYSTEM
Secure Data Repository & Analysis

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 4086

DATE February 17, 2026 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar		✓			
Blackman		✓			
Carter N	✓			✓	
Cavero		✓			
Connolly		✓			
Diaz		✓			
Hendrix			✓		
Villegas		✓			
Wilmeth		✓			
Way, Vice-Chairman			✓		
Weninger, Chairman		✓			
		8	2	1	0

Dana Babel
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 44

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff

HB 2999: municipal improvement districts; technical correction
S/E: infrastructure finance districts
Sponsor: Representative Weninger, LD 13
Committee on Commerce

Summary of the Strike-Everything to HB 2999

Overview

Enables the formation of an infrastructure finance district (District).

History

A municipality and a county is authorized to assess development fess to offset costs associated with providing necessary public services to a development, including the costs of infrastructure, improvements, real property, engineering and architectural services, financing and professional services required for the preparation or revision of a development, including the relevant portion of the infrastructure improvements plan (A.R.S. §§ 9-463.05, 11-1102)

Special taxing districts are usually created to fill a need and to enable the provision of services in an area that might otherwise be limited from receiving those services for various reasons, including size, location, financial limitations or unavailability of other government support. The formation of a special taxing district creates a funding stream to pay for the desired or needed services by placing the responsibility on those who benefit from that service.

Title 48 of the Arizona Revised Statutes currently allows and outlines the process for the formation of various types of special taxing districts including fire districts, irrigation districts, hospital districts, pest abatement districts and power districts. Although the specific process depends on the type of district created, the formation in many cases requires the submission of petitions to the county board of supervisors followed by a public hearing. Sometimes an election may be required to form a district.

Provisions

Infrastructure Finance Districts

1. Authorizes individuals and entities having fee-title ownership of all real property in the proposed district to petition the Arizona Finance Authority (Authority) to form a District. (Sec. 3)
2. Detail the contents of the petition. (Sec. 3)

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

Attachment 45

3. Specifies any financial burden of a District and any liability, judgment or claim against a District is the sole responsibility of the District. (Sec. 3)

4. Provides requirements for a filing notice of the petition to the Authority regarding the formation of the District. (Sec. 3)

Infrastructure Finance Districts Formation

5. Declares a District is formed only on the issuance of a formation order by the Authority. (Sec. 3)

6. Instructs the Authority to review the petition to evaluate outlined criteria. (Sec. 3)

7. Instructs the Authority to approve the formation of the District and issue a formation order within 60 days after submission of the petition provided specified requirements are met. (Sec. 3)

8. Outlines the contents of the formation order. (Sec. 3)

9. Limits the Authority's review to confirming that the statutory requirements are satisfied and provides specified factors for petition rejection. (Sec. 3)

10. Provides requirements relating to failure to issue the formation order within 60 days and recording the formation order in the county's real property records. (Sec. 3)

11. Declares the District is a special purpose district, a tax levying public improvement district and a municipal corporation in accordance with constitutional and statutory provisions. (Sec. 3)

12. Instructs the District's board of directors to make a good faith effort to implement the general plan for the public infrastructure of the District. (Sec. 3)

13. Prescribes limitation and requirements relating to fees and other charges assessed by the Authority in connection with the District. (Sec. 3)

Infrastructure Finance Districts Governance

14. Specifies the District is governed by a board of directors consisting of three directors. (Sec. 3)

15. Prescribes the qualifications, terms, responsibilities and vacancies of the board. (Sec. 3)

16. Outlines the records that must be keep and open to public inspection by the board. (Sec. 3)

17. Delineates the powers of the District. (Sec. 3)

18. Prevent a District from exercising land use or zoning authority, and adopting or enforcing zoning ordinances or similar land use regulations. (Sec. 3)

19. Asserts public infrastructure other than personalty may be located only in or on lands owned by this state, a county, a municipality or the district or dedicated or otherwise designated as public roadways, highways, streets, thoroughfares, easements or rights-of-way, whether in or out of the district or a municipality. (Sec. 3)

20. Outlines the contents an agreement may include. (Sec. 3)

21. Declares a person does not have authority to compel the issuance or sale of the bonds of the district or the exercise of any taxing power of the district to make repayment under any agreement. (Sec. 3)

Infrastructure Finance Districts Revenue

22. Specifies the projects to be constructed or acquired as shown in the general plan may be financed from the following sources of revenue:
    a. proceeds received from the sale of bonds of the district;
    b. monies of a municipality or Indian tribe or community that are contributed to the district;
    c. assessments;
    d. ad valorem taxes;
    e. private contributions;
    f. user, landowner and other fees and charges;
    g. proceeds of loans or advances; and
    h. any other monies available to the district by law. (Sec. 3)

Infrastructure Finance Districts Project Approval

23. Instructs and outlines the requirements for the board of directors to conduct a study of the feasibility and benefits of the project prior to constructing or acquiring any public infrastructure. (Sec. 3)

24. Directs the board of directors to provide outlined information, in addition to the study, to the Authority. (Sec. 3)

25. Requires the Authority to review the information to confirm that all information required has been submitted and that the construction or acquisition of the public infrastructure, complies with the formation order and the general plan and does not otherwise violate District provisions. (Sec. 3)

26. Instructs the Authority to notify the District if the submitted information is incomplete or has not been submitted or if the submitted information indicates that the construction or acquisition of the public infrastructure does not comply with the formation order or the general plan or does not otherwise comply with District provisions. (Sec. 3)

27. Prohibits the board from holding the required public hearing until 30 days has elapsed since the submission of the information and the District has not received from the Authority the prescribed notice. (Sec. 3)

28. Limits fees and other charges assessed in connection with the review of the submitted information to $15,000 per submission. (Sec. 3)

Infrastructure Finance Districts Tax

29. Prescribes the limitations regarding the total aggregate outstanding amount of bonds and the ad valorem tax rate levied to pay the debt service on all general obligation bonds. (Sec. 3)

30. Authorizes the board to call a general obligation bond election for providing monies for any public infrastructure purposes consistent with the general plan. (Sec. 3)

31. Prescribes requirements for bond issuance and bond refunds. (Sec. 3)

32. Specifies all bonds are secured by a lien on all revenues received in accordance with the ad valorem tax levy and provides stipulations for the lien. (Sec. 3)

Infrastructure Finance Districts Assessment

33. Authorizes the board to levy an assessment of the costs of any public infrastructure purpose or any operation and maintenance of public infrastructure on any land in the

District that is based on the benefit determined by the board to be received by the land. (Sec. 3)

34. Outlines requirements for issuing assessment bonds. (Sec. 3)

35. Allows the board to issue and sell assessment bonds, after the adoption of a resolution levying an assessment on property in the District. (Sec. 3)

36. Provides requirements for collection of the assessment and delinquent assessments by the county treasurer. (Sec. 3)

37. Allows the District to issue and sell refunding bonds to refund any assessment bonds of the District. (Sec. 3)

Infrastructure Finance Districts Revenue Bonds

38. Authorizes the board to issue revenue bonds to provide monies for any infrastructure purposes consistent with the general plan. (Sec. 3)

39. Requires the District to prescribe fees and charges to generate revenue sufficient to pay when due the principal and interest of all revenue bonds for the payment of which revenue has been pledged which are to be identified with the annual budget process of the district. (Sec. 3)

40. Outlines restrictions and limitations for revenue bonds. (Sec. 3)

41. Allows the District to issue and sell refunding bonds to refund any revenue bonds of the District. (Sec. 3)

42. Prescribes requirements for the term, denomination, interest rates, selling of bonds and use. (Sec. 3)

Infrastructure Finance Districts O/M Tax

43. Allows the board to call an election to authorize the board to levy an O/M tax on the net limited assessed property valuation of property in the District. (Sec. 3)

44. Outlines the requirements for levying the O/M tax, include the tax rate. (Sec. 3)

Infrastructure Finance Districts Budgets

45. Instructs the treasurer to prepare a proposed budget for the ensuing fiscal year to be submitted to the board for approval. (Sec. 3)

46. Requires the board to indicate its approval of the budget by resolution, which shall provide for a hearing on the budget as approved. (Sec. 3)

47. Allows entities to review and submit comments for its assistance and information in adopting the annual budget. (Sec. 3)

48. Requires the board to adopt a budget before October 1 each year. (Sec. 3)

Miscellaneous

49. Prescribes District requirements relating to:
    a. displaying ad valorem tax or assessment tax on each property tax bill;
    b. notice and conducting any election;
    c. recording documents with the county recorder;
    d. establishing and maintaining an official website;
    e. annual reporting;
    f. seller disclosures;

g. changes in District boundaries or general plan;
h. district improvements; and
i. district dissolution. (Sec. 3)

50. Define pertinent terms. (Sec. 3)

51. Includes, to the municipal and county schedule for payment of development fees, the costs identified in the infrastructure improvement plan applicable to a community facilities district or an infrastructure finance district. (Sec. 1, 2)

52. Cites this act as the *State Housing Affordability District Act.* (Sec. 4)

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2999
(Reference to printed bill)

Strike everything after the enacting clause and insert:

"Section 1. Section 9-463.05, Arizona Revised Statutes, is amended to read:

9-463.05. Development fees; imposition by cities and towns; infrastructure improvements plan; annual report; advisory committee; limitation on actions; definitions

A. A municipality may assess development fees to offset costs to the municipality associated with providing necessary public services to a development, including the costs of infrastructure, improvements, real property, engineering and architectural services, financing and professional services required for the preparation or revision of a development fee pursuant to this section, including the relevant portion of the infrastructure improvements plan.

B. Development fees assessed by a municipality under this section are subject to the following requirements:

1. Development fees shall result in a beneficial use to the development.

2. The municipality shall calculate the development fee based on the infrastructure improvements plan adopted pursuant to this section.

3. The development fee shall not exceed a proportionate share of the cost of necessary public services, based on service units, needed to provide necessary public services to the development.

4. Costs for necessary public services made necessary by new development shall be based on the same level of service provided to existing development in the service area.

5. Development fees may not be used for any of the following:

(a) Construction, acquisition or expansion of public facilities or assets other than necessary public services or facility expansions identified in the infrastructure improvements plan.

(b) Repair, operation or maintenance of existing or new necessary public services or facility expansions.

(c) Upgrading, updating, expanding, correcting or replacing existing necessary public services to serve existing development in order to meet stricter safety, efficiency, environmental or regulatory standards.

(d) Upgrading, updating, expanding, correcting or replacing existing necessary public services to provide a higher level of service to existing development.

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

Attachment 46

(e) Administrative, maintenance or operating costs of the municipality.

6. Any development for which a development fee has been paid is entitled to the use and benefit of the services for which the fee was imposed and is entitled to receive immediate service from any existing facility with available capacity to serve the new service units if the available capacity has not been reserved or pledged in connection with the construction or financing of the facility.

7. Development fees may be collected if any of the following occurs:

(a) The collection is made to pay for a necessary public service or facility expansion that is identified in the infrastructure improvements plan and the municipality plans to complete construction and to have the service available within the time period established in the infrastructure ~~improvement~~ IMPROVEMENTS plan, but in no event longer than the time period provided in subsection H, paragraph 3 of this section.

(b) The municipality reserves in the infrastructure improvements plan adopted pursuant to this section or otherwise agrees to reserve capacity to serve future development.

(c) The municipality requires or agrees to allow the owner of a development to construct or finance the necessary public service or facility expansion and any of the following ~~apply~~ APPLIES:

(i) The costs incurred or money advanced are credited against or reimbursed from the development fees otherwise due from a development.

(ii) The municipality reimburses the owner for those costs from the development fees paid from all developments that will use those necessary public services or facility expansions.

(iii) For those costs incurred the municipality allows the owner to assign the credits or reimbursement rights from the development fees otherwise due from a development to other developments for the same category of necessary public services in the same service area.

8. Projected interest charges and other finance costs may be included in determining the amount of development fees only if the monies are used for the payment of principal and interest on the portion of the bonds, notes or other obligations issued to finance construction of necessary public services or facility expansions identified in the infrastructure improvements plan.

9. Monies received from development fees assessed pursuant to this section shall be placed in a separate fund and accounted for separately and may only be used for the purposes authorized by this section. Monies received from a development fee identified in an infrastructure improvements plan adopted or updated pursuant to subsection D of this section shall be used to provide the same category of necessary public services or facility expansions for which the development fee was assessed and for the benefit of the same service area, as defined in the infrastructure improvements plan, in which the development fee was assessed. Interest earned on monies in the separate fund shall be credited to the fund.

10. The schedule for payment of fees shall be provided by the municipality. Based on the cost identified in the infrastructure improvements plan, the municipality shall provide a credit toward the payment of a development fee for the required or agreed to dedication of public sites, improvements and other necessary public services or facility expansions included in the infrastructure improvements plan and for which a development fee is assessed, to the extent the public sites, improvements and necessary public services or facility expansions are provided by the developer, A COMMUNITY FACILITIES DISTRICT ESTABLISHED UNDER TITLE 48, CHAPTER 4, ARTICLE 6 OR AN INFRASTRUCTURE FINANCE DISTRICT ESTABLISHED UNDER TITLE 48, CHAPTER 40. The developer of residential dwelling units shall be required to pay development fees when construction permits for the dwelling units are issued, or at a later time if specified in a development agreement pursuant to section 9-500.05. If a development agreement provides for fees to be paid at a time later than the issuance of construction permits, the deferred fees shall be paid ~~no~~ NOT later than fifteen days after the issuance of a certificate of occupancy. The development agreement shall provide for the value of any deferred fees to be supported by appropriate security, including a surety bond, letter of credit or cash bond.

11. If a municipality requires as a condition of development approval the construction or improvement of, contributions to or dedication of any facilities that were not included in a previously adopted infrastructure improvements plan, the municipality shall cause the infrastructure improvements plan to be amended to include the facilities and shall provide a credit toward the payment of a development fee for the construction, improvement, contribution or dedication of the facilities to the extent that the facilities will substitute for or otherwise reduce the need for other similar facilities in the infrastructure improvements plan for which development fees were assessed.

12. The municipality shall forecast the contribution to be made in the future in cash or by taxes, fees, assessments or other sources of revenue derived from the property owner towards the capital costs of the necessary public service covered by the development fee and shall include these contributions in determining the extent of the burden imposed by the development. Beginning August 1, 2014, for purposes of calculating the required offset to development fees pursuant to this subsection, if a municipality imposes a construction contracting or similar excise tax rate in excess of the percentage amount of the transaction privilege tax rate imposed on the majority of other transaction privilege tax classifications, the entire excess portion of the construction contracting or similar excise tax shall be treated as a contribution to the capital costs of necessary public services provided to development for which development fees are assessed, unless the excess portion was already taken into account for such purpose pursuant to this subsection.

13. If development fees are assessed by a municipality, the fees shall be assessed against commercial, residential and industrial development, except that the municipality may distinguish between different categories of residential, commercial and industrial development

in assessing the costs to the municipality of providing necessary public services to new development and in determining the amount of the development fee applicable to the category of development. If a municipality agrees to waive any of the development fees assessed on a development, the municipality shall reimburse the appropriate development fee accounts for the amount that was waived. The municipality shall provide notice of any such waiver to the advisory committee established pursuant to subsection G of this section within thirty days.

14. In determining and assessing a development fee applying to land in a community facilities district established under title 48, chapter 4, article 6 OR AN INFRASTRUCTURE FINANCE DISTRICT ESTABLISHED UNDER TITLE 48, CHAPTER 40, the municipality shall take into account all public infrastructure provided by the district and capital costs paid by the district for necessary public services and shall not assess a portion of the development fee based on the infrastructure or costs.

C. A municipality shall give at least thirty days' advance notice of intention to assess a development fee and shall release to the public and post on its website or the website of an association of cities and towns if a municipality does not have a website a written report of the land use assumptions and infrastructure improvements plan adopted pursuant to subsection D of this section. The municipality shall conduct a public hearing on the proposed development fee at any time after the expiration of the ~~thirty-day~~ THIRTY-DAY notice of intention to assess a development fee and at least thirty days before the scheduled date of adoption of the fee by the governing body. Within sixty days after the date of the public hearing on the proposed development fee, a municipality shall approve or disapprove the imposition of the development fee. A municipality shall not adopt an ordinance, order or resolution approving a development fee as an emergency measure. A development fee assessed pursuant to this section shall not be effective until seventy-five days after its formal adoption by the governing body of the municipality. Nothing in this subsection shall affect any development fee adopted before July 24, 1982.

D. Before the adoption or amendment of a development fee, the governing body of the municipality shall adopt or update the land use assumptions and infrastructure improvements plan for the designated service area. The municipality shall conduct a public hearing on the land use assumptions and infrastructure improvements plan at least thirty days before the adoption or update of the plan. The municipality shall release the plan to the public, post the plan on its website or the website of an association of cities and towns if the municipality does not have a website, including in the posting its land use assumptions, the time period of the projections, a description of the necessary public services included in the infrastructure improvements plan and a map of the service area to which the land use assumptions apply, make available to the public the documents used to prepare the assumptions and plan and provide public notice at least sixty days before the public hearing, subject to the following:

1. The land use assumptions and infrastructure improvements plan shall be approved or disapproved within sixty days after the public

hearing on the land use assumptions and infrastructure improvements plan and at least thirty days before the public hearing on the report required by subsection C of this section. A municipality shall not adopt an ordinance, order or resolution approving the land use assumptions or infrastructure improvements plan as an emergency measure.

2. An infrastructure improvements plan shall be developed by qualified professionals using generally accepted engineering and planning practices pursuant to subsection E of this section.

3. A municipality shall update the land use assumptions and infrastructure improvements plan at least every five years. The initial ~~five year~~ FIVE-YEAR period begins on the day the infrastructure improvements plan is adopted. The municipality shall review and evaluate its current land use assumptions and shall cause an update of the infrastructure improvements plan to be prepared pursuant to this section.

4. Within sixty days after completion of the updated land use assumptions and infrastructure improvements plan, the municipality shall schedule and provide notice of a public hearing to discuss and review the update and shall determine whether to amend the assumptions and plan.

5. A municipality shall hold a public hearing to discuss the proposed amendments to the land use assumptions, the infrastructure improvements plan or the development fee. The land use assumptions and the infrastructure improvements plan, including the amount of any proposed changes to the development fee per service unit, shall be made available to the public on or before the date of the first publication of the notice of the hearing on the amendments.

6. The notice and hearing procedures prescribed in paragraph 1 of this subsection apply to a hearing on the amendment of land use assumptions, an infrastructure improvements plan or a development fee. Within sixty days after the date of the public hearing on the amendments, a municipality shall approve or disapprove the amendments to the land use assumptions, infrastructure improvements plan or development fee. A municipality shall not adopt an ordinance, order or resolution approving the amended land use assumptions, infrastructure improvements plan or development fee as an emergency measure.

7. The advisory committee established under subsection G of this section shall file its written comments on any proposed or updated land use assumptions, infrastructure improvements plan and development fees before the fifth business day before the date of the public hearing on the proposed or updated assumptions, plan and fees.

8. If, at the time an update as prescribed in paragraph 3 of this subsection is required, the municipality determines that no changes to the land use assumptions, infrastructure improvements plan or development fees are needed, the municipality may as an alternative to the updating requirements of this subsection publish notice of its determination on its website and include the following:

(a) A statement that the municipality has determined that no change to the land use assumptions, infrastructure improvements plan or development fee is necessary.

(b) A description and map of the service area in which an update has been determined to be unnecessary.

(c) A statement that by a specified date, which shall be at least sixty days after the date of publication of the first notice, a person may make a written request to the municipality requesting that the land use assumptions, infrastructure improvements plan or development fee be updated.

(d) A statement identifying the person or entity to whom the written request for an update should be sent.

9. If, by the date specified pursuant to paragraph 8 of this subsection, a person requests in writing that the land use assumptions, infrastructure improvements plan or development fee be updated, the municipality shall cause, accept or reject an update of the assumptions and plan to be prepared pursuant to this subsection.

10. Notwithstanding the notice and hearing requirements for adoption of an infrastructure improvements plan, a municipality may amend an infrastructure improvements plan adopted pursuant to this section without a public hearing if the amendment addresses only elements of necessary public services in the existing infrastructure improvements plan and the changes to the plan will not, individually or cumulatively with other amendments adopted pursuant to this subsection, increase the level of service in the service area or cause a development fee increase of greater than five ~~per cent~~ PERCENT when a new or modified development fee is assessed pursuant to this section. The municipality shall provide notice of any such amendment at least thirty days before adoption, shall post the amendment on its website or on the website of an association of cities and towns if the municipality does not have a website and shall provide notice to the advisory committee established pursuant to subsection G of this section that the amendment complies with this subsection.

E. For each necessary public service that is the subject of a development fee, the infrastructure improvements plan shall include:

1. A description of the existing necessary public services in the service area and the costs to upgrade, update, improve, expand, correct or replace those necessary public services to meet existing needs and usage and stricter safety, efficiency, environmental or regulatory standards, which shall be prepared by qualified professionals licensed in this state, as applicable.

2. An analysis of the total capacity, the level of current usage and commitments for usage of capacity of the existing necessary public services, which shall be prepared by qualified professionals licensed in this state, as applicable.

3. A description of all or the parts of the necessary public services or facility expansions and their costs necessitated by and attributable to development in the service area based on the approved land use assumptions, including a forecast of the costs of infrastructure, improvements, real property, financing, engineering and architectural services, which shall be prepared by qualified professionals licensed in this state, as applicable.

4. A table establishing the specific level or quantity of use, consumption, generation or discharge of a service unit for each category of necessary public services or facility expansions and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including residential, commercial and industrial.

5. The total number of projected service units necessitated by and attributable to new development in the service area based on the approved land use assumptions and calculated pursuant to generally accepted engineering and planning criteria.

6. The projected demand for necessary public services or facility expansions required by new service units for a period not to exceed ten years.

7. A forecast of revenues generated by new service units other than development fees, which shall include estimated state-shared revenue, highway ~~users~~ USER revenue, federal revenue, ad valorem property taxes, construction contracting or similar excise taxes and the capital recovery portion of utility fees attributable to development based on the approved land use assumptions, and a plan to include these contributions in determining the extent of the burden imposed by the development as required in subsection B, paragraph 12 of this section.

F. A municipality's development fee ordinance shall provide that a new development fee or an increased portion of a modified development fee shall not be assessed against a development for twenty-four months after the date that the municipality issues the final approval for a commercial, industrial or multifamily development or the date that the first building permit is issued for a residential development pursuant to an approved site plan or subdivision plat, provided that no subsequent changes are made to the approved site plan or subdivision plat that would increase the number of service units. If the number of service units increases, the new or increased portion of a modified development fee shall be limited to the amount attributable to the additional service units. The twenty-four month period shall not be extended by a renewal or amendment of the site plan or the final subdivision plat that was the subject of the final approval. The municipality shall issue, on request, a written statement of the development fee schedule applicable to the development. If, after the date of the municipality's final approval of a development, the municipality reduces the development fee assessed on development, the reduced fee shall apply to the development.

G. A municipality shall do one of the following:

1. Before the adoption of proposed or updated land use assumptions, infrastructure improvements plan and development fees as prescribed in subsection D of this section, the municipality shall appoint an infrastructure improvements advisory committee, subject to the following requirements:

(a) The advisory committee shall be composed of at least five members who are appointed by the governing body of the municipality. At least fifty ~~per cent~~ PERCENT of the members of the advisory committee must be representatives of the real estate, development or building industries, of which at least one member of the committee must be from the home

building industry. Members shall not be employees or officials of the municipality.

(b) The advisory committee shall serve in an advisory capacity and shall:

(i) Advise the municipality in adopting land use assumptions and in determining whether the assumptions are in conformance with the general plan of the municipality.

(ii) Review the infrastructure improvements plan and file written comments.

(iii) Monitor and evaluate implementation of the infrastructure improvements plan.

(iv) Every year file reports with respect to the progress of the infrastructure improvements plan and the collection and expenditures of development fees and report to the municipality any perceived inequities in implementing the plan or imposing the development fee.

(v) Advise the municipality of the need to update or revise the land use assumptions, infrastructure improvements plan and development fee.

(c) The municipality shall make available to the advisory committee any professional reports with respect to developing and implementing the infrastructure improvements plan.

(d) The municipality shall adopt procedural rules for the advisory committee to follow in carrying out the committee's duties.

2. In lieu of creating an advisory committee pursuant to paragraph 1 of this subsection, provide for a biennial certified audit of the municipality's land use assumptions, infrastructure improvements plan and development fees. An audit pursuant to this paragraph shall be conducted by one or more qualified professionals who are not employees or officials of the municipality and who did not prepare the infrastructure improvements plan. The audit shall review the progress of the infrastructure improvements plan, including the collection and expenditures of development fees for each project in the plan, and evaluate any inequities in implementing the plan or imposing the development fee. The municipality shall post the findings of the audit on the municipality's website or the website of an association of cities and towns if the municipality does not have a website and shall conduct a public hearing on the audit within sixty days of the release of the audit to the public.

H. On written request, an owner of real property for which a development fee has been paid after July 31, 2014 is entitled to a refund of a development fee or any part of a development fee if:

1. Pursuant to subsection B, paragraph 6 of this section, existing facilities are available and service is not provided.

2. The municipality has, after collecting the fee to construct a facility when service is not available, failed to complete construction within the time period identified in the infrastructure improvements plan, but in no event later than the time period specified in paragraph 3 of this subsection.

3. For a development fee other than a development fee for water or wastewater facilities, any part of the development fee is not spent as authorized by this section within ten years after the fee has been paid or, for a development fee for water or wastewater facilities, any part of the development fee is not spent as authorized by this section within fifteen years after the fee has been paid.

I. If the development fee was collected for the construction of all or a portion of a specific item of infrastructure, and on completion of the infrastructure the municipality determines that the actual cost of construction was less than the forecasted cost of construction on which the development fee was based and the difference between the actual and estimated cost is greater than ten per cent, the current owner may receive a refund of the portion of the development fee equal to the difference between the development fee paid and the development fee that would have been due if the development fee had been calculated at the actual construction cost.

J. A refund shall include any interest earned by the municipality from the date of collection to the date of refund on the amount of the refunded fee. All refunds shall be made to the record owner of the property at the time the refund is paid. If the development fee is paid by a governmental entity, the refund shall be paid to the governmental entity.

K. A development fee that was adopted before January 1, 2012 may continue to be assessed only to the extent that it will be used to provide a necessary public service for which development fees can be assessed pursuant to this section and shall be replaced by a development fee imposed under this section on or before August 1, 2014. Any municipality having a development fee that has not been replaced under this section on or before August 1, 2014 shall not collect development fees until the development fee has been replaced with a fee that complies with this section. Any development fee monies collected before January 1, 2012 remaining in a development fee account:

1. Shall be used towards the same category of necessary public services as authorized by this section.

2. If development fees were collected for a purpose not authorized by this section, shall be used for the purpose for which they were collected on or before January 1, 2020, and after which, if not spent, shall be distributed equally among the categories of necessary public services authorized by this section.

L. A moratorium shall not be placed on development for the sole purpose of awaiting completion of all or any part of the process necessary to develop, adopt or update development fees.

M. In any judicial action interpreting this section, all powers conferred on municipal governments in this section shall be narrowly construed to ensure that development fees are not used to impose on new residents a burden all taxpayers of a municipality should bear equally.

N. Each municipality that assesses development fees shall submit an annual report accounting for the collection and use of the fees for each service area. The annual report shall include the following:

1. The amount assessed by the municipality for each type of development fee.

2. The balance of each fund maintained for each type of development fee assessed as of the beginning and end of the fiscal year.

3. The amount of interest or other earnings on the monies in each fund as of the end of the fiscal year.

4. The amount of development fee monies used to repay:

(a) Bonds issued by the municipality to pay the cost of a capital improvement project that is the subject of a development fee assessment, including the amount needed to repay the debt service obligations on each facility for which development fees have been identified as the source of funding and the time frames in which the debt service will be repaid.

(b) Monies advanced by the municipality from funds other than the funds established for development fees in order to pay the cost of a capital improvement project that is the subject of a development fee assessment, the total amount advanced by the municipality for each facility, the source of the monies advanced and the terms under which the monies will be repaid to the municipality.

5. The amount of development fee monies spent on each capital improvement project that is the subject of a development fee assessment and the physical location of each capital improvement project.

6. The amount of development fee monies spent for each purpose other than a capital improvement project that is the subject of a development fee assessment.

O. Within ninety days following the end of each fiscal year, each municipality shall submit a copy of the annual report to the city clerk and post the report on the municipality's website or the website of an association of cities and towns if the municipality does not have a website. Copies shall be made available to the public on request. The annual report may contain financial information that has not been audited.

P. A municipality that fails to file the report and post the report on the municipality's website or the website of an association of cities and towns if the municipality does not have a website as required by this section shall not collect development fees until the report is filed and posted.

Q. Any action to collect a development fee shall be commenced within two years after the obligation to pay the fee accrues.

R. A municipality may continue to assess a development fee adopted before January 1, 2012 for any facility that was financed before June 1, 2011 if:

1. Development fees were pledged to repay debt service obligations related to the construction of the facility.

2. After August 1, 2014, any development fees collected under this subsection are used solely for the payment of principal and interest on the portion of the bonds, notes or other debt service obligations issued before June 1, 2011 to finance construction of the facility.

S. Through August 1, 2014, a development fee adopted before January 1, 2012 may be used to finance construction of a facility and may be pledged to repay debt service obligations if:

1. The facility that is being financed is a facility that is described under subsection T, paragraph 7, subdivisions (a) through (g) of this section.

2. The facility was included in an infrastructure improvements plan adopted before June 1, 2011.

3. The development fees are used for the payment of principal and interest on the portion of the bonds, notes or other debt service obligations issued to finance construction of the necessary public services or facility expansions identified in the infrastructure ~~improvement~~ IMPROVEMENTS plan.

T. For the purposes of this section:

1. "Dedication" means the actual conveyance date or the date an improvement, facility or real or personal property is placed into service, whichever occurs first.

2. "Development" means:

(a) The subdivision of land.

(b) The construction, reconstruction, conversion, structural alteration, relocation or enlargement of any structure that adds or increases the number of service units.

(c) Any use or extension of the use of land that increases the number of service units.

3. "Facility expansion" means the expansion of the capacity of an existing facility that serves the same function as an otherwise new necessary public service in order that the existing facility may serve new development. Facility expansion does not include the repair, maintenance, modernization or expansion of an existing facility to better serve existing development.

4. "Final approval" means:

(a) For a nonresidential or multifamily development, the approval of a site plan or, if no site plan is submitted for the development, the approval of a final subdivision plat.

(b) For a single family residential development, the approval of a final subdivision plat.

5. "Infrastructure improvements plan" means a written plan that identifies each necessary public service or facility expansion that is proposed to be the subject of a development fee and otherwise complies with the requirements of this section, and may be the municipality's capital improvements plan.

6. "Land use assumptions" means projections of changes in land uses, densities, intensities and population for a specified service area over a period of at least ten years and pursuant to the general plan of the municipality.

7. "Necessary public service" means any of the following facilities that have a life expectancy of three or more years and that are owned and operated by or on behalf of the municipality:

(a) Water facilities, including the supply, transportation, treatment, purification and distribution of water, and any appurtenances for those facilities.

(b) Wastewater facilities, including collection, interception, transportation, treatment and disposal of wastewater, and any appurtenances for those facilities.

(c) Storm water, drainage and flood control facilities, including any appurtenances for those facilities.

(d) Library facilities of up to ten thousand square feet that provide a direct benefit to development, not including equipment, vehicles or appurtenances.

(e) Street facilities located in the service area, including arterial or collector streets or roads that have been designated on an officially adopted plan of the municipality, traffic signals and rights-of-way and improvements thereon.

(f) Fire and police facilities, including all appurtenances, equipment and vehicles. Fire and police facilities do not include a facility or portion of a facility that is used to replace services that were once provided elsewhere in the municipality, vehicles and equipment used to provide administrative services, helicopters or airplanes or a facility that is used for training firefighters or officers from more than one station or substation.

(g) Neighborhood parks and recreational facilities on real property up to thirty acres in area, or parks and recreational facilities larger than thirty acres if the facilities provide a direct benefit to the development. Park and recreational facilities do not include vehicles, equipment or that portion of any facility that is used for amusement parks, aquariums, aquatic centers, auditoriums, arenas, arts and cultural facilities, bandstand and orchestra facilities, bathhouses, boathouses, clubhouses, community centers greater than three thousand square feet in floor area, environmental education centers, equestrian facilities, golf course facilities, greenhouses, lakes, museums, theme parks, water reclamation or riparian areas, wetlands, zoo facilities or similar recreational facilities, but may include swimming pools.

(h) Any facility that was financed and that meets all of the requirements prescribed in subsection R of this section.

8. "Qualified professional" means a professional engineer, surveyor, financial analyst or planner providing services within the scope of the person's license, education or experience.

9. "Service area" means any specified area within the boundaries of a municipality in which development will be served by necessary public services or facility expansions and within which a substantial nexus exists between the necessary public services or facility expansions and the development being served as prescribed in the infrastructure improvements plan.

10. "Service unit" means a standardized measure of consumption, use, generation or discharge attributable to an individual unit of development calculated pursuant to generally accepted engineering or planning standards for a particular category of necessary public services or facility expansions.

Sec. 2. Section 11-1102, Arizona Revised Statutes, is amended to read:

11-1102. County development fees; imposition by counties; infrastructure improvements plan; advisory committee; annual report; limitation on actions; definitions

A. A county may assess development fees to offset costs to the county associated with providing necessary public services to a development, including the costs of infrastructure, improvements, real property, engineering and architectural services, financing and professional services required for the preparation or revision of ~~a~~ development ~~fee~~ FEES pursuant to this section, including the relevant portion of the infrastructure improvements plan.

B. Development fees assessed under this section are subject to the following requirements:

1. Development fees shall result in a beneficial use to the development.

2. The county shall calculate the development ~~fee~~ FEES based on the infrastructure improvements plan adopted pursuant to this section.

3. The development fees may not exceed a proportionate share of the cost of necessary public services, based on service units, needed to provide necessary public services to the development.

4. Costs for necessary public services made necessary by new development shall be based on the same level of service provided to existing development in the service area at the time the infrastructure improvements plan is adopted.

5. Development fees may not be used for any of the following:

(a) Funding a level of service that is higher than the current level of service provided to existing development at the time the infrastructure improvements plan is adopted.

(b) Construction, acquisition or expansion of public facilities or assets other than necessary public services or facility expansions identified in the infrastructure improvements plan.

(c) Repair, operation or maintenance of existing or new necessary public services or facility expansions.

(d) Upgrading, updating, expanding, correcting or replacing existing necessary public services to serve existing development in order to meet stricter safety, efficiency, environmental or regulatory standards.

(e) Upgrading, updating, expanding, correcting or replacing existing necessary public services to provide a higher level of service to existing development.

(f) Administrative, maintenance or operating costs of the county.

6. Any development for which development fees have been paid is entitled to the use and benefit of the services for which the development fees were imposed and is entitled to receive immediate service from any existing facility with available capacity to serve the new service units if the available capacity has not been reserved or pledged in connection with the construction or financing of the facility.

7. Development fees may be collected if any of the following occurs:

(a) The collection is made to pay for a necessary public service or facility expansion that is identified in the infrastructure improvements plan and the county plans to complete construction and have the service available within the time period established in the infrastructure improvements plan, but not longer than the time period provided in subsection J, paragraph 3 of this section.

(b) The county reserves capacity in the infrastructure improvements plan adopted pursuant to this section or otherwise agrees to reserve capacity to serve future development.

(c) The county requires or agrees to allow the owner of a development to construct or finance the necessary public service or facility expansion and any of the following applies:

(i) The costs incurred or monies advanced are credited against or reimbursed from the development fees otherwise due from a development. The amount of credits issued shall equal the costs identified by the county in the infrastructure improvements plan associated with the construction of the necessary public services or facility expansions. The county shall allow the owner to assign the credits from the development fees otherwise due from a development and any excess credits to other developments for the same category of necessary public services in the same service area.

(ii) The county reimburses the owner for those costs from the development fees paid from all developments that will use those necessary public services or facility expansions. The county shall allow the owner to assign the reimbursement rights to other developments for the same category of necessary public services in the same service area.

8. Projected interest charges and other finance costs may be included in determining the amount of development fees only if the monies are used for the payment of principal and interest on the portion of the bonds, notes or other obligations issued to finance construction of necessary public services or facility expansions identified in the infrastructure improvements plan.

9. Monies received from development fees shall be placed in a separate fund and accounted for separately and may only be used for the purposes authorized by this section. Monies received from development fees identified in an infrastructure improvements plan adopted or updated pursuant to subsection E of this section shall be used to provide the same category of necessary public services or facilities expansions for which the development fee was assessed and for the benefit of the same service area as defined in the infrastructure improvements plan in which the development fees were assessed. Interest earned on monies in the separate fund shall be credited to the fund.

10. The county shall prescribe the schedule for paying the development fees. Based on the costs identified in the infrastructure improvements plan, the county shall provide a credit toward the payment of the development fees for the required or agreed to dedication of public sites, improvements and other necessary public services or facility

expansions included in the infrastructure improvements plan and for which development fees are assessed, to the extent the public sites, improvements and necessary public services or facility expansions are provided by the developer, A COMMUNITY FACILITIES DISTRICT ESTABLISHED UNDER TITLE 48, CHAPTER 4, ARTICLE 6 OR AN INFRASTRUCTURE FINANCE DISTRICT ESTABLISHED UNDER TITLE 48, CHAPTER 40. On request of the developer, instead of providing a credit toward the payment of development fees, the county shall provide for reimbursement from the development fees paid from all development that will use those public sites, improvements or necessary public services or facility expansions of the actual costs of the required or agreed to dedication of public sites, improvements or other necessary public services or facility expansions included in the infrastructure improvements plan and for which development fees are assessed, to the extent the public sites, improvements and necessary public services or facility expansions are provided by the developer, A COMMUNITY FACILITIES DISTRICT ESTABLISHED UNDER TITLE 48, CHAPTER 4, ARTICLE 6 OR AN INFRASTRUCTURE FINANCE DISTRICT ESTABLISHED UNDER TITLE 48, CHAPTER 40. The developer of residential dwelling units shall be required to pay the fees when construction permits for the dwelling units are issued, or at a later time if specified in the development agreement pursuant to section 11-1101. If a development agreement provides for development fees to be paid at a time later than the issuance of construction permits, the deferred development fees shall be paid not later than fifteen days after the issuance of a certificate of occupancy. The development agreement shall provide for the value of any deferred development fees to be supported by an appropriate security, including a surety bond, letter of credit or cash bond.

