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

COMMITTEE ON COMMERCE

Report of Regular Meeting
Tuesday, March 23, 2021
House Hearing Room 3 -- 2:00 P.M.

MINUTES RECEIVED
CHIEF CLERK'S OFFICE
3-24-21

Convened 2:04 P.M.
Recessed
Reconvened
Adjourned 4:30 P.M.

Members Present
Mr. Chaplik
Mr. Cook
Mr. Espinoza
Mrs. Fernandez
Mr. Meza
Ms. Nutt
Ms. Powers Hannley
Mr. Wilmeth
Mr. Kaiser, Vice-Chairman
Mr. Weninger, Chairman

Members Absent

Agenda
Original Agenda – Attachment 1

Request to Speak
Report – Attachment 2

Committee Attendance
Report – Attachment 3

Committee Action

Bill	Action	Vote	Attachments
SB1268	DPA	6-4-0-0	4, 5, 6
SB1353	DPA/SE	9-0-0-1	7, 8, 9, 10
SB1215	DP	6-4-0-0	11, 12
SB1156	DP	8-2-0-0	13, 14
SB1063	DP	6-4-0-0	15, 16
SB1230	DP	10-0-0-0	17, 18
SB1064	HELD		19
SB1293	HELD		20

Iris McMahon
Iris McMahon, Committee Secretary
March 24, 2021

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

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

Convened: 2:04 pm

Adjourned: 4:30 pm

REGULAR MEETING AGENDA

COMMITTEE ON COMMERCE

DATE Tuesday, March 23, 2021 ROOM HHR 3 TIME 2:00 P.M.

This meeting will be held via teleconference software. Members of the public may access a livestream of the meeting here: https://www.azleg.gov/videoplayer/?clientID=6361162879&eventID=2021031108

Members:

Mr. Chaplik
Mr. Cook
Mr. Espinoza
Mrs. Fernandez
Mr. Meza
Ms. Nutt
Ms. Powers Hannley
Mr. Wilmeth
Mr. Kaiser, Vice-Chairman
Mr. Weninger, Chairman

	Bills		Short Title	Strike Everything Title
5	SB1063	DP	administrative review of agency decisions	
			(Mesnard)	
		6-4-0-0	COM, RULES	
	*SB1064	HELD	contractor license numbers; advertising; exception	
			(Mesnard)	
			COM, RULES	
4	SB1156	DP	forfeiture of office; technical correction(now: solid waste; advanced recycling facilities)	
		8-2-0-0	(Mesnard)	
			COM, RULES	
3	SB1215	DP	liquor; sales; delivery; identification information	
			(Borrelli)	
		6-4-0-0	COM, RULES	
6	SB1230	DP	limited liability companies	
			(Pace)	
		10-0-0-0	COM, RULES	

Attachment 1

	Bills		Short Title	Strike Everything Title
1	SB1268	DPA	labor organizations; fiduciary guidelines; disclosure	
			(Petersen)	
		6-4-0-0	COM, RULES	
	SB1293	HELD	refrigerated product display; retailers	
			(Shope)	
			COM, RULES	
2	SB1353	DPA/SE	anti-rabies vaccination; rabies titer	S/E: terminally ill patients; compounding; pharmacy
			(Barto)	
		9-0-0-1	LARA w/d, COM, RULES	

* On previous agenda

ORDER OF BILLS TO BE SET BY THE CHAIRMAN

Pursuant to Committee Rule (2). Any person desiring to be heard concerning legislation remotely shall email that request to (HouseCOM@azleg.gov) at least 24 hours, excluding weekends and holidays, in advance of committee, if practicable. The request must state the bill the person desires to present arguments upon, and whom the person represents. Timely requests will receive a response that includes meeting access information to participate in the committee remotely. Sharing meeting access information with unauthorized users may result in being prohibited to participate remotely in future legislative hearings. The request to participate remotely via teleconference shall be in addition to requesting to speak via the Request to Speak system (https://apps.azleg.gov/requesttospeak/topicsearch). Persons desiring to testify remotely shall indicate that the participation is remote within the comments of the Request to Speak system.

DF
03/19/2021

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

Information Registered on the Request to Speak System

House Commerce (3/23/2021)

SB1268, labor organizations; fiduciary guidelines; disclosure

Testified in support:
Jack Biltis, representing self

Testified as opposed:
Michael Colletto, COMMUNITY HORIZONS; Fred Yamashita, Arizona AFL-CIO; Dawn Schumann, TEAMSTERS LOCAL UNION 104; Christian Bearden, AZ STATE BLDG & CONSTRUCTION TRADES COUNCIL; Joshua Wells, representing self

Support:
Jonathan Paton, Jack Biltis

Oppose:
Don Isaacson, FRATERNAL ORDER OF POLICE (AZ STATE LODGE); Rivko Knox, representing self; Judith Robbins, representing self; Sheila Ogea, representing self; Kenneth Bierman, representing self; Dianne Post, representing self; Kathleen Pettycrew, representing self; Marvin Mccollum, representing self; Becky Sayler, representing self; Sharon Lee, representing self; Mary Fortney, representing self; Greer Warren, representing self; Shannon Schell, AZ EDUCATION ASSN; Kathleen Dubbs, representing self; Katie Rice, representing self; Jean Meconi, representing self; Jeff Hawkins, ARIZONA STATE TROOPERS ASSOCIATION; Christine McLachlan-Comer, representing self; Hannah Williams, representing self; Mike Bielecki, MARICOPA COMMUNITY COLLEGES FACULTY ASSOCIATION; Aaron Essif, representing self; Javier Soto, representing self

