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

COMMITTEE ON COMMERCE

Report of Regular Meeting
Tuesday, February 9, 2021
House Hearing Room 3 -- 2:00 P.M.

Convened 2:09 P.M.
Recessed
Reconvened
Adjourned 5:06 P.M.

MINUTES RECEIVED
CHIEF CLERK'S OFFICE
2-10-21

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
HB2772	DPA	9-1-0-0	4, 5, 6
HB2773	DPA	7-3-0-0	7, 8, 9
HB2156	DP	8-2-0-0	10, 11
HB2367	HELD		12
HB2507	HELD		13
HB2541	DP	10-0-0-0	14, 15
HB2544	DPA	9-0-0-1	16, 17, 18
HB2545	DPA	10-0-0-0	19, 20, 21
HB2546	DP	10-0-0-0	22, 23

Iris McMahon, Committee Secretary
February 10, 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: 2:09 pm

Adjourned: 5:06 PM

REGULAR MEETING AGENDA

COMMITTEE ON COMMERCE

DATE Tuesday, February 9, 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=2021021068

Members:

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

Bills		Short Title	Strike Everything Title
3 HB2156	DP	appropriations; broadband grants	
		(Espinoza: Cobb)	
	9-2-0-0	COM, APPROP, RULES	
*HB2367	HELD	special event licenses; charitable organizations	
		(Payne)	
		COM held 0-0-0-0-0, RULES	
HB2507	HELD	landlords; deceased tenant; pets	
		(Bolick)	
		COM, RULES	
~~HB2508~~		~~money transmitters; exemptions; authorized delegates~~	←
		~~(Bolick)~~	
		~~COM, RULES~~	
4 HB2541	DP	telecommunications fund; report; posting	
		(Wilmeth)	
	10-0-0-0	COM, RULES	

Attachment 1

	Bills		Short Title	Strike Everything Title
5	HB2544	DPA	blockchain and cryptocurrency study committee	
			(Wilmeth: Kaiser, Lieberman, et al)	
		9-0-0-1	COM, RULES	
6	HB2545	DPA	contractor license numbers; advertising; exception.	
			(Wilmeth)	
		10-0-0-0	COM, RULES	
7	HB2546	DP	home solicitation sales; definition	
			(Wilmeth: Carroll, Toma, et al)	
		10-0-0-0	COM, RULES	
	~~HB2556~~		~~tobacco; vaping; penalties; legal age~~	←
			~~(Osborne: Nutt, Payne, et al)~~	
			~~COM, RULES~~	
1	HB2772	DPA	fantasy sports betting; event wagering.	
			(Weninger: Bolick, Chávez, et al)	
		9-1-0-0	COM, RULES	
2	HB2773	DPA	spirituous liquor; delivery; off-sale permits	
			(Weninger: Chávez, Hernandez A, et al)	
		7-3-0-0	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 ~~in person or~~ 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 ~~or in person~~. 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
02/08/2021

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 (2/9/2021)

HB2156, appropriations; broadband grants

Support:

John Kelly, Principal, MICROSOFT CORPORATION; Eric Emmert, Arizona Association For Economic Development ; Russell Smoldon, AZ MUNICIPAL POWER USERS ASSN; Julie Rees, City Of Sierra Vista; Lourdes Peña, SIERRA VISTA, CITY OF; Todd Madeksza, COCONINO COUNTY, FLAGSTAFF, CITY OF; Geoff Esposito, UNIDOSUS; Michael Madden, COUNTY SUPERVISORS ASSN OF AZ; Casey Ratlief, GRAND CANYON STATE ELECTRIC COOP ASSN; Wendy Valenzuela, AZ PUBLIC SERVICE COMPANY (APS); Carmen Terrell, representing self

Neutral:

Pat VanMaanen, representing self; Susan Bitter Smith, representing self

All Comments:

John Kelly, MICROSOFT CORPORATION: This bill helps address a problem that existed before Covid, but was accelerated and emphasized by Covid. This is a key piece of multiple elements of the State's efforts to expand access to vital digital resources.; Michael Madden, COUNTY SUPERVISORS ASSN OF AZ: CSA supports increased investment in broadband infrastructure and development in Arizona.; Carmen Terrell, Self: Some people need internet access, but can't afford the cost of it. Internet service providers charge too much and in some areas, the service doesn't work well. Price gouging isn't the answer but grants are the solution.; Pat VanMaanen, Self: This bill is very vague, needs more details and would prefer to see it focused on parts of the state where infrastructure is limited/missing with a focus on equity.; Susan Bitter Smith, Self: Speaking on behalf of the Members of the Southwest Cable Communications Association