11. If a county requires as a condition of development approval the construction or improvement of, contributions to or dedication of any facilities that were not included in a previously adopted infrastructure improvements plan, the county shall cause the infrastructure improvements plan to be amended to include the facilities and shall provide a credit toward the payment of development fees for the construction, improvement, contribution or dedication of the facilities to the extent that the facilities will substitute for or otherwise reduce the need for other similar facilities in the infrastructure improvements plan for which development fees were assessed. If a county requires as a condition of development approval the set aside of active or passive open space, the county shall issue a credit toward any development fees identified in the infrastructure improvements plan to fund any park facilities or facility expansion. On request of the individual or entity seeking development approval, instead of issuing a credit toward the payment of development fees, the county shall provide for reimbursement from the development fees paid from all development that will use those facilities or facility expansions of the actual costs of the construction or improvement of, contributions to or dedication of the public facilities required as a condition of development approval.

12. The county shall forecast the contribution to be made in the future in cash, taxes, fees, assessments and all other sources of revenue derived from the property owner towards the capital costs of the necessary public service covered by the development fees.

13. If development fees are assessed against residential development, the county shall also assess development fees against commercial and industrial development. The county may distinguish between different categories of residential, commercial and industrial development in assessing the costs to the county of providing necessary public services to new development and in determining the amount of the development fees applicable to the category, except that the county may not distinguish residential developments on the basis of the size of the dwelling unit or number of bedrooms. If a county agrees to waive any of the development fees assessed on a development, the county shall reimburse the appropriate development fees accounts for the amount that was waived. The county shall provide notice of any such waiver to the advisory committee established pursuant to subsection I of this section.

14. In determining and assessing development fees applying to land in a community facilities district established under title 48, chapter 4, article 6, the county shall take into account all public infrastructure provided by the district and capital costs paid by the district for necessary public services and shall not assess a portion of the development fees based on the infrastructure or costs.

15. The county shall not assess or collect development fees from a school district or charter school, other than fees assessed or collected for streets and water and wastewater utility functions.

C. Before assessing development fees, the county shall:

1. Give at least thirty days' advance notice of intention to assess new or increased development fees.

2. Release to the public and post on the county's website a written report of the land use assumptions and infrastructure improvements plan adopted pursuant to subsection E of this section.

3. Conduct a public hearing on the proposed development fees at any time after the expiration of the thirty-day notice of intention to assess development fees and at least thirty days before the scheduled date of adoption of the development fees. Within sixty days after the date of the public hearing on the proposed development fees, the county shall approve or disapprove the imposition of the development fees. A county may not adopt an ordinance, order or resolution approving development fees as an emergency measure.

D. Development fees assessed pursuant to this section are not effective for at least ninety days after formal adoption by the board of supervisors.

E. Before the adoption or amendment of development fees or amendment of the boundaries of a service area, the board of supervisors shall adopt or update the land use assumptions and infrastructure improvements plan for the designated service area. The county shall conduct a public hearing on the land use assumptions and infrastructure improvements plan at least thirty days before the adoption or update of

the infrastructure improvements plan. The county shall release the infrastructure improvements plan to the public, post the infrastructure improvements plan on the county's website, including in the posting the land use assumptions, the time period of the projections, a description of the necessary public services included in the infrastructure improvements plan and a map of the service area to which the land use assumptions apply, make available to the public the documents used to prepare the land use assumptions and infrastructure improvements plan and provide public notice at least sixty days before the public hearing, subject to the following:

1. The land use assumptions and infrastructure improvements plan shall be approved or disapproved within sixty days after the public hearing on the land use assumptions and infrastructure improvements plan and at least thirty days before the public hearing on the report required by subsection C of this section. A county may not adopt an ordinance, order or resolution approving the land use assumptions or infrastructure improvements plan as an emergency measure.

2. An infrastructure improvements plan shall be developed by qualified professionals using generally accepted engineering and planning practices pursuant to subsection F of this section.

3. A county shall update the land use assumptions and infrastructure improvements plan at least every five years. The initial five-year period begins on the day the infrastructure improvements plan is adopted. The county shall review and evaluate the current land use assumptions and shall cause an update of the infrastructure improvements plan to be prepared pursuant to this section.

4. Within sixty days after completion of the updated land use assumptions and infrastructure improvements plan, the county shall schedule and provide notice of a public hearing to discuss and review the update and shall determine whether to amend the land use assumptions and infrastructure improvements plan.

5. A county shall hold a public hearing to discuss the proposed amendments to the land use assumptions, the infrastructure improvements plan or the development fees. The land use assumptions and the infrastructure improvements plan, including the amount of any proposed changes to the development fees per service unit, shall be made available to the public on or before the date of the first publication of the notice of the hearing on the amendments.

6. The hearing procedures prescribed in paragraph 1 of this subsection apply to a hearing on the amendment of land use assumptions, an infrastructure improvements plan or development fees. Within sixty days after the date of the public hearing on the amendments, a county shall approve or disapprove the amendments to the land use assumptions, infrastructure improvements plan or development fees. A county may not adopt an ordinance, order or resolution approving the amended land use assumptions, infrastructure improvements plan or development fees as an emergency measure.

7. The advisory committee established under subsection I of this section shall file its written comments on any proposed or updated land use assumptions, infrastructure improvements plan and development fees before the fifth business day before the date of the public hearing on the proposed or updated land use assumptions, infrastructure improvements plan and development fees.

8. If, at the time an update as prescribed in paragraph 3 of this subsection is required, the county determines that no changes to the land use assumptions, infrastructure improvements plan or development fees are needed, the county, as an alternative to the updating requirements of this subsection, may publish notice of the determination on the county's website that includes the following:

(a) A statement that the county has determined that no change to the land use assumptions, infrastructure improvements plan or development fees is necessary.

(b) A description and map of the service area in which an update has been determined to be unnecessary.

(c) A statement that by a specified date, which shall be at least sixty days after the date of publication of the first notice, a person may request to the county in writing that the county update the land use assumptions, infrastructure improvements plan or development fees.

(d) A statement identifying the person or entity to whom the written request for an update should be sent.

9. If, by the date specified pursuant to paragraph 8 of this subsection, a person requests in writing that the county update the land use assumptions, infrastructure improvements plan or development fees, the county shall cause, accept or reject an update of the land use assumptions, infrastructure improvements plan or development fees to be prepared pursuant to this section.

10. Notwithstanding the notice and hearing requirements for adoption of an infrastructure improvements plan, the county may amend an infrastructure improvements plan without a public hearing if the amendment addresses only elements of necessary public services in the existing infrastructure improvements plan and the changes to the plan will not, individually or cumulatively with other amendments adopted pursuant to this subsection, increase the level of service in the service area or cause an increase in development fees that is greater than five percent when new or modified development fees are assessed pursuant to this section. The county shall provide notice of the amendment at least thirty days before adoption, shall post the amendment on the county's website and shall provide notice to the advisory committee established pursuant to subsection I of this section that the amendment complies with this subsection.

F. For each necessary public service that is the subject of development fees, the infrastructure improvements plan shall include:

1. A description of the existing necessary public services in the service area and the costs to upgrade, update, improve, expand, correct or replace those necessary public services to meet existing needs and usage and stricter safety, efficiency, environmental or regulatory standards.

The description shall be prepared by qualified professionals who are licensed in this state, as applicable.

2. An analysis of the total capacity, the level of current usage and commitments for usage of capacity of the existing necessary public services. The analysis shall be prepared by qualified professionals who are licensed in this state, as applicable.

3. A description of all or the parts of the necessary public services or facility expansions and their costs necessitated by and attributable to new development in the service area based on the approved land use assumptions, including a forecast of the cost of infrastructure, improvements, real property, financing, engineering and architectural services. The description shall be prepared by qualified professionals who are licensed in this state, as applicable.

4. A table that establishes the specific level or quantity of use, consumption, generation or discharge of a service unit for each category of necessary public services or facility expansions and an equivalency or conversion table that establishes the ratio of a service unit to various types of land uses, including residential, commercial and industrial.

5. A description of all the costs necessitated by ongoing maintenance and operations of the necessary public services once construction is completed and a description of the source of revenue to be used to fund the maintenance and operations.

6. The total number of projected service units necessitated by and attributable to new development in the service area based on the approved land use assumptions and calculated pursuant to generally accepted engineering and planning criteria.

7. The projected demand for necessary public services or facility expansions required by new service units for a period of not more than ten years.

8. A forecast of revenues generated by new service units other than development fees, including estimated state shared revenue, highway user revenue, federal revenue, ad valorem property taxes, construction contracting or similar excise taxes and the capital recovery portion of utility fees attributable to development based on the approved land use assumptions, and a plan to include these contributions in determining the extent of the burden imposed by the development as required in subsection B, paragraph 12 of this section.

G. A county's infrastructure improvements plan may identify necessary public services or facility expansions that the county plans to construct beyond the time period provided for in subsection J, paragraph 3 of this section but may not include the costs of those necessary public services or facility expansions in the calculation of development fees.

H. A county's development fees ordinance shall provide:

1. That new development fees or an increased portion of modified development fees may not be assessed against a development for twenty-four months after the date that the county issues the final approval for a commercial, industrial or multifamily development or the date that the first building permit is issued for a residential development pursuant to an approved site plan or subdivision plat, only if subsequent changes are

not made to the approved site plan or subdivision plat that would increase the number of service units. If the number of service units increases, the new or increased portion of modified development fees shall be limited to the amount attributable to the additional service units. The period is not extended by a renewal or amendment of the site plan or the final subdivision plat that was the subject of the final approval. The county shall issue, on request, a written statement of the development fees schedule applicable to the development. If, after the date of the county's final approval of a development, the county reduces the development fees assessed on development, the reduced fees shall apply to the development.

2. A process for a development to request an alternative development fee calculation or change in category of development that appears on an adopted development fee schedule based on a projection that the actual burdens and costs associated with the county's provision of necessary public services or facility expansions to the development that are to be paid by development fees will differ substantially from those costs projected by the county or will be substantially less than the amount projected to be paid by development fees. The county manager or the county manager's designee shall review the request and make a determination as to the development fee to be assessed. The assessed development fee shall have a substantial nexus to the actual burdens and costs associated with providing the necessary public services or facility expansions to that development that are to be funded by development fees. The determination of the county manager is appealable to the board of supervisors.

I. A county shall do one of the following:

1. Before the adoption of the proposed or updated land use assumptions, infrastructure improvements plan and development fees as prescribed in subsection E of this section, appoint an infrastructure improvements advisory committee, subject to the following requirements:

(a) The advisory committee shall be composed of at least five members who are appointed by the board of supervisors. At least fifty percent of the members of the advisory committee must be representatives of the real estate, development or building industries, of which at least one member of the committee must be from the home building industry. Members may not be employees or officials of the county.

(b) The advisory committee shall serve in an advisory capacity and shall:

(i) Advise the county in adopting land use assumptions and in determining whether the assumptions are in conformance with the general plan of the county.

(ii) Review the infrastructure improvements plan and file written comments.

(iii) Monitor and evaluate implementation of the infrastructure improvements plan.

(iv) Every year file reports with respect to the progress of the infrastructure improvements plan and the collection and expenditures of development fees and report to the county any perceived inequities in

implementing the infrastructure improvements plan or assessing the development fees.

(v) Advise the county of the need to update or revise the land use assumptions, infrastructure improvements plan and development fees.

(c) The county shall make available to the advisory committee any professional reports with respect to developing and implementing the infrastructure improvements plan.

(d) The county shall adopt procedural rules for the advisory committee to follow in carrying out the advisory committee's duties.

2. Provide for a biennial certified audit of the county's land use assumptions, infrastructure improvements plan and development fees. An audit pursuant to this paragraph shall be conducted by one or more qualified professionals who are not employees or officials of the county and who did not prepare the infrastructure improvements plan. The audit shall review the progress of the infrastructure improvements plan, including the collection and expenditures of development fees for each project in the infrastructure improvements plan, and evaluate any inequities in implementing the infrastructure improvements plan or imposing the development fees. The county shall post the findings of the audit on the county's website and shall conduct a public hearing on the audit within sixty days after the release of the audit to the public.

J. On written request, an owner of real property for which development fees have been paid after December 31, 2020 is entitled to a refund of the development fees or any part of the development fees if:

1. Pursuant to subsection B, paragraph 6 of this section, existing facilities are available and service is not provided.

2. The county, after collecting the fees to construct a facility when service is not available, has failed to complete construction within the time period identified in the infrastructure improvements plan, but in no event later than the time period specified in paragraph 3 of this subsection.

3. For development fees other than development fees for water or wastewater facilities, any part of the development fees is not spent as authorized by this section within ten years after the fees have been paid or, for development fees for water or wastewater facilities, any part of the development fees is not spent as authorized by this section within fifteen years after the development fees have been paid.

K. If the development fees were collected for the construction of all or a portion of a specific item of infrastructure, and on completion of the infrastructure the county determines that the actual cost of construction was less than the forecasted cost of construction on which the development fees were based and the difference between the actual and estimated cost is greater than ten percent, the current owner may receive a refund of the portion of the development fees equal to the difference between the development fees paid and the development fees that would have been due if the development fees had been calculated at the actual construction cost.

L. A refund shall include any interest earned by the county from the date of collection to the date of refund on the amount of the refunded fees. All refunds shall be paid to the owner of record of the property at the time the refund is paid. If the development fees are paid by a governmental entity, the refund shall be paid to the governmental entity.

M. Development fees that were adopted before January 1, 2017 may continue to be assessed only to the extent that the development fees will be used to provide a necessary public service for which development fees can be assessed pursuant to this section and shall be replaced by development fees imposed under this section on or before January 1, 2021. Any county having development fees that have not been replaced under this section on or before January 1, 2021 may not collect development fees until the development fees have been replaced with fees that comply with this section. Development fees adopted or amended by a county after January 1, 2017 shall comply with this section. Any development fees monies collected before January 1, 2017 remaining in a development fees account:

1. Shall be used ~~towards~~ TOWARD the same category of necessary public services as authorized by this section.

2. ~~And~~ THAT WERE collected for a purpose not authorized by this section shall be used for the purpose for which the development fees were collected on or before January 1, 2024, and after which, if not spent, shall be distributed equally among the categories of necessary public services authorized by this section.

N. A moratorium may not be placed on development for the sole purpose of awaiting completion of all or any part of the process necessary to develop, adopt or update development fees.

O. In any judicial action interpreting this section all powers conferred on a county by this section shall be narrowly construed to ensure that development fees are not used to impose on new residents a burden all taxpayers of a county should bear equally.

P. Each county that assesses development fees shall submit an annual report accounting for the collection and use of the fees for each service area. The annual report shall include the following:

1. The amount assessed by the county for each type of development fee.

2. The balance of each fund maintained for each type of development fee assessed as of the beginning and end of the fiscal year.

3. The amount of interest or other earnings on the monies in each fund as of the end of the fiscal year.

4. The amount of development fee monies used to repay:

(a) Bonds issued by the county to pay the cost of a necessary public service that is the subject of a development fees assessment, including the amount needed to repay the debt service obligations on each facility for which development fees have been identified as the source of funding and the time frames in which the debt service will be repaid.

(b) Monies advanced by the county from funds other than the funds established for development fees in order to pay the cost of a necessary public service that is the subject of a development fees assessment, the

total amount advanced by the county for each facility, the source of the monies advanced and the terms under which the monies will be repaid to the county.

5. The amount of development fees monies spent on each necessary public service or facility expansion that is the subject of a development fees assessment and the physical location of each capital improvement project.

6. The amount of development fees monies spent for each purpose other than a necessary public service or facility expansion that is the subject of a development fees assessment.

Q. Within ninety days following the end of each fiscal year, each county shall submit a copy of the annual report to the clerk of the board of supervisors and post the annual report on the county's website. Copies shall be made available to the public on request. The annual report may contain financial information that has not been audited.

R. A county that fails to file the report and post the annual report on the county's website as required by this section shall not collect development fees until the report is filed and posted.

S. Any action to collect development fees shall be commenced within two years after the obligation to pay the development fees accrues.

T. A county may continue to assess development fees adopted before January 1, 2017 for any facility that was financed before June 1, 2016 if:

1. Development fees were pledged to repay debt service obligations related to the construction of the facility.

2. After January 1, 2018, any development fees collected under this subsection are used solely for the payment of principal and interest on the portion of the bonds, notes or other debt service obligations issued before June 1, 2016 to finance construction of the facility.

U. Through January 1, 2018, development fees adopted before January 1, 2017 may be used to finance construction of a facility and may be pledged to repay debt service obligations if:

1. The facility that is being financed is a facility that is described under subsection V, paragraph 7, subdivision (a), (b), (c), (d) or (e) of this section.

2. The facility was included in an infrastructure improvements plan adopted before June 1, 2016.

3. The development fees are used for the payment of principal and interest on the portion of the bonds, notes or other debt service obligations issued to finance construction of the necessary public services or facility expansions identified in the infrastructure improvements plan.

V. For the purposes of this section:

1. "Dedication" means the actual conveyance date or the date an improvement, facility or real or personal property is placed into service, whichever occurs first.

2. "Development" means:

(a) The subdivision of land.

(b) The construction, reconstruction, conversion, structural alteration, relocation or enlargement of any structure that adds or increases the number of service units.

(c) Any use or extension of the use of land that increases the number of service units.

3. "Facility expansion" means the expansion of the capacity of an existing facility that serves the same function as an otherwise new necessary public service in order that the existing facility may serve new development. Facility expansion does not include the repair, maintenance, modernization or expansion of an existing facility to better serve existing development.

4. "Final approval" means, for nonresidential or multifamily development, the approval of a site plan or, if no site plan is submitted for the development, the approval of a final subdivision plat.

5. "Infrastructure improvements plan" means a written plan that identifies each necessary public service or facility expansion that is proposed to be the subject of development fees and otherwise complies with the requirements of this section and may be the county's capital improvements plan.

6. "Land use assumptions" means projections of changes in land uses, densities, intensities and population for a specified service area over a period of at least ten years and pursuant to the general plan of the county.

7. "Necessary public service" means any of the following facilities that have a life expectancy of three or more years and that are owned and operated by or on behalf of the county:

(a) Water facilities, including the supply, transportation, treatment, purification and distribution of water, and any appurtenances for those facilities.

(b) Wastewater facilities, including collection, interception, transportation, treatment and disposal of wastewater, and any appurtenances for those facilities.

(c) Street facilities located in the service area, including arterial or collector streets or roads that have been designated on an officially adopted plan of the county, traffic signals and rights-of-way and improvements thereon. Improvements to rights-of-way do not include streetcars, railways or other forms of transportation and their corresponding tracks.

(d) Public safety facilities, including all appurtenances, equipment and vehicles. Public safety facilities do not include a facility or portion of a facility that is used to replace services that were once provided elsewhere in the county, vehicles and equipment used to provide administrative services, helicopters or airplanes, paramilitary vehicles, court and judicial facilities, facilities that are used for training firefighters or officers from more than one station or substation or jail, correctional or detention facilities.

(e) Neighborhood parks and recreational facilities on real property up to thirty acres in area, or parks and recreational facilities larger than thirty acres if the facilities provide a direct benefit to the development. Parks and recreational facilities do not include vehicles, equipment of that portion of any facility that is used for amusement parks, aquariums, aquatic centers, auditoriums, arenas, arts and cultural facilities, bandstand and orchestra facilities, bathhouses, boathouses, clubhouses, community centers greater than three thousand square feet in floor area, environmental education centers, equestrian facilities, trails, golf course facilities, greenhouses, lakes, museums, theme parks, water reclamation or riparian areas, wetlands, zoo facilities or similar recreational facilities, but may include swimming pools and equipment or improvements constituting accessory or incidental amenities to a park or recreational facility allowed under this section.

(f) Any facility that was financed and that meets all of the requirements prescribed in subsection T of this section.

8. "Qualified professional" means a professional engineer, surveyor, financial analyst or planner providing services within the scope of the person's license, education or experience.

9. "Service area" means any specified area within the boundaries of a county in which development will be served by necessary public services or facility expansions and within which a substantial nexus exists between the necessary public services or facility expansions and the development being served as prescribed in the infrastructure improvements plan.

10. "Service unit" means a standardized measure of consumption, use, generation or discharge attributable to an individual unit of development calculated using data specific to the service area in which the facility will be located and pursuant to generally accepted engineering or planning standards for a particular category of necessary public services or facility expansions.

Sec. 3. Title 48, Arizona Revised Statutes, is amended by adding chapter 40, to read:

CHAPTER 40

INFRASTRUCTURE FINANCE DISTRICTS

ARTICLE 1. GENERAL PROVISIONS

48-7001. Definitions

IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "AD VALOREM TAX" MEANS THE LIMITED PROPERTY TAXES LEVIED BY A DISTRICT AGAINST THE NET ASSESSED LIMITED PROPERTY VALUATION OF REAL AND PERSONAL PROPERTY IN THE DISTRICT.

2. "ASSESSMENT" MEANS A CHARGE FOR THE COSTS OF ANY PUBLIC INFRASTRUCTURE PURPOSE LEVIED BY THE DISTRICT AGAINST SPECIFIC REAL PROPERTY WITHIN THE DISTRICT FOR THE COSTS OF ANY PUBLIC INFRASTRUCTURE PURPOSE BASED ON THE BENEFIT DETERMINED BY THE BOARD TO BE RECEIVED BY THE SPECIFIC REAL PROPERTY AGAINST WHICH THE ASSESSMENT IS LEVIED.

3. "AUTHORITY" MEANS THE ARIZONA FINANCE AUTHORITY ESTABLISHED BY SECTION 41-5352.

4. "BOARD" MEANS THE BOARD OF DIRECTORS OF A DISTRICT CREATED PURSUANT TO THIS CHAPTER.

5. "BONDS":
(a) MEANS ANY BOND PRESCRIBED BY THIS CHAPTER AND ISSUED BY A DISTRICT.
(b) INCLUDES GENERAL OBLIGATION BONDS, ASSESSMENT BONDS, REVENUE BONDS AND REFUNDING BONDS.
6. "CLERK" MEANS THE PERSON APPOINTED BY THE BOARD TO BE THE DISTRICT CLERK.
7. "COUNTY" MEANS THE COUNTY IN WHICH A DISTRICT IS FORMED PURSUANT TO THIS CHAPTER.
8. "DEBT SERVICE" MEANS THE PRINCIPAL OF, INTEREST ON AND PREMIUM, IF ANY, ON THE BONDS, WHEN DUE, WHETHER AT MATURITY OR PRIOR REDEMPTION AND FEES AND COSTS OF REGISTRARS, TRUSTEES, PAYING AGENTS OR OTHER AGENTS NECESSARY TO HANDLE THE BONDS AND THE COSTS OF CREDIT ENHANCEMENT OR LIQUIDITY SUPPORT.
9. "DISTRICT" MEANS AN INFRASTRUCTURE FINANCE DISTRICT FORMED PURSUANT TO THIS CHAPTER.
10. "FINANCING PLAN" MEANS THE DISTRICT'S CAPITAL PLAN CONTAINING FINANCIAL PROJECTIONS, ENGINEERING STUDIES, COST ALLOCATION, SEQUENCING AND MARKET-VALUE ANALYSES.
11. "FORMATION ORDER" MEANS THE WRITTEN ORDER ISSUED BY THE AUTHORITY EVIDENCING ITS FINAL APPROVAL OF THE FORMATION OF A DISTRICT PURSUANT TO THIS CHAPTER.
12. "GENERAL PLAN" MEANS THE GENERAL PLAN DESCRIBED IN SECTION 48-7002, SUBSECTION B, AS THE PLAN MAY BE AMENDED.
13. "MARKET VALUE" HAS THE SAME MEANING AS PRESCRIBED IN SECTION 28-7091, AS INDICATED BY AN APPRAISAL OF THE REAL PROPERTY BY AN APPRAISER WHO IS LICENSED OR CERTIFIED PURSUANT TO TITLE 32, CHAPTER 36.
14. "MUNICIPALITY" MEANS A CITY OR TOWN.
15. "O/M TAX" MEANS A SECONDARY PROPERTY TAX LEVIED TO PAY THE EXPENSES OF OPERATING, MAINTAINING AND ADMINISTERING THE DISTRICT AND THE PUBLIC INFRASTRUCTURE FINANCED BY THE DISTRICT, INCLUDING LEGAL EXPENSES AND EXPENSES ASSOCIATED WITH INSURANCE COVERAGE, AS APPROVED BY THE DISTRICT IN ITS BUDGET.
16. "PETITION" MEANS A PETITION SUBMITTED TO THE AUTHORITY TO INITIATE FORMATION OF A DISTRICT PURSUANT TO THIS CHAPTER.
17. "PETITIONER" MEANS THE PERSON OR ENTITY THAT INITIATES THE FORMATION OF A DISTRICT BY SUBMITTING A PETITION TO THE AUTHORITY PURSUANT TO THIS CHAPTER AND INCLUDES ANY SUCCESSOR OR ASSIGNEE OF THAT PERSON OR ENTITY THAT THE AUTHORITY RECOGNIZES AS THE PETITIONER FOR THE PURPOSES OF THE PETITION AND FORMATION ORDER.
18. "PUBLIC INFRASTRUCTURE" MEANS:
(a) WATER, WASTEWATER, SEWER, STORMWATER AND FLOOD CONTROL FACILITIES AND APPURTENANCES USED FOR THE DEVELOPMENT, TREATMENT, STORAGE, CONVEYANCE, CONTROL, REUSE, DISTRIBUTION, CONNECTION AND LAWFUL DISPOSITION OF POTABLE AND NONPOTABLE WATER, WASTEWATER, STORMWATER AND FLOODWATERS FOR RESIDENTIAL, COMMERCIAL, GOVERNMENTAL, IRRIGATION AND FIRE-SUPPRESSION USES, EXCLUDING INFRASTRUCTURE DEDICATED PRIMARILY TO AGRICULTURAL IRRIGATION FACILITIES IMPACTED BY OTHER IMPROVEMENTS AUTHORIZED BY THIS CHAPTER AND ENERGY AND UTILITY FACILITIES AND

APPURTENANCES USED FOR THE GENERATION, INTERCONNECTION, TRANSMISSION, DISTRIBUTION, STORAGE AND CONTROL OF ELECTRIC POWER AND OTHER ENERGY RESOURCES AND NATURAL GAS AND ALTERNATIVE FUEL PIPELINE AND DISTRIBUTION FACILITIES, ALL TO THE EXTENT LOCATED WITHIN OR NECESSARY TO SERVE THE DISTRICT.

(b) TRANSPORTATION AND MOBILITY FACILITIES, IMPROVEMENTS AND APPURTENANCES USED TO PROVIDE VEHICULAR AND NON-VEHICULAR CIRCULATION, ACCESS, EGRESS AND PARKING, INCLUDING STREETS, ROADS, HIGHWAYS, BRIDGES, ALLEYS, PARKING FACILITIES, SIDEWALKS, TRAILS, PATHWAYS, BICYCLE FACILITIES, EQUESTRIAN ROUTES AND OTHER AREAS AND IMPROVEMENTS INTENDED FOR MOTORIZED AND NONMOTORIZED TRAVEL AND PARKING, AND, IF LOCATED WITHIN OR NECESSARY TO SERVE THE DISTRICT, RAILWAY CORRIDORS, RAIL CROSSINGS, GRADE SEPARATIONS, SIDINGS, SIGNALIZATION AND RELATED RAIL TRANSPORTATION FACILITIES AND TRAFFIC MANAGEMENT AND CONTROL FACILITIES AND DEVICES, INCLUDING SIGNALS, INTELLIGENT TRANSPORTATION SYSTEMS, CONTROLS, PAVEMENT MARKINGS, WAYFINDING, SIGNAGE AND LIGHTING AND ILLUMINATIONS SYSTEMS, INCLUDING STREET LIGHTING, PATHWAY LIGHTING, AREA LIGHTING AND RELATED ELECTRICAL AND CONTROL FACILITIES.

(c) PUBLIC REALM AND OPEN SPACE AMENITIES, INCLUDING PEDESTRIAN MALLS, PARKS, PLAZAS, RECREATIONAL FACILITIES OTHER THAN STADIUMS, AND OTHER AREAS AND IMPROVEMENTS INTENDED FOR PUBLIC ENTERTAINMENT, ASSEMBLY, AND RECREATION, TOGETHER WITH LANDSCAPING, GRADING, EARTHWORKS, STRUCTURES, LAKES AND WATER FEATURES, PLANTINGS, TREES, IRRIGATION AND WATER DELIVERY SYSTEMS AND RELATED SITE IMPROVEMENTS.

(d) PUBLIC BUILDINGS AND PUBLIC SAFETY FACILITIES, INCLUDING POLICE, FIRE AND EMERGENCY SERVICES FACILITIES AND RELATED IMPROVEMENTS.

(e) COMMUNICATIONS AND DIGITAL INFRASTRUCTURE, INCLUDING FIBEROPTIC, WIRELESS AND BROADBAND FACILITIES, CONDUITS, TOWERS, ANTENNAS, DATA TRANSMISSION SYSTEMS, NETWORK EQUIPMENT, PUBLIC SAFETY COMMUNICATIONS FACILITIES, AND RELATED APPURTENANCES AND RIGHTS-OF-WAY.

(f) EQUIPMENT, VEHICLES, FURNISHINGS, TECHNOLOGY AND OTHER PERSONAL PROPERTY AND APPURTENANCES RELATED TO OR NECESSARY FOR THE OPERATION OF ANY PUBLIC INFRASTRUCTURE AUTHORIZED BY THIS CHAPTER.

(g) REFINANCING ANY MATURED OR UNMATURED BONDS WITH NEW BONDS.

19. "PUBLIC INFRASTRUCTURE PURPOSE" MEANS:

(a) PLANNING, DESIGNING, ENGINEERING, CONSTRUCTING, ACQUIRING OR INSTALLING OF PUBLIC INFRASTRUCTURE.

(b) ACQUIRING, CONVERTING, RENOVATING OR IMPROVING EXISTING FACILITIES FOR PUBLIC INFRASTRUCTURE.

(c) ACQUIRING INTERESTS IN REAL PROPERTY FOR PUBLIC INFRASTRUCTURE.

(d) ESTABLISHING, MAINTAINING AND REPLENISHING RESERVES IN ORDER TO SECURE PAYMENT OF DEBT SERVICE ON BONDS.

(e) FUNDING AND PAYING FROM BOND PROCEEDS INTEREST ACCRUING ON BONDS FOR A PERIOD OF NOT TO EXCEED THREE YEARS AFTER THEIR DATE OF ISSUANCE.

(f) PROVIDING FOR THE TIMELY PAYMENT OF DEBT SERVICE ON INDEBTEDNESS OF THE DISTRICT OR OF DEVELOPMENT FEES OR SIMILAR EXACTIONS IMPOSED BY A MUNICIPALITY OR OTHER PUBLIC ENTITY, TO THE EXTENT THOSE

CHARGES ARE IMPOSED TO FUND PUBLIC INFRASTRUCTURE THAT IS LOCATED WITHIN, PRIMARILY SERVES OR IS NECESSITATED BY DEVELOPMENT WITHIN THE DISTRICT.

(g) REFINANCING ANY MATURED OR UNMATURED BONDS WITH NEW BONDS.

(h) INCURRING EXPENSES OF THE DISTRICT THAT ARE INCIDENTAL TO AND REASONABLY NECESSARY TO CARRY OUT THE PURPOSES SPECIFIED IN THIS PARAGRAPH.

20. "QUALIFIED ELECTOR" MEANS A PERSON WHO IS A QUALIFIED ELECTOR PURSUANT TO TITLE 16 AND WHO RESIDES WITHIN THE BOUNDARIES OF A DISTRICT.

21. "TREASURER" MEANS THE PERSON APPOINTED BY THE BOARD TO BE THE DISTRICT TREASURER.

48-7002. Petition to form district; contents of petition; filings; fees; limitation of liability

A. AN INFRASTRUCTURE FINANCE DISTRICT MAY BE FORMED PURSUANT TO THIS CHAPTER BY PETITION OF ALL INDIVIDUALS AND ENTITIES HAVING FEE-TITLE OWNERSHIP OF ALL REAL PROPERTY IN THE PROPOSED DISTRICT. THE PETITION SHALL BE SUBMITTED TO THE AUTHORITY. THE DISTRICT MAY INCLUDE CONTIGUOUS OR NONCONTIGUOUS PROPERTY.

B. THE PETITION SHALL CONTAIN ALL OF THE FOLLOWING:

1. A METES AND BOUNDS DESCRIPTION AND A MAP OF THE DISTRICT BOUNDARIES.

2. THE PROPOSED NAME OF THE DISTRICT.

3. A PRELIMINARY FINANCING PLAN THAT INCLUDES THE SOURCES AND USES OF MONIES FOR THE PUBLIC INFRASTRUCTURE AND ECONOMIC FEASIBILITY INFORMATION INDICATING THAT THE LAND VALUES, EXISTING IMPROVEMENTS AND PUBLIC INFRASTRUCTURE TO BE FINANCED WITHIN THE DISTRICT WILL BE SUFFICIENT TO SUPPORT A TAX RATE THAT DOES NOT EXCEED THE MAXIMUM AUTHORIZED TAX RATE FOR PROPOSED INDEBTEDNESS OF THE DISTRICT.

4. A GENERAL PLAN SETTING OUT A GENERAL DESCRIPTION OF THE PUBLIC INFRASTRUCTURE FOR WHICH THE DISTRICT IS PROPOSED TO BE FORMED AND FOR WHICH BONDS MAY BE ISSUED, THE GENERAL AREAS TO BE IMPROVED AND THE ESTIMATED COSTS OF CONSTRUCTING OR ACQUIRING THE PUBLIC INFRASTRUCTURE TO BE FINANCED, CONSTRUCTED OR ACQUIRED BY THE DISTRICT.

5. A GENERAL DESCRIPTION OF THE ESTIMATED COST OF ENGINEERING SERVICES, LEGAL SERVICES, ADMINISTRATIVE SERVICES AND OTHER MAJOR EXPENSES THAT ARE RELATED TO ORGANIZING AND INITIALLY OPERATING THE DISTRICT.

6. AN ENGINEER'S ESTIMATE OF THE COSTS OF THE PUBLIC INFRASTRUCTURE FOR WHICH THE DISTRICT IS PROPOSED TO BE FORMED AND FOR WHICH BONDS MAY BE ISSUED.

7. THE MAXIMUM AUTHORIZED TAX RATE, THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS AND THE MAXIMUM AGGREGATE ASSESSMENT AMOUNT, IF ANY.

8. THE MAXIMUM O/M TAX RATE, IF ANY.

9. AN APPRAISAL INDICATING THE AGGREGATE AS-IS MARKET VALUE OF REAL PROPERTY IN THE DISTRICT AND PROJECTIONS AS TO THE LIMITED PROPERTY VALUE AND MARKET VALUE OF REAL PROPERTY IN THE DISTRICT FOR EACH YEAR IN WHICH GENERAL OBLIGATION BONDS AND ASSESSMENT BONDS ARE PROPOSED TO BE OUTSTANDING.

10. A STATEMENT OF ALL HOLDERS OF FEE TITLE TO ALL REAL PROPERTY IN THE DISTRICT, THE INITIAL BOARD MEMBERS, THE INITIAL TERMS OF OFFICE OF THE INITIAL BOARD MEMBERS AND THE DISTRICT CLERK AND THE DISTRICT TREASURER.

11. A STATEMENT OF BOND COUNSEL INDICATING THAT THE PETITION COMPLIES WITH THE PROCEDURAL REQUIREMENTS OF THIS SECTION.

12. A COPY OF ANY DEVELOPMENT AGREEMENT OR OTHER AGREEMENT WITH THE MUNICIPALITY OR THE COUNTY, IF ANY, THAT RELATES TO THE LAND INCLUDED WITHIN THE BOUNDARIES OF THE PROPOSED DISTRICT OR TO THE PUBLIC INFRASTRUCTURE TO BE FINANCED BY THE PROPOSED DISTRICT.

13. A WRITTEN STATEMENT, SIGNED BY AN ENGINEER, CERTIFYING THAT THE ESTIMATED COST OF THE PUBLIC INFRASTRUCTURE TO BE CONSTRUCTED IN THE PROPOSED DISTRICT EXCEEDS $5,000,000.

14. A FORMATION ORDER IN SUBSTANTIALLY FINAL AND RECORDABLE FORM.

15. A DESCRIPTION OF THE PETITIONER, INCLUDING:

(a) THE ORGANIZATIONAL STRUCTURE OF EACH ENTITY OR INDIVIDUAL THAT HOLD FEE TITLE TO THE LAND AREA IN THE PROPOSED DISTRICT, INCLUDING THE NAMES OF ALL OFFICERS AND DIRECTORS OF EACH ENTITY THAT HOLD FEE TITLE TO THE LAND AREA IN THE PROPOSED DISTRICT.

(b) THE NAME, ADDRESS AND TELEPHONE NUMBER OF THE PRIMARY CONTACT FOR THE PETITIONER.

(c) THE NAMES OF ANY LEGAL REPRESENTATIVES, ENGINEERS, ARCHITECTS, FINANCIAL CONSULTANTS OR OTHER CONSULTANTS THAT ARE SIGNIFICANTLY INVOLVED IN THE PETITION.

(d) A GENERAL DESCRIPTION OF THE PETITIONER'S EXPERIENCE WITH SIMILAR TYPES OF DEVELOPMENTS THAT THE DISTRICT WILL SUPPORT.

C. ANY FINANCIAL BURDEN OF A DISTRICT IS BORNE SOLELY BY THE DISTRICT AND IS NOT BORNE BY THE AUTHORITY, THIS STATE OR ANY MUNICIPALITY, COUNTY OR OTHER POLITICAL SUBDIVISION OF THIS STATE. ANY LIABILITY, JUDGMENT OR CLAIM AGAINST A DISTRICT IS THE SOLE RESPONSIBILITY OF THE DISTRICT AND DOES NOT CONSTITUTE A LIABILITY, JUDGMENT OR CLAIM AGAINST THE AUTHORITY, THIS STATE OR ANY MUNICIPALITY, COUNTY OR OTHER POLITICAL SUBDIVISION OF THIS STATE.