All Comments:
Jack Biltis, Self: SB1268 protects employees by giving union members the same transparency that non-union employers have been providing for decades.; Michael Colletto, COMMUNITY HORIZONS: I would like to testify remotely; Dawn Schumann, TEAMSTERS LOCAL UNION 104: On behalf of 8,600 plus members in Arizona, this bill is redundant and will try and break up the collective bargaining unit as a whole. This anti labor bill is being pushed by an out of state business person.; Rivko Knox, Self: Details aside, this is in its essence an anti union bill & strong unions helped create our most economically positive & just period in the US.; Kathleen Dubbs, Self: this is an anti-union ploy; Jeff Hawkins, ARIZONA STATE TROOPERS ASSOCIATION: In opposition to 1268 until an agreed-upon amendment is introduced.; Mike Bielecki, MARICOPA COMMUNITY COLLEGES FACULTY ASSOCIATION: This bill is unnecessary and punitive towards organizations whose membership has the right to leave if they are not satisfied with the manner of the employee organization's management.; Aaron Essif, Self: This is just Anti-Union.; Javier Soto, Self: There is no need for more government to get involved with private business. Any republican Senator or Legislator that is in favor of this bill ,would be going against any conservative ideology they represent.

SB1353, anti-rabies vaccination; rabies titer

Testified in support:

Kurt Altman, (AHIMA) Arizona Homeopathic And Integrated Medicine Association, Envita/Vertisis Custom Pharmacy; Sandra Yozipovic, representing self; John Oertle, representing self; Angela Derosa, representing self

Support:

Dianne McCallister, Az Independent Pharmacists Coalition, AZ PHARMACY ASSOCIATION; Lisa Platt, representing self

Neutral:

Jon Amores, AZ MEDICAL ASSN

All Comments:

Sandra Yozipovic, Self: Over the past 20 years the lives of my father, sister, sister in law and myself have all been saved due to personalized compounded medicine.; Lisa Platt, Self: I am in favor of pharmacy compounding - the striker amendment to enable the intent of SB 1418.; John Oertle, Self: I am the medical director of a clinic with 14 physicians all using these life saving and improving 503a compounded medications. I am also the Chief Medical Officer of a large Healthcare Sharing Ministry who approves access to these medications.; Jon Amores, AZ MEDICAL ASSN: ArMA is neutral on the bill / striker with the committee amendment

SB1215, liquor; sales; delivery; identification information

Testified in support:

Michelle Ahlmer, AZ RETAILERS ASSN; Cheyenne Walsh, SHIPT, INC.

Testified as neutral:

Tom Farley, Wine Spirits Wholesalers Association Of Arizona

Testified as opposed:

Tony Bradley, President and CEO, Arizona Trucking Association; Steve Barclay, BEER & WINE DISTRIBUTORS OF ARIZONA

Support:

Courtney Coolidge, AZ CHAMBER OF COMMERCE; Kent Wilson, TARGET CORPORATION

Neutral:

Dr Garrison Ellam, representing self

All Comments:

Michelle Ahlmer, AZ RETAILERS ASSN: I have a bill in Senate Approps at the same time but I will try to be in Commerce as well.

SB1156, forfeiture of office; technical correction (NOW: solid waste; advanced recycling facilities)

Support:

Becky Hill, AMERICAN CHEMISTRY COUNCIL; Courtney Coolidge, AZ CHAMBER OF COMMERCE; Prapti Muhuri, representing self

Oppose:

Nancy Pfafflin, representing self; Harry Lumley, representing self; howard johnson, representing self; Betty Bengtson, representing self; Rebecca Smith Gross, representing self; Peggie Jo Vincent, representing self; Kevin Brown, representing self; Beverly Janowitz-Price, representing self; Kenneth Bierman, representing self; Mary Ann Graffagnino, representing self; Alisa McMahon, representing self; Michael Fiflis, representing self; Doug Arnold , representing self; Dianne Post, representing self; elizabeth Michele Edson, representing self; Diane E. Brown, AZ PUBLIC INTEREST RESEARCH GROUP (AZ PIRG); Karen Cusano, representing self; Meg Weesner, representing self; Bettina Bickel, representing self; Susan Arnold, representing self; Elizabeth Kelchner, representing self; Barbara Hutchinson, representing self; Becky Sayler, representing self; Jackie Rich, representing self; Dean Roskosz, representing self; Kathy Fraser, representing self; Linda Bentley, representing self; Kathryn Pensinger, representing self; Don Bentley, representing self; Patricia Mentz, representing self; Cathy Della Penta, representing self; Virginia Dotson, representing self; Jim Moran, representing self; Martha O'Connor, representing self; Kathleen Dubbs, representing self; Nancy Santori, representing self; Vivian Harte, representing self; Steve Gorman-Hackstadt, representing self; Dorothy Reed-Inman, representing self; Carolyn Shafer, representing self; Margaret Owen, representing self; Diane Hermann, representing self; Tom Hermann, representing self; Martha Pearce, representing self; Cynthia Wagner, representing self; Barbara Hollway, representing self; Linda Paul, representing self; Marjorie Shavlik, representing self; Paula Schlusberg, representing self; Karen Fasimpaur, representing self; Peter Bengston, representing self; Sandy Bahr, Sierra Club - Grand Canyon Chapter

All Comments:

Prapti Muhuri, Self: I am available to answer any technical questions re the bill if necessary.; Alisa McMahon, Self: There is no reason to exempt this "advanced recycling" from environmental regulations. It does not make sense to create more pollution in furtherance of an environmental goal.; Michael Fiflis, Self: There is no reason to exempt this "advanced recycling." It will create a large amount of pollution to further an environmental goal.; Jackie Rich, Self: this would exempt dangerous wastes from regulation and give them grants.; Virginia Dotson, Self: This would greenlight pollution.; Kathleen Dubbs, Self: We need more regulations, not less; Marjorie Shavlik, Self: This is not "advanced recycling". It continues to burn fossil fuels as well as pyrolysis. It also exempts these plastics processes from the definition of solid waste so that they are more lightly regulated.; Paula Schlusberg, Self: If anything, these new processes should have more oversight, not less, until fully tested and evaluated.; Karen Fasimpaur, Self: This is not really "advanced recycling" and part of a "circular economy," but instead promotes the production and burning of fossil fuels.