D. THE PETITION SHALL BE FILED WITH THE AUTHORITY. THE PETITIONER SHALL PROVIDE WRITTEN NOTICE OF THE FILING OF THE PETITION TO EACH AFFECTED MUNICIPALITY AND, IF THE DISTRICT IS LOCATED IN AN UNINCORPORATED AREA, TO THE COUNTY. THE NOTICE SHALL STATE THAT THE DISTRICT WILL BE FORMED NOT LESS THAN THIRTY DAYS AND NOT MORE THAN SIXTY DAYS AFTER SUBMITTING THE PETITION, SUBJECT TO APPROVAL BY THE AUTHORITY.

E. IF THE AUTHORITY DETERMINES THAT THE PETITION IS INCOMPLETE OR DEFICIENT, THE AUTHORITY SHALL NOTIFY THE PETITIONER AND THE PETITIONER SHALL HAVE A PERIOD OF SIXTY DAYS AFTER NOTICE OF THE DEFICIENCIES TO CORRECT THE DEFICIENCIES. IF THE DEFICIENCIES ARE NOT CORRECTED WITHIN SIXTY DAYS AFTER NOTICE, THE AUTHORITY MAY REJECT THE PETITION.

48-7003. Authority; formation order; limitations on rejection; fees

A. A DISTRICT SHALL BE FORMED ONLY ON THE ISSUANCE OF A FORMATION ORDER BY THE AUTHORITY. THE AUTHORITY SHALL REVIEW THE PETITION SUBMITTED

PURSUANT TO SECTION 48-7002 AND ACCOMPANYING MATERIALS TO EVALUATE, SOLELY ON THE BASIS OF THE INFORMATION INCLUDED WITH THE PETITION, THE FOLLOWING:

1. FINANCIAL FEASIBILITY OF THE DISTRICT.

2. ENGINEERING SUFFICIENCY OF THE PROPOSED PUBLIC INFRASTRUCTURE.

3. FINANCIAL STRUCTURE OF THE PROPOSED DISTRICT AND FINANCINGS.

4. DEBT CAPACITY AND MARKET-VALUE COMPLIANCE UNDER THIS CHAPTER.

5. WHETHER THE PROPOSED DISTRICT IS DETERMINED TO BE IN THE BEST INTEREST OF THIS STATE.

6. WHETHER FORMATION OF THE DISTRICT WILL VIOLATE ANY APPLICABLE GENERAL PLAN OR COMPREHENSIVE PLAN OR ANY EXISTING DEVELOPMENT AGREEMENT RELATING TO LAND WITHIN THE DISTRICT.

B. THE AUTHORITY SHALL APPROVE FORMATION OF THE DISTRICT AND ISSUE THE FORMATION ORDER FOR THE DISTRICT IF THE AUTHORITY FINDS THAT ALL OF THE FOLLOWING OCCURRED:

1. ALL REQUIRED DOCUMENTS HAVE BEEN SUBMITTED IN THE FORM PRESCRIBED BY THIS CHAPTER.

2. THE PROPOSED DISTRICT MEETS ALL STATUTORY ELIGIBILITY AND BOUNDARY REQUIREMENTS THAT ARE ESTABLISHED UNDER THIS CHAPTER.

3. THE NOTICE TO EACH AFFECTED MUNICIPALITY AND, IF THE DISTRICT IS LOCATED IN AN UNINCORPORATED AREA, TO THE COUNTY HAS BEEN PROVIDED AS PRESCRIBED BY SECTION 48-7002, SUBSECTION D.

4. THE AUTHORITY HAS RECEIVED ALL REQUIRED ENGINEERING AND ECONOMIC FEASIBILITY FINDINGS THAT ARE REQUIRED BY THE PETITION AND, SOLELY ON THE BASIS OF THOSE FINDINGS, THE AUTHORITY DETERMINED THAT THE DISTRICT HAS, OR WILL HAVE, THE FINANCIAL ABILITY TO DISCHARGE THE PROPOSED INDEBTEDNESS ON A REASONABLE BASIS.

C. IF THE REQUIREMENTS OF SUBSECTION B OF THIS SECTION ARE SATISFIED, THE AUTHORITY SHALL ISSUE A FORMATION ORDER WITHIN SIXTY DAYS AFTER THE SUBMISSION OF A COMPLETE PETITION. THE FORMATION ORDER SHALL INCLUDE ALL OF THE FOLLOWING:

1. THE NAME OF THE DISTRICT.

2. A METES AND BOUNDS DESCRIPTION AND A MAP OF THE DISTRICT'S BOUNDARIES.

3. A GENERAL DESCRIPTION OF THE PUBLIC INFRASTRUCTURE THAT THE DISTRICT MAY FINANCE.

4. A STATEMENT THAT A GENERAL PLAN AND A PRELIMINARY FINANCING PLAN FOR THE DISTRICT ARE ON FILE WITH THE CLERK.

5. THE TYPES OF BONDS THAT THE DISTRICT IS AUTHORIZED TO ISSUE.

6. THE MAXIMUM AUTHORIZED TAX RATE, THE MAXIMUM AUTHORIZED AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS, THE MAXIMUM AGGREGATE ASSESSMENT AMOUNT AND THE MAXIMUM O/M TAX RATE.

7. THE NAMES AND INITIAL TERMS OF THE INITIAL BOARD OF DIRECTORS AND THAT THE DISTRICT WILL BE GOVERNED BY DIRECTORS WHO ARE CHOSEN PURSUANT TO THIS CHAPTER.

8. A STATEMENT THAT:

(a) THE FORMATION OF THE DISTRICT MAY RESULT IN THE LEVY OF AD VALOREM TAXES OR ASSESSMENTS TO PAY THE COSTS OF AUTHORIZED PUBLIC INFRASTRUCTURE THAT IS CONSTRUCTED BY THE DISTRICT AND FOR OPERATING AND MAINTAINING THE AUTHORIZED PUBLIC INFRASTRUCTURE.

(b) ANY AD VALOREM TAX THAT IS LEVIED FOR THE PAYMENT OF GENERAL OBLIGATION BONDS MAY NOT BE LEVIED AT A RATE THAT EXCEEDS THE MAXIMUM AUTHORIZED TAX RATE THAT IS APPROVED AT THE ELECTION THAT AUTHORIZED THE LEVY AND THE ISSUANCE OF THE BONDS.

(c) ANY BONDS OR OTHER OBLIGATIONS OF THE DISTRICT WILL NOT BE A DEBT, LEGAL OR MORAL, OF THIS STATE OR ANY MUNICIPALITY OR ANY COUNTY OF THIS STATE, ARE NOT OBLIGATIONS OF THIS STATE OR ANY MUNICIPALITY OR ANY COUNTY OF THIS STATE AND ARE OBLIGATIONS OF THE DISTRICT AND ARE PAYABLE ONLY FROM THE SOURCES PLEDGED FOR THEIR PAYMENT.

D. THE AUTHORITY SHALL APPROVE FORMATION OF THE DISTRICT AND ISSUE THE FORMATION ORDER IF THE AUTHORITY DETERMINES THAT THE PETITION AND ACCOMPANYING MATERIALS MEET THE STATUTORY REQUIREMENTS OF THIS CHAPTER. THE AUTHORITY'S REVIEW IS LIMITED TO CONFIRMING THAT THE STATUTORY REQUIREMENTS OF THIS CHAPTER HAVE BEEN SATISFIED AND THE AUTHORITY MAY REJECT A PETITION ONLY IF:

1. THE PETITION IS INCOMPLETE.

2. THE FEASIBILITY INFORMATION IS INCOMPLETE OR INSUFFICIENT TO SUPPORT A FINDING THAT THE DISTRICT HAS OR WILL HAVE THE FINANCIAL ABILITY TO DISCHARGE THE PROPOSED INDEBTEDNESS ON A REASONABLE BASIS.

3. THE PROPOSED DISTRICT VIOLATES A STATUTORY PROHIBITION OR BOUNDARY RULE UNDER THIS CHAPTER, AND IN EACH CASE THE PETITIONER FAILED TO CORRECT THE DEFICIENCIES WITHIN SIXTY DAYS AFTER NOTICE.

E. IF THE AUTHORITY DOES NOT ISSUE THE FORMATION ORDER WITHIN SIXTY DAYS AFTER SUBMISSION OF A COMPLETE PETITION, THE AUTHORITY SHALL PROVIDE A WRITTEN BASIS FOR NOT ADOPTING THE FORMATION ORDER AND SHALL IDENTIFY THE SPECIFIC CHANGES THAT ARE NEEDED FOR THE PETITION TO BE APPROVED AND FOR THE DISTRICT TO BE FORMED. THE PETITION MAY BE REVISED AND RESUBMITTED AT ANY TIME.

F. ON ISSUANCE OF THE FORMATION ORDER BY THE AUTHORITY, THE DISTRICT SHALL CAUSE THE FORMATION ORDER TO BE RECORDED IN THE REAL PROPERTY RECORDS OF THE COUNTY IN WHICH THE DISTRICT IS LOCATED AND SHALL CAUSE A COPY OF THE FORMATION ORDER TO BE DELIVERED TO THE COUNTY ASSESSOR AND THE BOARD OF SUPERVISORS OF THE COUNTY IN WHICH THE DISTRICT IS LOCATED, TO ANY MUNICIPALITY IN WHICH THE DISTRICT IS LOCATED AND TO THE DEPARTMENT OF REVENUE. ON RECORDING THE FORMATION ORDER, THE DISTRICT IS ESTABLISHED AS A POLITICAL SUBDIVISION OF THIS STATE.

G. BEFORE RECORDING A FORMATION ORDER UNDER THIS SECTION, A GENERAL PLAN FOR THE DISTRICT SHALL BE FILED WITH THE CLERK THAT SETS OUT A GENERAL DESCRIPTION OF THE IMPROVEMENTS FOR WHICH THE DISTRICT IS PROPOSED TO BE FORMED AND THE AREAS TO BE IMPROVED.

H. ON FORMATION, THE DISTRICT IS A SPECIAL PURPOSE DISTRICT FOR THE PURPOSES OF ARTICLE IX, SECTION 19, CONSTITUTION OF ARIZONA, A TAX LEVYING PUBLIC IMPROVEMENT DISTRICT FOR THE PURPOSES OF ARTICLE XIII, SECTION 7, CONSTITUTION OF ARIZONA, AND A MUNICIPAL CORPORATION FOR ALL PURPOSES OF TITLE 35, CHAPTER 3, ARTICLES 3, 3.1, 3.2, 4 AND 5. A DISTRICT THAT DISTRIBUTES OR SELLS GROUNDWATER IS A PRIVATE WATER COMPANY ONLY FOR THE PURPOSES OF TITLE 45, CHAPTERS 2 AND 3.1. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, A DISTRICT IS CONSIDERED TO BE A MUNICIPAL CORPORATION AND POLITICAL SUBDIVISION OF THIS STATE, SEPARATE AND APART FROM ANY

MUNICIPALITY OR COUNTY IN WHICH THE DISTRICT IS LOCATED. NOTWITHSTANDING ANY OTHER LAW, A DISTRICT FORMED PURSUANT TO THIS CHAPTER DOES NOT HAVE THE POWER OF EMINENT DOMAIN AND DOES NOT HAVE THE POWER TO ENACT ZONING ORDINANCES.

I. ON FORMATION OF THE DISTRICT, THE BOARD SHALL MAKE A GOOD FAITH EFFORT TO IMPLEMENT THE GENERAL PLAN FOR THE PUBLIC INFRASTRUCTURE OF THE DISTRICT.

J. FEES AND OTHER CHARGES ASSESSED BY THE AUTHORITY IN CONNECTION WITH THE SUBMISSION AND CONSIDERATION OF A PETITION TO FORM A DISTRICT MAY NOT EXCEED $15,000. IF A PETITION IS DENIED BY THE AUTHORITY, IT MAY NOT ASSESS A FEE OR OTHER CHARGE IN CONNECTION WITH SUBMITTING AND CONSIDERING A SUBSTANTIALLY SIMILAR PETITION THAT IS SUBMITTED WITHIN ONE YEAR AFTER THE DENIAL. FEES AND OTHER CHARGES ASSESSED BY A DISTRICT IN CONNECTION WITH ADMINISTERING THE DISTRICT, INCLUDING THE ISSUANCE AND SALE OF BONDS, MAY NOT EXCEED THE ACTUAL EXPENSE INCURRED BY THE DISTRICT FOR STAFF AND CONSULTANT SERVICES AND SUPPORT FACILITIES SUPPLIED BY THE DISTRICT OR THE FINANCIAL, LEGAL AND ADMINISTRATIVE COSTS OF THE DISTRICT THAT ARE NOT REIMBURSED FROM PROCEEDS OF THE BONDS OR OTHER DISTRICT REVENUE.

48-7004. District governance; board of directors; elections; powers and duties

A. ON ISSUANCE OF THE FORMATION ORDER, A DISTRICT SHALL BE GOVERNED BY A BOARD OF DIRECTORS THAT CONSISTS OF THREE DIRECTORS. THE INITIAL DIRECTORS SHALL BE APPOINTED AS SET FORTH IN THE PETITION AND FORMATION ORDER.

B. EACH DIRECTOR SHALL EITHER HOLD A FEE TITLE TO REAL PROPERTY WITHIN THE DISTRICT OR BE AN INDIVIDUAL WHO IS DESIGNATED OR APPOINTED BY A HOLDER OF A FEE TITLE TO REAL PROPERTY WITHIN THE DISTRICT.

C. THE TERM OF THE INITIAL DIRECTORS BEGINS ON THE DATE OF THE FORMATION ORDER. OF THE INITIAL DIRECTORS, ONE DIRECTOR SHALL SERVE A TERM OF THREE YEARS, ONE DIRECTOR SHALL SERVE A TERM OF FOUR YEARS AND ONE DIRECTOR SHALL SERVE A TERM OF FIVE YEARS, AS SPECIFIED IN THE PETITION. THEREAFTER, EACH SUBSEQUENTLY ELECTED DIRECTOR SHALL SERVE A TERM OF THREE YEARS. THESE SUBSEQUENTLY ELECTED DIRECTORS SHALL BE AN OWNER OF REAL PROPERTY IN THE DISTRICT WHO SHALL BE ELECTED AT LARGE BY THE OWNERS OF REAL PROPERTY IN THE DISTRICT, AS SHOWN ON THE PROPERTY TAX ASSESSMENT ROLL, WHO ARE QUALIFIED TO VOTE PURSUANT TO SECTION 48-7041. THE BOARD SHALL DEVELOP BYLAWS FOR THE OPERATION OF THE DISTRICT.

D. ONLY THE OWNERS THAT HOLD FEE TITLE TO REAL PROPERTY IN THE DISTRICT AND THEIR RESPECTIVE DESIGNEES AND APPOINTEES ARE ELIGIBLE TO VOTE IN:

1. AN ELECTION REGARDING AN AD VALOREM TAX OR AN ASSESSMENT TO BE LEVIED AGAINST THE REAL PROPERTY IN THE DISTRICT.
2. AN ELECTION FOR THE BOARD OF THE DISTRICT.
3. AN ELECTION FOR DISSOLUTION OF THE DISTRICT.

E. CORPORATIONS, PARTNERSHIPS AND OTHER BUSINESS ENTITIES ARE ELIGIBLE TO VOTE AS PROPERTY OWNERS, BUT ONLY ONE VOTE MAY BE CAST FOR EACH ONE-SEVENTH OF AN ACRE OF REAL PROPERTY IN THE DISTRICT, EXCEPT THAT ANY FRACTION OF OWNERSHIP OF REAL PROPERTY THAT IS LESS THAN ONE-SEVENTH OF AN ACRE ENTITLES THE OWNER TO CAST ONE VOTE. A MAJORITY OF THE ACREAGE,

AS REPRESENTED BY THE VOTES CAST AT AN ELECTION THAT IS CONDUCTED SOLELY UNDER THIS ACREAGE SYSTEM, DETERMINES THE RESULT OF THE ELECTION.

F. AN ELECTION CONDUCTED UNDER THIS SECTION SHALL BE HELD AS A SPECIAL ELECTION OF THE DISTRICT AND SHALL BE NOTICED, CALLED, CONDUCTED AND CANVASSED BY THE BOARD IN THE MANNER PRESCRIBED BY THIS CHAPTER. THE BOARD MAY ENTER INTO INTERGOVERNMENTAL AGREEMENTS WITH THE COUNTY, A MUNICIPALITY OR ANOTHER PUBLIC ENTITY FOR ELECTION ADMINISTRATION, INCLUDING REIMBURSEMENT OF REASONABLE COSTS OF DISTRICT ELECTIONS.

G. THE BOARD SHALL:

1. ADOPT AND AMEND THE FINANCING PLAN FOR THE DISTRICT.

2. AUTHORIZE AND APPROVE THE ISSUANCE OF BONDS OF THE DISTRICT AS PROVIDED BY THIS CHAPTER.

3. LEVY AD VALOREM TAXES AND ASSESSMENTS, SUBJECT TO THE LIMITATIONS AND ELECTION REQUIREMENTS OF THIS CHAPTER, INCLUDING THE MAXIMUM AUTHORIZED TAX RATE.

4. MANAGE AND ADMINISTER THE AFFAIRS OF THE DISTRICT, INCLUDING OPERATING, MAINTAINING AND REPAIRING PUBLIC INFRASTRUCTURE THAT IS OWNED OR OPERATED BY THE DISTRICT.

5. ADOPT ANNUAL BUDGETS, STATEMENTS AND ESTIMATES FOR THE DISTRICT.

6. ADMINISTER DISTRICT ELECTIONS OR ENTER INTO INTERGOVERNMENTAL AGREEMENTS WITH THE COUNTY AND OTHER QUALIFIED PUBLIC ENTITIES TO ADMINISTER DISTRICT ELECTIONS.

7. PERFORM ALL OTHER ACTS THAT ARE NECESSARY OR CONVENIENT TO CARRY OUT THE PURPOSES OF THIS CHAPTER.

H. IF A VACANCY OCCURS ON THE BOARD BECAUSE OF A DEATH, A RESIGNATION OR AN INABILITY OF THE DIRECTOR TO DISCHARGE THE DUTIES OF DIRECTOR, THE VACANCY SHALL BE FILLED BY APPOINTMENT MADE BY THE AUTHORITY. A DIRECTOR APPOINTED BY THE AUTHORITY SHALL HOLD OFFICE FOR THE REMAINDER OF THE UNEXPIRED TERM UNTIL THE DIRECTOR'S SUCCESSOR IS ELECTED AS PROVIDED BY THIS ARTICLE. A DIRECTOR SHALL NOT BE AN ELECTED OFFICIAL OF A MUNICIPALITY IN WHICH THE DISTRICT IS LOCATED OR AN INDIAN TRIBE OR COMMUNITY OR AN EMPLOYEE OR AGENT OF A MUNICIPALITY OR INDIAN TRIBE OR COMMUNITY BUT MAY BE A DIRECTOR OF MORE THAN ONE DISTRICT.

I. THE MEMBERS OF THE BOARD ARE NOT ELIGIBLE TO RECEIVE COMPENSATION FOR THEIR SERVICES AS MEMBERS OF THE BOARD.

48-7005. Records; open meetings

A. A DISTRICT SHALL KEEP THE FOLLOWING RECORDS, WHICH SHALL BE OPEN TO PUBLIC INSPECTION:

1. MINUTES OF ALL BOARD MEETINGS.

2. ALL RESOLUTIONS.

3. ACCOUNTS SHOWING ALL MONIES RECEIVED AND DISBURSED.

4. THE ANNUAL BUDGET.

5. ALL OTHER RECORDS REQUIRED TO BE MAINTAINED BY LAW.

B. THE BOARD SHALL COMPLY WITH THE REQUIREMENTS OF TITLE 38, CHAPTER 3, ARTICLE 3.1 AS A SEPARATE POLITICAL SUBDIVISION.

48-7006. District powers

A. IN ADDITION TO THE POWERS OTHERWISE GRANTED TO A DISTRICT PURSUANT TO THIS CHAPTER, A DISTRICT, TO FURTHER IMPLEMENT THE GENERAL PLAN, MAY:

1. ENTER INTO CONTRACTS AND EXPEND MONIES FOR ANY PUBLIC INFRASTRUCTURE PURPOSE WITH RESPECT TO THE DISTRICT, INCLUDING IN CONNECTION WITH THE ACQUISITION, CONSTRUCTION OR INSTALLATION OF PUBLIC INFRASTRUCTURE.

2. ENTER INTO INTERGOVERNMENTAL AGREEMENTS WITH THIS STATE, A COUNTY, A MUNICIPALITY OR ANY OTHER PUBLIC AGENCY THAT IS AUTHORIZED BY LAW TO ENTER INTO INTERGOVERNMENTAL AGREEMENTS FOR THE PLANNING, DESIGN, INSPECTION, OWNERSHIP, CONTROL, MAINTENANCE, OPERATION OR REPAIR OF PUBLIC INFRASTRUCTURE.

3. ENTER INTO INTERGOVERNMENTAL AGREEMENTS WITH THE COUNTY, A MUNICIPALITY OR ANOTHER QUALIFIED PUBLIC ENTITY FOR THE ADMINISTRATION OF DISTRICT ELECTIONS, INCLUDING AGREEMENTS TO REIMBURSE THE PUBLIC ENTITY FOR THE REASONABLE COSTS OF DISTRICT ELECTIONS.

4. SELL, LEASE OR OTHERWISE DISPOSE OF DISTRICT PROPERTY IF THE SALE, LEASE OR CONVEYANCE IS NOT A VIOLATION OF THE TERMS OF ANY CONTRACT, BOND RESOLUTION OR TRUST INDENTURE OF THE DISTRICT.

5. OPERATE, MAINTAIN AND REPAIR PUBLIC INFRASTRUCTURE THAT IS OWNED OR OPERATED BY THE DISTRICT.

6. ESTABLISH, CHARGE AND COLLECT USER FEES, RATES OR OTHER CHARGES FOR THE USE OF ANY PUBLIC INFRASTRUCTURE OR SERVICE OF THE DISTRICT.

7. EMPLOY OR CONTRACT FOR STAFF, COUNSEL AND CONSULTANTS, INCLUDING ENGINEERS, ATTORNEYS, ACCOUNTANTS, FINANCIAL ADVISORS, UNDERWRITERS, ADMINISTRATORS AND ELECTION OFFICIALS, TO ASSIST WITH DISTRICT AND BOARD ADMINISTRATION, FINANCING AND ELECTION MATTERS.

8. INCUR AND REPAY LOANS FOR ANY PUBLIC INFRASTRUCTURE PURPOSE.

9. ENTER INTO AGREEMENTS WITH LANDOWNERS AND WITH A MUNICIPALITY OR COUNTY FOR THE COLLECTION OF FEES AND CHARGES FROM LANDOWNERS FOR PUBLIC INFRASTRUCTURE PURPOSES, FOR THE ADVANCE OF MONIES BY LANDOWNERS FOR PUBLIC INFRASTRUCTURE PURPOSES OR FOR THE GRANTING OF REAL PROPERTY OR INTERESTS IN REAL PROPERTY BY A LANDOWNER FOR PUBLIC INFRASTRUCTURE PURPOSES.

10. BY RESOLUTION, LEVY AND ASSESS THE COSTS OF ANY PUBLIC INFRASTRUCTURE PURPOSE ON ANY LAND THAT IS BENEFITED IN THE DISTRICT, SUBJECT TO THE LIMITATIONS AND ELECTION REQUIREMENTS OF THIS CHAPTER, INCLUDING THE MAXIMUM AUTHORIZED TAX RATE.

11. PAY THE FINANCIAL, LEGAL AND ADMINISTRATIVE COSTS OF THE DISTRICT.

12. ENTER INTO CONTRACTS, AGREEMENTS AND TRUST INDENTURES TO OBTAIN CREDIT ENHANCEMENT OR LIQUIDITY SUPPORT FOR ITS BONDS AND TO PROVIDE FOR THE ISSUANCE, REGISTRATION, TRANSFER AND PAYMENT OF ITS BONDS AND FOR THE DISBURSEMENT AND INVESTMENT OF BOND PROCEEDS.

13. ENTER INTO AGREEMENTS WITH PERSONS OUTSIDE OF THE DISTRICT TO PROVIDE SERVICES TO PERSONS AND PROPERTY OUTSIDE OF THE DISTRICT AND TO RECEIVE COMPENSATION FOR THOSE SERVICES.

14. USE PUBLIC EASEMENTS AND RIGHTS-OF-WAY IN OR ACROSS PUBLIC PROPERTY, ROADWAYS, HIGHWAYS, STREETS OR OTHER THOROUGHFARES AND OTHER PUBLIC EASEMENTS AND RIGHTS-OF-WAY, WHETHER IN OR OUT OF THE GEOGRAPHICAL LIMITS OF THE DISTRICT, A MUNICIPALITY OR A COUNTY, SUBJECT TO APPLICABLE LAW AND THE RIGHTS OF THE PUBLIC.

B. IN CONNECTION WITH ANY POWER AUTHORIZED BY STATUTE, THE DISTRICT MAY:

1. CONTRACT.

2. ENTER INTO INTERGOVERNMENTAL AGREEMENTS PURSUANT TO TITLE 11, CHAPTER 7, ARTICLE 3.

3. ADOPT AND CHANGE A SEAL.

4. SUE AND BE SUED.

5. ENTER INTO DEVELOPMENT AGREEMENTS AS DEFINED IN SECTION 9-500.05.

C. A DISTRICT IS NOT EMPOWERED TO EXERCISE LAND USE OR ZONING AUTHORITY AND MAY NOT ADOPT, AMEND OR ENFORCE ZONING ORDINANCES OR SIMILAR LAND USE REGULATIONS.

D. PUBLIC INFRASTRUCTURE OTHER THAN PERSONALTY MAY BE LOCATED ONLY IN OR ON LANDS OWNED BY THIS STATE, A COUNTY, A MUNICIPALITY OR THE DISTRICT OR DEDICATED OR OTHERWISE DESIGNATED AS PUBLIC ROADWAYS, HIGHWAYS, STREETS, THOROUGHFARES, EASEMENTS OR RIGHTS-OF-WAY, WHETHER IN OR OUT OF THE DISTRICT OR A MUNICIPALITY. PERSONALTY MAY BE USED ONLY FOR PURPOSES AUTHORIZED BY THE BOARD.

E. AN AGREEMENT PURSUANT TO SUBSECTION A, PARAGRAPH 9 OF THIS SECTION 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. A PERSON DOES NOT HAVE AUTHORITY TO COMPEL THE ISSUANCE OR SALE OF THE BONDS OF THE DISTRICT OR THE EXERCISE OF ANY TAXING POWER OF THE DISTRICT TO MAKE REPAYMENT UNDER ANY AGREEMENT.

48-7007. District finances; revenue

THE PROJECTS TO BE CONSTRUCTED OR ACQUIRED AS SHOWN IN THE GENERAL PLAN MAY BE FINANCED FROM THE FOLLOWING SOURCES OF REVENUE:

1. PROCEEDS RECEIVED FROM THE SALE OF BONDS OF THE DISTRICT.

2. MONIES OF A MUNICIPALITY OR INDIAN TRIBE OR COMMUNITY THAT ARE CONTRIBUTED TO THE DISTRICT.

3. ASSESSMENTS.

4. AD VALOREM TAXES.

5. PRIVATE CONTRIBUTIONS.

6. USER, LANDOWNER AND OTHER FEES AND CHARGES.

7. PROCEEDS OF LOANS OR ADVANCES.

8. ANY OTHER MONIES AVAILABLE TO THE DISTRICT BY LAW.

48-7008. Project approval; hearing; notice; fees

A. BEFORE CONSTRUCTING OR ACQUIRING ANY PUBLIC INFRASTRUCTURE, THE BOARD SHALL CAUSE A STUDY OF THE FEASIBILITY AND BENEFITS OF THE PROJECT THAT SHALL BE PREPARED BY ENGINEERS AND OTHER QUALIFIED PERSONS AND THAT SHALL INCLUDE A DESCRIPTION OF THE PUBLIC INFRASTRUCTURE TO BE CONSTRUCTED OR ACQUIRED AND ALL OTHER INFORMATION USEFUL TO UNDERSTAND THE PROJECT, A MAP SHOWING, IN GENERAL, THE LOCATION OF THE PROJECT, AN ESTIMATE OF THE COST TO CONSTRUCT, ACQUIRE, OPERATE AND MAINTAIN THE PROJECT, AN ESTIMATED SCHEDULE FOR COMPLETION OF THE PROJECT, A MAP OR DESCRIPTION OF THE AREA TO BE BENEFITED BY THE PROJECT AND THE FINANCING PLAN FOR THE PROJECT. WITHIN SIXTY DAYS AFTER RECEIVING THE REPORT, THE BOARD SHALL HOLD A PUBLIC HEARING ON THE REPORT AND PROVIDE NOTICE OF THE HEARING BY

PUBLICATION NOT LESS THAN TEN DAYS IN ADVANCE IN THE OFFICIAL NEWSPAPER OF THE MUNICIPALITY IN WHICH THE DISTRICT IS LOCATED OR, IF NONE IN THE MUNICIPALITY, A NEWSPAPER OF GENERAL CIRCULATION IN THE COUNTY AND BY MAIL TO THE GOVERNING BODY OF THE MUNICIPALITY. WITHIN SIXTY DAYS AFTER THE HEARING, THE BOARD MAY REJECT, AMEND OR APPROVE THE REPORT. IF THE REPORT IS AMENDED SUBSTANTIALLY, A NEW HEARING SHALL BE HELD WITHIN SIXTY DAYS AFTER THE DATE THE AMENDED REPORT IS RECEIVED AND BEFORE APPROVAL. IF THE REPORT IS APPROVED, THE BOARD SHALL ADOPT A RESOLUTION THAT IDENTIFIES THE PUBLIC INFRASTRUCTURE OF THE PROJECT, THE AREAS BENEFITED, THE EXPECTED METHOD OF FINANCING, INCLUDING THE NATURE AND TIMING OF THE ISSUANCE OF BONDS, IF ANY, AND AN APPROPRIATE SYSTEM OF PROVIDING REVENUES TO OPERATE AND MAINTAIN THE PROJECT. THE BOARD SHALL EXECUTE THE PROVISIONS OF THE REPORT WITHIN THE TIME FRAMES IDENTIFIED IN THE APPROVED REPORT.

B. BEFORE CONSTRUCTING OR ACQUIRING ANY PUBLIC INFRASTRUCTURE AND BEFORE THE BOARD HAS HELD THE PUBLIC HEARING PRESCRIBED IN SUBSECTION A OF THIS SECTION, THE BOARD SHALL CAUSE THE STUDY OF THE FEASIBILITY AND BENEFITS OF THE PROJECT PRESCRIBED IN SUBSECTION A OF THIS SECTION TO BE PROVIDED TO THE AUTHORITY. IN ADDITION TO THE STUDY OF THE FEASIBILITY AND BENEFITS OF THE PROJECT PRESCRIBED IN SUBSECTION A OF THIS SECTION, THE BOARD SHALL CAUSE THE FOLLOWING INFORMATION TO BE PROVIDED TO THE AUTHORITY:

1. THE CURRENT MARKET VALUE AND PROJECTED MARKET VALUE ON COMPLETION OF THE PUBLIC INFRASTRUCTURE TO BE FINANCED.

2. THE PROPOSED MAXIMUM PRINCIPAL AMOUNT OF BONDS TO BE ISSUED, THE MAXIMUM INTEREST RATE AND A PRELIMINARY DEBT SERVICE SCHEDULE FOR THE BONDS.

3. IF THE BONDS ARE GENERAL OBLIGATION BONDS, A PROJECTION OF THE AD VALOREM TAX RATE THAT IS REQUIRED TO SUPPORT DEBT SERVICE ON THE BONDS, WHICH PROJECTED RATE DOES NOT EXCEED THE MAXIMUM AUTHORIZED TAX RATE.

4. IF THE BONDS ARE ASSESSMENT BONDS, THE MAXIMUM AGGREGATE ASSESSMENT AND THE MAXIMUM PER-LOT ASSESSMENT TO BE LEVIED IN CONNECTION WITH THE BONDS.

5. THE ANTICIPATED BUILD-OUT SCHEDULE AND ASSOCIATED VALUATION INCREASES.

6. THE CURRENTLY OUTSTANDING PRINCIPAL AMOUNT OF DISTRICT BONDS AND THE CURRENT AD VALOREM TAX RATE OF THE DISTRICT, IF ANY.

7. THE PROPOSED FINANCING TEAM, INCLUDING THE UNDERWRITER OR PLACEMENT AGENT, THE DISTRICT'S FINANCIAL ADVISOR AND THE DISTRICT'S BOND COUNSEL.

8. A CERTIFICATION AS TO THE REASONABLENESS OF ASSUMPTIONS THAT ARE USED IN THE VALUATION AND GROWTH PROJECTIONS.

9. A CERTIFICATION THAT THE PROPOSED DEBT CAN BE REPAID WITHOUT IMPOSING EXCESSIVE OR UNREASONABLE AD VALOREM TAXES OR ASSESSMENTS ON RESIDENTS OF THE DISTRICT.

10. A CERTIFICATION THAT THE CONSTRUCTION OR ACQUISITION OF THE PUBLIC INFRASTRUCTURE, OR BOTH, AS APPLICABLE, WILL NOT CONFLICT WITH THE MUNICIPALITY'S ADOPTED GENERAL PLAN OR THE COUNTY'S COMPREHENSIVE PLAN, IF ANY, AND ANY EXISTING AND APPLICABLE DEVELOPMENT AGREEMENTS RELATING TO THE SUBJECT LAND.

C. THE AUTHORITY SHALL REVIEW THE INFORMATION SUBMITTED PURSUANT TO SUBSECTION B OF THIS SECTION TO CONFIRM, SOLELY ON THE BASIS OF THE INFORMATION SUBMITTED AND WITHOUT ANY INDEPENDENT DETERMINATION OF FEASIBILITY OR VALUE, THAT ALL INFORMATION REQUIRED PURSUANT TO SUBSECTION B OF THIS SECTION HAS BEEN SUBMITTED AND THAT THE CONSTRUCTION OR ACQUISITION OF THE PUBLIC INFRASTRUCTURE, OR BOTH, AS APPLICABLE, COMPLIES WITH THE FORMATION ORDER AND THE GENERAL PLAN AND DOES NOT OTHERWISE VIOLATE THE PROVISIONS OF THIS CHAPTER.

D. THE AUTHORITY SHALL NOTIFY THE DISTRICT WITHIN THIRTY DAYS AFTER RECEIVING THE INFORMATION SUBMITTED PURSUANT TO SUBSECTION B OF THIS SECTION IF THE SUBMITTED INFORMATION IS INCOMPLETE OR HAS NOT BEEN SUBMITTED OR IF THE SUBMITTED INFORMATION INDICATES THAT THE CONSTRUCTION OR ACQUISITION OF THE PUBLIC INFRASTRUCTURE DOES NOT COMPLY WITH THE FORMATION ORDER OR THE GENERAL PLAN OR DOES NOT OTHERWISE COMPLY WITH THE PROVISIONS OF THIS CHAPTER. THE BOARD MAY NOT HOLD THE PUBLIC HEARING DESCRIBED IN SUBSECTION A OF THIS SECTION UNTIL THIRTY DAYS HAS ELAPSED SINCE THE SUBMISSION OF THE INFORMATION SUBMITTED PURSUANT TO SUBSECTION B OF THIS SECTION AND THE DISTRICT HAS NOT RECEIVED FROM THE AUTHORITY THE NOTICE PRESCRIBED IN THIS SUBSECTION.

E. FEES AND OTHER CHARGES THAT ARE ASSESSED BY THE AUTHORITY IN CONNECTION WITH THE REVIEW OF THE INFORMATION SUBMITTED PURSUANT TO SUBSECTION B OF THIS SECTION SHALL NOT EXCEED $15,000 FOR EACH SUBMISSION.

ARTICLE 2. FINANCIAL PROVISIONS

48-7021. Debt limitations; maximum authorized tax rate

A. THE TOTAL AGGREGATE OUTSTANDING AMOUNT OF BONDS AND ANY OTHER INDEBTEDNESS FOR WHICH THE FULL FAITH AND CREDIT OF A DISTRICT ARE PLEDGED SHALL NOT EXCEED SIXTY PERCENT OF THE AGGREGATE OF THE ESTIMATED MARKET VALUE OF THE REAL PROPERTY AND IMPROVEMENTS IN THE DISTRICT AFTER THE PUBLIC INFRASTRUCTURE OF THE DISTRICT IS COMPLETED PLUS THE VALUE OF THE PUBLIC INFRASTRUCTURE OWNED OR TO BE ACQUIRED BY THE DISTRICT WITH THE PROCEEDS OF THE BONDS.

B. ANY AD VALOREM TAX LEVIED TO PAY THE DEBT SERVICE ON ALL GENERAL OBLIGATION BONDS OF THE DISTRICT SHALL NOT BE LEVIED AT A RATE THAT EXCEEDS THE MAXIMUM AUTHORIZED TAX RATE. THE MAXIMUM AUTHORIZED TAX RATE SHALL BE INDICATED IN THE PETITION AND THE FORMATION ORDER AND SHALL BE APPROVED AT AN ELECTION HELD PURSUANT TO SECTION 48-7041 EXCEPT THAT THE MAXIMUM AUTHORIZED TAX RATE SHALL NOT EXCEED $10 PER $100 OF NET LIMITED ASSESSED PROPERTY VALUATION OF PROPERTY WITHIN THE BOUNDARIES OF THE DISTRICT. THE AUTHORITY SHALL NOT OTHERWISE RESTRICT THE MAXIMUM AUTHORIZED TAX RATE, THE MAXIMUM ASSESSMENT ASSESSED BY A DISTRICT OR THE MAXIMUM AGGREGATE AMOUNT OF BONDS ISSUED BY A DISTRICT EXCEPT AS EXPRESSLY PROVIDED IN THIS CHAPTER.

48-7022. General obligation bonds; tax levy; security

A. AT ANY TIME AFTER THE FORMATION OF A DISTRICT, THE BOARD MAY FROM TIME TO TIME ORDER AND CALL A GENERAL OBLIGATION BOND ELECTION TO SUBMIT TO THE QUALIFIED ELECTORS OF THE DISTRICT OR TO THOSE PERSONS WHO ARE QUALIFIED TO VOTE PURSUANT TO SECTION 48-7041 THE QUESTION OF AUTHORIZING THE BOARD TO ISSUE GENERAL OBLIGATION BONDS OF THE DISTRICT TO PROVIDE MONIES FOR ANY PUBLIC INFRASTRUCTURE PURPOSES CONSISTENT WITH THE

GENERAL PLAN AND THE QUESTION OF AUTHORIZING AN AD VALOREM TAX TO BE LEVIED.

B. IF GENERAL OBLIGATION BONDS ARE APPROVED AT AN ELECTION, THE BOARD MAY ISSUE AND SELL GENERAL OBLIGATION BONDS OF THE DISTRICT, THE TERM OF WHICH MAY NOT EXCEED TWENTY-FIVE YEARS, SUBJECT TO THE LIMITATION THAT ANY AD VALOREM TAX LEVIED TO PAY THE DEBT SERVICE ON THE GENERAL OBLIGATION BONDS SHALL NOT BE LEVIED AT A RATE THAT EXCEEDS THE MAXIMUM AUTHORIZED TAX RATE.

C. THE DISTRICT MAY ISSUE AND SELL REFUNDING BONDS TO REFUND ANY GENERAL OBLIGATION BONDS OF THE DISTRICT. IF GENERAL OBLIGATION BONDS ARE ISSUED TO REFUND ANY GENERAL OBLIGATION BONDS OF THE DISTRICT, AN ELECTION ON THE ISSUANCE OF SUCH REFUNDING BONDS IS NOT REQUIRED, BUT ANY AD VALOREM TAX LEVIED TO PAY THE DEBT SERVICE ON SUCH REFUNDING BONDS SHALL NOT BE LEVIED AT A RATE THAT EXCEEDS THE MAXIMUM AUTHORIZED TAX RATE.

D. AFTER THE BONDS ARE ISSUED, THE BOARD SHALL ENTER IN ITS MINUTES A RECORD OF THE BONDS SOLD AND THEIR NUMBERS AND DATES AND SHALL ANNUALLY LEVY AND CAUSE AN AD VALOREM TAX TO BE COLLECTED, AT THE SAME TIME AND IN THE SAME MANNER AS OTHER TAXES ARE LEVIED AND COLLECTED ON ALL TAXABLE PROPERTY IN THE DISTRICT, SUFFICIENT, TOGETHER WITH ANY MONIES FROM THE SOURCES DESCRIBED IN SECTION 48-7007, TO PAY DEBT SERVICE ON THE BONDS WHEN DUE. THE ANNUAL LEVY SHALL NOT EXCEED THE NET AMOUNT NECESSARY TO MEET ANNUAL PAYMENTS OF PRINCIPAL AND INTEREST, PROJECTED PAYMENTS OF PRINCIPAL AND INTEREST ON NEW DEBT PLANNED FOR THE ENSUING YEAR, A REASONABLE DELINQUENCY FACTOR, INCLUDING AN AMOUNT NECESSARY TO CORRECT PRIOR YEAR ERRORS OR SHORTAGES IN THE LEVY, IF APPLICABLE, AND ANY EXPENSES AND FEES REQUIRED IN CONJUNCTION WITH THE AUTHORIZATION PURSUANT TO SECTION 35-512. THE ANNUAL AD VALOREM TAX RATE LEVIED PURSUANT TO THIS SUBSECTION SHALL NOT EXCEED THE MAXIMUM AUTHORIZED TAX RATE. THE LEVY SHALL BE THE NET OF ALL CASH IN EXCESS OF TEN PERCENT OF THE ANNUAL PAYMENTS OF PRINCIPAL AND INTEREST IN THE CURRENT FISCAL YEAR FROM THE PREVIOUS YEAR THAT REMAIN IN THE FUND OR FUNDS PRESCRIBED BY SUBSECTION E OF THIS SECTION.

E. MONIES DERIVED FROM THE LEVY OF THE TAX PROVIDED IN THIS SECTION WHEN COLLECTED CONSTITUTE FUNDS TO PAY THE DEBT SERVICE ON THE BONDS AND SHALL BE KEPT SEPARATELY FROM OTHER FUNDS OF THE DISTRICT. AMOUNTS LEVIED FOR DEBT SERVICE ON BONDS PAYABLE FROM THE SECONDARY TAX ARE AND SHALL BE CONSIDERED SPECIAL REVENUES OF THE DISTRICT, SHALL BE KEPT IN A SPECIAL, SEGREGATED FUND, ARE NOT AND SHALL NOT BE GENERAL PROPERTY TAXES AND MAY NOT BE USED FOR ANY OTHER PURPOSE OF THE DISTRICT.

F. ALL BONDS, HERETOFORE AND HEREAFTER ISSUED, ARE SECURED BY A LIEN ON ALL REVENUES RECEIVED PURSUANT TO THE AD VALOREM TAX LEVY. THE LIEN ARISES AUTOMATICALLY WITHOUT THE NEED FOR ANY ACTION OR AUTHORIZATION BY THE DISTRICT OR THE BOARD. THE LIEN IS VALID AND BINDING FROM THE TIME OF THE ISSUANCE OF THE BONDS. THE REVENUES RECEIVED PURSUANT TO THE LEVY OF THE AD VALOREM TAX ARE IMMEDIATELY SUBJECT TO THE LIEN. THE LIEN ATTACHES IMMEDIATELY TO THE REVENUES AND IS EFFECTIVE, BINDING AND ENFORCEABLE AGAINST THE DISTRICT, THE DISTRICT'S SUCCESSORS, TRANSFEREES AND CREDITORS AND ALL OTHER PARTIES ASSERTING RIGHTS IN THE REVENUES,

IRRESPECTIVE OF WHETHER THE PARTIES HAVE NOTICE OF THE LIEN, WITHOUT THE NEED FOR ANY PHYSICAL DELIVERY, RECORDATION, FILING OR FURTHER ACT.

48-7023. Assessments; assessment lien bonds; judicial review

A. AFTER APPROVAL OF THE ASSESSMENT AT AN ELECTION HELD AS PRESCRIBED BY SECTION 48-7041, AND PURSUANT TO THE PROCEDURES PRESCRIBED BY SECTIONS 48-576 THROUGH 48-589, AS NEARLY AS PRACTICABLE, OR SUCH OTHER PROCEDURES AS THE BOARD PROVIDES, THE BOARD, MAY LEVY BY RESOLUTION AN ASSESSMENT OF THE COSTS OF ANY PUBLIC INFRASTRUCTURE PURPOSE OR ANY OPERATION AND MAINTENANCE OF PUBLIC INFRASTRUCTURE ON ANY LAND IN THE DISTRICT THAT IS BASED ON THE BENEFIT DETERMINED BY THE BOARD TO BE RECEIVED BY THE LAND. BEFORE THE ISSUANCE OF ASSESSMENT BONDS, THE DISTRICT MAY ENTER INTO A WRITTEN AGREEMENT WITH A LANDOWNER AS TO THE MANNER IN WHICH THE ASSESSMENT IS TO BE ALLOCATED IF THE LAND IS TO BE DIVIDED INTO MORE THAN ONE PARCEL. IF AN ISSUE OF ASSESSMENT BONDS FINANCES MORE THAN ONE PURPOSE OR SERVICE, THE BENEFIT RECEIVED BY THE LAND, IN THE DISCRETION OF THE DISTRICT, MAY BE DETERMINED BY REFERENCE TO THE PURPOSES AND SERVICES AS A WHOLE OR INDIVIDUALLY. THE ASSESSMENT MAY BE BASED ON ESTIMATED COSTS AND AMENDED TO REFLECT ACTUAL COSTS, AND THE PREPARATION OF PLANS AND SPECIFICATIONS AND THE AWARDING OF THE CONTRACT ARE NOT A PREREQUISITE TO THE LEVYING OF THE ASSESSMENT. AN OWNER OF LAND ON WHICH AN ASSESSMENT HAS BEEN LEVIED MAY SEEK JUDICIAL REVIEW OF WHETHER THE LAND IS BENEFITED BY THE PROPOSED PUBLIC INFRASTRUCTURE, ON THE MERITS, BY SPECIAL ACTION FILED WITH THE COURT OF APPEALS, WITHIN THIRTY DAYS AFTER THE EFFECTIVE DATE OF THE RESOLUTION.

B. AFTER ADOPTION BY THE BOARD OF A RESOLUTION LEVYING AN ASSESSMENT ON PROPERTY IN THE DISTRICT, THE BOARD MAY ISSUE AND SELL ASSESSMENT BONDS, THE TERM OF WHICH MAY NOT EXCEED TWENTY-FIVE YEARS, PAYABLE FROM AMOUNTS COLLECTED FROM THE ASSESSMENTS, FROM AMOUNTS AVAILABLE FROM TIME TO TIME IN ANY RESERVE FUND ESTABLISHED FOR THOSE BONDS AND FROM ANY OTHER AMOUNTS AVAILABLE FOR THOSE PURPOSES AS PRESCRIBED BY SECTION 48-7007. THE DISTRICT AND THE COUNTY TREASURER FOR THE COUNTY IN WHICH THE DISTRICT IS LOCATED MAY ENTER INTO AN AGREEMENT FOR THE COUNTY TREASURER TO COLLECT THE DISTRICT'S ASSESSMENTS IN THE MANNER AND BY THE OFFICERS PROVIDED BY LAW FOR THE COLLECTION AND ENFORCEMENT OF GENERAL TAXES. THE DISTRICT AND THE COUNTY TREASURER MAY PROVIDE BY AGREEMENT FOR THE PAYMENT OF THE COUNTY TREASURER'S COLLECTION EXPENSES DIRECTLY RELATED TO THE LEVY OF THE ASSESSMENT AND, IF SO PROVIDED, THE LEVY OF THE ASSESSMENT MAY INCLUDE AN AMOUNT FOR COMPENSATION OF THE COUNTY TREASURER DIRECTLY RELATED TO THE COLLECTION OF THE ASSESSMENT. THE COMPENSATION RECEIVED BY THE COUNTY TREASURER PURSUANT TO THE AGREEMENT SHALL BE GOVERNED BY SECTION 11-496. THE BOARD MAY ALSO ISSUE AND SELL BOND ANTICIPATION NOTES PURSUANT TO THE PROCEDURES PRESCRIBED IN SECTION 48-2081 OR WITH PROCEDURES AS SIMILAR TO THOSE AS IS PRACTICABLE. THE ASSESSMENT SHALL BE A FIRST LIEN ON THE PROPERTY ASSESSED SUBJECT ONLY TO GENERAL PROPERTY TAXES AND PRIOR ASSESSMENTS. IN THE EVENT OF NONPAYMENT OF AN ASSESSMENT AND EXCEPT AS OTHERWISE PROVIDED IN AN AGREEMENT BETWEEN THE DISTRICT AND THE COUNTY TREASURER PURSUANT TO THIS SECTION, THE PROCEDURES FOR COLLECTION OF DELINQUENT ASSESSMENTS, SALE OF DELINQUENT PROPERTY AND ISSUANCE AND EFFECT OF THE DEED PRESCRIBED BY

SECTIONS 48-601 THROUGH 48-607 APPLY, AS NEARLY AS PRACTICABLE, EXCEPT THAT THE DISTRICT, A MUNICIPALITY OR THE STATE IS NOT REQUIRED TO PURCHASE THE DELINQUENT LAND AT THE SALE IF THERE IS NO OTHER PURCHASER. IF THE LANDOWNER OWNS MORE THAN ONE PARCEL IN THE DISTRICT, THE BOARD MAY PROVIDE PROCEDURES FOR THE COLLECTION AND ENFORCEMENT OF ASSESSMENTS AS THE BOARD DEEMS APPROPRIATE BY CONTRACT WITH A LANDOWNER TO ALLOW THE SALE OF ANY OR ALL OF THE LANDOWNER'S PARCELS IN THE DISTRICT IF THE LANDOWNER BECOMES DELINQUENT AS TO ANY PARCEL THAT THE LANDOWNER OWNS IN THE DISTRICT.

C. ON ADOPTION OF THE RESOLUTION, BUT BEFORE ISSUANCE OF THE ASSESSMENT BONDS, THE DISTRICT MAY DIRECT THE TREASURER TO MAKE DEMAND ON THE OWNERS OF THE PROPERTY SO ASSESSED, AS SHOWN ON THE PROPERTY TAX ROLL, FOR ADVANCE PAYMENT OF THE AMOUNT ASSESSED. THE DEMAND SHALL STATE A DATE NOT LESS THAN TWENTY DAYS AFTER THE DATE OF ADOPTION OF THE RESOLUTION AFTER WHICH THE TREASURER MAY REFUSE TO ACCEPT ADVANCE PAYMENTS OF THE ASSESSMENT. THE TREASURER SHALL CERTIFY TO THE CLERK ON OR AFTER THE DATE SPECIFIED IN THE DEMAND THE AMOUNT COLLECTED AND THE ASSESSMENTS REMAINING UNPAID AGAINST EACH PARCEL OF LAND ASSESSED. ASSESSMENT BONDS MAY NOT BE ISSUED IN AN AMOUNT IN EXCESS OF THE AMOUNT ASSESSED IN THE RESOLUTION OR, IF ADVANCE PAYMENTS ARE DEMANDED, THE AMOUNT CERTIFIED TO THE CLERK. THE DISTRICT MAY ADOPT PROCEDURES FOR PREPAYMENT AND PROVISIONS FOR PAYMENT AND REALLOCATION OF ASSESSMENTS.

D. THE DISTRICT MAY ISSUE AND SELL REFUNDING BONDS TO REFUND ANY ASSESSMENT BONDS OF THE DISTRICT.

48-7024. Revenue bonds

A. AT ANY TIME AFTER THE HEARING ON FORMATION OF THE DISTRICT, THE BOARD MAY HOLD A HEARING ON THE QUESTION OF AUTHORIZING THE BOARD TO ISSUE REVENUE BONDS OF THE DISTRICT TO PROVIDE MONIES FOR ANY INFRASTRUCTURE PURPOSES CONSISTENT WITH THE GENERAL PLAN.

B. IF REVENUE BONDS ARE APPROVED BY RESOLUTION, THE BOARD MAY ISSUE AND SELL REVENUE BONDS OF THE DISTRICT, THE TERM OF WHICH MAY NOT EXCEED TWENTY-FIVE YEARS.

C. IF THE BONDS ARE TO BE SOLD IN A PUBLIC OFFERING, NO BONDS MAY BE ISSUED BY THE DISTRICT UNLESS THE BONDS RECEIVE ONE OF THE FOUR HIGHEST INVESTMENT GRADE RATINGS BY A NATIONALLY RECOGNIZED BOND RATING AGENCY.

D. THE BOARD MAY PLEDGE TO THE PAYMENT OF ITS REVENUE BONDS ANY REVENUES OF THE DISTRICT OR REVENUES TO BE COLLECTED BY A MUNICIPALITY OR A COUNTY IN TRUST FOR THE DISTRICT AND RETURNED TO THE DISTRICT.

E. THE DISTRICT SHALL PRESCRIBE FEES AND CHARGES, AND SHALL REVISE THEM WHEN NECESSARY, TO GENERATE REVENUE SUFFICIENT, TOGETHER WITH ANY MONIES FROM THE SOURCES DESCRIBED IN SECTION 48-7007, TO PAY WHEN DUE THE PRINCIPAL AND INTEREST OF ALL REVENUE BONDS FOR THE PAYMENT OF WHICH REVENUE HAS BEEN PLEDGED. THE ESTABLISHMENT OR REVISION OF ANY RATES, FEES AND CHARGES SHALL BE IDENTIFIED AND NOTICED CONCURRENTLY WITH THE ANNUAL BUDGET PROCESS OF THE DISTRICT PURSUANT TO SECTION 48-7027.

F. IF, IN THE RESOLUTION OF THE BOARD, THE REVENUES TO BE PLEDGED ARE LIMITED TO CERTAIN TYPES OF REVENUES, ONLY THOSE TYPES OF REVENUES MAY BE PLEDGED AND ONLY THOSE REVENUES MUST BE MAINTAINED.

G. A HOLDER OF REVENUE BONDS ISSUED UNDER THIS CHAPTER MAY NOT COMPEL ANY EXERCISE OF THE TAXING POWER OF THE DISTRICT, A MUNICIPALITY OR

THIS STATE TO PAY THE BONDS OR THE INTEREST ON THE BONDS. REVENUE BONDS ISSUED UNDER THIS CHAPTER ARE NOT A DEBT OF THE DISTRICT, A MUNICIPALITY OR THIS STATE, NOR IS THE PAYMENT OF REVENUE BONDS ENFORCEABLE OUT OF ANY MONIES OTHER THAN THE REVENUE PLEDGED TO THE PAYMENT OF THE BONDS.

H. THE DISTRICT MAY ISSUE AND SELL REFUNDING BONDS TO REFUND ANY REVENUE BONDS OF THE DISTRICT.

48-7025. Terms of bonds

A. WITH RESPECT TO ANY BONDS, THE BOARD SHALL PRESCRIBE THE DENOMINATIONS OF THE BONDS, THE SIZE OF EACH ISSUE AND THE FORM OF THE BONDS AND SHALL ESTABLISH THE MATURITIES, INTEREST PAYMENT DATES AND INTEREST RATES, WHETHER FIXED OR VARIABLE, NOT EXCEEDING THE MAXIMUM RATE STATED IN THE NOTICE OF THE ELECTION OR THE RESOLUTION OF THE BOARD. THE BONDS MAY BE SOLD BY COMPETITIVE BID OR NEGOTIATED SALE FOR PUBLIC OR PRIVATE OFFERING AT, BELOW OR ABOVE PAR. IF THE BONDS ARE SOLD BELOW PAR, THE AGGREGATE AMOUNT OF DISCOUNT AND INTEREST TO BE PAID ON THE BONDS SHALL NOT EXCEED THE AMOUNT OF INTEREST THAT WOULD HAVE BEEN PAYABLE ON THOSE BONDS PURSUANT TO THE MATURITY SCHEDULE PRESCRIBED BY THE BOARD AT THE MAXIMUM RATE SET OUT IN THE BOND RESOLUTION.

B. IF GENERAL OBLIGATION BONDS OF THE DISTRICT ARE SOLD ABOVE PAR, THE AMOUNT OF NET PREMIUM ASSOCIATED WITH A GENERAL OBLIGATION BOND ISSUE MAY BE USED ONLY FOR THE FOLLOWING PURPOSES:

1. TO PAY ANY OR ALL COSTS INCURRED IN ISSUING THE GENERAL OBLIGATION BONDS.

2. AS A DEPOSIT IN A DEBT SERVICE FUND AND USED ONLY TO PAY INTEREST ON THE ISSUE OF GENERAL OBLIGATION BONDS.

C. IF USED FOR ANY PURPOSE OTHER THAN AS PRESCRIBED IN SUBSECTION B OF THIS SECTION, AND IF THE DISTRICT HAS GENERAL OBLIGATION BOND VOTER AUTHORIZATION AND AVAILABLE CAPACITY UNDER ITS DEBT LIMITATIONS PRESCRIBED BY SECTION 48-7021, SUBSECTION A, THE AMOUNT OF NET PREMIUM USED FOR THAT PURPOSE SHALL REDUCE IN AN EQUAL AMOUNT BOTH THE AVAILABLE AGGREGATE INDEBTEDNESS CAPACITY OF THE DISTRICT PRESCRIBED IN SECTION 48-7021, SUBSECTION A AND THE PRINCIPAL AMOUNT AUTHORIZED AT THE GENERAL OBLIGATION BOND ELECTION FOR THE DISTRICT FROM WHICH THE ISSUE OF GENERAL OBLIGATION BONDS IS BEING SOLD. ANY NET PREMIUM THAT IS USED AS PRESCRIBED IN THIS SUBSECTION SHALL BE AMORTIZED FOR ALL DEBT LIMITATION PURPOSES ON A PRO RATA BASIS EACH YEAR BY MULTIPLYING THE NET PREMIUM USED BY A PERCENTAGE EQUAL TO THE PERCENTAGE OF THE TOTAL PRINCIPAL AMOUNT OF THE GENERAL OBLIGATION BOND ISSUE THAT MATURES IN THAT YEAR.

D. THE PROCEEDS OF THE SALES SHALL BE DEPOSITED WITH THE TREASURER, OR WITH A TRUSTEE OR AGENT DESIGNATED BY THE BOARD, TO THE CREDIT OF THE DISTRICT TO BE WITHDRAWN FOR THE PURPOSES PROVIDED BY THIS CHAPTER. PENDING THAT USE, THE PROCEEDS MAY BE INVESTED AS DETERMINED BY THE DISTRICT. THE BONDS MAY CONTAIN TERMS, CONDITIONS, COVENANTS AND AGREEMENTS AS THE BOARD DEEMS PROPER. THE BONDS MAY BE PAYABLE FROM ANY COMBINATION OF AD VALOREM TAXES, REVENUES OR ASSESSMENTS OF THE TYPES DESCRIBED IN THIS CHAPTER AND AS SPECIFIED IN THE BONDS IF ALL APPLICABLE REQUIREMENTS ARE MET.

48-7026. O/M taxes; election; annual financial estimate and budget; hearing

A. AT ANY TIME AFTER THE RECORDING OF A FORMATION ORDER, THE BOARD MAY CALL AN ELECTION TO SUBMIT TO THE PERSONS WHO ARE ELIGIBLE TO VOTE IN THE DISTRICT AS PRESCRIBED IN SECTION 48-7041 THE QUESTION OF AUTHORIZING THE BOARD TO LEVY AN O/M TAX ON THE NET LIMITED ASSESSED PROPERTY VALUATION OF PROPERTY IN THE DISTRICT AT A RATE OR RATES THAT DO NOT EXCEED THE MAXIMUM RATE OR RATES SPECIFIED IN THE BALLOT. THE CONTINUED IMPOSITION OF THE TAX MUST BE APPROVED BY A MAJORITY OF THE PERSONS WHO ARE ELIGIBLE TO VOTE IN THE DISTRICT AS PRESCRIBED IN SECTION 48-7041, VOTING IN A REGULAR OR SPECIAL ELECTION AT LEAST EVERY SEVEN YEARS AFTER THE DATE OF THE INITIAL IMPOSITION. ALL O/M TAXES SHALL BE USED FOR THE OPERATION AND MAINTENANCE EXPENSES OF THE DISTRICT, INCLUDING LEGAL EXPENSES AND EXPENSES THAT ARE ASSOCIATED WITH INSURANCE COVERAGE, AND SHALL NOT EXCEED AN AMOUNT EQUAL TO $.30 PER $100 OF ASSESSED VALUATION FOR ALL REAL AND PERSONAL PROPERTY IN THE DISTRICT. THE BOARD BY SIMPLE MAJORITY VOTE MAY REDUCE OR ELIMINATE ANY PORTION OF THE O/M TAX IMPOSED BY THE DISTRICT.

B. THE DISTRICT MAY NOT LEVY AN O/M TAX AT A RATE OR RATES IN EXCESS OF THE MAXIMUM RATE THEN IN EFFECT.

C. WHEN LEVYING AN O/M TAX, THE BOARD SHALL MAKE ANNUAL STATEMENTS AND ESTIMATES OF THE OPERATION AND MAINTENANCE EXPENSES OF THE DISTRICT AND THE AMOUNT OF ALL OTHER EXPENDITURES FOR PUBLIC INFRASTRUCTURE PROPOSED TO BE PAID FROM THE O/M TAX LEVY OR LEVIES, ALL OF WHICH SHALL BE PROVIDED FOR BY THE LEVY AND COLLECTION OF AD VALOREM TAXES ON THE ASSESSED VALUE OF ALL THE REAL AND PERSONAL PROPERTY IN THE DISTRICT. THE BOARD SHALL FILE THE ANNUAL STATEMENTS AND ESTIMATES WITH THE CLERK. THE BOARD SHALL PUBLISH A NOTICE OF THE FILING OF THE ESTIMATE, SHALL HOLD HEARINGS ON THE PORTIONS OF THE ESTIMATE NOT RELATING TO DEBT SERVICE ON BONDS AND SHALL ADOPT A BUDGET. THE BOARD, ON OR BEFORE THE DATE SET BY LAW FOR CERTIFYING THE ANNUAL BUDGET OF THE COUNTY OR MUNICIPALITY, SHALL FIX, LEVY AND ASSESS THE AMOUNTS TO BE RAISED BY O/M TAXES OF THE DISTRICT AND SHALL CAUSE CERTIFIED COPIES OF THE ORDER TO BE DELIVERED TO THE BOARD OF SUPERVISORS AND TO THE DEPARTMENT OF REVENUE. ALL STATUTES RELATING TO THE LEVY AND COLLECTION OF GENERAL COUNTY TAXES, INCLUDING THE COLLECTION OF DELINQUENT TAXES AND SALE OF PROPERTY FOR NONPAYMENT OF TAXES, APPLY TO THE DISTRICT TAXES PROVIDED FOR BY THIS SECTION.

48-7027. Budget; hearing

ON OR BEFORE JULY 15 EACH YEAR, THE TREASURER SHALL PREPARE A PROPOSED BUDGET FOR THE ENSUING FISCAL YEAR TO BE SUBMITTED TO THE BOARD FOR APPROVAL. THE BOARD SHALL INDICATE ITS APPROVAL OF THE BUDGET BY RESOLUTION, WHICH SHALL PROVIDE FOR A HEARING ON THE BUDGET AS APPROVED. THE PARTICIPATING ENTITIES MAY REVIEW THE PROPOSED ANNUAL BUDGET AND MAY SUBMIT WRITTEN COMMENTS TO THE BOARD FOR ITS ASSISTANCE AND INFORMATION IN ADOPTING ITS ANNUAL BUDGET. AT THE CONCLUSION OF THE BUDGET HEARING, THE BOARD, BY RESOLUTION, SHALL ADOPT THE BUDGET AS FINALLY APPROVED BY THE BOARD. THE BUDGET SHALL BE ADOPTED BEFORE OCTOBER 1 EACH YEAR.

48-7028. Display of district taxes and assessments on property tax bills

A. ANY AD VALOREM TAX THAT IS LEVIED BY A DISTRICT PURSUANT TO THIS CHAPTER SHALL BE SHOWN ON EACH PROPERTY TAX BILL AS A SEPARATE LINE ITEM THAT:

1. IDENTIFIES THE NAME OF THE DISTRICT.

2. STATES THAT THE TAX IS LEVIED BY AN INFRASTRUCTURE FINANCE DISTRICT AND IS NOT A TAX OF THE MUNICIPALITY OR THE COUNTY.

3. STATES THAT THE FORMATION OF THE DISTRICT WAS APPROVED BY THE AUTHORITY.

B. ANY ASSESSMENT THAT IS LEVIED BY A DISTRICT PURSUANT TO THIS CHAPTER AND THAT IS COLLECTED BY THE COUNTY TREASURER SHALL BE SHOWN ON EACH PROPERTY TAX BILL AS A SEPARATE LINE ITEM THAT:

1. IDENTIFIES THE NAME OF THE DISTRICT.

2. STATES THAT THE CHARGE IS AN ASSESSMENT LEVIED BY AN INFRASTRUCTURE FINANCE DISTRICT AND IS NOT AN ASSESSMENT OF THE MUNICIPALITY OR THE COUNTY.

3. STATES THAT THE FORMATION OF THE DISTRICT WAS APPROVED BY THE AUTHORITY.

ARTICLE 3. OPERATIONS

48-7041. Notice and conduct of elections; eligible voters

A. ANY ELECTION UNDER THIS ARTICLE SHALL BE A NONPARTISAN ELECTION CALLED BY POSTING NOTICES IN THREE PUBLIC PLACES WITHIN THE BOUNDARIES OF THE DISTRICT NOT LESS THAN TWENTY DAYS BEFORE THE ELECTION. ANY ELECTION MAY BE CONDUCTED AS A MAIL BALLOT ELECTION IN THE MANNER PRESCRIBED IN TITLE 16, CHAPTER 4, ARTICLE 8.1 AS NEARLY AS PRACTICABLE. IF THE ELECTION NOTICE IS NOT MAILED TO THE PROPERTY OWNERS AND, IF APPLICABLE, TO THE QUALIFIED ELECTORS, THE NOTICE SHALL ALSO BE PUBLISHED IN A NEWSPAPER OF GENERAL CIRCULATION IN THE MUNICIPALITY, OR IF THERE IS NO NEWSPAPER SO CIRCULATED IN THE MUNICIPALITY, IN A NEWSPAPER OF GENERAL CIRCULATION IN THE COUNTY IN WHICH THE DISTRICT IS LOCATED ONCE A WEEK FOR TWO CONSECUTIVE WEEKS BEFORE THE ELECTION. THE NOTICE SHALL STATE:

1. THE PLACE OF HOLDING THE ELECTION.

2. THE HOURS DURING THE DAY, NOT LESS THAN SIX, IN WHICH THE POLLS WILL BE OPEN.

3. IF IT IS A BOND ELECTION, THE AMOUNT OF BONDS TO BE AUTHORIZED FOR THE DISTRICT, THE MAXIMUM RATE OF INTEREST TO BE BORNE ON THE BONDS, THE MAXIMUM TERM OF THE BONDS, NOT EXCEEDING TWENTY-FIVE YEARS, AND THE PURPOSES FOR WHICH THE MONIES RAISED WILL BE USED.

4. IF IT IS AN AD VALOREM TAX LEVY ELECTION PURSUANT TO SECTION 48-7022 OR 48-7023, THE MAXIMUM TAX RATE PER $100 OF NET ASSESSED LIMITED PROPERTY VALUATION TO BE IMPOSED, THE PURPOSES FOR WHICH THE MONIES RAISED WILL BE USED AND THE EXISTING MAXIMUM AUTHORIZED TAX RATE.

5. IF IT IS AN ASSESSMENT LEVY ELECTION PURSUANT TO SECTION 48-7023, THE MAXIMUM ASSESSMENT RATE TO BE IMPOSED, THE PURPOSES FOR WHICH THE MONIES RAISED WILL BE USED AND THE EXISTING MAXIMUM ASSESSMENT RATE, IF ANY.

6. THAT A GENERAL PLAN IS ON FILE WITH THE CLERK.

B. THE BOARD SHALL DETERMINE THE DATE OF THE ELECTION AND, IF APPLICABLE, THE POLLING PLACES FOR THE ELECTION AND MAY CONSOLIDATE PRECINCTS. THE CLERK OF THE BOARD SHALL PREPARE A LIST OF ELIGIBLE VOTERS IN THE ELECTION. A PROSPECTIVE LANDOWNER VOTER SHALL EXECUTE AN AFFIDAVIT STATING THAT THE VOTER IS THE OWNER OF LAND IN THE DISTRICT AND IS QUALIFIED TO VOTE PURSUANT TO THIS SECTION AND STATING THE PARCEL NUMBER OWNED BY THE VOTER. ELECTION BOARD MEMBERS MAY ADMINISTER OATHS OR TAKE ALL AFFIRMATIONS FOR THESE PURPOSES. AN ELECTION HELD PURSUANT TO THIS ARTICLE IS NOT SUBJECT TO TITLE 16, CHAPTER 2, ARTICLE 3.

C. ONLY THE OWNERS OF REAL PROPERTY IN THE DISTRICT ARE ELIGIBLE TO VOTE IN AN ELECTION REGARDING AN AD VALOREM TAX LEVY ELECTION, AN ASSESSMENT ELECTION, AN O/M TAX ELECTION, AN ELECTION FOR THE BOARD OF DIRECTORS OF THE DISTRICT AND IN AN ELECTION FOR DISSOLUTION. CORPORATIONS, PARTNERSHIPS AND OTHER BUSINESS ENTITIES ARE ELIGIBLE TO VOTE AS PROPERTY OWNERS, BUT ONLY ONE VOTE MAY BE CAST FOR EACH ONE-SEVENTH OF AN ACRE OF REAL PROPERTY IN THE DISTRICT, EXCEPT THAT ANY FRACTION OF OWNERSHIP OF REAL PROPERTY THAT IS LESS THAN ONE-SEVENTH OF AN ACRE ENTITLES THE OWNER TO CAST ONE VOTE. A MAJORITY OF THE ACREAGE AS REPRESENTED BY THE VOTES CAST AT AN ELECTION CONDUCTED SOLELY UNDER THE ACREAGE SYSTEM SHALL DETERMINE THE RESULT. AN ACREAGE SYSTEM ELECTION SHALL BE CONDUCTED PURSUANT TO THE PROCEDURES PRESCRIBED IN SECTIONS 48-3042 THROUGH 48-3051 AS NEARLY AS PRACTICABLE. QUALIFIED ELECTORS ARE ELIGIBLE TO VOTE IN AN ELECTION REGARDING GENERAL OBLIGATION BONDS.

D. EXCEPT AS OTHERWISE PROVIDED BY THIS ARTICLE, THE ELECTION SHALL COMPLY WITH THE GENERAL ELECTION LAWS OF THIS STATE, EXCEPT THAT THE WORDS TO APPEAR ON THE BALLOTS SHALL BE FOR A BOND ELECTION "BONDS, YES" AND "BONDS, NO", FOR A TAX ELECTION IF NO TAX IS IN PLACE "TAX, YES" AND "TAX, NO" AND FOR A TAX ELECTION TO CHANGE AN EXISTING MAXIMUM OR ELIMINATE AN EXISTING TAX "TAX CHANGE, YES" AND "TAX CHANGE, NO". THE RETURNS OF ELECTION SHALL BE MADE TO THE BOARD.

E. WITHIN FOURTEEN DAYS AFTER AN ELECTION, THE BOARD SHALL MEET AND CANVASS THE RETURNS. IF THE MAJORITY OF ACREAGE AS REPRESENTED BY THE VOTES CAST AT THE ELECTION IS IN FAVOR OF IMPOSING THE TAX, THE BOARD SHALL ENTER THAT FACT ON ITS MINUTES. THE CANVASS MAY BE CONTINUED FROM TIME TO TIME. FAILURE OF A MAJORITY TO VOTE IN FAVOR OF THE MATTER SUBMITTED DOES NOT PREJUDICE THE SUBMISSION OF THE SAME OR SIMILAR MATTERS AT A LATER ELECTION.

F. IF A PERSON LISTED ON THE ASSESSMENT ROLL IS NO LONGER THE OWNER OF LAND IN THE DISTRICT AND THE NAME OF THE SUCCESSOR OWNER BECOMES KNOWN AND IS VERIFIED BY RECORDED DEED OR OTHER SIMILAR EVIDENCE OF TRANSFER OF OWNERSHIP, THE SUCCESSOR OWNER IS DEEMED TO BE THE OWNER FOR THE PURPOSES OF THIS ARTICLE.

G. NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, IF NO PERSON HAS REGISTERED TO VOTE WITHIN THE DISTRICT WITHIN FIFTY DAYS IMMEDIATELY PRECEDING ANY SCHEDULED ELECTION DATE, ANY ELECTION REQUIRED TO BE HELD PURSUANT TO THIS ARTICLE SHALL BE HELD WITH THE VOTE BY THE OWNERS OF LAND WITHIN THE DISTRICT WHO ARE QUALIFIED ELECTORS OF THIS STATE AND OTHER LANDOWNERS ACCORDING TO SECTION 48-3043. EACH OWNER HAS THE NUMBER OF VOTES OR PORTION OF VOTES EQUAL TO THE NUMBER OF ACRES OR

PORTION OF ACRES ROUNDED UPWARD TO THE NEAREST ONE-FIFTH OF AN ACRE OWNED IN THE DISTRICT BY THAT PERSON.

48-7042. Recording documents

THE DISTRICT SHALL FILE AND RECORD WITH THE COUNTY RECORDER THE FORMATION ORDER, THE GENERAL PLAN OF THE DISTRICT, THE CANVASS OF ANY GENERAL OBLIGATION BOND ELECTION AND ANY ASSESSMENTS LEVIED BY THE DISTRICT. COPIES OF ALL SUCH INFORMATION SHALL BE PROVIDED TO THE STATE REAL ESTATE DEPARTMENT.

48-7043. District website; required content; coordination with seller disclosures

A. THE BOARD SHALL ESTABLISH AND MAINTAIN AN OFFICIAL WEBSITE THAT IS ELECTRONICALLY SEARCHABLE BY THE PUBLIC AND THAT CONTAINS A COMPREHENSIVE DATABASE OF DISTRICT CONTRACTS, PUBLIC NOTICES, MEETING MINUTES, RESOLUTIONS AND ACCOUNTS SHOWING ALL MONIES RECEIVED AND DISBURSED, THE ANNUAL BUDGET AND OTHER RECORDS REQUIRED TO BE MAINTAINED BY LAW. THE BOARD SHALL PROVIDE A LINK TO THE DATABASE ON THE DISTRICT'S MAIN WEBSITE MAINTAINED BY THE BOARD AND SHALL PROVIDE A LINK TO THAT DATABASE TO THE DEPARTMENT OF ADMINISTRATION. THE DATABASE MAY NOT INCLUDE:

1. TAX PAYMENT OR REFUND DATA THAT INCLUDES CONFIDENTIAL TAXPAYER INFORMATION.

2. WORK PRODUCT IN ANTICIPATION OF LITIGATION OR OTHER INFORMATION THAT IS SUBJECT TO ATTORNEY-CLIENT PRIVILEGE.

3. ANY OTHER INFORMATION THAT IS DESIGNATED BY LAW AS CONFIDENTIAL.

B. THE DISTRICT SHALL KEEP THE WEBSITE CURRENT AND SHALL POST, IN ADDITION TO THE INFORMATION DESCRIBED IN SUBSECTION A OF THIS SECTION, ALL OF THE FOLLOWING INFORMATION:

1. THE DISTRICT'S LEGAL NAME, COMMON NAME, IF ANY, STATUTORY AUTHORITY, FORMATION DATE AND THE BOUNDARIES OF THE DISTRICT, INCLUDING AT LEAST ONE MAP IN A DOWNLOADABLE FORMAT.