SB1063, administrative review of agency decisions

Support:

Paul Avelar, INSTITUTE FOR JUSTICE AZ CHAPTER

Oppose:

Nancy Pfafflin, representing self; Rivko Knox, representing self; Judith Simons, representing self; Harry Lumley, representing self; howard johnson, representing self; Betty Bengtson, representing self; Rebecca Smith Gross, representing self; Peggie Jo Vincent, representing self; Kevin Brown, representing self; Sheila Ogea, representing self; Beverly Janowitz-Price, representing self; Eve Shapiro, representing self; Kenneth Bierman, representing self; Mary Ann Graffagnino, representing self; Alisa McMahon, representing self; Michael Fiflis, representing self; Doug Arnold , representing self; Dianne Post, representing self; elizabeth Michele Edson, representing self; Kathleen Pettycrew, representing self; Karen Cusano, representing self; Meg Weesner, representing self; Bettina Bickel, representing self; Susan Arnold, representing self; Elizabeth Kelchner, representing self; Barbara Hutchinson, representing self; Becky Sayler, representing self; Jackie Rich, representing self; Sharon Lee, representing self; Dean Roskosz, representing self; Kathy Fraser, representing self; Linda Bentley, representing self; Peggy Klemp, representing self; Don Bentley, representing self; Patricia Mentz, representing self; Cathy Della Penta, representing self; Virginia Dotson, representing self; Jim Moran, representing self; Martha O'Connor, representing self; Kathleen Dubbs, representing self; Nancy Santori, representing self; Vivian Harte, representing self; Steve Gorman-Hackstadt, representing self; Dorothy Reed-Inman, representing self; Carolyn Shafer, representing self; Margaret Owen, representing self; Diane Hermann, representing self; Tom Hermann, representing self; Martha Pearce, representing self; Jean Meconi, representing self; Cynthia Wagner, representing self; Barbara Hollway, representing self; Christine McLachlan-Comer, representing self; Paula Schlusberg, representing self; Sharon Regen, representing self

All Comments:

Paul Avelar, INSTITUTE FOR JUSTICE AZ CHAPTER: Regulatory boards can impose fines and order people to stop working. Due process and separation of powers at least requires a fair day in court before you can be fined and put out of work.; Rivko Knox, Self: By eliminating precedent & prior decisions, the administrative review process will become very chaotic & be in violation of the 'rule of law.' Who is backing this and why??; Alisa McMahon, Self: This bill would enmesh the court dockets in administrative issues. Agencies are far more familiar with the matters in front of them than the courts will be.; Michael Fiflis, Self: This bill would upset decades of administrative law precedent, tie up the courts in administrative issues, require expanding the courts to handle the influx of cases, and eat up taxpayer dollars for issues the agencies know far better than the courts; Kathleen Dubbs, Self: This is a violation of the rule of law

SB1230, limited liability companies

Support:

Janna Day, STATE BAR OF AZ; Jen Springman, GREATER PHOENIX CHAMBER OF COMMERCE; Scott DeWald, representing self

All Comments:

Scott DeWald, Self: I am happy to answer questions on the bill. I participated in the State Bar committee that drafted this clean-up of the LLC Act. No need to testify if there are no questions.

SB1293, refrigerated product display; retailers

Support:

Cheyenne Walsh, SAZERAC COMPANY, INC.; Michelle Ahlmer, AZ RETAILERS ASSN

Oppose:

Camila Alarcon, ARIZONA CRAFT BREWERS GUILD; Barbara Meaney, Arizona Wine Growers Association; Ryan Whitten, representing self; Brian Vance, representing self; Adam Schmeichel, representing self; Chris Wheeler, representing self; erika button, representing self; Andrew Bauman, representing self; Alejandro Fontes, representing self; Adam Wojcik, representing self; Nicholas Kelley, representing self; Matt Brown, representing self; Josh Johnson, representing self; Natalie Fredrickson, representing self; Emily McMenemy, representing self; Taylor Carter, representing self; Marshall Norris, representing self; Jeff Herbert, representing self; Rob Fullmer, ARIZONA CRAFT BREWERS GUILD; Dr Garrison Ellam, representing self; Steve Barclay, BEER & WINE DISTRIBUTORS OF ARIZONA; Scott Hendrix, representing self

All Comments:

Ryan Whitten, Self: This will give an unfair advantage to large, out of state beer producers and push small, locally owned breweries out of establishments.; Brian Vance, Self: Hello, I own a microbrewery in district 9, and I strongly oppose 1293. It will completely disable smaller breweries to compete with the ultra-large companies in the distribution arena.; Adam Schmeichel, Self: This would all for an unfair advantage to large producers, that my company could not afford to compete with.; Chris Wheeler, Self: This bill effectively eliminates the ability for a small brewery to complete on a level playing field with large manufacturers which is bad for employers and employees alike. Prison Hill Brewing Co, my small brewery, would never be able to expand.; Andrew Bauman, Self: This measure would put small local businesses at an incredible disadvantage to large multi-national companies. My brewery could never afford to provide inducements to retailers such as refrigerated displays, while "the big guys" could do so easily.; Alejandro Fontes, Self: This bill enables a new form of "pay-to-play" that benefits the biggest suppliers, like Sazerac. This will harm Arizona producers and creates a loophole that Title 4 tries to prevent, allowing this slotting fee disguised as a "sold" fridge; Adam Wojcik, Self: Right now, customers choose my beers because of flavor and quality, and customer preference. I cannot compete by spending as much as $300 per retailer and I am afraid that my beers won't be selected by bars/stores because I am unable to provide them; Nicholas Kelley, Self: As the owner of Lake Pleasant Brewing in District 15, SB1293 will work against us as we start to build our brand and grow our business. We cannot compete by spending as much as $300 per retailer especially coming off the heels of a pandemic.; Matt Brown, Self: Tombstone Brewing Company; Josh Johnson, Self: Rep David Cook I own a brewery in district 8. I strongly oppose 1293. I can not afford to furnish restaurants and bars like the large commercialized distributors and breweries can. This bill would be crushing for my small independent business.; Natalie Fredrickson, Self: I represent myself, Natalie Fredrickson. I own Electric Brewing in Bisbee, Arizona in Becky Nutt's District 14 and I am strongly against SB1293. We opened in August in the midst of the pandemic and have already been struggling to make ends meet.; Emily McMenemy, Self: My family owns and operates Front Pourch Brewing. We are barely 1.5 years old. This Bill would add additional strain to our small business by providing an advantage to bigger companies with more expendable resources. Thank you for your consideration.; Taylor Carter, Self: My name is Taylor Carter and I am one of the owners of FireTruck Brewing Company in Tucson Arizona, owned and operated by firefighters. This bill gives an unfair advantage of pay-for-play. It only benefits the giant beer / distribution companies.; Marshall Norris, Self: This bill does not consider small business, and definitely does not consider Arizona small business. Now is not the time to implement legislation that favors large companies. This damages small craft breweries.; Jeff Herbert, Self: I run a small business and this

bill would make it more challenging to compete with large businesses who are comfortable with the not so grey area of "Pay to Play." I the owner of Superstition Meadery and am in LD 1 and LD 27

SB1064, contractor license numbers; advertising; exception

Support:

Jen Springman, GREATER PHOENIX CHAMBER OF COMMERCE

Neutral:

Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ

ARIZONA STATE LEGISLATURE

Fifty-fifth Legislature - First Regular Session

COMMITTEE ATTENDANCE RECORD

COMMITTEE ON **COMMERCE**

CHAIRMAN: Jeff Weninger VICE-CHAIRMAN: Steve Kaiser

	DATE	03/09/21	3/16/21	3/23/21	/21	/21
	CONVENED	2:03 pm	2:05 pm	2:04 pm	m	m
	RECESSED					
	RECONVENED					
	ADJOURNED	3:14 pm	4:01 pm	4:30 pm		
MEMBERS						
Chaplik		✓	✓	✓		
Cook		✓	✓	✓		
Espinoza		✓	✓	✓		
Fernandez		✓	✓	✓		
Meza		✓	✓	✓		
Nutt		✓	✓	✓		
Powers Hannley		✓	✓	✓		
Wilmeth		✓	✓	✓		
Kaiser, Vice-Chairman		✓	✓	✓		
Weninger, Chairman		✓	✓	✓		

√ Present --- Absent exc Excused

Attachment 3

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

Senate: COM DP 5-4-0-0 |3rd Read 16-14-0-0

SB 1268: labor organizations; fiduciary guidelines; disclosure
Sponsor: Senator Petersen, LD 12
Committee on Commerce

Overview

Subjects labor organizations that collect benefit monies or union dues to certain fiduciary guidelines.

History

Pursuant to the Arizona State Constitution, Article 25 and A.R.S. § 23-1302, no person shall be denied the opportunity to obtain or retain employment because of non-membership in a labor organization, nor shall they be excluded, by way of agreement, from employment or the continuation of employment by any entity because of non-membership.

The federal Labor-Management Reporting and Disclosure Act requires labor organizations file a financial report annually that is signed by its president and treasurer. The annual report must be filed with the U.S. Secretary of Labor and must include:

1) Assets and liabilities and the beginning and end of the fiscal year;
2) Any receipts and sources thereof;
3) Salary, allowances and other direct or indirect disbursement to each officer and employee receiving more than $10,000 from the labor organization and any affiliated organization;
4) Loans greater than $250 made to an officer, employee or member;
5) Loans made to a business enterprise; and
6) Other disbursements.

A labor organization must make the required information available to all members (29 U.S.C. § 431).

Provisions

Labor Organizations; Fiduciary Guidelines (Sec. 1)

1. Subjects a labor organization that collects benefit monies or union dues to fiduciary guidelines similar to those required by employers or third-party administrators providing benefits to employees, including the following:
   a) Requires the labor organization to annually disclose specified information to its members and its members' employers;
      i. Provides further requirements for the annual disclosure.
   b) Requires the labor organization benefit plan to use generally accepted accounting principles to account for benefit funds;
   c) Permit a member of a labor organization to obtain health and welfare, pension, vacation, sick or holiday benefits of the member's choosing instead of the benefits offered by the labor organization;
      i. Asserts the member has ultimate discretion in choosing benefits.

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

ii. Provides requirements for withhold payments based on the members choice.

d) Directs any fringe benefit contributions that a union receives that are in excess of the costs the union incurs with respect to that fringe benefit to, within 75 days after the end of the year: 1) be refunded to the employee, or 2) be deposited into a defined contribution plan;
e) Prohibits a labor organization from accepting dues or benefits contributions for employees that have not voluntarily joined the labor organization;
f) Grants any resident of this state standing in court against the labor organization for moneys that are paid to a labor organization on behalf of the resident without consent;
g) Prevents, without affirmative written consent, an individual from being considered as a member of a labor organization or have any union dues or benefits withheld; and
h) Specifies an employee or an employer may not pay any penalty or fee related to abstention or resignation from labor organization membership.

2. Specifies the fiduciary guidelines apply to any labor organization that is collecting benefit monies or union dues on behalf of a resident or an employer that is domiciled within Arizona.
3. Specifies the fiduciary guidelines do not apply to employees working for the state, a political subdivision of the state or federal governments.
4. Asserts a member or employer is not obligated to contribute union dues or monies for training or other benefits during any time the labor organization is in violation of fiduciary guidelines.
5. Deems a labor organization in violation of fiduciary guidelines for more than 30 days to have forfeited their claim on the benefit monies that the member or the employer is otherwise obligated to contribute.
6. Specifies that the non-obligation to contribute benefit monies or union dues does not allow a member or employer to halt contribution for outlined benefit categories and that a labor organization does not forfeit its claim on benefit monies or dues unless in accordance with an election made by the member.
7. Defines *benefit category* to include any combination of one or more of the following:
   a) Health and welfare;
   b) Pension;
   c) Vacation, sick or holiday;
   d) Training; and
   e) Other.
8. Specifies that benefit categories may vary for each labor organization.
9. Contains a severability clause. (Sec. 2)

Verbal Amendment
SB 1268
Senate Engrossed

Mr. Chairman, I move the following verbal amendment to Senate Bill 1268 be adopted:

On page 2, line 40, after "GOVERNMENTS" insert "OR TO LABOR ORGANIZATIOS OR ASSOCIATIONS WHOSE MEMBERSHIP INCLUDES PRIMARILY PUBLIC EMPLOYEES"

Attachment 5

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

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1268

DATE March 23, 2021 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Chaplik		✓			
Cook		✓			
Espinoza			✓		
Fernandez			✓		
Meza			✓		
Nutt		✓			
Powers Hannley			✓		
Wilmeth		✓			
Kaiser, Vice-Chairman		✓			
Weninger, Chairman		✓			
		6	4	0	0

Iris McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 6

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

Senate: GOV DP 5-3-0-0 | 3rd Read 16-14-0-0

SB 1353: anti-rabies vaccination; rabies titer
S/E: terminally ill patients; compounding; pharmacy
Sponsor: Senator Barto, LD 15
Committee on Commerce

Summary of the Strike-Everything Amendment to SB 1353

Overview

Asserts chronically and terminally ill patients have the right to determine treatment by medications obtained from a compounding pharmacy.

History

According to the Food and Drug Administration (FDA) compounding is generally a practice in which a licensed pharmacist, a licensed physician or a person under the supervision of a licensed pharmacist combines, mixes or alters ingredients of a drug to create a medication tailored to the needs of an individual patient (FDA). A drug may be compounded for a patient who cannot be treated with an FDA-approved medication, and practitioners in hospitals, clinics and other health care facilities can provide compounded drugs to patients when an FDA-approved drug is not medically appropriate to treat the patient. Compounded drugs are not FDA approved and the FDA does not review or evaluate compounded drugs for safety, effectiveness or quality before being offered to patients.

In 2012, the U.S. Congress passed the Drug Quality and Security Act (DQSA) which made various updates to the Federal Food, Drug and Cosmetic Act (FD&C Act) regarding human drug compounding, including eliminating provisions concerning advertising of compounded drugs that had been found to be unconstitutional. Additionally, the FD&C Act describes the conditions under which compounded human drug products are exempt from requirements regarding pre-marketing approval, manufacturing practices and directions for use labeling. Further, the DQSA and FD&C Act outline requirements for compounding in state-licensed pharmacies and by doctors, as well as compounding in outsourcing facilities (P.L. 113-54, 113th Congress, 2013; FD&C Act § 503A).

Statute defines *compounding* as the preparation, mixing, assembling, packaging or labeling of a drug by a pharmacist or an intern or pharmacy technician under the pharmacist's supervision, for the purpose of dispensing to a patient based on a valid prescription order (A.R.S. § 32-1901).

Provisions

1. Asserts chronically and terminally ill patients have the right to determine, with assistance from their health care provider, individual courses of treatment through the use of medications and treatments obtained from a compounding pharmacy. (Sec. 1)
2. Grants licensed compounding pharmacies access to active pharmaceutical ingredients for use in compounding that meet U.S. pharmacopeia monographs if the active pharmaceutical ingredient:
   a) Is prepared for use by a U.S. FDA-registered manufacturer or packager;

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

b) Is lawfully shipped into Arizona and arrives with a certificate of analysis detailing quality specifications; and
c) Is deemed safe for compounding by the FDA and placed on the federal 503A Category II Bulk Drug Substance List. (Sec. 1)

3. Stipulates the compounding pharmacy requirements do not allow any treatment or use of the medication that is intended to cause the death of the patient. (Sec. 1)
4. Defines *chronically ill patient*; *compounding pharmacy*; *monographs*; and *terminally ill patient*. (Sec. 1)

Fifty-fifth Legislature
First Regular Session

Commerce
S.B. 1353

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1353

(Reference to Senate engrossed bill)

Strike everything after the enacting clause and insert:

Section 1. Title 32, chapter 18, article 3, Arizona Revised Statutes, is amended by adding section 32-1971, to read:

32-1971. Compounding pharmacies; certain medications; requirements; definitions

A. CHRONICALLY ILL PATIENTS AND TERMINALLY ILL PATIENTS HAVE THE RIGHT TO DETERMINE, WITH THE ASSISTANCE AND GUIDANCE OF THEIR HEALTH CARE PROVIDERS, INDIVIDUAL COURSES OF TREATMENT THROUGH THE USE OF MEDICATIONS AND TREATMENTS OBTAINED FROM A COMPOUNDING PHARMACY.