2. A COPY OF THE FORMATION ORDER AND THE GENERAL PLAN.

3. A STATEMENT THAT THE FORMATION OF THE DISTRICT WAS REVIEWED AND APPROVED BY THE AUTHORITY DESIGNATED PURSUANT TO THIS CHAPTER, AND THAT THE DISTRICT IS A SEPARATE POLITICAL SUBDIVISION FROM THE MUNICIPALITY AND THE COUNTY IN WHICH IT IS LOCATED AND THAT ANY AD VALOREM TAXES, ASSESSMENTS, FEES OR CHARGES IMPOSED BY THE DISTRICT ARE LEVIED BY THE DISTRICT AND ARE NOT TAXES, ASSESSMENTS, FEES OR CHARGES OF THE MUNICIPALITY OR THE COUNTY.

4. A PLAIN-LANGUAGE DESCRIPTION OF THE PURPOSE FOR WHICH THE DISTRICT WAS FORMED AND THE PUBLIC IMPROVEMENTS OR SERVICES THE DISTRICT IS AUTHORIZED TO FINANCE OR PROVIDE.

5. THE CURRENT YEAR'S ADOPTED BUDGET FOR THE DISTRICT AND THE TWO MOST RECENT PRIOR YEARS' ADOPTED BUDGETS.

6. A SCHEDULE OF ALL AD VALOREM TAXES, ASSESSMENTS, FEES AND CHARGES IMPOSED BY THE DISTRICT FOR THE CURRENT FISCAL YEAR.

7. A DESCRIPTION OF ALL OUTSTANDING BONDS AND OTHER LONG-TERM OBLIGATIONS OF THE DISTRICT, INCLUDING THE ORIGINAL PRINCIPAL AMOUNT, CURRENT PRINCIPAL BALANCE, IF REASONABLY AVAILABLE, MAXIMUM AUTHORIZED

PRINCIPAL, FINAL MATURITY DATE AND A GENERAL DESCRIPTION OF THE REVENUE SOURCES PLEDGED FOR REPAYMENT.

8. THE MAXIMUM AUTHORIZED TAX RATE, THE MAXIMUM AUTHORIZED AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS, THE MAXIMUM AGGREGATE ASSESSMENT AMOUNT AND THE MAXIMUM O/M TAX RATE.

9. THE NAMES, OFFICIAL TITLES AND CONTACT INFORMATION FOR THE BOARD, THE CLERK AND THE TREASURER.

10. NOTICES OF ALL REGULAR AND SPECIAL MEETINGS OF THE BOARD, AGENDAS AND MINUTES, POSTED IN A TIMELY MANNER.

11. ANY ANNUAL REPORTS, AUDITS OR FINANCIAL REVIEWS REQUIRED TO BE FILED WITH A COUNTY, THIS STATE OR ANY OTHER PUBLIC BODY AND ANY ADDITIONAL REPORTS THE DISTRICT ELECTS TO PROVIDE FOR PUBLIC TRANSPARENCY.

C. THE DISTRICT SHALL ALSO MAKE AVAILABLE ON THE WEBSITE, IN A FORM THAT CAN BE DOWNLOADED AND PROVIDED TO A PURCHASER, A STANDARDIZED "DISTRICT DISCLOSURE NOTICE" THAT INCLUDES:

1. A BRIEF DESCRIPTION OF THE DISTRICT AND ITS POWERS TO LEVY AD VALOREM TAXES, ASSESSMENTS, FEES AND CHARGES.

2. THE MOST RECENT AD VALOREM TAX RATE OR ASSESSMENT RATE IMPOSED BY THE DISTRICT AND A SAMPLE CALCULATION OF THE ESTIMATED ANNUAL AD VALOREM TAX OR ASSESSMENT ON A HYPOTHETICAL RESIDENTIAL PROPERTY VALUE SELECTED BY THE BOARD.

3. A STATEMENT THAT ACTUAL AD VALOREM TAXES, ASSESSMENTS, FEES AND CHARGES ON A PARTICULAR PROPERTY MAY DIFFER BASED ON CHANGES IN TAX RATES, ASSESSED VALUE AND DISTRICT FINANCING DECISIONS.

4. A STATEMENT DIRECTING PROSPECTIVE PURCHASERS TO THE DISTRICT WEBSITE FOR ADDITIONAL AND UPDATED INFORMATION.

D. A SELLER OF PROPERTY LOCATED IN THE DISTRICT WHO IS REQUIRED BY LAW TO PROVIDE A DISTRICT DISCLOSURE TO A PURCHASER MAY SATISFY ANY REQUIREMENT TO DESCRIBE THE DISTRICT'S PURPOSES, POWERS, TAX RATES OR INDEBTEDNESS BY:

1. PROVIDING THE PURCHASER WITH A CURRENT COPY OF THE STANDARDIZED DISTRICT DISCLOSURE NOTICE DESCRIBED IN SUBSECTION C OF THIS SECTION.

2. IDENTIFYING IN WRITING THE DISTRICT'S WEBSITE ADDRESS ON OR BEFORE THE DATE THE PURCHASER SIGNS A BINDING CONTRACT TO ACQUIRE THE PROPERTY.

E. THE FAILURE OF THE DISTRICT TO TIMELY UPDATE ALL INFORMATION ON THE WEBSITE DOES NOT RELIEVE A SELLER FROM ANY DUTY UNDER OTHER APPLICABLE DISCLOSURE LAWS, BUT A SELLER WHO, IN GOOD FAITH, RELIES ON INFORMATION POSTED BY THE DISTRICT ON ITS WEBSITE AT THE TIME OF DISCLOSURE IS NOT LIABLE FOR AN INACCURACY IN THAT INFORMATION UNLESS THE SELLER HAD ACTUAL KNOWLEDGE OF THE INACCURACY.

48-7044. Annual report; bond report

A. NOT LATER THAN ONE HUNDRED EIGHTY DAYS AFTER THE END OF EACH FISCAL YEAR, THE DISTRICT SHALL SUBMIT TO THE AUTHORITY AN ANNUAL REPORT CONTAINING:

1. THE CURRENT YEAR'S ADOPTED BUDGET FOR THE DISTRICT AND THE TWO MOST RECENT PRIOR YEARS' ADOPTED BUDGETS.

2. A SCHEDULE OF ALL AD VALOREM TAXES, ASSESSMENTS, FEES AND CHARGES IMPOSED BY THE DISTRICT FOR THE CURRENT FISCAL YEAR.

3. A DESCRIPTION OF ALL OUTSTANDING BONDS AND OTHER LONG-TERM OBLIGATIONS OF THE DISTRICT, INCLUDING THE ORIGINAL PRINCIPAL AMOUNT, CURRENT PRINCIPAL BALANCE, IF REASONABLY AVAILABLE, MAXIMUM AUTHORIZED PRINCIPAL, FINAL MATURITY DATE AND A GENERAL DESCRIPTION OF THE REVENUE SOURCES PLEDGED FOR REPAYMENT.

4. THE MAXIMUM AUTHORIZED TAX RATE, THE MAXIMUM AUTHORIZED AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS, THE MAXIMUM AGGREGATE ASSESSMENT AMOUNT AND THE MAXIMUM O/M TAX RATE.

5. THE NAMES, OFFICIAL TITLES AND CONTACT INFORMATION FOR THE BOARD, THE CLERK AND THE TREASURER.

6. A BRIEF DESCRIPTION OF THE PUBLIC INFRASTRUCTURE THE DISTRICT HAS ACQUIRED OR CONSTRUCTED.

7. THE NUMBER OF RESIDENTIAL HOUSING UNITS CONSTRUCTED WITHIN THE DISTRICT.

B. NOT LATER THAN THIRTY DAYS AFTER THE ISSUANCE OF ANY BONDS, THE DISTRICT SHALL SUBMIT TO THE AUTHORITY A BOND ISSUANCE REPORT CONTAINING:

1. THE FINAL OFFERING DOCUMENT, IF ANY, PURSUANT TO WHICH THE BONDS WERE SOLD.

2. A DEBT SERVICE SCHEDULE FOR THE BONDS.

3. A DESCRIPTION OF THE PUBLIC INFRASTRUCTURE FINANCED WITH THE PROCEEDS OF THE BONDS.

4. IF THE BONDS ARE GENERAL OBLIGATION BONDS, A PROJECTION OF THE AD VALOREM TAX RATE THAT IS REQUIRED TO SUPPORT DEBT SERVICE ON THE BONDS, WHICH PROJECTED RATE DOES NOT EXCEED THE MAXIMUM AUTHORIZED TAX RATE.

5. IF THE BONDS ARE ASSESSMENT BONDS, THE MAXIMUM AGGREGATE ASSESSMENT AND THE MAXIMUM PER-LOT ASSESSMENT LEVIED IN CONNECTION WITH THE BONDS.

6. A DESCRIPTION OF ALL OUTSTANDING BONDS AND OTHER LONG-TERM OBLIGATIONS OF THE DISTRICT, INCLUDING THE ORIGINAL PRINCIPAL AMOUNT, CURRENT PRINCIPAL BALANCE, IF REASONABLY AVAILABLE, MAXIMUM AUTHORIZED PRINCIPAL, FINAL MATURITY DATE AND A GENERAL DESCRIPTION OF THE REVENUE SOURCES PLEDGED FOR REPAYMENT.

48-7045. Seller disclosure; form of notice

A. THIS SECTION APPLIES TO THE SALE OR OTHER CONVEYANCE OF ANY RESIDENTIAL REAL PROPERTY THAT IS LOCATED WITHIN THE BOUNDARIES OF A DISTRICT FORMED UNDER THIS CHAPTER AND THAT IS AUTHORIZED TO LEVY AN AD VALOREM TAX, ASSESSMENT, FEE OR CHARGE THAT APPEARS AS A SEPARATE LINE ITEM ON THE PROPERTY TAX BILL FOR THAT PROPERTY.

B. A SELLER OF RESIDENTIAL REAL PROPERTY TO WHICH THIS SECTION APPLIES SHALL PROVIDE TO EACH PROSPECTIVE PURCHASER A WRITTEN "DISTRICT DISCLOSURE NOTICE" THAT CONTAINS, AT A MINIMUM, THE INFORMATION DESCRIBED IN SECTION 48-7043, SUBSECTION C AND THAT SUBSTANTIALLY COMPLIES WITH THE FORM PRESCRIBED BY THE DISTRICT.

C. THE SELLER SHALL DELIVER THE DISTRICT DISCLOSURE NOTICE AS FOLLOWS:

1. FOR A TRANSACTION IN WHICH THE PURCHASER SIGNS A WRITTEN OFFER, THE SELLER SHALL DELIVER THE NOTICE TO THE PURCHASER ON OR BEFORE THE DATE ON WHICH THE PURCHASER SIGNS A BINDING PURCHASE CONTRACT FOR THE PROPERTY.

2. FOR ANY OTHER TRANSACTION, THE SELLER SHALL DELIVER THE NOTICE TO THE PURCHASER BEFORE THE PURCHASER BECOMES OBLIGATED UNDER ANY BINDING AGREEMENT TO ACQUIRE THE PROPERTY.

D. A DISTRICT DISCLOSURE NOTICE SATISFIES THE SELLER'S OBLIGATION UNDER THIS SECTION IF THE NOTICE:

1. IDENTIFIES THE DISTRICT BY LEGAL NAME AND COMMON NAME, IF ANY.

2. STATES THAT THE PROPERTY IS LOCATED WITHIN THE DISTRICT AND IS SUBJECT TO THE DISTRICT'S TAXING AND ASSESSMENT AUTHORITY.

3. INCLUDES A BRIEF DESCRIPTION OF THE DISTRICT'S PURPOSES AND POWERS, INCLUDING ITS AUTHORITY TO LEVY AD VALOREM TAXES, ASSESSMENTS, FEES OR CHARGES.

4. STATES THE CURRENT AD VALOREM TAX RATE OR ASSESSMENT RATE IMPOSED BY THE DISTRICT AND PROVIDES AN EXAMPLE OF THE ESTIMATED ANNUAL TAX OR ASSESSMENT ON A HYPOTHETICAL RESIDENTIAL PROPERTY VALUE.

5. STATES THAT ACTUAL TAXES, ASSESSMENTS, FEES AND CHARGES ON THE PROPERTY MAY CHANGE OVER TIME AND MAY DIFFER FROM THE EXAMPLE PROVIDED.

6. STATES THAT THE FORMATION OF THE DISTRICT WAS REVIEWED AND APPROVED BY THE AUTHORITY DESIGNATED PURSUANT TO THIS CHAPTER AND THAT THE DISTRICT IS A SEPARATE POLITICAL SUBDIVISION FROM THE MUNICIPALITY AND THE COUNTY IN WHICH IT IS LOCATED AND THAT ANY AD VALOREM TAXES, ASSESSMENTS, FEES OR CHARGES IMPOSED BY THE DISTRICT ARE LEVIED BY THE DISTRICT AND ARE NOT TAXES, ASSESSMENTS, FEES OR CHARGES OF THE MUNICIPALITY OR THE COUNTY.

7. PROVIDES THE INTERNET WEBSITE ADDRESS FOR THE DISTRICT AND ADVISES THE PURCHASER THAT ADDITIONAL AND UPDATED INFORMATION REGARDING THE DISTRICT'S FINANCES, MEETINGS AND OPERATIONS IS AVAILABLE ON THAT WEBSITE.

E. A SELLER MAY SATISFY THE DISCLOSURE REQUIREMENTS OF THIS SECTION BY:

1. PROVIDING THE PURCHASER WITH A CURRENT COPY OF THE STANDARDIZED DISTRICT DISCLOSURE NOTICE MADE AVAILABLE BY THE DISTRICT PURSUANT TO SECTION 48-7043, SUBSECTION C.

2. IDENTIFYING THE DISTRICT'S WEBSITE ADDRESS IN THE PURCHASE CONTRACT OR IN A SEPARATE WRITTEN DISCLOSURE DELIVERED WITH THE NOTICE.

F. A SELLER WHO, IN GOOD FAITH, RELIES ON INFORMATION CONTAINED IN THE STANDARDIZED DISTRICT DISCLOSURE NOTICE PROVIDED BY THE DISTRICT OR POSTED ON THE DISTRICT'S WEBSITE AT THE TIME OF DISCLOSURE IS NOT LIABLE FOR AN INACCURACY IN THAT INFORMATION UNLESS THE SELLER HAD ACTUAL KNOWLEDGE OF THE INACCURACY.

G. A SELLER'S COMPLIANCE WITH THIS SECTION DOES NOT SATISFY OR LIMIT ANY OBLIGATION OF A SUBDIVIDER OR OTHER SELLER TO OBTAIN AND DELIVER A SUBDIVISION PUBLIC REPORT UNDER TITLE 32, CHAPTER 20, ARTICLE 4, AND DOES NOT LIMIT ANY DISCLOSURE OBLIGATIONS IMPOSED BY SECTION 33-423 OR ANY OTHER PROVISION OF LAW.

48-7046. Change in district boundaries or general plan

A. AFTER FORMATION OF A DISTRICT, AN AREA MAY BE DELETED FROM THE DISTRICT ONLY FOLLOWING A HEARING AFTER NOTICE TO THE OWNERS OF LAND IN THE DISTRICT, ADOPTION OF A RESOLUTION OF INTENTION TO DO SO BY THE BOARD AND APPROVAL BY THE OWNERS OF LAND IN THE DISTRICT PURSUANT TO SECTION

48-7041, SUBSECTION C. DELETED AREAS REMAIN SUBJECT TO THE LEVY FOR DEBT SERVICE ON ANY BONDS ISSUED BEFORE THE DATE OF DELETION.

B. AFTER FORMATION OF A DISTRICT, AN AREA MAY BE ADDED TO THE DISTRICT ON APPROVAL BY THE BOARD FOLLOWING RECEIPT OF A PETITION FOR ADDITION SIGNED BY THE FEE-TITLE OWNERS OF ALL OF THE REAL PROPERTY IN THE PROPOSED ADDITION AREA. THE PETITION MUST INCLUDE A WAIVER OF ANY REQUIREMENT FOR A SEPARATE RESOLUTION OF INTENTION BY THE BOARD AND A WAIVER OF ANY REQUIREMENT OF POSTING, PUBLICATION, MAILING, NOTICE, HEARING AND ELECTION AS TO THAT ADDITION TO THE DISTRICT.

C. FOLLOWING A HEARING ON NOTICE TO OWNERS OF LAND IN THE DISTRICT GIVEN IN THE MANNER PRESCRIBED FOR THE DELETION OF AN AREA FROM THE DISTRICT, THE BOARD MAY AMEND THE GENERAL PLAN IN ANY MANNER THAT IT DETERMINES WILL NOT SUBSTANTIALLY REDUCE THE BENEFITS TO BE RECEIVED BY ANY LAND IN THE DISTRICT FROM THE PUBLIC INFRASTRUCTURE ON COMPLETION OF THE WORK TO BE PERFORMED UNDER THE GENERAL PLAN.

48-7047. Other districts or improvements

A. THE FORMATION OF A DISTRICT UNDER THIS CHAPTER DOES NOT PREVENT THE SUBSEQUENT ESTABLISHMENT OF SIMILAR DISTRICTS OR THE IMPROVEMENT OR ASSESSMENT OF LAND IN THE DISTRICT BY THE MUNICIPALITY OR COUNTY PURSUANT TO, CHAPTER 4, ARTICLE 2 OF THIS STATE OR THE EXERCISE BY THE MUNICIPALITY OR COUNTY OF ANY OF ITS POWERS ON THE SAME BASIS AS ON ALL OTHER LAND IN ITS CORPORATE BOUNDARIES.

B. NOTWITHSTANDING SUBSECTION A OF THIS SECTION, A DISTRICT MAY NOT BE FORMED IF ANY PORTION OF THE LAND TO BE INCLUDED WITHIN THE DISTRICT IS ALREADY INCLUDED WITHIN THE BOUNDARIES OF A COMMUNITY FACILITIES DISTRICT OR REVITALIZATION DISTRICT IF THE COMMUNITY FACILITIES DISTRICT OR REVITALIZATION DISTRICT HAS DEBT OUTSTANDING THAT IS SECURED BY AD VALOREM TAXES OR ASSESSMENTS.

48-7048. Perpetual succession; dissolution of district

A. THE DISTRICT HAS PERPETUAL SUCCESSION, EXCEPT THAT THE DISTRICT MAY BE DISSOLVED AS PROVIDED IN THIS SECTION AND, IF THE DISTRICT DOES NOT HAVE ANY BONDS OR OTHER OBLIGATIONS OUTSTANDING, SHALL BE DISSOLVED TEN YEARS AFTER THE DATE OF FORMATION UNLESS THE AUTHORITY BY RESOLUTION EXTENDS THE DISTRICT BY AN ADDITIONAL PERIOD OF TEN YEARS.

B. THE BOARD SHALL ADOPT A RESOLUTION DISSOLVING THE DISTRICT IF THE FOLLOWING CONDITIONS EXIST:

1. ALL OF THE REAL AND PERSONAL PROPERTY OWNED BY THE DISTRICT HAS BEEN OR WILL BE CONVEYED TO A MUNICIPALITY OR A COUNTY.

2. EITHER THE DISTRICT HAS NO BONDS OR OBLIGATIONS OR A MUNICIPALITY HAS ASSUMED ALL OF THE OBLIGATIONS OF THE DISTRICT.

3. THE AUTHORITY APPROVES THE DISSOLUTION ORDER ON RECEIPT OF A DISSOLUTION PETITION EXECUTED BY THE FEE-TITLE OWNERS OF A MAJORITY OF THE REAL PROPERTY IN THE DISTRICT.

C. ON SATISFACTION OF THE CONDITIONS PRESCRIBED BY SUBSECTION B OF THIS SECTION, THE AUTHORITY SHALL APPROVE THE DISSOLUTION AND ISSUE A DISSOLUTION ORDER. THE BOARD SHALL CAUSE THE DISSOLUTION ORDER TO BE RECORDED IN THE OFFICE OF THE COUNTY RECORDER.

D. ALL PROPERTY IN THE DISTRICT, EXCEPT FEDERAL, STATE, COUNTY AND MUNICIPAL PROPERTY, REMAINS SUBJECT TO THE LIEN FOR THE PAYMENT OF AD

VALOREM TAXES LEVIED, AND ANY PROPERTY SUBJECT TO AN ASSESSMENT LIEN REMAINS SUBJECT TO THE LIEN NOTWITHSTANDING DISSOLUTION OF THE DISTRICT. THE DISTRICT MAY NOT BE DISSOLVED IF ANY GENERAL OBLIGATION BONDS, REVENUE BONDS OR ASSESSMENT BONDS OF THE DISTRICT REMAIN OUTSTANDING UNLESS AN AMOUNT OF MONEY SUFFICIENT, TOGETHER WITH INVESTMENT INCOME THEREON, TO MAKE ALL PAYMENTS DUE ON THE BONDS EITHER AT MATURITY OR PRIOR REDEMPTION HAS BEEN DEPOSITED WITH A TRUSTEE OR ESCROW AGENT AND PLEDGED TO THE PAYMENT AND REDEMPTION OF THE BONDS. THE DISTRICT MAY CONTINUE TO OPERATE AFTER DISSOLUTION ONLY AS NEEDED TO COLLECT MONIES AND MAKE PAYMENTS ON ANY OUTSTANDING BONDS.

Sec. 4. Short title

This act may be cited as the "State Housing Affordability District Act".

Amend title to conform

JEFF WENINGER

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corrected

Fifty-seventh Legislature
Second Regular Session

Commerce
H.B. 2999

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2999

(Reference to proposed WENINGER s/e amendment dated 2/11/2026; 1:35 pm)

Page 12, after line 47 insert:

"Sec. 2. Section 11-495, Arizona Revised Statutes, is amended to read:

11-495. Taxpayers' information fund

A. A taxpayers' information fund is established in each county treasury consisting of monies collected from the public records copy surcharge imposed pursuant to section 11-496, the tax lien processing fee imposed pursuant to section 42-18116, subsection C, fifteen dollars of each judgment deed fee collected pursuant to section 42-18205, subsection A, interest earned from the elderly assistance fund pursuant to section 42-17401, the community facilities district special assessment fee imposed pursuant to section 48-721, THE STATE HOUSING AFFORDABILITY DISTRICT SPECIAL ASSESSMENT FEE IMPOSED PURSUANT TO SECTION 48-7023 and the fees authorized for collecting municipal fire and emergency services fees in certain areas of the county as prescribed in section 9-500.23.

B. The county treasurer shall administer the fund and spend monies in the fund only to defray the cost of converting or upgrading an automated public information system as follows:

1. Purchasing computer hardware and software.

2. Training employees to operate the system.

3. Maintaining the system, including purchasing equipment maintenance agreements.

4. Updating the system hardware and software.

Adopted ✓ # of Verbals _____

Failed _____ Withdrawn _____

Not Offered ____ Analysts Initials ___

Attachment 47

5. In counties with a population of more than two million persons, notifying property owners of the tax and ownership status of a taxpayer's parcel prior to the taxpayer's parcel being sold at a deed sale and the tax and ownership status of any parcels being sold at a deed sale that are adjacent to a taxpayer's parcel, prior to the deed sale.

C. The county treasurer shall annually submit to the board of supervisors the amount of anticipated revenues under this section. If the projected revenues are considered to be insufficient to establish and maintain the fund at an adequate level, the monies may accumulate until sufficient monies are available in the fund.

Sec. 3. Section 11-496, Arizona Revised Statutes, is amended to read:

11-496. Public records copy; proceeds of sale; agent duties; surcharge; special district assessments; deposit

A. In addition to the fee prescribed by section 39-121.01, subsection D, paragraph 1 or section 39-121.03, subsection A, the county treasurer may impose a surcharge of not more than twenty-five ~~per cent~~ PERCENT of the fee charged for furnishing a copy, printout or photograph.

B. A county treasurer who is designated as a registrar pursuant to section 35-491 may impose a surcharge of not more than twenty-five ~~per cent~~ PERCENT of the average fee charged by commercial bank trust departments during the previous calendar year for discharging registrar, transfer and paying agent duties.

C. The county treasurer may impose and collect a fee for expenses directly related to the collection of special assessments for a community facilities district pursuant to section 48-721, A STATE HOUSING AFFORDABILITY DISTRICT PURSUANT TO SECTION 48-7023 and a revitalization district pursuant to section 48-6815 and for collecting municipal fire and emergency services fees from owners of record in certain areas of the county as prescribed in section 9-500.23.

D. The county treasurer shall deposit monies collected pursuant to this section in the taxpayers' information fund established by section 11-495."

Renumber to conform

Page 25, line 34, strike "INFRASTRUCTURE FINANCE" insert "STATE HOUSING AFFORDABILITY"

Page 26, line 15, strike "AN INFRASTRUCTURE FINANCE" insert "A STATE HOUSING AFFORDABILITY"

Between lines 16 and 17, insert:

"10. "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF THE AUTHORITY OR THE EXECUTIVE DIRECTOR'S DESIGNEE."

Renumber to conform

Between lines 27 and 28, insert:

"15. "MAXIMUM AUTHORIZED TAX RATE" MEANS THE MAXIMUM TAX RATE FOR AD VALOREM TAXES PLEDGED TO SECURE GENERAL OBLIGATION BONDS APPROVED AT AN ELECTION AUTHORIZING THE LEVY OF AD VALOREM TAXES AND THE ISSUANCE OF GENERAL OBLIGATION BONDS AND INDICATED IN THE PETITION, PROVIDED THAT THE MAXIMUM AUTHORIZED TAX RATE SHALL NOT EXCEED $10 PER $100 OF NET LIMITED ASSESSED PROPERTY VALUATION OF PROPERTY WITHIN THE BOUNDARIES OF THE DISTRICT."

Renumber to conform

Between lines 28 and 29, insert:

17. "NET PREMIUM" MEANS THE DIFFERENCE BETWEEN THE PAR AMOUNT OF THE GENERAL OBLIGATION BOND ISSUE AND THE GENERAL OBLIGATION BOND ISSUE PRICE THAT IS DETERMINED PURSUANT TO UNITED STATES DEPARTMENT OF THE TREASURY REGULATIONS.

Renumber to conform

Between lines 33 and 34, insert:

"19. "OWNER" MEANS THE PERSON OR ENTITY THAT, ON THE DAY THE ACTION, ELECTION OR PROCEEDING IS BEGUN OR HELD, APPEARS TO BE THE FEE-TITLE OWNER OF REAL PROPERTY AS SHOWN ON THE PROPERTY TAX ASSESSMENT ROLL."

Renumber to conform

Page 26, line 41 strike the colon insert "ALL IMPROVEMENTS LISTED IN THIS PARAGRAPH THAT WILL RESULT IN A BENEFICIAL USE PRINCIPALLY TO LAND WITHIN THE GEOGRAPHICAL LIMITS OF THE DISTRICT AND MAY INCLUDE A DISTRICT'S SHARE OF ANY IMPROVEMENTS LISTED IN THIS PARAGRAPH IF THE DISTRICT BOARD DETERMINES SUCH SHARE IS PROPORTIONATE TO THE BENEFICIAL USE OF SUCH IMPROVEMENTS TO LAND WITHIN THE GEOGRAPHICAL LIMITS OF THE DISTRICT, IMPROVEMENTS WITHIN OR OUTSIDE THE GEOGRAPHICAL LIMITS OF THE DISTRICT, NECESSARY OR INCIDENTAL WORK, INCLUDING LAND CLEARANCE AND ENVIRONMENTAL REMEDIATION ACTIVITIES, WHETHER NEWLY CONSTRUCTED, RENOVATED OR EXISTING, AND ALL NECESSARY OR DESIRABLE APPURTENANCES. FOR THE PURPOSES OF THIS PARAGRAPH, ADOPTION BY THE DISTRICT BOARD OF A RESOLUTION OF INTENT PURSUANT TO SECTION 48-7008 SHALL CONCLUSIVELY ESTABLISH THAT THE IMPROVEMENTS OR, IF APPLICABLE, SHARE OF THE IMPROVEMENTS THAT ARE THE SUBJECT OF THE RESOLUTION WILL RESULT IN A BENEFICIAL USE PRINCIPALLY TO LAND WITHIN THE GEOGRAPHICAL LIMITS OF THE DISTRICT. PUBLIC INFRASTRUCTURE IMPROVEMENTS ARE:"

Page 27, line 45, after "ISSUANCE" insert "AND COSTS OF ISSUANCE OF THE BONDS AND UNDERWRITER AND PLACEMENT AGENT FEES"

Page 28, line 13, strike "AN INFRASTRUCTURE FINANCE" insert "A STATE HOUSING AFFORDABILITY"

Line 17, after "PROPERTY" insert ", PROVIDED THAT ALL NONCONTIGUOUS PROPERTY SHALL BE LOCATED IN THE SAME COUNTY AND SHALL LIE WITHIN FIVE MILES OF THE BOUNDARY OF OTHER PROPERTY WITHIN THE DISTRICT, MEASURED IN A STRAIGHT LINE BETWEEN SUCH PARCEL BOUNDARIES. IF ANY PORTION OF A DISTRICT IS LOCATED WITHIN THE CORPORATE LIMITS OF A MUNICIPALITY, THE ENTIRE DISTRICT SHALL AT ALL TIMES BE LOCATED WITHIN THE CORPORATE LIMITS OR WITHIN THE ADOPTED PLANNING AREA OF THAT MUNICIPALITY, AS SUCH LIMITS OR PLANNING AREA MAY BE AMENDED FROM TIME TO TIME"

Strike lines 22 through 27

Renumber to conform

Between lines 42 and 43, insert:

"8. A PRELIMINARY FINANCING PLAN THAT INCLUDES THE ANTICIPATED SOURCES AND USES OF MONIES FOR THE PUBLIC INFRASTRUCTURE."

Renumber to conform

Page 28, line 43,after "9." insert "IF THE DISTRICT PROPOSES TO ISSUE ASSESSMENT BONDS,"

Line 44, strike PROJECTIONS AS TO" insert "THE PROJECTED MARKET VALUE OF THE REAL PROPERTY AND IMPROVEMENTS IN THE DISTRICT AFTER COMPLETION OF THE PUBLIC INFRASTRUCTURE PROPOSED TO BE FINANCED WITH SUCH ASSESSMENT BONDS.

10. IF THE DISTRICT PROPOSES TO ISSUE GENERAL OBLIGATION BONDS, A THIRD-PARTY MARKET STUDY THAT INCLUDES PROJECTIONS OF"

Line 45, strike "AND MARKET VALUE"

Line 46, strike "AND ASSESSMENT BONDS"

Line 47, after "OUTSTANDING" insert "TOGETHER WITH INFORMATION DEMONSTRATING THAT DEBT SERVICE ON SUCH BONDS CAN BE SUPPORTED WITHIN THE MAXIMUM AUTHORIZED TAX RATE"

Page 29, line 7, after "ANY" insert "EXISTING AND APPLICABLE"

Line 8, strike ", IF ANY,"

Line 9, strike "PROPOSED DISTRICT OR TO THE PUBLIC"

Strike line 10 insert "DISTRICT AND A CERTIFICATION THAT THE FORMATION OF THE DISTRICT WILL NOT VIOLATE ANY SUCH AGREEMENT."

Line 16, strike "ORGANIZATIONAL STRUCTURE" insert "LEGAL NAME"; strike "THAT"

Strike lines 17 and 18

Line 19, strike "THE LAND AREA" insert "HAVING FEE-TITLE OWNERSHIP OF ANY REAL PROPERTY"

Line 41,strike "AUTHORITY SHALL NOTIFY THE PETITIONER AND THE"

Line 42, after "AFTER" insert "WRITTEN"

Line 43, strike "CORRECT" insert "SUBMIT CORRECTIONS OF"; after "IF THE" insert "CORRECTIONS OF THE"; strike "CORRECTED" insert "SUBMITTED TO THE AUTHORITY"

Line 44, after "NOTICE" insert "OR DO NOT CORRECT THE DEFICIENCIES"

Between lines 44 and 45, insert:

F. FOR PURPOSES OF THIS CHAPTER, ALL CERTIFICATIONS, DETERMINATIONS, APPROVALS, FINDINGS AND ACTIONS REQUIRED TO BE MADE BY THE AUTHORITY SHALL BE MADE BY THE EXECUTIVE DIRECTOR. NOTWITHSTANDING ANY OTHER LAW, NO ACTION, APPROVAL, RESOLUTION OR VOTE OF THE BOARD OF DIRECTORS OF THE AUTHORITY IS REQUIRED FOR ANY CERTIFICATION, DETERMINATION OR ACTION TAKEN BY THE EXECUTIVE DIRECTOR PURSUANT TO THIS CHAPTER. ANY ACTION TAKEN BY THE EXECUTIVE DIRECTOR PURSUANT TO THIS CHAPTER IS DEEMED AN ACTION OF THE AUTHORITY.

G. FEES AND OTHER CHARGES THAT ARE ASSESSED BY THE AUTHORITY IN CONNECTION WITH THE SUBMISSION AND CONSIDERATION OF AN APPLICATION AND PETITION TO FORM A DISTRICT SHALL NOT EXCEED $15,000 FOR EACH PETITION. IF A PETITION IS DENIED BY THE AUTHORITY, THE AUTHORITY MAY NOT ASSESS A FEE OR OTHER CHARGE IN CONNECTION WITH THE SUBMISSION AND CONSIDERATION OF A REVISED PETITION THAT IS SUBMITTED WITHIN ONE YEAR AFTER THE DENIAL.

Page 30, strike line 3, insert:

"1. WHETHER ANY APPRAISAL OR THIRD-PARTY MARKET STUDY PROVIDED IN CONNECTION WITH THE PETITION IS COMPLETE."

Line 4, strike "ENGINEERING SUFFICIENCY" insert "WHETHER THE DESCRIPTION"; after "INFRASTRUCTURE" insert "IN THE GENERAL PLAN APPEARS COMPLETE ON ITS FACE AND DOES NOT CONTAIN OBVIOUS ERRORS, WITHOUT ANY INDEPENDENT ENGINEERING INVESTIGATION, ANALYSIS OR VERIFICATION"

Strike line 5, insert:

"3. WHETHER THE PRELIMINARY FINANCING PLAN INCLUDES THE ANTICIPATED SOURCES AND USES OF MONIES FOR THE PUBLIC INFRASTRUCTURE."

Strike line 6

Renumber to conform

Line 7, strike "PROPOSED"; after "IS" strike remainder of line

Line 8, strike "INTEREST OF THIS STATE" insert "REASONABLY EXPECTED TO HAVE THE FINANCIAL ABILITY TO DISCHARGE ITS PROPOSED INDEBTEDNESS WITHIN THE MAXIMUM AUTHORIZED TAX RATE AND MAXIMUM AGGREGATE ASSESSMENT AMOUNT, AS APPLICABLE"

Line 9, after "ANY" insert "EXISTING AND"

Page 30, line 10, strike "GENERAL PLAN OR COMPREHENSIVE PLAN OR ANY EXISTING"

Line 11, strike "RELATING"; insert "OR OTHER AGREEMENT WITH THE MUNICIPALITY OR THE COUNTY THAT RELATES"; after "TO" insert "THE"; after "LAND" insert "INCLUDED"; after "THE" insert "BOUNDARIES OF THE"; after "DISTRICT" insert "THAT WAS SUBMITTED TO THE AUTHORITY IN CONNECTION WITH THE PETITION"

Line 22, after the period strike remainder of line

Line 23, strike "FEASIBILITY FINDINGS THAT ARE REQUIRED BY THE PETITION AND,"

Line 24, strike "THOSE FINDINGS, THE AUTHORITY DETERMINED THAT" insert "THE INFORMATION SUBMITTED IN CONNECTION WITH THE PETITION, INCLUDING ANY APPRAISAL OR THIRD-PARTY MARKET STUDY,"

Line 25, after "DISCHARGE" strike "THE" insert "ITS"

Line 26, strike "ON A REASONABLE BASIS" insert "WITHIN THE MAXIMUM AUTHORIZED TAX RATE AND MAXIMUM AGGREGATE ASSESSMENT AMOUNT, AS APPLICABLE"

Line 37, strike "ARE" insert "WILL BE"

Page 31, line 15, strike "REJECT" insert "DENY"; strike "IF" insert "UPON A WRITTEN FINDING OF ONE OF THE FOLLOWING"

Line 17, strike "FEASIBILITY" insert "FINANCIAL"; after "INFORMATION" insert "SUBMITTED IN CONNECTION WITH THE PETITION, INCLUDING ANY APPRAISAL OR THIRD-PARTY MARKET STUDY,"

Line 19, strike "THE" insert "ITS"; strike "ON A REASONABLE BASIS" insert "WITHIN THE MAXIMUM AUTHORIZED TAX RATE AND MAXIMUM AGGREGATE ASSESSMENT AMOUNT, AS APPLICABLE"

Line 22, strike "CORRECT" insert "SUBMIT PROPOSED CORRECTIONS OF"

Line 27, after the period insert "SUCH ACTION WILL NOT CONSTITUTE A DENIAL OF THE PETITION AND"

Line 38, strike "FILED" insert "RECORDED"; strike "CLERK" insert "COUNTRY RECORDER OF THE COUNTY IN WHICH THE DISTRICT IS LOCATED"

Page 32, between lines 18 and 19, insert:

K. AFTER THE FORMATION ORDER IS ISSUED, THE OWNERS OF AT LEAST FIFTY PERCENT OF THE LAND IN THE DISTRICT MAY PETITION THE AUTHORITY TO AMEND THE FORMATION ORDER TO MODIFY THE POWERS OR FINANCIAL PARAMETERS OF THE DISTRICT, INCLUDING ANY MAXIMUM AUTHORIZED TAX RATE, MAXIMUM AUTHORIZED

AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS, MAXIMUM AGGREGATE ASSESSMENT AMOUNT OR MAXIMUM OPERATIONS AND MAINTENANCE TAX RATE. ANY SUCH PETITION FOR AMENDMENT SHALL:

1. DESCRIBE THE PROPOSED AMENDMENTS TO THE FORMATION ORDER AND GENERAL PLAN.

2. INCLUDE UPDATED FINANCIAL INFORMATION, INCLUDING AN UPDATED PRELIMINARY FINANCING PLAN, SUFFICIENT TO ALLOW THE AUTHORITY TO DETERMINE WHETHER THE DISTRICT IS REASONABLY EXPECTED TO HAVE THE FINANCIAL ABILITY TO DISCHARGE ITS PROPOSED INDEBTEDNESS WITHIN THE REVISED MAXIMUM AUTHORIZED TAX RATE AND MAXIMUM AGGREGATE ASSESSMENT AMOUNT, AS APPLICABLE.