B. COMPOUNDING PHARMACIES THAT ARE LICENSED IN THIS STATE SHALL HAVE ACCESS TO ACTIVE PHARMACEUTICAL INGREDIENTS FOR USE IN COMPOUNDING THAT MEET UNITED STATES PHARMACOPEIA MONOGRAPHS, IF THE ACTIVE PHARMACEUTICAL INGREDIENT IS PREPARED FOR USE BY A UNITED STATES FOOD AND DRUG ADMINISTRATION-REGISTERED ACTIVE PHARMACEUTICAL INGREDIENT MANUFACTURER OR PACKAGER, IS SHIPPED INTO THIS STATE IN COMPLIANCE WITH STATE LAW AND ARRIVES WITH A CERTIFICATE OF ANALYSIS DETAILING QUALITY SPECIFICATIONS, INCLUDING ANY MEDICATIONS, DIETARY SUPPLEMENTS AND AMINO ACIDS THAT ARE ALREADY IN USE BY COMPOUNDING PHARMACIES IN THIS STATE, IN ORDER TO PROVIDE CHRONICALLY ILL PATIENTS AND TERMINALLY ILL PATIENTS WITH THE PRESCRIBED INDIVIDUAL COURSE OF TREATMENT. PROVIDED HOWEVER SUCH ACTIVE PHARMACEUTICAL INGREDIENT IS NOT DEEMED UNSAFE FOR COMPOUNDING BY THE FEDERAL FOOD AND DRUG ADMINISTRATION AND PLACED ON THE 503A CATEGORY II BULK DRUG SUBSTANCE LIST.

Attachment 8

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

C. THIS SECTION DOES NOT ALLOW ANY TREATMENT OR USE OF MEDICATION THAT IS INTENDED TO CAUSE THE DEATH OF THE PATIENT.

D. FOR THE PURPOSES OF THIS SECTION:

1. "CHRONICALLY ILL PATIENT" MEANS A PATIENT WHOSE PHYSICIAN HAS DIAGNOSED THE PATIENT AS HAVING A LONG-TERM DISEASE OR CONDITION THAT IF LEFT UNTREATED MAY CAUSE MAJOR IRREVERSIBLE MORBIDITY AND WHO MIGHT BENEFIT FROM INDIVIDUALIZED OR SPECIALIZED MEDICATION THAT IS NOT COMMERCIALLY AVAILABLE.

2. "COMPOUNDING PHARMACY" MEANS A PHARMACY THAT IS CLASSIFIED AS A 503A PHARMACY BY THE UNITED STATES FOOD AND DRUG ADMINISTRATION.

3. "MONOGRAPHS" MEANS QUALITY STANDARDS FOR PRESCRIPTION MEDICINES AND DIETARY SUPPLEMENTS THAT ARTICULATE THE QUALITY EXPECTATIONS FOR A MEDICINE OR DIETARY SUPPLEMENT, INCLUDING ITS IDENTITY, STRENGTH, PURITY AND PERFORMANCE.

4. "TERMINALLY ILL PATIENT" MEANS A PATIENT WHOSE PHYSICIAN HAS DIAGNOSED THE PATIENT WITH A DISEASE THAT, TAKING INTO ACCOUNT THE PATIENT'S MEDICAL CIRCUMSTANCES, WILL CAUSE THE PATIENT'S DEATH IN A REASONABLY FORESEEABLE TIME.

Amend title to conform

JEFF WENINGER

1353WENINGER
03/18/2021
10:26 AM
H: PRB/ls

Fifty-fifth Legislature
First Regular Session

Commerce
S.B. 1353

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1353

(Reference to WENINGER s/e amendment dated: 3/18/21; 10:26 AM)

Page 1, line 22, strike the second "AND" insert "OR IS"; after "THE" insert "INTERIM"

Line 23, after the period insert "COMPOUNDERS MAY ONLY USE SUBSTANCES PLACED ON THE INTERIM 503A CATEGORY III BULK DRUG SUBSTANCE LIST IF THE SUBSTANCE MEETS THE REQUIREMENTS OF THIS SECTION."

Amend title to conform

JEFF WENINGER

1353WENINGER2
03/22/2021
09:37 AM
H: PRB/ls

Attachment 9

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

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1353

DATE March 23, 2021 MOTION: DPA/3E

	PASS	AYE	NAY	PRESENT	ABSENT
Chaplik		✓			
Cook					✓
Espinoza		✓			
Fernandez		✓			
Meza		✓			
Nutt		✓			
Powers Hannley		✓			
Wilmeth		✓			
Kaiser, Vice-Chairman		✓			
Weninger, Chairman		✓			
		9	0	0	1

Iris McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 10

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

Senate: COM DP 8-1-0-0 | 3rd Read 27-2-1-0

SB 1215: liquor; sales; delivery; identification information
Sponsor: Senator Borrelli, LD 5
Committee on Commerce

Overview
Exempts, under specified conditions, containers of spirituous liquor for delivery from prescribed labeling requirements.

History
A retail licensee with off-sale privileges may take orders through the internet or by telephone, mail, fax, catalog or other means for the sale and delivery of spirituous liquor off the licensed premises to a person in Arizona. The licensee may maintain a delivery service and may contract with an independent contractor or a common carrier for delivery of spirituous liquor. An employee of a licensee or other authorized person must verify the age of the person accepting the delivery through the display of an identification document and receive the person's signature. A licensee must label containers of spirituous liquor for delivery with the words, "*contains alcohol, signature of person who is twenty-one years of age or older is required for delivery.*" The licensee is responsible for any violations of the requirements for the sale and delivery of spirituous liquor (A.R.S. § 4-203).