3. DEMONSTRATE THAT THE PROPOSED AMENDMENTS DO NOT VIOLATE ANY APPLICABLE STATUTORY ELIGIBILITY OR BOUNDARY REQUIREMENTS OR ANY DEVELOPMENT AGREEMENT OR OTHER AGREEMENT WITH THE MUNICIPALITY OR COUNTY RELATING TO THE LAND WITHIN THE DISTRICT.

L. THE AUTHORITY SHALL REVIEW AND ACT ON A PETITION FOR AMENDMENT UNDER THE STANDARDS AND WITHIN THE TIME PERIODS PRESCRIBED IN SUBSECTIONS A THROUGH E OF THIS SECTION, AND, IF APPROVED, SHALL ISSUE AND CAUSE TO BE RECORDED AN AMENDED FORMATION ORDER REFLECTING THE APPROVED CHANGES.

M. ANY PETITION TO AMEND THE FORMATION ORDER THAT INCREASES THE MAXIMUM AUTHORIZED TAX RATE OR MAXIMUM AGGREGATE ASSESSMENT AMOUNT SHALL BE SIGNED BY ALL OWNERS OF ALL REAL PROPERTY IN THE DISTRICT.

N. THE AUTHORITY'S ISSUANCE OF A FORMATION ORDER PURSUANT TO THIS CHAPTER IS A GOVERNMENTAL DETERMINATION OF STATEWIDE FINANCIAL COMPLIANCE AND DOES NOT CONSTITUTE ZONING, PLANNING OR LAND-USE APPROVAL.

Page 32, line 25, after the period insert "SUBJECT TO SUBSECTION J OF THIS SECTION"

Line 27, after the period insert "A DIRECTOR WILL RESIGN FROM THE BOARD OF DIRECTORS IF AT ANY TIME DURING SUCH DIRECTOR'S TERM THE DIRECTOR IS NO LONGER AN OWNER OF REAL PROPERTY WITHIN THE DISTRICT OR, IF SUCH DIRECTOR WAS DESIGNATED OR APPOINTED BY AN OWNER OF REAL PROPERTY WITHIN THE DISTRICT, SUCH OWNER OF REAL PROPERTY WITHIN THE DISTRICT IS NO LONGER AN

OWNER OF REAL PROPERTY WITHIN THE DISTRICT. SUCH DIRECTOR'S VACANCY WILL BE FILLED PURSUANT TO SUBSECTION H OF THIS SECTION."

Page 33, line 10, strike "FINANCING" insert "GENERAL"

Line 28, strike the first and second "AUTHORITY" insert "REMAINING DIRECTORS"

Between lines 35 and 36, insert:

"J. IF A VACANCY OCCURS ON THE BOARD BECAUSE OF DEATH, RESIGNATION OR INABILITY OF THE DIRECTOR TO DISCHARGE THE DUTIES OF DIRECTOR, AND THERE ARE NO OWNERS OF REAL PROPERTY WITHIN THE DISTRICT OR INDIVIDUALS DESIGNATED OR APPOINTED BY AN OWNER OF REAL PROPERTY WITHIN THE DISTRICT, WHO ARE WILLING TO FILL SUCH VACANCY, THE AUTHORITY SHALL APPOINT A DIRECTOR TO FILL THE VACANCY. THE DIRECTOR APPOINTED BY THE AUTHORITY IS NOT REQUIRED TO BE A FEE-TITLE OWNER OF REAL PROPERTY WITHIN THE DISTRICT OR AN INDIVIDUAL DESIGNATED OR APPOINTED BY A FEE-TITLE OWNER OF REAL PROPERTY WITHIN THE DISTRICT. THE DIRECTOR APPOINTED BY THE AUTHORITY SHALL HOLD OFFICE FOR THE REMAINDER OF THE UNEXPIRED TERM AND UNTIL THE DIRECTOR'S SUCCESSOR IS ELECTED, UNLESS A FEE-TITLE OWNER OF REAL PROPERTY WITHIN THE DISTRICT SUBMITS A WRITTEN REQUEST TO THE AUTHORITY AND THE BOARD TO REPLACE THE DIRECTOR APPOINTED BY THE AUTHORITY. IN THAT EVENT, THE AUTHORITY SHALL, AS SOON AS PRACTICABLE, APPOINT THAT FEE-TITLE OWNER OF REAL PROPERTY WITHIN THE DISTRICT TO REPLACE THE DIRECTOR APPOINTED BY THE AUTHORITY.

K. THE BOARD SHALL COMPLY WITH TITLE 38, CHAPTER 3, ARTICLE 3.1 AS A SEPARATE POLITICAL SUBDIVISION."

Line 37, after "BE" insert "MAINTAINED BY THE CLERK AND"

Page 34, line 25, after "LOANS" insert ", ADVANCES OR OTHER OBLIGATIONS"; after "PURPOSE" insert ", INCLUDING TO PROVIDE FOR THE PRESENT FINANCING OF COSTS TO BE REIMBURSED FROM FUTURE DISTRICT REVENUES OR REIMBURSEMENTS RELATED TO PUBLIC INFRASTRUCTURE"

Line 31, after "PURPOSES" insert ", AND TO RECOGNIZE, ASSIGN, CONFIRM OR CONSENT TO THE ASSIGNMENT BY SUCH LANDOWNERS OF THEIR RIGHTS TO RECEIVE ANY REIMBURSEMENTS OR PAYMENTS FROM THE DISTRICT FOR PUBLIC INFRASTRUCTURE

COSTS, INCLUDING TO OR IN FAVOR OF LENDERS, TRUSTEES OR OTHER FINANCING PARTIES"

Page 35, line 38, strike "approval" insert "review by authority"

Page 36, strike lines 22 and 23

Renumber to conform

Between lines 26 and 27, insert:

"2. IF THE PUBLIC INFRASTRUCTURE TO BE CONSTRUCTED OR ACQUIRED IS PROPOSED TO BE FINANCED WITH THE PROCEEDS OF GENERAL OBLIGATION BONDS, AN APPRAISAL INDICATING THE PROJECTED MARKET VALUE OF THE REAL PROPERTY AND IMPROVEMENTS IN THE DISTRICT AFTER THE PUBLIC INFRASTRUCTURE TO BE CONSTRUCTED OR ACQUIRED BY THE DISTRICT WITH THE PROCEEDS OF SUCH BONDS IS COMPLETED PLUS THE VALUE OF THE PUBLIC INFRASTRUCTURE OWNED BY THE DISTRICT AND TO BE CONSTRUCTED OR ACQUIRED BY THE DISTRICT WITH THE PROCEEDS OF SUCH BONDS."

Line 27, strike "BONDS ARE" insert "PUBLIC INFRASTRUCTURE TO BE CONSTRUCTED OR ACQUIRED IS PROPOSED TO BE FINANCED WITH THE PROCEEDS OF"; after "A" insert "THIRD-PARTY MARKET STUDY THAT INCLUDES PROJECTIONS OF THE LIMITED PROPERTY VALUE OF REAL PROPERTY IN THE DISTRICT FOR EACH YEAR IN WHICH GENERAL OBLIGATION BONDS ARE PROPOSED TO BE OUTSTANDING, TOGETHER WITH A"

Line 28, after "THE" insert "GENERAL OBLIGATION"

Between lines 29 and 30, insert:

"4. IF THE PUBLIC INFRASTRUCTURE TO BE CONSTRUCTED OR ACQUIRED IS PROPOSED TO BE FINANCED WITH THE PROCEEDS OF ASSESSMENT BONDS, AN APPRAISAL INDICATING THE AGGREGATE AS-IS MARKET VALUE OF REAL PROPERTY IN THE DISTRICT AND THE PROJECTED MARKET VALUE OF THE REAL PROPERTY AND IMPROVEMENTS IN THE DISTRICT AFTER COMPLETION OF THE PUBLIC INFRASTRUCTURE PROPOSED TO BE FINANCED WITH SUCH ASSESSMENT BONDS."

Renumber to conform

Line 30, strike "BONDS ARE" insert "PUBLIC INFRASTRUCTURE TO BE CONSTRUCTED OR ACQUIRED IS PROPOSED TO BE FINANCED WITH THE PROCEEDS OF"

Line 32, after "THE" insert "ASSESSMENT"

Page 36, line 35, after "OUTSTANDING" insert "AGGREGATE"; strike "DISTRICT" insert "ALL"; after "BONDS" insert "OF THE DISTRICT"

Line 38, strike ", THE DISTRICT'S FINANCIAL ADVISOR"

Line 41, strike "VALUATION" insert "MARKET VALUE"

Strike lines 42 through 44

Renumber to conform

Line 46, strike ", OR BOTH,"; strike "THE"

Strike line 47

Line 48, strike "ANY, AND"; strike "AGREEMENTS RELATING" insert "AGREEMENT OR OTHER AGREEMENT WITH THE MUNICIPALITY OR THE COUNTY THAT RELATES"

Line 49, strike "SUBJECT"; after "LAND" insert "INCLUDED WITHIN THE BOUNDARIES OF THE DISTRICT THAT WAS SUBMITTED TO THE AUTHORITY IN CONNECTION WITH THE PETITION"

Page 37, line 9, strike "NOTIFY" insert "PROVIDE WRITTEN NOTICE TO"

Line 15, after "CHAPTER" insert ", WHICH WRITTEN NOTICE SHALL IDENTIFY ANY DEFICIENCIES"

Line 24, strike "Debt" insert "General obligation bonds debt"

Line 25, after "OF" insert "GENERAL OBLIGATION"

Line 26, strike "FULL FAITH AND CREDIT" insert "AD VALOREM TAXES"; strike "A" insert "THE"

Line 27, strike "ESTIMATED" insert "PROJECTED"

Line 29, after "INFRASTRUCTURE" strike "OF" insert "TO BE CONSTRUCTED OR ACQUIRED BY"; after "DISTRICT" insert "WITH THE PROCEEDS OF SUCH GENERAL OBLIGATION BONDS"

Line 30, strike "OR" insert "BY THE DISTRICT AND"; after "BE" insert "CONSTRUCTED OR"

Line 31, strike "THE" insert "SUCH GENERAL OBLIGATION"

Page 38, line 5, strike "TWENTY-FIVE" insert "THIRTY"

Line 10, after "DISTRICT" insert "DISTRICT, THE TERM OF WHICH MAY NOT EXCEED THIRTY YEARS"

Line 14, after the period, insert "AD VALOREM TAXES LEVIED TO PAY GENERAL OBLIGATION BONDS OF A DISTRICT ARE LIMITED TAXES SUBJECT TO THE MAXIMUM

AUTHORIZED TAX RATE APPROVED AT ELECTION AND DO NOT CONSTITUTE UNLIMITED AD VALOREM TAXES."

Page 38, line 40, after "ALL" insert "GENERAL OBLIGATION"

Line 44, after the second "THE" insert "GENERAL OBLIGATION"

Page 39, strike "TWENTY-FIVE" insert "THIRTY"

Page 40, line 23, after "DISTRICT" insert ", THE TERM OF WHICH MAY NOT EXCEED THIRTY YEARS"

Line 31, line 27, strike "TWENTY-FIVE" insert "THIRTY"

Strike lines 32 through 34

Reletter to conform

Line 49, after "MUNICIPALITY" insert ", THE COUNTY"

Page 41, line 2, after "MUNICIPALITY" insert ", THE COUNTY"

Line 6, after "DISTRICT" insert ", THE TERM OF WHICH MAY NOT EXCEED THIRTY YEARS"

Page 43, Between lines 5 and 6, insert:

"1. STATES THAT THE DISTRICT IS "STATE-CERTIFIED" TO INDICATE THAT ITS FORMATION WAS APPROVED BY THE AUTHORITY."

Renumber to conform

Strike lines 7 through 10

Renumber to conform

Between lines 13 and 14, insert:

"1. STATES THAT THE DISTRICT IS "STATE-CERTIFIED" TO INDICATE THAT ITS FORMATION WAS APPROVED BY THE AUTHORITY."

Renumber to conform

Strike lines 15 through 19

Renumber to conform

Line 22, after the second "ELECTION" insert "AND NOT A GENERAL ELECTION AND IS NOT SUBJECT TO THE REQUIREMENTS APPLICABLE TO ELECTIONS FOR GENERAL GOVERNMENTAL BODIES, INCLUDING ONE-PERSON-ONE-VOTE PRINCIPLES. AN ELECTION UNDER THIS ARTICLE SHALL BE"

Line 38, strike "TWENTY-FIVE" insert "THIRTY"

Page 44, line 10, after "DISTRICT" insert "AND THEIR DESIGNATED REPRESENTATIVES"

Page 44, line 13, after the period insert "VOTING ELIGIBILITY IS BASED ON OWNERSHIP OF REAL PROPERTY SUBJECT TO TAXATION OR ASSESSMENT BY THE DISTRICT."

Line 27, strike "AND" insert a comma

Line 28, after "NO"" insert "AND FOR AN ASSESSMENT LEVY ELECTION, "ASSESSMENT, YES" AND "ASSESSMENT, NO""

Line 37, after the period insert "ANY CHALLENGE TO THE CONDUCT OR OUTCOME OF AN ELECTION HELD PURSUANT TO THIS CHAPTER MUST BE COMMENCED WITHIN THIRTY DAYS AFTER THE CANVASS OF THE ELECTION AND SHALL BE LIMITED TO WHETHER THE DISTRICT COMPLIED WITH THE PROCEDURAL REQUIREMENTS OF THIS CHAPTER."

Page 45, between lines 2 and 3, insert:

"H. NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, IF THE DISTRICT RECEIVES A CONSENT TO WAIVER SIGNED BY OWNERS OF ALL OF THE LAND IN THE DISTRICT, THE DISTRICT MAY WAIVE ANY OR ALL REQUIREMENTS OF POSTING, PUBLICATION, MAILING, NOTICE, HEARING AND LANDOWNER ELECTION OTHERWISE REQUIRED IN CONNECTION WITH ASSESSMENTS OR ASSESSMENT BONDS. ON RECEIPT OF SUCH CONSENT TO WAIVER, THE DISTRICT MAY LEVY THE ASSESSMENT AND ISSUE THE ASSESSMENT BONDS WITHOUT BEING REQUIRED TO COMPLY WITH THE PROVISIONS OF THIS ARTICLE FOR POSTING, PUBLICATION, MAILING, NOTICE, HEARING OR LANDOWNER ELECTION."

Line 14, after "SHOWING" insert " , ON AN AGGREGATE AND SUMMARY BASIS,"

Page 49, line 5, strike "FEE-TITLE"

Line 9, after the period, insert "THE ADDITION OF PROPERTY TO A DISTRICT PURSUANT TO THIS SECTION DOES NOT CONSTITUTE THE FORMATION OF A NEW DISTRICT AND DOES NOT REQUIRE COMPLIANCE WITH THE PROCEDURES APPLICABLE TO INITIAL DISTRICT FORMATION OR TO AMENDING THE FORMATION ORDER PURSUANT TO SECTION 48-7041, SUBSECTION K."

Between lines 15 and 16, insert:

"D. THE AUTHORITY SHALL APPROVE THE ADDITION OR DELETION OF PROPERTY UPON DETERMINING THAT THE REQUIREMENTS OF THIS SECTION HAVE BEEN SATISFIED AND WILL AMEND THE FORMATION ORDER ACCORDINGLY."

Page 49, line 39, strike "EITHER" insert "THE AUTHORITY VERIFIES THAT"; strike "OR A"

Strike line 40, insert "OUTSTANDING."

Line 42, strike "FEE-TITLE"

Page 50, between lines 10 and 11, insert:

"Sec. 5. Legislative findings; purpose

A. The legislature finds and declares that:

1. The provision of public infrastructure in advance of development is essential to housing affordability, economic development and orderly growth.

2. State housing affordability districts provide a uniform, statewide mechanism for financing public infrastructure in a manner that:

(a) Protects taxpayers through limited tax rates and debt limitations.

(b) Ensures transparency and public accountability.

(c) Facilitates early delivery of public infrastructure at lower cost.

3. The Arizona finance authority is the appropriate statewide certification authority to ensure uniform financial, engineering, and statutory compliance for such districts.

4. The certification and oversight functions provided in this chapter constitute governmental functions serving valid public purposes.

B. The legislature further finds and declares that:

1. State housing affordability districts exercise limited, special-purpose governmental powers relating solely to the financing, construction, operation and maintenance of public infrastructure.

2. The financial obligations of a district, including ad valorem taxes, assessments, and liens, are borne directly and proportionally by real property within the district.

3. Because the powers and financial burdens of a district disproportionately affect real property owners, it is reasonable and

constitutionally permissible to allocate voting power in district elections based on land ownership and acreage.

4. Elections conducted pursuant to this chapter are fiscal determinations relating to property-based obligations and are not general political elections."

Renumber 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 2999

DATE February 17, 2026 MOTION: DPA S/E

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar		✓			
Blackman	✓	✓			
Carter N		✓			
Cavero					✓
Connolly				✓	
Diaz		✓			
Hendrix		✓			
Villegas			✓		
Wilmeth		✓			
Way, Vice-Chairman		✓			
Weninger, Chairman		✓			
		8	1	1	1

Dana Babcock
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 48

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff

HB4001: alternative nicotine products; regulation.
Sponsor: Representative Weninger, LD 13
Committee on Commerce

Overview

Establishes licensure requirements for alternative nicotine products.

History

The U.S. Food and Drug Administration (FDA) is responsible for protecting public health by ensuring the safety, efficacy and security of human drugs, biological products, medical devices and food supply. Additionally, the FDA maintains specific authority to oversee the distribution, sale and consumption of tobacco and nicotine products (21 U.S.C. § 387a).

The Federal Food, Drug, and Cosmetic Act, under the FDA, establishes a national minimum age of 21 years old for the purchase of any tobacco product (21 U.S.C. § 387f). Statute clarifies that a *tobacco product* refers to any product made or derived from tobacco, or containing nicotine from any source, that is intended for human consumption, including any component, part or accessory of tobacco product (21 U.S.C. § 321).

The FDA also establishes Good Manufacturing Practice (GMP) requirements to ensure the design, manufacture, packing and storage of tobacco and nicotine products meet quality and safety standards to protect public health (21 U.S.C. § 387f).

The Prevent All Cigarette Trafficking (PACT) act mandates that any person shipping tobacco or nicotine products into Arizona for profit must register their business with the U.S. Attorney General and the Arizona Department of Revenue and submit monthly invoices of the products delivered (15 U.S.C. § 376).

The Department of Liquor Licenses and Control (DLLC) governs the sale and distribution of spirituous liquor and regulated goods within Arizona. The DLLC maintains the authority to grant or deny licenses, hear appeals and establish necessary regulations for industry conduct. The Director (Director) of the DLLC is responsible for adopting administrative rules, ensuring licensee compliance, overseeing a specialized investigations unit and initiating regulatory actions to ensure public safety and the integrity of the marketplace. Additionally, the Director is required to: 1) partner with the Department of Public Safety (DPS) and local law enforcement to prevent underage alcohol consumption by individuals under 21 years old; and 2) establish a separate investigations unit responsible for investigating licensees alleged to have sold or distributed spirituous liquor in any form to individuals under 21 years old (A.R.S. § 4-112).

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

Attachment 49

Statute specifies that knowingly selling or furnishing tobacco or vapor products to an individual under 21 years old is classified as a petty offense. Additionally, any person under the age of 21 years old who purchases or possesses these products is also guilty of a petty offense. *Tobacco product* applies to cigars; cigarettes or cigarette papers; and smoking and chewing tobacco. *Vapor product* applies to noncombustible, tobacco-derived products using a heating element or battery to heat a liquid nicotine solution (A.R.S. § 13-3622).

Provisions

Director Responsibilities

1. Requires the Director to partner with DPS and local law enforcement to enforce laws against the sale or possession of alternative nicotine products by persons under the age of 21. (Sec. 3)
2. Adds that DLLC's investigations unit must investigate licensees alleged to have sold or distributed alternative nicotine products to persons under the age of 21. (Sec. 3)
3. Authorizes the Director to:
   a. remove contaminated alternative nicotine products from the marketplace;
   b. accept and expend private grants for conducting education programs on the repercussions of the sale or possession of alternative nicotine products by persons under the age of 21; and
   c. visit during occupied hours and inspect the premises of an alternative nicotine products licensee. (Sec. 3, 4)

Alternative Nicotine Products Licensure

4. Prohibits an individual from selling alternative nicotine products in Arizona without a license. (Sec. 7)
5. Requires a person desiring a license to sell alternative nicotine products in Arizona to apply to DLLC and outlines the information an applicant must provide. (Sec. 7)
6. Allows the Director to determine the fee for an alternative nicotine product retail license. (Sec.7)
7. Specifies the license is valid for one year and authorizes the sale of alternative nicotine products only at the location provided on the license. (Sec.7)
8. Declares a license to sell alternative nicotine products is not transferrable and is prohibited from being leased or subleased. (Sec. 7)
9. Requires the licensee to report any change in business ownership of the licensee within 30 days of the ownership change. (Sec. 7)

Manufacture Alternative Nicotine Products Licensure

10. Prohibits an individual from manufacturing alternative nicotine products in Arizona without a license. (Sec. 7)
11. Requires a person desiring a license to manufacture alternative nicotine products in Arizona to apply to DLLC and outlines the information an applicant must provide. (Sec. 7)
12. Allows the Director to determine the fee for an alternative nicotine product manufacturing license. (Sec. 7)
13. Specifies the license is valid for one year. (Sec. 7)

14. Requires the licensee to pay DLLC an annual fee, as determined by the Director, for each stock keeping unit of each alternative nicotine product to be manufactured in Arizona. (Sec. 7)

15. Declares a license to manufacture alternative nicotine products is not transferrable and is prohibited from being leased or subleased. (Sec. 7)

16. Requires the licensee to report any change in ownership of the business of the licensee within 30 days of the ownership change. (Sec. 7)

Alternative Nicotine Products Violations

17. Prohibits a licensee or their employee from selling alternative nicotine products to a person under the age of 21. (Sec. 7)

18. Instructs the Director, upon notification of an alleged violation, to provide notice of the alleged violation to the licensee. (Sec. 7)

19. Prescribes the penalties for a licensee who, after a hearing, is found to have committed a violation. (Sec. 7)

20. Stipulates, for licensees ordered to attend an alternative nicotine products retailer educational course, the persons who must attend the course. (Sec. 7)

Alternative Nicotine Products Requirements

21. Requires all alternative nicotine products manufactured and sold in Arizona to:
    a. have received a written marketing order from the FDA; or
    b. be processed and packaged within a U.S. based FDA registered facility or a certified good manufacturing practices facility. (Sec. 7)

22. Requires all consumable material of an alternative nicotine product sold in Arizona to be entirely manufactured and assembled in the U.S. by January 1, 2028. (Sec. 7)

Alternative Nicotine Products Marketing

23. Prohibits a licensee from marketing, advertising or selling alternative nicotine products in containers that:
    a. depicts cartoon character that mimics a character primarily aimed at entertaining;
    b. mimics a trademark or includes a symbol aimed at minors;
    c. includes the image or name of a celebrity; or
    d. is meant to disguise the appearance of the alternative nicotine product. (Sec. 7)

Sale and Identification Requirements

24. Requires the licensee questioning whether an individual purchasing, attempting to purchase or procuring an alternative nicotine product is under the age of 21 to:
    a. demand and review the validity of the identification and confirm the photograph and date of birth of the individual; and
    b. scan the identification using an electronic scanning device. (Sec. 7)

25. Outlines the written instruments that constitute the only acceptable forms of identification. (Sec. 7)

Miscellaneous

26. Defines *alternative nicotine product* as any noncombustible product that contains nicotine and that is intended for human consumption, whether chewed, absorbed, dissolved, ingested or consumed by any other means. (Sec. 2)

27. Excludes, as an *alternative nicotine product,* tobacco products or any product regulated as a drug or device by the FDA. (Sec. 2)

28. Makes technical and conforming changes. (Sec. 1-6)

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 4001
(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 title heading of title 4, Arizona Revised Statutes, is changed from "ALCOHOLIC BEVERAGES" to "ALCOHOLIC BEVERAGES AND ALTERNATIVE NICOTINE PRODUCTS".

Sec. 2. Section 4-101, Arizona Revised Statutes, is amended to read:

4-101. Definitions

In this title, unless the context otherwise requires:

1. "Act of violence":

(a) Means an incident that consists of a riot, a fight, an altercation or tumultuous conduct and that meets at least one of the following criteria:

(i) Bodily injuries are sustained by any person and the injuries would be obvious to a reasonable person.

(ii) Is of sufficient intensity as to require the intervention of a peace officer to restore normal order.

(iii) A weapon is brandished, displayed or used.

(iv) A licensee or an employee or contractor of the licensee fails to follow a clear and direct lawful order from a law enforcement officer or a fire marshal.

(b) Does not include the use of nonlethal devices by a peace officer.

2. "Aggrieved party" means a person who resides at, owns or leases property within a one-mile radius of premises proposed to be licensed and who filed a written request with the department to speak in favor of or opposition to the issuance of the license not

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

Attachment 50

later than sixty days after filing the application or fifteen days after action by the local governing body, whichever is sooner.

3. "ALTERNATIVE NICOTINE PRODUCT":

(a) MEANS ANY NONCOMBUSTIBLE PRODUCT THAT CONTAINS NICOTINE AND THAT IS INTENDED FOR HUMAN CONSUMPTION, WHETHER CHEWED, ABSORBED, DISSOLVED, INGESTED [, INHALED] OR CONSUMED BY ANY OTHER MEANS.

(b) DOES NOT INCLUDE TOBACCO PRODUCTS OR ANY PRODUCT REGULATED AS A DRUG OR DEVICE BY THE UNITED STATES FOOD AND DRUG ADMINISTRATION UNDER CHAPTER V OF THE FEDERAL FOOD, DRUG, AND COSMETIC ACT.

~~3.~~ 4. "Beer":

(a) Means any beverage obtained by the alcoholic fermentation, infusion or decoction of barley malt, hops, rice, bran or other grain, glucose, sugar or molasses, or any combination of them, and may include, as adjuncts in fermentation, honey, fruit, fruit juice, fruit concentrate, herbs, spices and other food materials.

(b) Includes beer aged in an empty wooden barrel previously used to contain wine or distilled spirits and as such is not considered a dilution or mixture of any other spirituous liquor.

~~4.~~ 5. "Biometric identity verification device" means a device authorized by the department that instantly verifies the identity and age of a person by an electronic scan of a biometric of the person, through a fingerprint, iris image, facial image or other biometric characteristic, or any combination of these characteristics, that references the person's identity and age against any record described in section 4-241, subsection K, and that meets all of the following conditions:

(a) The authenticity of the record was previously verified by an electronic authentication process.

(b) The identity of and information about the record holder was previously verified through either:

(i) A secondary, electronic authentication process or set of processes using commercially available data, such as a public records query or a knowledge-based authentication quiz.

(ii) Using a state or federal government system of records for digital authentication.

(c) The authenticated record was securely linked to biometrics contemporaneously collected from the verified record holder and is stored in a centralized, highly secured, encrypted biometric database.

~~5.~~ 6. "Board" means the state liquor board.

~~6.~~ 7. "Bona fide guest" means:

(a) An individual who is personally familiar to the member, who is personally sponsored by the member and whose presence as a guest is in response to a specific and personal invitation.

(b) In the case of a club that meets the criteria prescribed in paragraph ~~8~~ 9, subdivision (a) of this section, a current member of the armed services of the United States who presents proper military identification and any member of a recognized veterans' organization of the United States and of any country allied with the United States during current or past wars or through treaty arrangements.

~~7.~~ 8. "Broken package" means any container of spirituous liquor on which the United States tax seal has been broken or removed or from which the cap, cork or seal placed on the container by the manufacturer has been removed.

~~8.~~ 9. "Club" includes any of the following organizations where the sale of spirituous liquor for consumption on the premises is made only to members, spouses of members, families of members, bona fide guests of members and guests at other events authorized in this title:

(a) A post, chapter, camp or other local unit composed solely of veterans and its duly recognized auxiliary that has been chartered by the Congress of the United States for patriotic, fraternal or benevolent purposes and that has, as the owner, lessee or occupant, operated an establishment for that purpose in this state.

(b) A chapter, aerie, parlor, lodge or other local unit of an American national fraternal organization that has, as the owner, lessee or occupant, operated an establishment for fraternal purposes in this state. An American national fraternal organization as used in this subdivision shall actively operate in at least thirty-six states or have been in active continuous existence for at least twenty years.

(c) A hall or building association of a local unit mentioned in subdivisions (a) and (b) of this paragraph of which all of the capital stock is owned by the local unit or the members and that operates the clubroom facilities of the local unit.

(d) A golf club that has more than fifty bona fide members and that owns, maintains or operates a bona fide golf links together with a clubhouse.

(e) A social club that has more than one hundred bona fide members who are actual residents of the county in which it is located, that owns, maintains or operates club quarters, that is authorized and incorporated to operate as a nonprofit club under the laws of this state, and that has been continuously incorporated and operating for a period of at least one year. The club shall have had, during this one-year period, a bona fide membership with regular meetings conducted at least once each month, and the membership shall be and shall have been actively engaged in carrying out the objects of the club. The club's membership shall consist of bona fide dues-paying members paying dues of at least $6 per year,

payable monthly, quarterly or annually, which have been recorded by the secretary of the club, and the members at the time of application for a club license shall be in good standing having for at least one full year paid dues. At least fifty-one percent of the members shall have signified their intention to secure a social club license by personally signing a petition, on a form prescribed by the board, which shall also include the correct mailing address of each signer. The petition shall not have been signed by a member at a date earlier than one hundred eighty days before the filing of the application. The club shall qualify for exemption from the payment of state income taxes under title 43. It is the intent of this subdivision that a license shall not be granted to a club that is, or has been, primarily formed or activated to obtain a license to sell liquor, but solely to a bona fide club, where the sale of liquor is incidental to the main purposes of the club.

(f) An airline club operated by or for airlines that are certificated by the United States government and that maintain or operate club quarters located at airports with international status.

~~9.~~ 10. "Company" or "association", when used in reference to a corporation, includes successors or assigns.

~~10.~~ 11. "Control" means the power to direct or cause the direction of the management and policies of an applicant or licensee, whether through the ownership of voting securities or a partnership interest, by agreement or otherwise. Control is presumed to exist if a person has the direct or indirect ownership of or power to vote ten percent or more of the outstanding voting securities of the applicant or licensee or to control in any manner the election of one or more of the directors of the applicant or licensee. In the case of a partnership, control is presumed to mean the general partner or a limited partner who holds ten percent or more of the voting rights of the partnership. For the purposes of determining the percentage of voting securities owned, controlled or held by a person, there shall be aggregated with the voting securities attributed to the person the voting securities of an officer, partner, employee or agent of the person or a spouse, parent or child of the person. Control is also presumed to exist if a creditor of the applicant or licensee holds a beneficial interest in ten percent or more of the liabilities of the licensee. The presumptions in this paragraph regarding control are rebuttable.

~~11.~~ 12. "Controlling person" means a person directly or indirectly possessing control of an applicant or licensee.

~~12.~~ 13. "Craft distiller" means a distiller in the United States or in a territory or possession of the United States that holds a license pursuant to section 4-205.10.

~~13.~~ 14. "Craft producer" means a licensed farm winery, a licensed microbrewery or a licensed craft distiller.

~~14.~~ 15. "Department" means the department of liquor licenses and control.

~~15.~~ 16. "Director" means the director of the department of liquor licenses and control.

~~16.~~ 17. "Distilled spirits" includes alcohol, brandy, whiskey, rum, tequila, mescal, gin, absinthe, a compound or mixture of any of them or of any of them with any vegetable or other substance, alcohol bitters, bitters containing alcohol, fruits preserved in ardent spirits, and any alcoholic mixture or preparation, whether patented or otherwise, that may in sufficient quantities produce intoxication.

~~17.~~ 18. "Employee" means any person who performs any service on licensed premises on a full-time, part-time or contract basis with consent of the licensee, whether or not the person is denominated an employee or independent contractor or otherwise. Employee does not include a person who is exclusively on the premises for musical or vocal performances, for repair or maintenance of the premises or for the delivery of goods to the licensee.

~~18.~~ 19. "Farm winery" means a winery in the United States or in a territory or possession of the United States that holds a license pursuant to section 4-205.04.

~~19.~~ 20. "Government license" means a license to serve and sell spirituous liquor on specified premises available only to a state agency, state board, state commission, county, city, town, community college or state university or the national guard or Arizona coliseum and exposition center on application by the governing body of the state agency, state board, state commission, county, city, town, community college or state university or the national guard or Arizona exposition and state fair board.

~~20.~~ 21. "Legal drinking age" means twenty-one years of age or older.

~~21.~~ 22. "License" means a license or an interim retail permit issued pursuant to this title.

~~22.~~ 23. "Licensee" means a person who has been issued a license or an interim retail permit pursuant to this title or a special event licensee.

~~23.~~ 24. "License fees" means fees collected for license issuance, license application, license renewal, interim permit issuance and license transfer between persons or locations.

~~24.~~ 25. "Manager" means a natural person who meets the standards required of licensees and who has authority to organize, direct, carry on, control or otherwise operate a licensed business on a temporary or full-time basis.

~~25.~~ 26. "Menu food item" means a food item from a regular menu, special menu or happy hour menu that is prepared by the licensee or the licensee's employee.

~~26.~~ 27. "Microbrewery" means a brewery in the United States or in a territory or possession of the United States that meets the requirements of section 4-205.08.

~~27.~~ 28. "Mixed cocktail":

(a) Means any drink combined at the premises of an authorized licensee that contains a spirituous liquor and that is combined with at least one other ingredient, which may include additional spirituous liquors, fruit juice, vegetable juice, mixers, cream, flavored syrup or other ingredients except water, and that when combined contains more than one-half of one percent of alcohol by volume.

(b) Does not include a drink sold in an original manufacturer's packaging or any drink poured from an original manufacturer's package without the addition of all of the cocktail's other ingredients at the premises of the licensed bar, liquor store or restaurant.

[29. "NICOTINE":

(a) MEANS THE CHEMICAL SUBSTANCE NAMED 3-(1-METHYL-2-PYRROLIDINYL) PYRIDINE OR C(10)H(14)N(2).

(b) INCLUDES ANY SALT OR COMPLEX OF NICOTINE DERIVED FROM ANY SOURCE.]

~~28.~~ [~~29.~~] [30.] "Off-sale retailer" means any person that operates a bona fide regularly established retail liquor store that sells spirituous liquors, wines and beer and any established retail store that sells commodities other than spirituous liquors and that is engaged in the sale of spirituous liquors only in the original unbroken package, to be taken away from the premises of the retailer and to be consumed off the premises.

~~29.~~ [~~30.~~] [31.] "On-sale retailer" means any person operating an establishment where spirituous liquors are sold in the original container for consumption on or off the premises or in individual portions for consumption on the premises.

~~30.~~ [31.] [32.] "Permanent occupancy" means the maximum occupancy of the building or facility as set by the office of the state fire marshal for the jurisdiction in which the building or facility is located.

~~31.~~ [~~32.~~] [33.] "Person" includes a partnership, limited liability company, association, company or corporation, as well as a natural person.

~~32.~~ [~~33.~~] [34.] "Premises" or "licensed premises":

(a) Means the area from which the licensee is authorized to sell, dispense or serve spirituous liquors under the provision of the license.

(b) Includes a patio that is not contiguous to the remainder of the premises or licensed premises if the patio is separated from the remainder of the premises or licensed premises by a public or private walkway or driveway not to exceed thirty feet, subject to

rules the director may adopt to establish criteria for noncontiguous premises.

~~33.~~ [~~34.~~] [35.] "Registered alcohol delivery contractor":

(a) Means a person who delivers spirituous liquor to a consumer on behalf of a bar, beer and wine bar, liquor store, beer and wine store or restaurant.

(b) Does not include:

(i) A motor carrier as defined in section 28-5201.

(ii) An independent contractor, a subcontractor of an independent contractor, an employee of an independent contractor or an employee of a subcontractor as provided in section 4-203, subsection J.

~~34.~~ [~~35.~~] [36.] "Registered mail" includes certified mail.

~~35.~~ [~~36.~~] [37.] "Registered retail agent" means any person who is authorized pursuant to section 4-222 to purchase spirituous liquors for and on behalf of the person and other retail licensees.

~~36.~~ [~~37.~~] [38.] "Repeated acts of violence" means:

(a) For licensed premises with a permanent occupancy of two hundred or fewer persons, two or more acts of violence occurring within seven days or three or more acts of violence occurring within thirty days.

(b) For licensed premises with a permanent occupancy of more than two hundred but not more than four hundred persons, four or more acts of violence within thirty days.

(c) For licensed premises with a permanent occupancy of more than four hundred but not more than six hundred fifty persons, five or more acts of violence within thirty days.

(d) For licensed premises with a permanent occupancy of more than six hundred fifty but not more than one thousand fifty persons, six or more acts of violence within thirty days.

(e) For licensed premises with a permanent occupancy of more than one thousand fifty persons, seven or more acts of violence within thirty days.

~~37.~~ [~~38.~~] [39.] "Sell" includes soliciting or receiving an order for, keeping or exposing for sale, directly or indirectly delivering for value, peddling, keeping with intent to sell and trafficking in.

~~38.~~ [~~39.~~] [40.] "Spirituous liquor" includes alcohol, brandy, whiskey, rum, tequila, mescal, gin, wine, porter, ale, beer, any malt liquor or malt beverage, absinthe, a compound or mixture of any of them or of any of them with any vegetable or other substance, alcohol bitters, bitters containing alcohol, any liquid mixture or preparation, whether patented or otherwise, that produces intoxication, fruits preserved in ardent spirits, and beverages containing more than one-half of one percent of alcohol by volume.