Provisions
1. Exempts containers of spirituous liquor for delivery from the prescribed labeling requirement provided:
   a) The person delivering the order has personally retrieved and bagged or otherwise packaged the container; and
   b) The retail licensee records, or requires to be recorded electronically, the identification information for each delivery. (Sec. 1)
2. Makes technical changes. (Sec. 1)

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

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1215

DATE March 23, 2021 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Chaplik		✓			
Cook		✓			
Espinoza	✓		✓		
Fernandez			✓		
Meza			✓		
Nutt		✓			
Powers Hannley			✓		
Wilmeth		✓			
Kaiser, Vice-Chairman		✓			
Weninger, Chairman		✓			
		6	4	0	0

Iris McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 12

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

Senate: COM DPA/SE 6-3-0-0 | 3rd Read 16-14-0-0

SB 1156: solid waste; advanced recycling facilities
Sponsor: Senator Mesnard, LD 17
Committee on Commerce

Overview

Excludes an advanced recycling facility that converts recovered feedstocks to manufacture raw materials and intermediate and final products from being considered as a solid waste facility.

History

The Arizona Department of Environmental Quality (ADEQ) is required to prepare and keep current a statewide solid waste management plan which establishes standards for solid waste facilities in cooperation with facility owners or operators, local governments and management agencies (A.R.S. § 49-721).

ADEQ's Solid Waste Program is responsible for permitting, inspecting, and providing compliance assistance to solid waste facilities. The main functions of the Solid Waste Program include:

1. Issuing permits, certifications and licenses to solid waste facilities.
2. Conducting solid waste facility inspections to ensure compliance in accordance with state and federal regulations.
3. Responding to and investigating any complaints related to solid waste.
4. Providing information to the public regarding proper residential and commercial disposal of solid waste.

Statute directs ADEQ to implement an Arizona Recycling Program as well as initiate, conduct and support research, demonstration projects and investigations pertaining to recycling and source reduction (A.R.S. § 49-832). The Recycling Fund, administered by the Director of ADEQ and overseen by the Director-appointed Recycling Fund Advisory Committee, consists of monies appropriated by the Legislature, gifts, grants, donations and, subject to legislative appropriation, monies derived from Landfill Disposal Fees. Monies from the Recycling Fund may be used for the following purposes: 1) to provide grants to or contracts with political subdivisions, nonprofit organizations or private enterprise for research, demonstration projects, market development and source reduction studies and the implementation of Arizona Recycling Program recommendations and reports; 2) public programs on litter control, recycling and source reduction; 3) the collection of Landfill Disposal Fees and administration of the Recycling Fund; 4) the Arizona Recycling Program; 5) the Arizona Commerce Authority's Recycled Market Development Program; and 6) ADEQ's Solid Waste Control Program (A.R.S. § 49-837).

A *solid waste facility* is a transfer facility and any site owned, operated or utilized by any person for the storage, processing, treatment or disposal of solid waste, conditionally exempt small quantity generator waste or household hazardous waste. *Solid waste* is any garbage, trash, rubbish, waste tire, refuse, sludge from a waste treatment plant, water supply treatment plant or pollution control facility and other discarded material, including solid, liquid, semisolid or contained gaseous material. (A.R.S. §§ 49-701 and 49-701.01).

Provisions

1. Excludes an advanced recycling facility that converts recovered feedstocks to manufacture raw materials and intermediate and final products from the definition of *solid waste facility*. (Sec. 1)
2. Exempts, from the definition of *solid waste*, recovered feedstocks if those materials are processed through advanced recycling and if the advanced recycling facilities are operated in a manner that:
   a) Controls wind and other surface dispersion of recovered feedstock from the advanced recycling facility so that the recovered feedstock does not create a public nuisance or pose an imminent endangerment to public health or the environment;
      i. Including the requirement to recover on a regular basis any visible recovered feedstock that is dispersed beyond the boundaries of the advanced recycling facility.
   b) Does not discharge hazardous substances to surface water, groundwater or subsurface soil in a manner that creates a public nuisance or poses an imminent endangerment to public health or the environment;
   c) Does not cause a nuisance, vector breeding or fire hazard by storing recoverable feedstocks or post-use polymers; and
   d) Requires recoverable feedstocks or post-use polymer to be converted using an advanced recycling process after storage or less than 90 days or, for advanced recycling operations on government property, 120 days. (Sec. 2)
3. Permits Recycling Fund monies to be used for grants to or contracts with political subdivisions, nonprofit organizations or private enterprises for new technologies. (Sec. 4)
4. Defines *advanced recycling, advanced recycling facility, depolymerization, gasification, post-use polymer, pyrolysis, recovered feedstocks,* and *solvolysis.* (Sec. 1)
5. Makes technical and conforming changes. (Sec. 1-4)

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1156

DATE March 23, 2021 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Chaplik		✓			
Cook		✓			
Espinoza		✓			
Fernandez			✓		
Meza		✓			
Nutt		✓			
Powers Hannley			✓		
Wilmeth		✓			
Kaiser, Vice-Chairman		✓			
Weninger, Chairman		✓			
		8	2	0	0

Iris McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 14

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

Senate: GOV DP 5-3-0-0 | 3rd Read 16-14-0-0

SB 1063: administrative review of agency decisions
Sponsor: Senator Mesnard, LD 17
Committee on Commerce

Overview

Requires, if demanded by certain parties, that a trial for review of final administrative decisions of certain state agencies be a *trial de novo.*

History

A person is permitted to appeal a final administrative decision of a contested case or an appealable agency action in accordance with statute relating to judicial review of administrative decisions. In an action for judicial review of a final administrative decision, jurisdiction is vested with the superior court, unless another venue is expressly prescribed in statute (A.R.S. §§ 41-1092.08 and 12-905).