~~39.~~ [~~40.~~] [41.] "Tamperproof sealed" means designed to prevent consumption without the removal of a tamperproof cap, seal,

cork or closure that has a device, mechanism or adhesive that clearly shows whether a container has been opened.

~~40.~~ [~~41.~~] [42.] "Vehicle" means any means of transportation by land, water or air, and includes everything made use of in any way for such transportation.

~~41.~~ [~~42.~~] [43.] "Vending machine" means a machine that dispenses merchandise through the means of coin, token, credit card or other nonpersonal means of accepting payment for merchandise received.

~~42.~~ [~~43.~~] [44.] "Veteran" means a person who has served in the United States air force, army, navy, marine corps or coast guard, as an active nurse in the services of the American red cross, in the army and navy nurse corps in time of war, or in any expedition of the armed forces of the United States, and who has received a discharge other than dishonorable.

~~43.~~ [~~44.~~] [45.] "Voting security" means any security presently entitling the owner or holder of the security to vote for the election of directors of an applicant or a licensee.

~~44.~~ [~~45.~~] [46.] "Wine" means the product obtained by the fermentation of grapes, other agricultural products containing natural or added sugar or cider or any such alcoholic beverage fortified with grape brandy and containing not more than twenty-four percent of alcohol by volume.

Sec. 3. Section 4-112, Arizona Revised Statutes, is amended to read:

4-112. Powers and duties of board and director of department of liquor licenses and control; investigations; county and municipal regulation; definition

A. The board shall:

1. Grant and deny applications in accordance with ~~the provisions of~~ this title.

2. Adopt rules in order to carry out ~~the provisions of~~ this section.

3. Hear appeals and hold hearings as provided in this section.

B. Except as provided in subsection A of this section, the director shall administer ~~the provisions of~~ this title~~, including~~ AND SHALL DO THE FOLLOWING:

1. ~~Adopting~~ ADOPT rules:

(a) ~~For carrying~~ TO CARRY out ~~the provisions of~~ this title.

(b) ~~For the proper~~ TO PROPERLY conduct ~~of~~ the business to be carried on under each specific type of spirituous liquor license.

(c) To enable and assist state officials and political subdivisions to collect taxes levied or imposed in connection with spirituous liquors.

(d) ~~For the issuance~~ TO ISSUE and ~~revocation of~~ REVOKE certificates of registration of retail agents, including provisions governing the shipping, storage and delivery of spirituous liquors by registered retail agents, the keeping of records and the filing of reports by registered retail agents.

(e) To establish requirements for licensees under section 4-209, subsection B, paragraph 12.

2. Subject to title 41, chapter 4, article 4, ~~employing~~ EMPLOY necessary personnel and ~~fixing~~ FIX their compensation pursuant to section 38-611.

3. ~~Keeping~~ KEEP an index record that is a public record open to public inspection and that contains the name and address of each licensee and the name and address of any person having an interest, either legal or equitable, in each license as shown by any written document that is placed on file in the office of the board.

4. ~~Providing~~ PROVIDE the board with supplies and personnel as directed by the board.

5. ~~Responding~~ RESPOND in writing to any law enforcement agency that submits an investigative report to the department relating to a violation of this title, setting forth what action, if any, the department has taken or intends to take on the report and, if the report lacks sufficient information or is otherwise defective for use by the department, what the agency must do to remedy the report.

6. ~~Taking~~ TAKE steps that are necessary to maintain effective liaison with the department of public safety and all local law enforcement agencies ~~in the enforcement of~~ TO ENFORCE this title, including the laws of this state against the consumption of spirituous liquor by persons under the legal drinking age OR THE SALE OR POSSESSION OF ALTERNATIVE NICOTINE PRODUCTS BY PERSONS UNDER TWENTY-ONE YEARS OF AGE.

7. ~~Providing~~ PROVIDE training to law enforcement agencies in ~~the proper investigation~~ PROPER INVESTIGATION and reporting ~~of~~ violations of this title.

C. The director shall establish within the department a separate investigations unit ~~that has as its~~ WHOSE sole responsibility ~~the investigation of~~ IS INVESTIGATING compliance with this title, including ~~the investigation of~~ INVESTIGATING licensees alleged to have sold or distributed spirituous liquor in any form to persons under the legal drinking age OR HAVE SOLD OR DISTRIBUTED ALTERNATIVE NICOTINE PRODUCTS TO A PERSON WHO IS UNDER TWENTY-ONE YEARS OF AGE. Investigations conducted by this unit may include covert undercover investigations.

D. All employees of the department of liquor licenses and control, except members of the state liquor board and the director of the department, shall be employed by the department in the manner prescribed by the department of administration.

E. The director may enter into a contract or agreement with any public agency for any joint or cooperative action as provided for by title 11, chapter 7, article 3.

F. The board or the director may take evidence, administer oaths or affirmations, issue subpoenas requiring attendance and testimony of witnesses, cause depositions to be taken and require by subpoena duces tecum the production of books, papers and other documents that are necessary ~~for the enforcement of~~ TO ENFORCE this title. Proceedings held during the course of a confidential investigation are exempt from title 38, chapter 3, article 3.1. If a person refuses to obey a subpoena or fails to answer questions ~~as~~ provided by this subsection, the board or the director may apply to the superior court in the manner provided in section 12-2212. The board or director may serve subpoenas by personal service or certified mail, return receipt requested.

G. The director may:

1. Examine books, records and papers of a licensee.

2. Require applicants, licensees, employees who serve, sell or furnish spirituous liquors to retail customers, managers and managing agents to take training courses approved by the director in spirituous liquor handling and spirituous liquor laws and rules. The director shall adopt rules that set standards for approving training courses. The director may suspend or revoke the previous approval of trainers who do not adhere to course administration requirements prescribed by the department or who do not meet course standards. If the director suspends or revokes the previous approval of a trainer pursuant to this paragraph, the trainer may appeal to the board pursuant to section 4-210.02 as if the suspension or revocation was a sanction against a licensee. ~~After January 1, 2019,~~ The rules for on-sale retailer basic training and on-sale retailer management training shall include security procedures for security personnel assigned to monitor admission of patrons, interaction with patrons, calls to law enforcement and strategies for use of force and for the use of de-escalation techniques. If the retailer uses a registered security guard, the retailer shall attempt to verify the validity and status of the security guard's registration certificate. The department's licensed investigators may participate and receive compensation as lecturers at approved training courses within this state's jurisdiction that are conducted by other entities but shall not participate in in-house training programs for licensees.

3. Delegate to employees of the department authority to exercise powers of the director in order to administer the department.

4. Regulate signs that advertise a spirituous liquor product at licensed retail premises.

5. Cause to be removed from the marketplace spirituous liquor OR ALTERNATIVE NICOTINE PRODUCTS that may be contaminated.

6. Regulate the age and conduct of erotic entertainers at licensed premises. The age limitation governing these erotic entertainers may be different from other employees of the licensee.

7. Issue and enforce cease and desist orders against any person or entity that sells beer, wine, ~~or~~ spirituous liquor without an appropriate license or permit.

8. Confiscate wines carrying a label including a reference to Arizona or any Arizona city, town or place unless at least seventy-five percent by volume of the grapes used in making the wine were grown in this state.

9. Accept and expend private grants of monies, gifts and devises for conducting educational programs for parents and students on the repercussions of underage alcohol consumption OR THE SALE OR POSSESSION OF ALTERNATIVE NICOTINE PRODUCTS BY A PERSON WHO IS UNDER TWENTY-ONE YEARS OF AGE. State general fund monies shall not be expended for the purposes of this paragraph. If the director does not receive sufficient monies from private sources to carry out the purposes of this paragraph, the director shall not provide the educational programs prescribed in this paragraph. Grant monies received pursuant to this paragraph are nonlapsing and do not revert to the state general fund at the close of the fiscal year.

10. Procure fingerprint scanning equipment and provide fingerprint services to license applicants and licensees. The department may charge a fee for providing these services.

11. Accept electronic signatures on all department and licensee forms and documents and applications. The director may adopt requirements that would require facsimile signatures to be followed by original signatures within a specified time period.

12. ~~For use after January 1, 2019,~~ Adopt a form that is required to be used by all on-sale retailers that hire or designate employees to serve as security personnel. All security personnel job applicants and employees for on-sale retailers shall complete the form, which shall be notarized, before assignment to a security role. The form shall require the applicant or other person to disclose whether in the previous five years the person has been a registered sex offender or pled guilty TO, pled no contest TO or been convicted of any offense that constitutes assault, homicide, domestic violence, sexual misconduct, misconduct involving a deadly weapon or a drug violation that constitutes the illegal sale, manufacturing, cultivation or transportation for sale of marijuana, a dangerous drug or a narcotic drug. A licensee may not hire or assign to a role as security personnel any person who fails to complete the form or ~~if the~~ WHOSE form discloses one of the listed offenses within the previous five years. The licensee shall maintain on file affidavits of all security personnel hired or

designated by the licensee. The form may not be required for a peace officer who is certified by the Arizona peace officer standards and training board or other security personnel who hold a current security guard registration certificate or armed security guard registration certificate issued pursuant to title 32, chapter 26.

H. A county or municipality may enact and enforce ordinances regulating the age and conduct of erotic entertainers at licensed premises in a manner at least as restrictive as rules adopted by the director.

I. For the purposes of this section, "security personnel":

1. Includes individuals whose primary assigned responsibilities include the security and safety of employees and patrons of an on-sale retailer premises. ~~Security personnel~~

2. Does not include a person whose primary responsibilities include checking the identification cards of patrons to determine compliance with age requirements.

Sec. 4. Section 4-118, Arizona Revised Statutes, is amended to read:

4-118. Inspection of premises

The director, the director's agents and any peace officer ~~may~~, in enforcing ~~the provisions of~~ this title, MAY visit during the hours in which the premises are occupied and inspect the premises of a licensee OR AN ALTERNATIVE NICOTINE PRODUCTS LICENSEE.

Sec. 5. Section 4-205.02, Arizona Revised Statutes, is amended to read:

4-205.02. Restaurant license; issuance; regulatory provisions; expiration; off-sale leases and permits; fee; definitions

A. The director may issue a restaurant license to any restaurant in this state that is regularly open for serving food to guests for compensation and that has suitable kitchen facilities connected with the restaurant for keeping, cooking and preparing foods required for ordinary meals.

B. The director shall issue the license in the name of the restaurant on application for the license by the owner or lessee of the restaurant, if the applicant is otherwise qualified to hold a spirituous liquor license. The holder of such a license is subject to the penalties prescribed for any violation of the law relating to alcoholic beverages.

C. The holder of a restaurant license may sell and serve spirituous liquors solely for consumption on the licensed premises. For the purpose of this subsection, "licensed premises" may include rooms, areas or locations in which the restaurant normally sells or serves spirituous liquors pursuant to regular operating procedures and practices and that are contiguous to the restaurant or a noncontiguous patio pursuant to section 4-101, paragraph ~~32~~ 33. For

the purposes of this subsection, a restaurant licensee must submit proof of tenancy or permission from the landowner or lessor for all property to be included in the licensed premises.

D. In addition to other grounds prescribed in this title on which a license may be revoked, the director may require the holder of a restaurant license issued pursuant to this section to surrender the license in any case in which the licensee ceases to operate as a restaurant, as prescribed in subsection A of this section. The surrender of a license pursuant to this subsection does not prevent the director from revoking the license for other grounds prescribed in this title or for making deliberate material misrepresentations to the department regarding the licensee's equipment, service or entertainment items or seating capacity in applying for the restaurant license.

E. Neither the director nor the board may initially issue a restaurant license if either finds that there is sufficient evidence that the operation will not satisfy the criteria adopted by the director for issuing a restaurant license described in section 4-209, subsection B, paragraph 12. The director shall issue a restaurant license only if the applicant has submitted a plan for the operation of the restaurant. The plan shall be completed on forms provided by the department and shall include listings of all restaurant equipment and service items, the restaurant seating capacity and other information requested by the department to substantiate that the restaurant will operate in compliance with this section.

F. The holder of the license described in section 4-209, subsection B, paragraph 12 who intends to alter the seating capacity or dimensions of a restaurant facility shall notify the department in advance on forms provided by the department.

G. The director may charge a fee for site inspections conducted before the issuance of a restaurant license.

H. A restaurant applicant or licensee may apply for a permit allowing for the sale of beer for consumption off the licensed premises pursuant to section 4-244, paragraph 32, subdivision (c) on a form prescribed and furnished by the director. The department shall not issue a permit to a restaurant applicant or licensee that does not meet the requirements in section 4-207, subsection A. Section 4-207, subsection B does not apply to this subsection. The permit shall be issued only after the director has determined that the public convenience requires and that the best interest of the community will be substantially served by the issuance of the permit, considering the same criteria adopted by the director for issuing a restaurant license described in section 4-209, subsection B, paragraph 12. The amount of beer sold under the permit shall not exceed ten percent of gross revenue of spirituous liquor sold by the establishment. After the permit has been issued, the permit shall

be noted on the license itself and in the records of the department. The director may charge a fee for processing the application for the permit and a renewal fee.

I. Notwithstanding any rule adopted by the department, business establishments that relied on a form issued by the department that provides for a small restaurant exemption for fifty or fewer seats before January 31, 2019 are allowed to continue to maintain the capacity of fifty or fewer seats for the duration of the business. The rights of a business establishment subject to this section are not transferable.

J. Notwithstanding section 4-203, subsection E, section 4-207 and section 4-210, subsection A, paragraph 6, through December 31, 2025, a restaurant applicant or licensee may apply to the department for a lease for the privilege of selling mixed cocktails for consumption off the licensed premises pursuant to ~~section 4-203.06 and~~ section 4-244, paragraph 32, subdivision (d).

K. Notwithstanding section 4-207, beginning January 1, 2026, a restaurant applicant or licensee may apply for a permit to allow the sale of mixed cocktails for consumption off the licensed premises pursuant to section 4-203.07 and section 4-244, paragraph 32, subdivision (d), on a form prescribed and furnished by the director. The sale of mixed cocktails for consumption off the licensed premises must be accompanied by the sale of menu food items for consumption on or off the licensed premises. The department shall issue the permit only after the director has determined that the public convenience requires and that the best interest of the community will be substantially served by issuing the permit. All permit holders and their employees, managers and agents must complete alcohol training pursuant to section 4-112, subsection G, paragraph 2. After the department issues the permit, the permit shall be noted on the license itself and in the records of the department. The director may establish and charge a fee for processing the permit application and a renewal fee.

L. A restaurant licensee shall cease selling spirituous liquor, including mixed cocktails, for off-premises consumption when the licensee ceases regular kitchen service for food.

M. For the purposes of this section:

1. "Gross revenue":

(a) Means the revenue derived from all sales of food and spirituous liquor on the licensed premises, regardless of whether the sales of spirituous liquor are made under a restaurant license issued pursuant to this section or under any other license that has been issued for the premises pursuant to this article.

(b) Includes revenue derived from spirituous liquor sold for off-sale consumption.

2. "Restaurant" means an establishment that derives at least forty percent of its gross revenue from the sale of food, including sales of food for consumption off the licensed premises if the amount of these sales included in the calculation of gross revenue from the sale of food does not exceed fifteen percent of all gross revenue of the restaurant.

Sec. 6. Section 4-244, Arizona Revised Statutes, is amended to read:

4-244. Unlawful acts; definition

It is unlawful:

1. For a person to buy for resale, sell or deal in spirituous liquors in this state without first having procured a license duly issued by the board, except that the director may issue a temporary permit of any series pursuant to section 4-205.05 to a trustee in bankruptcy to acquire and dispose of the spirituous liquor of a debtor.

2. For a person to sell or deal in alcohol for beverage purposes without first complying with this title.

3. For a distiller, vintner, brewer or wholesaler knowingly to sell, dispose of or give spirituous liquor to any person other than a licensee except in sampling wares as may be necessary in the ordinary course of business, except in donating spirituous liquor to a nonprofit organization that has obtained a special event license for the purpose of charitable fundraising activities or except in donating spirituous liquor with a cost to the distiller, brewer or wholesaler of up to $500 in a calendar year to an organization that is exempt from federal income taxes under section 501(c) (3), (4), (6) or (7) of the internal revenue code and not licensed under this title.

4. For a distiller, vintner or brewer to require a wholesaler to offer or grant a discount to a retailer, unless the discount has also been offered and granted to the wholesaler by the distiller, vintner or brewer.

5. For a distiller, vintner or brewer to use a vehicle for trucking or transporting spirituous liquors unless there is affixed to both sides of the vehicle a sign showing the name and address of the licensee and the type and number of the person's license in letters not less than three and one-half inches in height.

6. For a person to take or solicit orders for spirituous liquors unless the person is a salesman or solicitor of a licensed wholesaler, a salesman or solicitor of a distiller, brewer, vintner, importer or broker or a registered retail agent.

7. For any retail licensee to purchase spirituous liquors from any person other than a solicitor or salesman of a wholesaler licensed in this state.

8. For a retailer to acquire an interest in property owned, occupied or used by a wholesaler in the wholesaler's business, or in a license with respect to the premises of the wholesaler.

9. Except as provided in paragraphs 10 and 11 of this section, for a licensee or other person to sell, furnish, dispose of or give, or cause to be sold, furnished, disposed of or given, to a person under the legal drinking age or for a person under the legal drinking age to buy, receive, have in the person's possession or consume spirituous liquor. This paragraph does not prohibit the employment by an off-sale retailer of persons who are at least sixteen years of age to check out, if supervised by a person on the premises who is at least eighteen years of age, package or carry merchandise, including spirituous liquor, in unbroken packages, for the convenience of the customer of the employer, if the employer sells primarily merchandise other than spirituous liquor.

10. For a licensee to employ a person under eighteen years of age to manufacture, sell or dispose of spirituous liquors. This paragraph does not prohibit the employment by an off-sale retailer of persons who are at least sixteen years of age to check out, if supervised by a person on the premises who is at least eighteen years of age, package or carry merchandise, including spirituous liquor, in unbroken packages, for the convenience of the customer of the employer, if the employer sells primarily merchandise other than spirituous liquor.

11. For an on-sale retailer to employ a person under eighteen years of age in any capacity connected with the handling of spirituous liquors. This paragraph does not prohibit the employment by an on-sale retailer of a person under eighteen years of age who cleans up the tables on the premises for reuse, removes dirty dishes, keeps a ready supply of needed items and helps clean up the premises.

12. For a licensee, when engaged in waiting on or serving customers, to consume spirituous liquor or for a licensee or on-duty employee to be on or about the licensed premises while in an intoxicated or disorderly condition.

13. For an employee of a retail licensee, during that employee's working hours or in connection with such employment, to give to or purchase for any other person, accept a gift of, purchase for the employee or consume spirituous liquor, except that:

(a) An employee of a licensee, during that employee's working hours or in connection with the employment, while the employee is not engaged in waiting on or serving customers, may give spirituous liquor to or purchase spirituous liquor for any other person.

(b) An employee of an on-sale retail licensee, during that employee's working hours or in connection with the employment, while the employee is not engaged in waiting on or serving customers, may taste samples of beer or wine of not more than four ounces per day

or distilled spirits of not more than two ounces per day provided by an employee of a wholesaler or distributor who is present at the time of the sampling.

(c) An employee of an on-sale retail licensee, under the supervision of a manager as part of the employee's training and education, while not engaged in waiting on or serving customers may taste samples of distilled spirits of not more than two ounces per educational session or beer or wine of not more than four ounces per educational session, and provided that a licensee does not have more than two educational sessions in any thirty-day period.

(d) An unpaid volunteer who is a bona fide member of a club and who is not engaged in waiting on or serving spirituous liquor to customers may purchase for himself and consume spirituous liquor while participating in a scheduled event at the club. An unpaid participant in a food competition may purchase for himself and consume spirituous liquor while participating in the food competition.

(e) An unpaid volunteer of a special event licensee under section 4-203.02 may purchase and consume spirituous liquor while not engaged in waiting on or serving spirituous liquor to customers at the special event. This subdivision does not apply to an unpaid volunteer whose responsibilities include verification of a person's legal drinking age, security or the operation of any vehicle or heavy machinery.

(f) A representative of a producer or wholesaler participating at a special event under section 4-203.02 may consume small amounts of the products of the producer or wholesaler on the premises of the special event for the purpose of quality control.

14. For a licensee or other person to serve, sell or furnish spirituous liquor to a disorderly or obviously intoxicated person, or for a licensee or employee of the licensee to allow a disorderly or obviously intoxicated person to come into or remain on or about the premises, except that a licensee or an employee of the licensee may allow an obviously intoxicated person to remain on the premises for not more than thirty minutes after the state of obvious intoxication is known or should be known to the licensee for a nonintoxicated person to transport the obviously intoxicated person from the premises. For the purposes of this section, "obviously intoxicated" means inebriated to the extent that a person's physical faculties are substantially impaired and the impairment is shown by significantly uncoordinated physical action or significant physical dysfunction that would have been obvious to a reasonable person.

15. For an on-sale or off-sale retailer or an employee of such retailer or an alcohol delivery contractor to sell, dispose of, deliver or give spirituous liquor to a person between the hours of 2:00 a.m. and 6:00 a.m., except that:

(a) A retailer with off-sale privileges may receive and process orders, accept payment or package, load or otherwise prepare spirituous liquor for delivery at any time, if the actual deliveries to customers are made between the hours of 6:00 a.m. and 2:00 a.m., at which time section 4-241, subsections A and K apply.

(b) The governor, in consultation with the governor's office of highway safety and the public safety community in this state, may issue an executive order that extends the closing time until 3:00 a.m. for spirituous liquor sales in connection with a professional or collegiate national sporting championship event held in this state.

16. For a licensee or employee to knowingly allow any person on or about the licensed premises to give or furnish any spirituous liquor to any person under twenty-one years of age or knowingly allow any person under twenty-one years of age to have in the person's possession spirituous liquor on the licensed premises.

17. For an on-sale retailer or an employee of such retailer to allow a person to consume or possess spirituous liquors on the premises between the hours of 2:30 a.m. and 6:00 a.m., except that if the governor extends the closing time for a day for spirituous liquor sales pursuant to paragraph 15 of this section it is unlawful for an on-sale retailer or an employee of such retailer on that day to allow a person to consume or possess spirituous liquor on the premises between the hours of 3:30 a.m. and 6:00 a.m.

18. For an on-sale retailer to allow an employee or for an employee to solicit or encourage others, directly or indirectly, to buy the employee drinks or anything of value in the licensed premises during the employee's working hours. An on-sale retailer shall not serve employees or allow a patron of the establishment to give spirituous liquor to, purchase liquor for or drink liquor with any employee during the employee's working hours.

19. For an off-sale retailer or employee to sell spirituous liquor except in the original unbroken container, to allow spirituous liquor to be consumed on the premises or to knowingly allow spirituous liquor to be consumed on adjacent property under the licensee's exclusive control.

20. For a person to consume spirituous liquor in a public place, thoroughfare or gathering. The license of a licensee allowing a violation of this paragraph on the premises shall be subject to revocation. This paragraph does not apply to the sale of spirituous liquors on the premises of and by an on-sale retailer. This paragraph also does not apply to a person consuming beer or wine from a broken package in a public recreation area or on private property with permission of the owner or lessor or on the walkways surrounding such private property or to a person consuming beer or wine from a broken package in a public recreation area as part of a

special event or festival that is conducted under a license secured pursuant to section 4-203.02 or 4-203.03.

21. For a person to possess or to transport spirituous liquor that is manufactured in a distillery, winery, brewery or rectifying plant contrary to the laws of the United States and this state. Any property used in transporting such spirituous liquor shall be forfeited to ~~the~~ THIS state and shall be seized and disposed of as provided in section 4-221.

22. For an on-sale retailer or employee to allow a person under the legal drinking age to remain in an area on the licensed premises during those hours in which its primary use is the sale, dispensing or consumption of alcoholic beverages after the licensee, or the licensee's employees, know or should have known that the person is under the legal drinking age. An on-sale retailer may designate an area of the licensed premises as an area in which spirituous liquor will not be sold or consumed ~~for the purpose of allowing~~ TO ALLOW underage persons on the premises if the designated area is separated by a physical barrier and at no time will underage persons have access to the area in which spirituous liquor is sold or consumed. A licensee or an employee of a licensee may require a person who intends to enter a licensed premises or a portion of a licensed premises where persons under the legal drinking age are prohibited under this section to exhibit an instrument of identification that is acceptable under section 4-241 as a condition of entry or may use a biometric identity verification device to determine the person's age as a condition of entry. The director, or a municipality, may adopt rules to regulate the presence of underage persons on licensed premises provided the rules adopted by a municipality are more stringent than those adopted by the director. The rules adopted by the municipality shall be adopted by local ordinance and shall not interfere with the licensee's ability to comply with this paragraph. This paragraph does not apply:

(a) If the person under the legal drinking age is accompanied by a spouse, parent, grandparent or legal guardian of legal drinking age or is an on-duty employee of the licensee.

(b) If the owner, lessee or occupant of the premises is a club as defined in section 4-101, paragraph ~~8~~ 9, subdivision (a) and the person under the legal drinking age is any of the following:

(i) An active duty military service member.

(ii) A veteran.

(iii) A member of the United States army national guard or the United States air national guard.

(iv) A member of the United States military reserve forces.

(c) To the area of the premises used primarily for serving food during the hours when food is served.

23. For an on-sale retailer or employee to conduct drinking contests, to sell or deliver to a person an unlimited number of

spirituous liquor beverages during any set period of time for a fixed price, to deliver more than fifty ounces of beer, one liter of wine or four ounces of distilled spirits in any spirituous liquor drink to one person at one time for that person's consumption or to advertise any practice prohibited by this paragraph. This paragraph does not prohibit an on-sale retailer or employee from selling and delivering an opened, original container of distilled spirits if:

(a) Service or pouring of the spirituous liquor is provided by an employee of the on-sale retailer. A licensee shall not be charged for a violation of this paragraph if a customer, without the knowledge of the retailer, removes or tampers with a locking device on a bottle delivered to the customer for bottle service and the customer pours the customer's own drink from the bottle, if when the licensee becomes aware of the removal or tampering of the locking device the licensee immediately installs a functioning locking device on the bottle or removes the bottle and lock from bottle service.

(b) The employee of the on-sale retailer monitors consumption to ensure compliance with this paragraph. Locking devices may be used, but are not required.

24. For a licensee or employee to knowingly allow the unlawful possession, use, sale or offer for sale of narcotics, dangerous drugs or marijuana on the premises. For the purposes of this paragraph, "dangerous drug" has the same meaning prescribed in section 13-3401.

25. For a licensee or employee to knowingly allow prostitution or the solicitation of prostitution on the premises.

26. For a licensee or employee to knowingly allow unlawful gambling on the premises.

27. For a licensee or employee to knowingly allow trafficking or attempted trafficking in stolen property on the premises.

28. For a licensee or employee to fail or refuse to make the premises or records available for inspection and examination as provided in this title or to comply with a lawful subpoena issued under this title.

29. For any person other than a peace officer while on duty or off duty or a member of a sheriff's volunteer posse while on duty who has received firearms training that is approved by the Arizona peace officer standards and training board, a retired peace officer as defined in section 38-1113 or an honorably retired law enforcement officer who has been issued a certificate of firearms proficiency pursuant to section 13-3112, subsection T, the licensee or an employee of the licensee acting with the permission of the licensee to be in possession of a firearm while on the licensed premises of an on-sale retailer. This paragraph does not include a situation in which a person is on licensed premises for a limited time in order to seek emergency aid and such person does not buy,

receive, consume or possess spirituous liquor. This paragraph does not apply to:

(a) Hotel or motel guest room accommodations.

(b) Exhibiting or displaying a firearm in conjunction with a meeting, show, class or similar event.

(c) A person with a permit issued pursuant to section 13-3112 who carries a concealed handgun on the licensed premises of any on-sale retailer that has not posted a notice pursuant to section 4-229.

30. For a licensee or employee to knowingly allow a person in possession of a firearm other than a peace officer while on duty or off duty or a member of a sheriff's volunteer posse while on duty who has received firearms training that is approved by the Arizona peace officer standards and training board, a retired peace officer as defined in section 38-1113 or an honorably retired law enforcement officer who has been issued a certificate of firearms proficiency pursuant to section 13-3112, subsection T, the licensee or an employee of the licensee acting with the permission of the licensee to remain on the licensed premises or to serve, sell or furnish spirituous liquor to a person in possession of a firearm while on the licensed premises of an on-sale retailer. It is a defense to action under this paragraph if the licensee or employee requested assistance of a peace officer to remove such person. This paragraph does not apply to:

(a) Hotel or motel guest room accommodations.

(b) Exhibiting or displaying a firearm in conjunction with a meeting, show, class or similar event.

(c) A person with a permit issued pursuant to section 13-3112 who carries a concealed handgun on the licensed premises of any on-sale retailer that has not posted a notice pursuant to section 4-229.

31. For any person in possession of a firearm while on the licensed premises of an on-sale retailer to consume spirituous liquor. This paragraph does not prohibit the consumption of small amounts of spirituous liquor by an undercover peace officer on assignment to investigate the licensed establishment.

32. For a licensee or employee to knowingly allow spirituous liquor to be removed from the licensed premises, except in the original unbroken package. This paragraph does not apply to any of the following:

(a) A person who removes a bottle of wine that has been partially consumed in conjunction with a purchased meal from licensed premises if a cork is inserted flush with the top of the bottle or the bottle is otherwise securely closed.

(b) A person who is in licensed premises that have noncontiguous portions that are separated by a public or private walkway or driveway and who takes spirituous liquor from one portion

of the licensed premises across the public or private walkway or driveway directly to the other portion of the licensed premises.

(c) A licensee of a bar, beer and wine bar, liquor store, beer and wine store, microbrewery or restaurant that has a permit pursuant to section 4-205.02, subsection H that dispenses beer only in a clean container composed of a material approved by a national sanitation organization with a maximum capacity that does not exceed one gallon and not for consumption on the premises if:

(i) The licensee or the licensee's employee fills the container at the tap at the time of sale.

(ii) The container is sealed and displays a government warning label.

(d) A bar or liquor store licensee that prepares a mixed cocktail or a restaurant licensee that ~~leases the privilege to sell mixed cocktails for consumption off the licensed premises pursuant to section 4-203.06 or~~ holds a permit pursuant to section 4-203.07 and section 4-205.02, subsection K and that prepares a mixed cocktail and transfers it to a clean container composed of a material approved by a national sanitation organization with a maximum capacity that does not exceed thirty-two ounces and not for consumption on the premises if all of the following apply:

(i) The licensee or licensee's employee fills the container with the mixed cocktail on the licensed premises of the bar, liquor store or restaurant.

(ii) The container is tamperproof sealed by the licensee or the licensee's employee and displays a government warning label.

(iii) The container clearly displays the bar's, liquor store's or restaurant's logo or name.

(iv) For a restaurant licensee licensed pursuant to section 4-205.02, the sale of mixed cocktails for consumption off the licensed premises is accompanied by the sale of menu food items for consumption on or off the licensed premises.

33. For a person who is obviously intoxicated to buy or attempt to buy spirituous liquor from a licensee or employee of a licensee or to consume spirituous liquor on licensed premises.

34. For a person who is under twenty-one years of age to drive or be in physical control of a motor vehicle while there is any spirituous liquor in the person's body.

35. For a person who is under twenty-one years of age to operate or be in physical control of a motorized watercraft that is underway while there is any spirituous liquor in the person's body. For the purposes of this paragraph, "underway" has the same meaning prescribed in section 5-301.

36. For a licensee, manager, employee or controlling person to purposely induce a voter, by means of alcohol, to vote or abstain from voting for or against a particular candidate or issue on an election day.

37. For a licensee to fail to report an occurrence of an act of violence to either the department or a law enforcement agency.

38. For a licensee to use a vending machine ~~for the purpose of dispensing~~ TO DISPENSE spirituous liquor.

39. For a licensee to offer for sale a wine carrying a label including a reference to Arizona or any Arizona city, town or geographic location unless at least seventy-five percent by volume of the grapes used in making the wine were grown in Arizona.

40. For a retailer to knowingly allow a customer to bring spirituous liquor onto the licensed premises, except that an on-sale retailer may allow a wine and food club to bring wine onto the premises for consumption by the club's members and guests of the club's members in conjunction with meals purchased at a meeting of the club that is conducted on the premises and that at least seven members attend. An on-sale retailer that allows wine and food clubs to bring wine onto its premises under this paragraph shall comply with all applicable provisions of this title and any rules adopted pursuant to this title to the same extent as if the on-sale retailer had sold the wine to the members of the club and their guests. For the purposes of this paragraph, "wine and food club" means an association that has more than twenty bona fide members paying at least $6 per year in dues and that has been in existence for at least one year.

41. For a person who is under twenty-one years of age to have in the person's body any spirituous liquor. In a prosecution for a violation of this paragraph:

(a) Pursuant to section 4-249, it is a defense that the spirituous liquor was consumed in connection with the bona fide practice of a religious belief or as an integral part of a religious exercise and in a manner not dangerous to public health or safety.

(b) Pursuant to section 4-226, it is a defense that the spirituous liquor was consumed for a bona fide medicinal purpose and in a manner not dangerous to public health or safety.

42. For an employee of a licensee to accept any gratuity, compensation, remuneration or consideration of any kind to either:

(a) Allow a person who is under twenty-one years of age to enter any portion of the premises where that person is prohibited from entering pursuant to paragraph 22 of this section.

(b) Sell, furnish, dispose of or give spirituous liquor to a person who is under twenty-one years of age.

43. For a person to purchase, offer for sale or use any device, machine or process that mixes spirituous liquor with pure oxygen or another gas to produce a vaporized product for the purpose of consumption by inhalation or to allow patrons to use any item for the consumption of vaporized spirituous liquor.

44. For a retail licensee or an employee of a retail licensee to sell spirituous liquor to a person if the retail licensee or employee knows the person intends to resell the spirituous liquor.

45. Except as authorized by paragraph 32, subdivision (c) of this section, for a person to reuse a bottle or other container authorized for use by the laws of the United States or any agency of the United States for the packaging of distilled spirits or for a person to increase the original contents or a portion of the original contents remaining in a liquor bottle or other authorized container by adding any substance.

46. For a direct shipment licensee, a farm winery licensee or an employee of those licensees to sell, dispose of, deliver or give spirituous liquor to an individual purchaser between the hours of 2:00 a.m. and 6:00 a.m., except that a direct shipment licensee or a farm winery licensee may receive and process orders, accept payment, package, load or otherwise prepare wine for delivery at any time without complying with section 4-241, subsections A and K, if the actual deliveries to individual purchasers are made between the hours of 6:00 a.m. and 2:00 a.m. and in accordance with section 4-203.04 for direct shipment licensees and section 4-205.04 for farm winery licensees.

47. For a supplier to coerce or attempt to coerce a wholesaler to accept delivery of beer or any other commodity that has not been ordered by the wholesaler or for which the order was canceled. A supplier may impose reasonable inventory requirements on a wholesaler if the requirements are made in good faith and are generally applied to other similarly situated wholesalers that have an agreement with the supplier.

Sec. 7. Title 4, Arizona Revised Statutes, is amended by adding chapter 4, to read:

CHAPTER 4

ALTERNATIVE NICOTINE PRODUCTS

ARTICLE 1. LICENSURE AND SALE OF ALTERNATIVE NICOTINE PRODUCTS

4-401. Sale of alternative nicotine products; license required; application requirements; fee; violation; classification

A. A PERSON MAY NOT SELL ALTERNATIVE NICOTINE PRODUCTS IN THIS STATE WITHOUT A LICENSE ISSUED PURSUANT TO THIS SECTION. A PERSON DESIRING A LICENSE TO SELL ALTERNATIVE NICOTINE PRODUCTS IN THIS STATE SHALL APPLY TO THE DIRECTOR ON A FORM FURNISHED BY THE DIRECTOR. THE APPLICANT SHALL PROVIDE ALL OF THE FOLLOWING:

1. THE ADDRESS OF THE RETAIL LOCATION FOR THE SALE OF THE ALTERNATIVE NICOTINE PRODUCTS.

2. THE APPLICANT'S TRANSACTION PRIVILEGE TAX NUMBER.

3. PROOF OF THE APPLICANT'S COMPLIANCE WITH A PROGRAM THAT TRAINS AND EDUCATES ALTERNATIVE NICOTINE PRODUCT RETAILERS ON FEDERAL AND STATE ALTERNATIVE NICOTINE PRODUCTS LAWS.

4. PROOF THAT THE APPLICANT HAS A METHOD FOR SCANNING OR ANOTHER METHOD OF CHECKING IDENTIFICATIONS FOR AGE VERIFICATION FOR THE SALE OF ALTERNATIVE NICOTINE PRODUCTS THAT COMPLIES WITH SECTION [~~4-406~~] [4-405].

B. THE DIRECTOR MAY DETERMINE THE FEE FOR A LICENSE ISSUED PURSUANT TO THIS SECTION. A LICENSE ISSUED PURSUANT TO THIS SECTION IS VALID FOR ONE YEAR.

C. A LICENSE ISSUED PURSUANT TO THIS SECTION AUTHORIZES THE LICENSEE TO SELL ALTERNATIVE NICOTINE PRODUCTS ONLY AT THE LOCATION PROVIDED ON THE LICENSE.

D. A LICENSE TO SELL ALTERNATIVE NICOTINE PRODUCTS IS NOT TRANSFERABLE. THE LICENSEE SHALL REPORT ANY CHANGE IN OWNERSHIP OF THE BUSINESS OF THE LICENSEE, DIRECTLY OR INDIRECTLY, AS DEFINED BY RULE, TO THE DIRECTOR WITHIN THIRTY DAYS AFTER THE CHANGE IN OWNERSHIP.

E. A LICENSE TO SELL ALTERNATIVE NICOTINE PRODUCTS MAY NOT BE LEASED OR SUBLEASED.

[F. A PERSON THAT IS LICENSED BY THE DEPARTMENT TO SELL SPIRITUOUS LIQUOR AND WHO IS SELLING ALTERNATIVE NICOTINE PRODUCTS AS OF THE EFFECTIVE DATE OF THIS SECTION IS EXEMPT FROM THE LICENSING FEE REQUIREMENT PRESCRIBED IN SUBSECTION B OF THIS SECTION.

G. A PERSON THAT SELLS ALTERNATIVE NICOTINE PRODUCTS WITHOUT A LICENSE AS REQUIRED BY THIS SECTION IS GUILTY OF A CLASS 5 FELONY AND:

1. SHALL PAY A FINE OF AT LEAST $10,000.

2. IS PROHIBITED FROM SELLING, GIVING OR FURNISHING ALTERNATIVE NICOTINE PRODUCTS FOR A PERIOD OF ONE YEAR.

3. IS SUBJECT TO ANY OTHER PUNISHMENT DEEMED APPROPRIATE BY THE DIRECTOR.]

4-402. Manufacture of alternative nicotine products; license required; application requirements; fee; violation; classification

A. A PERSON MAY NOT MANUFACTURE ALTERNATIVE NICOTINE PRODUCTS [THAT ARE FOR SALE] IN THIS STATE WITHOUT A LICENSE ISSUED PURSUANT TO THIS SECTION. A PERSON DESIRING A LICENSE TO MANUFACTURE ALTERNATIVE NICOTINE PRODUCTS [THAT ARE FOR SALE] IN THIS STATE SHALL APPLY TO THE DIRECTOR ON A FORM FURNISHED BY THE DIRECTOR. THE APPLICANT SHALL PROVIDE ALL OF THE FOLLOWING:

1. THE APPLICANT'S MANUFACTURING BUSINESS ADDRESS, TELEPHONE NUMBER, EMAIL ADDRESS AND IF THE APPLICANT IS AN ENTITY, THE NAME OF THE SENIOR OFFICER.

2. PROOF OF MANUFACTURING LIABILITY INSURANCE COVERAGE.

3. PROOF OF THE APPLICANT'S COMPLIANCE WITH THE PREVENT ALL CIGARETTE TRAFFICKING ACT OF 2009 (P.L. 111-154; 124 STAT. 1087; 15 UNITED STATES CODE SECTION 376a).

4. THE APPLICANT'S PRODUCT CATALOG OF ALTERNATIVE NICOTINE PRODUCTS THAT THE APPLICANT INTENDS TO MANUFACTURE [AND THAT WILL BE FOR SALE] IN THIS STATE. THE PRODUCT CATALOG SHALL INCLUDE ALL OF THE FOLLOWING:

(a) THE ALTERNATIVE PRODUCT NAME, CATEGORY, NICOTINE STRENGTH AND FLAVORS.

(b) A COPY OR IMAGE OF THE NICOTINE PRODUCT'S PACKAGING AND WARNING LABEL.

(c) A TOXICOLOGY REPORT FOR THE NICOTINE PRODUCT, IF REQUESTED BY THE DEPARTMENT.

[~~(d) A THIRD-PARTY INSPECTION REPORT FROM A STATE-APPROVED INSPECTION OR AUDITING FIRM THAT SHOWS THE CONSUMABLE MATERIAL OF THE ALTERNATIVE NICOTINE PRODUCTS THAT ARE INTENDED FOR MANUFACTURE IN THIS STATE, AS OF JANUARY 1, 2028, IS PROCESSED OR BLENDED, FINISHED OR FILLED AND PACKAGED AT EITHER A FACILITY THAT IS REGISTERED WITH THE UNITED STATES FOOD AND DRUG ADMINISTRATION OR CERTIFIED AS A GOOD MANUFACTURING PRACTICES FACILITY THAT IS LOCATED IN THE UNITED STATES.~~

~~(e) AN AFFIDAVIT INDICATING THAT THE APPLICANT UNDERSTANDS THAT ON OR BEFORE JANUARY 1, 2028, THE CONSUMABLE MATERIAL OF AN ALTERNATIVE NICOTINE PRODUCT MANUFACTURED AND SOLD IN THIS STATE SHALL BE ENTIRELY MANUFACTURED AND ASSEMBLED IN THE UNITED STATES.~~]

B. THE DIRECTOR MAY DETERMINE THE FEE FOR A LICENSE ISSUED PURSUANT TO THIS SECTION. A LICENSE IS VALID FOR ONE YEAR.

C. A LICENSEE SHALL PAY TO THE DEPARTMENT AN ANNUAL FEE FOR EACH [~~STOCK KEEPING~~] [STOCKKEEPING] UNIT OF EACH ALTERNATIVE NICOTINE PRODUCT [THAT] THE LICENSEE WILL MANUFACTURE [AND THAT ARE FOR SALE] IN THIS STATE. THE DIRECTOR MAY DETERMINE THE ANNUAL [~~STOCK KEEPING~~] [STOCKKEEPING] UNIT FEE THAT IS REQUIRED PURSUANT TO THIS SUBSECTION.

D. A LICENSE TO MANUFACTURE ALTERNATIVE NICOTINE PRODUCTS [THAT ARE FOR SALE IN THIS STATE] IS NOT TRANSFERABLE. THE LICENSEE SHALL REPORT ANY CHANGE IN OWNERSHIP OF THE BUSINESS OF THE LICENSEE, DIRECTLY OR INDIRECTLY, AS DEFINED BY RULE, TO THE DIRECTOR WITHIN THIRTY DAYS AFTER THE CHANGE IN OWNERSHIP.

E. A LICENSE TO MANUFACTURE ALTERNATIVE NICOTINE PRODUCTS MAY NOT BE LEASED OR SUBLEASED.

[F. A PERSON THAT MANUFACTURES ALTERNATIVE NICOTINE PRODUCTS FOR SALE IN THIS STATE WITHOUT A LICENSE AS REQUIRED BY THIS SECTION IS GUILTY OF A CLASS 5 FELONY AND:

1. SHALL PAY A FINE OF AT LEAST $10,000.

2. SHALL ATTEND A DIRECTOR-APPROVED ALTERNATIVE NICOTINE PRODUCT RETAILER EDUCATIONAL COURSE.

3. IS PROHIBITED FROM SELLING, GIVING OR FURNISHING ALTERNATIVE NICOTINE PRODUCTS FOR A PERIOD OF ONE YEAR.

4. IS SUBJECT TO ANY OTHER PUNISHMENT DEEMED APPROPRIATE BY THE DIRECTOR.]

4-403. Selling, delivering or giving of alternative nicotine products to underage persons; violation; classification

A. A LICENSEE OR A LICENSEE'S EMPLOYEE MAY NOT SELL ALTERNATIVE NICOTINE PRODUCTS TO A PERSON WHO IS UNDER TWENTY-ONE YEARS OF AGE.

B. ON THE RECEIPT OF NOTICE OF A VIOLATION OF SUBSECTION A OF THIS SECTION, THE DIRECTOR SHALL PROVIDE NOTICE OF THE ALLEGED VIOLATION TO THE LICENSEE WHO IS ALLEGED TO HAVE COMMITTED THE VIOLATION. AFTER A HEARING, IF A LICENSEE IS FOUND TO HAVE COMMITTED A VIOLATION OF THIS SECTION, THE FOLLOWING PENALTIES APPLY:

1. THE DIRECTOR SHALL ORDER A LICENSEE THAT COMMITS A FIRST VIOLATION OF THIS SECTION TO ATTEND A DIRECTOR-APPROVED ALTERNATIVE NICOTINE PRODUCTS RETAILER EDUCATIONAL COURSE THAT HAS BEEN APPROVED BY THE DIRECTOR AND PAY A CIVIL PENALTY OF AT LEAST $500 BUT NOT MORE THAN $750.

2. A LICENSEE THAT COMMITS A SECOND VIOLATION OF THIS SECTION AT THE SAME LICENSED LOCATION WITHIN TWENTY-FOUR MONTHS IS GUILTY OF A CLASS 3 MISDEMEANOR AND:

(a) SHALL PAY A FINE OF AT LEAST $2,000 BUT NOT MORE THAN $3,000.

(b) SHALL ATTEND A DIRECTOR-APPROVED ALTERNATIVE NICOTINE PRODUCTS RETAILER EDUCATIONAL COURSE.

(c) IS SUBJECT TO ANY OTHER PUNISHMENT DEEMED APPROPRIATE BY THE DIRECTOR.

3. A LICENSEE THAT COMMITS A THIRD VIOLATION OF THIS SECTION AT THE SAME LICENSED LOCATION WITHIN TWENTY-FOUR MONTHS IS GUILTY OF A CLASS 1 MISDEMEANOR AND:

(a) SHALL PAY A CIVIL PENALTY OF AT LEAST $10,000.

(b) SHALL ATTEND A DIRECTOR-APPROVED ALTERNATIVE NICOTINE PRODUCTS RETAILER EDUCATIONAL COURSE.

(c) IS PROHIBITED FROM SELLING, GIVING OR FURNISHING ALTERNATIVE NICOTINE PRODUCTS FOR A PERIOD OF ONE HUNDRED TWENTY DAYS.

(d) IS SUBJECT TO ANY OTHER PUNISHMENT DEEMED APPROPRIATE BY THE DIRECTOR.

4. A LICENSEE THAT COMMITS A FOURTH OR SUBSEQUENT VIOLATION OF THIS SECTION AT THE SAME LICENSED LOCATION WITHIN TWENTY-FOUR MONTHS IS GUILTY OF A CLASS 6 FELONY AND:

(a) SHALL PAY A FINE OF AT LEAST $10,000.

(b) SHALL ATTEND A DIRECTOR-APPROVED ALTERNATIVE NICOTINE PRODUCTS EDUCATIONAL COURSE.

(c) IS PROHIBITED FROM SELLING, GIVING OR FURNISHING ALTERNATIVE NICOTINE PRODUCTS FOR A PERIOD OF ONE YEAR.

(d) IS SUBJECT TO ANY OTHER PUNISHMENT DEEMED APPROPRIATE BY THE DIRECTOR.

5. A RETAILER THAT COMMITS A FOURTH OR SUBSEQUENT VIOLATION OF THIS SECTION AT THE SAME LICENSED LOCATION WITHIN TWELVE MONTHS IS GUILTY OF A CLASS 5 FELONY AND:

(a) SHALL PAY A FINE OF AT LEAST $10,000.

(b) SHALL ATTEND A DIRECTOR-APPROVED ALTERNATIVE NICOTINE PRODUCT RETAILER EDUCATIONAL COURSE.

(c) IS PROHIBITED FROM SELLING, GIVING OR FURNISHING ALTERNATIVE NICOTINE PRODUCTS FOR A PERIOD OF ONE YEAR.

(d) IS SUBJECT TO ANY OTHER PUNISHMENT DEEMED APPROPRIATE BY THE DIRECTOR.

C. IF THE DIRECTOR ORDERS A LICENSEE TO ATTEND AN ALTERNATIVE NICOTINE PRODUCTS RETAILER EDUCATIONAL COURSE, EACH OWNER AND PERSON WHO SERVES IN A MANAGERIAL POSITION AND AT LEAST ONE PERSON WHO SERVES IN A NONMANAGERIAL POSITION SHALL ATTEND THE COURSE.

~~[4-404. Alternative nicotine products; requirements~~

~~A. ALL ALTERNATIVE NICOTINE PRODUCTS MANUFACTURED AND SOLD IN THIS STATE MUST MEET EITHER OF THE FOLLOWING:~~

~~1. THE ALTERNATIVE NICOTINE PRODUCT HAS RECEIVED A WRITTEN MARKETING ORDER FROM THE UNITED STATES FOOD AND DRUG ADMINISTRATION.~~

~~2. THE CONSUMABLE MATERIAL OF THE ALTERNATIVE NICOTINE PRODUCT WAS EITHER PROCESSED OR BLENDED, FINISHED OR FILLED AND PACKAGED AT A FACILITY THAT IS REGISTERED WITH THE UNITED STATES FOOD AND DRUG ADMINISTRATION OR CERTIFIED AS A GOOD MANUFACTURING PRACTICES FACILITY THAT IS LOCATED IN THE UNITED STATES.~~

~~B. ON OR BEFORE JANUARY 1, 2028, THE CONSUMABLE MATERIAL OF AN ALTERNATIVE NICOTINE PRODUCT SOLD IN THIS STATE SHALL BE ENTIRELY MANUFACTURED AND ASSEMBLED IN THE UNITED STATES.~~]

~~[4-405.~~] [4-404.] Alternative nicotine products marketing

A LICENSEE MAY NOT MARKET, ADVERTISE, SELL OR CAUSE TO BE SOLD AN ALTERNATIVE NICOTINE PRODUCT IN A CONTAINER THAT DOES ANY OF THE FOLLOWING:

1. DEPICTS A CARTOON-LIKE FICTIONAL CHARACTER THAT MIMICS A CHARACTER PRIMARILY AIMED AT ENTERTAINING.

2. IMITATES OR MIMICS A TRADEMARK OR TRADE DRESS OF A PRODUCT THAT IS OR HAS BEEN PRIMARILY MARKETED TO MINORS.

3. INCLUDES A SYMBOL THAT IS PRIMARILY USED TO MARKET PRODUCTS TO MINORS.

4. INCLUDES AN IMAGE OR THE NAME OF A CELEBRITY.

5. IS IN A PRODUCT SHAPE OR DESIGN THAT IS MEANT TO DISGUISE THE APPEARANCE OF THE ALTERNATIVE NICOTINE PRODUCT, INCLUDING THE SHAPE OR DESIGN OR ANY OF THE FOLLOWING:

(a) A SCHOOL OR OFFICE SUPPLY.

(b) A SMART PHONE, SMART WATCH OR SMART PHONE OR SMART WATCH CASE.

(c) HEADPHONES OR EAR BUDS.

(d) ANY ITEM OF CLOTHING.

(e) A BACKPACK.

(f) A COSMETIC OR COSMETIC CONTAINER.

(g) A TOY OR VIDEO GAME DEVICE.

(h) A FOOD OR BEVERAGE PRODUCT.

[~~4-406.~~] [4-405.] Sale of alternative nicotine products; identification requirements

A. IF A LICENSEE OR ANY OTHER PERSON QUESTIONS OR HAS REASON TO QUESTION THAT THE PERSON PURCHASING, ATTEMPTING TO PURCHASE OR OTHERWISE PROCURING OR ATTEMPTING TO PROCURE AN ALTERNATIVE NICOTINE PRODUCTS IS UNDER TWENTY-ONE YEARS OF AGE, THE LICENSEE OR OTHER PERSON SHALL DO ALL OF THE FOLLOWING:

1. DEMAND IDENTIFICATION FROM THE PERSON.

2. EXAMINE THE IDENTIFICATION TO DETERMINE THAT THE IDENTIFICATION REASONABLY APPEARS TO BE A VALID, UNALTERED IDENTIFICATION THAT HAS NOT BEEN DEFACED.

3. EXAMINE THE PHOTOGRAPH IN THE IDENTIFICATION AND DETERMINE THAT THE PERSON REASONABLY APPEARS TO BE THE SAME PERSON IN THE IDENTIFICATION.

4. DETERMINE THAT THE DATE OF BIRTH IN THE IDENTIFICATION INDICATES THE PERSON IS NOT UNDER TWENTY-ONE YEARS OF AGE.

5. SCAN THE PERSON'S IDENTIFICATION USING AN ELECTRONIC SCANNING DEVICE.

B. THE FOLLOWING WRITTEN INSTRUMENTS CONSTITUTE THE ONLY IDENTIFICATION THAT IS ACCEPTABLE UNDER SUBSECTION A OF THIS SECTION:

1. AN UNEXPIRED DRIVER LICENSE ISSUED BY THIS STATE. A DRIVER LICENSE THAT IS ISSUED TO A PERSON WHO IS UNDER TWENTY-ONE YEARS OF AGE DOES NOT CONSTITUTE ACCEPTABLE IDENTIFICATION THIRTY DAYS AFTER THE PERSON REACHES TWENTY-ONE YEARS OF AGE.

2. AN UNEXPIRED DRIVER LICENSE ISSUED BY ANY OTHER STATE, THE DISTRICT OF COLUMBIA, ANY TERRITORY OF THE UNITED STATES OR CANADA IF THE LICENSE INCLUDES A PICTURE OF THE PERSON AND THE PERSON'S DATE OF BIRTH.

3. AN UNEXPIRED NONOPERATING IDENTIFICATION LICENSE ISSUED PURSUANT TO SECTION 28-3165. AN UNEXPIRED NONOPERATING IDENTIFICATION LICENSE THAT IS ISSUED TO A PERSON WHO IS UNDER TWENTY-ONE YEARS OF AGE DOES NOT CONSTITUTE ACCEPTABLE IDENTIFICATION THIRTY DAYS AFTER THE PERSON REACHES TWENTY-ONE YEARS OF AGE.

4. A FORM OF IDENTIFICATION LICENSE ISSUED BY ANY OTHER STATE, THE DISTRICT OF COLUMBIA, ANY TERRITORY OF THE UNITED STATES OR CANADA IF THE LICENSE IS SUBSTANTIALLY EQUIVALENT TO A NONOPERATING IDENTIFICATION LICENSE ISSUED PURSUANT TO SECTION

28-3165 AND INCLUDES A PICTURE OF THE PERSON AND THE PERSON'S DATE OF BIRTH.

5. AN UNEXPIRED ARMED FORCES IDENTIFICATION CARD THAT INCLUDES THE PERSON'S PICTURE AND DATE OF BIRTH.

6. A VALID UNEXPIRED PASSPORT OR A VALID UNEXPIRED RESIDENT ALIEN CARD THAT CONTAINS A PHOTOGRAPH OF THE PERSON AND THE PERSON'S DATE OF BIRTH.

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 4001

DATE February 17, 2026 MOTION: DPA

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

Jana Baber
COMMITTEE SECRETARY

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

ATTACHMENT 51

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff

HB 2996: DIFI; certificates of insurance
Sponsor: Representative Weninger, LD 13
Committee on Commerce

Overview

Provides requirements applicable to a certificate of insurance.

History

The Department of Insurance and Financial Institutions (DIFI) regulates the insurance industry through licensure and examination of insurance professionals and businesses, including insurance producers and adjusters.

Insurance is a contract by which one undertakes to indemnify another or to pay a specified amount on determinable contingencies (Title 20, A.R.S.).

Provisions

1. Declares a certificate of insurance that is issued by an insurer, or an insurance producer is not an insurance policy and does not:
   a. amend, extend or alter the coverage that an insurance policy provides; and
   b. confer any new or additional right beyond what is expressly stated in the insurance policy. (Sec. 1)
2. Stipulates the use of a certificate of insurance is prohibited if it:
   a. is unfair, misleading or deceptive; or
   b. violates public policy, any law or adopt rule. (Sec. 1)
3. Prohibits a person from preparing, issuing or requiring a certificate of insurance that:
   a. contains false or misleading information;
   b. purports to alter, amend or extend coverage; or
   c. claims that the insurance policy complies with the insurance or indemnification requirements of a contract. (Sec. 1)
4. Provides stipulations that entitle a person to notice of cancellation, nonrenewal or a material change in the policy terms. (Sec. 1)
5. Instructs DIFI to investigate any violation and take appropriate action, including issuing a cease and desist order or assessing a civil penalty. (Sec. 1)
6. Specifies actions taken for violations do not limit DIFI's authority to investigate, enforce or issue civil penalties in accordance with any other applicable law. (Sec. 1)
7. Allows DIFI to adopt rules to implement the certificate of insurance requirements. (Sec. 1)

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

Attachment 52

8. Specifies the outlined requirements apply to any certificate of insurance that is issued in connection with property and casualty risks. (Sec. 1)
9. Voids a certificate of insurance or other documents that is in violation of the outlined requirements. (Sec. 1)
10. Defines *certificate of insurance* and *person.* (Sec. 1)
11. Applies the outlined certificate of insurance requirements to any contract or addendum that is entered into after the effective date of this act. (Sec. 2)

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2996
(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. Title 20, chapter 2, article 6, Arizona Revised Statutes, is amended by adding section 20-443.03, to read:

20-443.03. Certificates of insurance; notice; civil penalty; rules; applicability; definition

A. A CERTIFICATE OF INSURANCE THAT IS PREPARED OR ISSUED BY AN INSURER, AN INSURANCE PRODUCER OR A REPRESENTATIVE OF AN INSURER OR AN INSURANCE PRODUCER IS NOT AN INSURANCE POLICY, DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE THAT IS PROVIDED [~~IN~~] [BY] AN INSURANCE POLICY AND DOES NOT CONFER ANY NEW OR ADDITIONAL [~~RIGHT~~] [RIGHTS] BEYOND [~~WHAT~~] THOSE EXPRESSLY STATED IN THE INSURANCE POLICY.

[~~B. THE DIRECTOR SHALL PROHIBIT THE USE OF A CERTIFICATE OF INSURANCE IF THE CERTIFICATE OF INSURANCE:~~

~~1. IS UNFAIR, MISLEADING OR DECEPTIVE.~~

~~2. VIOLATES PUBLIC POLICY.~~

~~3. VIOLATES ANY LAW, INCLUDING ANY RULE ADOPTED BY THE DIRECTOR.~~]

[~~C.~~] [B.] A PERSON MAY NOT PREPARE, ISSUE, REQUEST OR REQUIRE A CERTIFICATE OF INSURANCE THAT:

1. CONTAINS FALSE OR MISLEADING INFORMATION ABOUT THE INSURANCE POLICY.

2. [~~PURPORTS TO ALTER, AMEND OR EXTEND~~] [ALTERS, AMENDS OR EXTENDS] COVERAGE THAT IS PROVIDED FOR IN THE INSURANCE POLICY.

3. CLAIMS THAT THE INSURANCE POLICY COMPLIES WITH THE INSURANCE OR INDEMNIFICATION REQUIREMENTS OF A CONTRACT.

[~~D.~~] [C.] A PERSON[, OTHER THAN THE POLICYHOLDER] IS ENTITLED TO NOTICE OF CANCELLATION, NONRENEWAL OR A MATERIAL CHANGE IN THE [~~POLICY~~] TERMS [OF AN INSURANCE POLICY] [~~OR TO A SIMILAR NOTICE THAT CONCERNS THE~~

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

Attachment 53

~~INSURANCE POLICY~~] ONLY IF [~~NOTICE REQUIREMENTS ARE INCLUDED UNDER THE TERMS OF THE INSURANCE POLICY OR ANY ENDORSEMENT TO THE INSURANCE POLICY~~] [THE POLICY OR AN ENDORSEMENT TO THE POLICY AFFORDS SUCH NOTICE RIGHTS TO THE PERSON].

[~~E.~~] [D.] THE DIRECTOR [~~SHALL~~] [MAY] INVESTIGATE ANY VIOLATION OF THIS SECTION, AND THE DIRECTOR MAY TAKE ONE OR BOTH OF THE FOLLOWING ACTIONS:

1. ISSUE AN ORDER THAT REQUIRES THE PERSON TO CEASE AND DESIST FROM THE ACTIONS THAT CONSTITUTE THE VIOLATION.

2. ASSESS A CIVIL PENALTY OF NOT MORE THAN $1,000 PER VIOLATION.

[~~F.~~] [E.] SUBSECTION [~~E~~] [D] OF THIS SECTION DOES NOT LIMIT THE AUTHORITY OF THE DIRECTOR TO INVESTIGATE, ENFORCE OR ISSUE CIVIL PENALTIES PURSUANT TO ANY OTHER APPLICABLE LAW.

[~~G.~~] [F.] THE DIRECTOR MAY ADOPT RULES TO IMPLEMENT THIS SECTION.

[~~H.~~] [G.] THIS SECTION APPLIES TO ANY CERTIFICATE OF INSURANCE THAT IS ISSUED IN CONNECTION WITH PROPERTY AND CASUALTY RISKS LOCATED IN THIS STATE WITHOUT REGARD TO THE LOCATION OF THE POLICYHOLDER, INSURER OR INSURANCE PRODUCER OR ANY PERSON WHO REQUESTS OR REQUIRES A CERTIFICATE OF INSURANCE TO BE ISSUED.

[~~I.~~] [H.] A CERTIFICATE OF INSURANCE OR ANY OTHER DOCUMENT OR CORRESPONDENCE THAT IS PREPARED, ISSUED, REQUESTED OR REQUIRED IN VIOLATION OF THIS SECTION IS VOID.

[~~J.~~] [I.] FOR THE PURPOSES OF THIS SECTION[.][~~:~~]

[~~1.~~] "CERTIFICATE OF INSURANCE":

[~~(a)~~] [1.] MEANS A DOCUMENT, FORM, TEMPLATE, SUBMISSION, QUESTIONNAIRE OR OTHER INSTRUMENT REGARDLESS OF TITLE THAT INCLUDES A DESCRIPTION, SUMMARY, INTERPRETATION OR EVIDENCE OF PROPERTY OR CASUALTY INSURANCE COVERAGE AND THAT IS PREPARED OR ISSUED BY AN INSURER, AN INSURANCE PRODUCER OR A REPRESENTATIVE OF AN INSURER OR PRODUCER.

[~~(b)~~] [2.] DOES NOT INCLUDE ANY OF THE FOLLOWING:

[~~(i)~~] [(a)] AN INSURANCE POLICY.

[~~(ii)~~] [(b)] AN INSURANCE BINDER.

[~~(iii)~~] [(c)] A POLICY ENDORSEMENT.

[~~(iv)~~] [(d)] AN AUTOMOBILE INSURANCE IDENTIFICATION OR INFORMATION CARD.

[~~2. "PERSON":~~

~~(A) MEANS ANY INDIVIDUAL, PARTNERSHIP, CORPORATION, ASSOCIATION OR OTHER LEGAL ENTITY.~~

~~(B) INCLUDES THIS STATE, ANY POLITICAL SUBDIVISION OF THIS STATE OR ANY GOVERNMENTAL SUBDIVISION OR AGENCY.~~]

Sec. 2. Applicability

This act applies to any contract or addendum that is entered into from and after the effective date of this act.

House Amendments to H.B. 2996

1 Enroll and engross to conform
2 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 2996

DATE February 17, 2026 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar		✓			
Blackman		✓			
Carter N		✓			
Cavero					✓
Connolly		✓			
Diaz		✓			
Hendrix		✓			
Villegas		✓			
Wilmeth		✓			
Way, Vice-Chairman		✓			
Weninger, Chairman		✓			
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Dana Babel
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 54

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff

HB 2834: claims against HOAs; filing fees
Sponsor: Representative Carter N, LD 15
Committee on Commerce

Overview

Sets the filing fee for petitions filed with the Arizona Department of Real Estate (ADRE) for dispute hearings between an owner and a condominium or planned community association.

History

Disputes between an owner and a condominium or planned community association concerning the violation of documents or statutory regulations may be resolved through an administrative hearing conducted by the Office of Administrative Hearings (OAH). Hearings may only be held after either the owner or the association files a petition for a hearing with ADRE and pays the associated filing fee established by the Commissioner of ADRE. After receiving the petition, the fee, and responses from both parties, ADRE determines whether a petition is justified and should be sent to OAH, or if it should be dismissed.

All filing fees are deposited in the Condominium and Planned Community Hearing Office Fund and are used to reimburse ADRE and the Office of Administrative Hearings for the actual costs of dispute hearings (A.R.S. §§ 32-2199.01; 32-2199.05).

Provisions

1. Sets the petition filing fee to be $100 per issue claimed in the petition. (Sec. 1)

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

Attachment 55

Fifty-seventh Legislature
Second Regular Session

Commerce
H.B. 2834

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2834
(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. Section 32-2199.01, Arizona Revised Statutes, is amended to read:

32-2199.01. Hearing; rights and procedures

A. For a dispute between an owner and a condominium association or planned community association that is regulated pursuant to title 33, chapter 9 or 16, the owner or association may petition the department for a hearing concerning violations of condominium documents or planned community documents or violations of the statutes that regulate condominiums or planned communities. The petitioner shall file a petition with the department and pay a filing fee ~~in an amount to be established by the commissioner~~ OF [~~$100~~] [$300] PER ISSUE CLAIMED IN THE PETITION. The filing fee shall be deposited in the condominium and planned community hearing office fund established by section 32-2199.05. On dismissal of a petition at the request of the petitioner before a hearing is scheduled or by stipulation of the parties before a hearing is scheduled, the filing fee shall be refunded to the petitioner. The department does not have jurisdiction to hear:

1. Any dispute among or between owners to which the association is not a party.

2. Any dispute between an owner and any person, firm, partnership, corporation, association or other organization that is engaged in the business of designing, constructing or selling a condominium as defined in section 33-1202 or any property or improvements within a planned community as defined in section 33-1802, including any person, firm, partnership, corporation, association or other organization licensed pursuant to this chapter, arising out of or related to the design, construction, condition

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

Attachment 56

or sale of the condominium or any property or improvements within a planned community.

B. The petition shall be in writing on a form approved by the department, shall list the complaints and shall be signed by or on behalf of the persons filing and include their addresses, stating that a hearing is desired, and shall be filed with the department.

C. On receipt of the petition and the filing fee, the department shall mail by certified mail a copy of the petition along with notice to the named respondent that a response is required within twenty days after mailing of the petition showing cause, if any, why the petition should be dismissed.

D. After receiving the response, the commissioner or the commissioner's designee shall promptly review the petition for hearing and, if justified, refer the petition to the office of administrative hearings. The commissioner may dismiss a petition for hearing if it appears to the commissioner's satisfaction that the disputed issue or issues have been resolved by the parties.

E. Failure of the respondent to answer is deemed an admission of the allegations made in the petition, and the commissioner shall issue a default decision.

F. Informal disposition may be made of any contested case.

G. Either party or the party's authorized agent may inspect any file of the department that pertains to the hearing, if the authorization is filed in writing with the department.

H. At a hearing conducted pursuant to this section, a corporation may be represented by a corporate officer, employee or contractor of the corporation who is not a member of the state bar if:

1. The corporation has specifically authorized the officer, employee or contractor of the corporation to represent it.

2. The representation is not the officer's, employee's or contractor of the corporation's primary duty to the corporation but is secondary or incidental to the officer's, employee's or contractor of the corporation's, limited liability company's, limited liability partnership's, sole proprietor's or other lawfully formed and operating entity's duties relating to the management or operation of the corporation.

<<Sec. 2. Section 33-1270, Arizona Revised Statutes, is amended to read:

33-1270. Department of real estate; enforcement

A. [~~Nothing in~~] This chapter [~~shall be construed to~~] [DOES NOT] increase or decrease or otherwise affect any rights or powers granted to the commissioner of the department of real estate under title 32, chapter 20 with respect to the issuance of public reports.

B. The commissioner of the department of real estate shall require compliance with [~~section~~] [SECTIONS] 33-1215 and [~~section~~] 33-1219 in connection with the administration of the subdivision laws of this state under title 32, chapter 20, article 4. The commissioner [~~shall~~] [IS] not

[~~be~~] required to administer or enforce any other provisions of this chapter [BUT SHALL ADMINISTER THE DISPUTE RESOLUTION PROCESS AUTHORIZED UNDER SECTION 32-2199.01].>>

<<

Sec. 3. Title 33, chapter 16, Arizona Revised Statutes, is amended by adding article 2, to read:

ARTICLE 2. ADMINISTRATION

33-1831. State real estate department; enforcement

[A. THIS CHAPTER DOES NOT INCREASE OR DECREASE OR OTHERWISE AFFECT ANY RIGHTS OR POWERS GRANTED TO THE STATE REAL ESTATE COMMISSIONER UNDER TITLE 32, CHAPTER 20 WITH RESPECT TO THE ISSUANCE OF PUBLIC REPORTS.

B. THE STATE REAL ESTATE COMMISSIONER SHALL REQUIRE COMPLIANCE WITH THE RELEVANT PORTIONS OF SECTIONS 33-1215 AND 33-1219 FOR PLANNED COMMUNITIES IN CONNECTION WITH THE ADMINISTRATION OF THE SUBDIVISION LAWS OF THIS STATE UNDER TITLE 32, CHAPTER 20, ARTICLE 4. THE STATE REAL ESTATE COMMISSIONER IS NOT REQUIRED TO ENFORCE ANY OTHER PROVISIONS OF THIS CHAPTER BUT SHALL ADMINISTER THE DISPUTE RESOLUTION PROCESS AUTHORIZED UNDER SECTION 32-2199.01.]]>>

Enroll and engross to conform
Amend title to conform

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2834

DATE February 17, 2026 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Aguilar		✓			
Blackman		✓			
Carter N		✓			
Cavero					✓
Connolly		✓			
Diaz		✓			
Hendrix		✓			
Villegas		✓			
Wilmeth		✓			
Way, Vice-Chairman		✓			
Weninger, Chairman		✓			
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Dana Babel
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 57

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff

HB 2951: automatic subscription renewals; contracts; requirements
S/E: same subject
Sponsor: Representative Connolly, LD 8
Committee on Commerce

Summary of the Strike-Everything Amendment to HB 2951

Overview
Outlines requirements relating to automatic renewal contracts.

History
The Uniform Commercial Code (UCC) is a is a comprehensive set of laws governing all commercial transactions. In accordance with the UCC, a *contract* as the total legal obligation that results from the parties' agreement as determined by statutes as supplemented by any other applicable laws (A.R.S. § 47-1201).

Provisions
1. Instructs a person who offers an automatic renewal contract to:
   a. allow the consumer to cancel their subscription by using the same method they used to enroll in the subscription; and
   b. provide clear, conspicuous disclosure of a subscription's terms, including renewal policies and cancellation instructions, at the time the consumer enrolls in a subscription. (Sec. 1)
2. Prohibits a person who offers an automatic renewal contract from adding extra requirements or steps to the cancellation process. (Sec. 1)
3. Authorizes a person who offers an automatic renewal contract to make a retention offer or incentive to a consumer only after the consumer indicates an intent to cancel the consumer's subscription, which cannot impede or complicate the cancellation process. (Sec. 1)
4. Stipulates a reminder of the automatic renewal be sent, 31 days before an annual automatic renewal, to each consumer who has an automatic renewal contract by using the same method the consumer used to enroll in the subscription in order to provide an opportunity to opt out of the automatic renewal contract. (Sec. 1)
5. Defines *automatic renewal contract* as a plan or arrangement in which a paid subscription or purchasing agreement for goods or services is automatically renewed at the end of a definite term for a subsequent term or on a continuous or recurring basis. (Sec. 1)

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

Attachment 58

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2951
(Reference to printed bill)

Strike everything after the enacting clause and insert:

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

ARTICLE 27. SUBSCRIPTION REGULATIONS

44-1383. Automatic renewal contracts; requirements; definition

A. A PERSON THAT OFFERS TO A CONSUMER IN THIS STATE AN AUTOMATIC RENEWAL CONTRACT:

1. SHALL ALLOW THE CONSUMER TO CANCEL THE CONSUMER'S SUBSCRIPTION BY USING THE SAME METHOD THE CONSUMER USED TO ENROLL IN THE SUBSCRIPTION AND MAY NOT ADD EXTRA REQUIREMENTS OR STEPS TO THE CANCELLATION PROCESS.

2. SHALL PROVIDE CLEAR, CONSPICUOUS DISCLOSURE OF A SUBSCRIPTION'S TERMS, INCLUDING RENEWAL POLICIES AND CANCELLATION INSTRUCTIONS, AT THE TIME THE CONSUMER ENROLLS IN A SUBSCRIPTION.

3. MAY MAKE A RETENTION OFFER OR INCENTIVE TO A CONSUMER ONLY AFTER THE CONSUMER INDICATES AN INTENT TO CANCEL THE CONSUMER'S SUBSCRIPTION. THE RETENTION OFFER OR INCENTIVE MAY NOT IMPEDE OR COMPLICATE THE CANCELLATION PROCESS.

B. A PERSON THAT OFFERS TO A CONSUMER IN THIS STATE AN AUTOMATIC RENEWAL CONTRACT, THIRTY-ONE DAYS BEFORE AN ANNUAL AUTOMATIC RENEWAL, SHALL SEND TO EACH CONSUMER WHO HAS AN AUTOMATIC RENEWAL CONTRACT A REMINDER OF THE AUTOMATIC RENEWAL FOR THE SUBSCRIPTION BY USING THE SAME METHOD THE CONSUMER USED TO ENROLL IN THE SUBSCRIPTION IN ORDER TO PROVIDE THE CONSUMER AN OPPORTUNITY TO OPT OUT OF THE AUTOMATIC RENEWAL CONTRACT.

C. FOR THE PURPOSES OF THIS SECTION, "AUTOMATIC RENEWAL CONTRACT" MEANS A PLAN OR ARRANGEMENT IN WHICH A PAID SUBSCRIPTION OR PURCHASING AGREEMENT FOR GOODS OR SERVICES IS AUTOMATICALLY RENEWED AT THE END OF A DEFINITE TERM FOR A SUBSEQUENT TERM OR ON A CONTINUOUS OR RECURRING BASIS."

Amend title to conform

JANEEN CONNOLLY

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

Attachment 59

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2951

DATE February 17, 2026 MOTION: DPA/SE

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

COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 60

ARIZONA HOUSE OF REPRESENTATIVES

57th Legislature, 2nd Regular Session
Majority Research Staff

HB 4017: pet ownership limits; planned communities.
Sponsor: Representative Gress, LD 4
Committee on Commerce

Overview

Asserts a planned community association cannot prohibit or otherwise limit a household pet by breed, size or weight.

History

An *association* is a nonprofit corporation or unincorporated association of owners that is created pursuant to a declaration to own and operate portions of a planned community and that has the power under the declaration to assess association members to pay the costs and expenses incurred in the performance of the association's obligations under the declaration.

A *planned community* is a real estate development that includes real estate owned and operated by or real estate on which an easement to maintain roadways or a covenant to maintain roadways is held by a nonprofit corporation or unincorporated association of owners, that is created for the purpose of managing, maintaining or improving the property and in which the declaration expressly states both that the owners of separately owned lots, parcels or units are mandatory members and that the owners are required to pay assessments to the association for these purposes (A.R.S. § 33-1802).

Provisions

1. Declares a planned community association cannot prohibit or otherwise limit a household pet by breed, size or weight. (Sec. 1)
2. Asserts any provisions prohibited by the pet restriction are unenforceable without regard to whether they were adopted or enacted before the effective date of this act. (Sec. 1)
3. Authorizes a planned community association to adopt reasonable rules regarding pet behavior that are consistent with federal, state and local laws. (Sec. 1)

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

Attachment 61

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 4017

DATE February 17, 2026 MOTION: DP

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

Dana Bakel
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
MICHAEL WAY, Vice-Chairman

ATTACHMENT 62