An affected party in a final administrative decision must file a notice of appeal within 35 days of receiving the decision in order to commence an action to review a final administrative decision. The notice of appeal must contain a statement of the findings and decisions sought to be reviewed (A.R.S. §§ 12-904 and 12-909).

After reviewing the administrative record and supplementing evidence, the court may affirm, reverse, modify or vacate and remand the agency action. The court must affirm the agency action unless the court concludes that the agency action is contrary to law, not supported by substantial evidence, arbitrary and capricious or an abuse of discretion. In proceedings brought by or against a regulated party, the court must decide all questions of law without deference to any previous determination by the agency. For review of final administrative decisions of specified agencies that are exempt from administrative hearing procedures, the trial must be a trial de novo, if: 1) demanded in the notice of appeal or motion of an appellee other than the agency; and 2) a hearing was either not held by the agency or not reported or recorded to maintain a transcript (A.R.S. § 12-910).

A *trial de novo* is a trial in a higher court in which all the issues of fact or law tried in a lower court are reconsidered as if no previous trial had taken place.

Provisions

1. Requires a trial, in an action to review a final administrative decision of certain state agencies that regulate a profession or occupation, to be *de novo* if demanded in the notice of appeal or motion of an appellee other than the agency. (Sec. 1)
2. Instructs the court, in a proceeding brought by or against the regulated party, to decide all questions of fact without deference to any previous determination that may have been made by the agency. (Sec. 1)
3. Makes technical changes. (Sec. 1-2)

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

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1063

DATE March 23, 2021 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Chaplik		✓			
Cook		✓			
Espinoza			✓		
Fernandez			✓		
Meza			✓		
Nutt		✓			
Powers Hannley			✓		
Wilmeth		✓			
Kaiser, Vice-Chairman		✓			
Weninger, Chairman		✓			
		6	4	0	0

Iris McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 16

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

Senate: COM DP 9-0-0-0 | 3rd Read 29-0-1-0

SB 1230: limited liability companies
Sponsor: Senator Pace, LD 25
Committee on Commerce

Overview
Updates and makes revisions to statute relating to Limited Liability Company (LLC) Act.

History
In 2018, the Legislature adopted the Arizona Limited Liability Company Act (2019 Act), revising LLC requirements relating to organization, standards of conduct, operating agreements, service of process, transferable interest, liability, notice, dissolution and winding up processes, derivative actions and mergers, as well as requirements specific to member-managed LLCs, professional LLCs and foreign LLCs.

Until September 1, 2020, the 2019 Act applied only to: 1) an LLC formed, converted or domesticated beginning September 1, 2019; 2) a foreign LLC registered in Arizona beginning September 1, 2019; and 3) an LLC formed, converted or domesticated before September 1, 2019, that elected to be subject to the 2019 Act. Previous statutory requirements for LLCs were repealed on September 1, 2020, applying the 2019 Act to all LLCs and foreign LLCs. The 2019 Act directed Legislative Council Staff to prepare proposed legislation to conform the Arizona Revised Statutes to the 2019 Act's provisions for consideration in the 54th Legislature, Second Regular Session (Laws 2018, Chapter 168).

Provisions
1. Clarifies an LLC operating agreement is prohibited from reducing or eliminating the statutory distribution restrictions or the statutory liabilities for prohibited distributions *in a manner that adversely affects the rights of a person other than a member or manager.* (Sec. 9)
2. Prohibits an LLC operating agreement from varying statutory prohibitions on an LLC relating to:
   a) Engaging in the business of banking; or
   b) Being an insurer, except for a title insurance agent or a pure captive insurer. (Sec. 9)
3. Deems, as the statutory agent's mailing address, the street address of the statutory agent of an LLC formed, or a foreign LLC registered, before September 1, 2019. (Sec. 10)
4. Includes, to the events causing a person to be dissociated from an LLC, if and when the person's entire transferable interest is transferred and either:
   a) At the effective time of the transfer, at least one transferee is or becomes a member; or
   b) At any time after the effective time of the transfer, at least one transferee becomes a member and the transferring person has not otherwise acquired a transferable interest. (Sec. 12)
5. Removes the Arizona Corporation Commission's authority to administratively dissolve an LLC that does not have a principal address in Arizona for at least 60 consecutive days. (Sec. 13)

6. Makes technical and conforming changes. (Sec. 1-8, 11, 12, 14-17)

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1230

DATE March 23, 2021 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Chaplik		✓			
Cook		✓			
Espinoza		✓			
Fernandez		✓			
Meza		✓			
Nutt		✓			
Powers Hannley		✓			
Wilmeth		✓			
Kaiser, Vice-Chairman		✓			
Weninger, Chairman		✓			
		10	0	0	0

Iris Mc Mahon
COMMITTEE SECRETARY

APPROVED:
Jeff Weninger
JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 18

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1064

DATE March 23, 2021 MOTION: HELD

	PASS	AYE	NAY	PRESENT	ABSENT
Chaplik					
Cook					
Espinoza					
Fernandez					
Meza					
Nutt					
Powers Hannley					
Wilmeth					
Kaiser, Vice-Chairman					
Weninger, Chairman					

Iris Mc Mahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 19

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. SB 1293

DATE March 23, 2021 MOTION: HELD

	PASS	AYE	NAY	PRESENT	ABSENT
Chaplik					
Cook					
Espinoza					
Fernandez					
Meza					
Nutt					
Powers Hannley					
Wilmeth					
Kaiser, Vice-Chairman					
Weninger, Chairman					

Lucie McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 20