HB2367, special event licenses; charitable organizations

Oppose:

Rob Fullmer, EVENT PRODUCERS ALLIANCE OF ARIZONA

HB2507, landlords; deceased tenant; pets

Support:

kathleen mayer, representing self; Karen Michael, HVA, INC. DBA HUMANE VOTERS OF ARIZONA; ellen katz, William E. Morris Institute For Justice; Kellye Pinkleton, HUMANE SOCIETY OF THE UNITED STATES; Linda Bentley, representing self; Don Bentley, ANIMAL DEFENSE LEAGUE OF ARIZONA

Neutral:

Carmen Terrell, representing self

Attachment 2

All Comments:

ellen katz, William E. Morris Institute For Justice: While we support the bill, the bill needs changes. The words animal(s) should be used instead of pet(s). The landlord should be required to ask for the contact for both personal prop and animals.; Carmen Terrell, Self: I don't know what this is about, but it's not the job of a landlord to figure out where a deceased person's pet should go. This is a job for animal control. Pets should go to a shelter and have the shelter handle the situation.

HB2541, telecommunications fund; report; posting

HB2544, blockchain and cryptocurrency study committee

Support:

Brett Mecum, representing self; James Christian, representing self; Ryan Taylor, representing self

HB2545, contractor license numbers; advertising; exception.

Support:

Mike Huckins, GREATER PHOENIX CHAMBER OF COMMERCE; Meghaen Dell'Artino, COXCOM INC

Neutral:

Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ

HB2546, home solicitation sales; definition

HB2772, fantasy sports betting; event wagering.

Testified in support:

Daryl Chester, representing self; Kelsey Lundy, BETMGM, LLC, DRAFTKINGS, FANDUEL, TP RACING LLLP; Anni Foster, AZ GOVERNOR'S OFFICE; Amilyn Pierce, AZ DIAMONDBACKS; Andrew Diss, representing self; Julie Giese, representing self; David Delos, representing self; Don Isaacson, AZ LICENSED BEVERAGE ASSN; John MacDonald, HUALAPAI TRIBE; Robert Dalager, Arizona Cardinals ; David Miller, representing self

Support:

Wendy Briggs, TOHONO O'ODHAM NATION; Michael Haener, Partner, SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY; Tom Farley, COLORADO RIVER INDIAN TRIBES; Dianne McCallister, Bally's Corporation; Todd Baughman, Major League Baseball, National Basketball Association; Meghaen Dell'Artino, GILA RIVER INDIAN COMMUNITY; Jaime Molera, AZ INDIAN GAMING ASSN; Emily Ryan, Pascua Yaqui Tribe; Kurt Davis, Phoenix Suns; Shaun Rieve, TOHONO O'ODHAM NATION; John Oliver, representing self; Hunter Moore, PGA TOUR, INC.; Mike Bielecki, NAVAJO NATION GAMING ENTERPRISE; Stacie Stern, representing self

Neutral:

Aiden Fleming , AZ DEPT OF GAMING

All Comments:

Daryl Chester, Self: This would be a great bill if amended to allow all lottery licensed establishments to carry Keno.; Kelsey Lundy, BETMGM, LLC, DRAFTKINGS, FANDUEL, TP RACING LLLP: Speaking on behalf of FanDuel, DraftKings, BetMGM.; Andrew Diss, Self: On behalf of the Arizona Coyotes; Julie Giese, Self: NASCAR and Phoenix Raceway support HB2772; Wendy Briggs, TOHONO O'ODHAM NATION: The Tohono O'odham Nation supports the legislation as part of an overall agreement with the Governor's office to amend and update the gaming compacts.; Michael Haener, SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY: SRPMIC supports SB1797 and the amendment offered by Chairman Weninger. Our support is based off a five-year negotiation with the State and is not an open-ended endorsement of further expansion of off-reservation gaming.; Tom Farley, COLORADO RIVER INDIAN TRIBES: Support the bill as long as gaming compacts are amended and executed to the satisfaction of my client. Without amended and executed gaming compacts, my client would oppose HB 2772 contents.; Todd Baughman, Major League Baseball, National Basketball Association: MLB and the NBA support HB2772; Emily Ryan, Pascua Yaqui Tribe: This legislation is part of a larger package tied to the proposed 2021 Gaming Compact Amendment, our support is conditional on the signing of the 2021 Gaming Compact Amendment.; John Oliver, Self: It's silly to give up revenue and then pay to arrest consenting adults for betting.; Hunter Moore, PGA TOUR, INC.: Representing the PGA Tour; Don Isaacson, AZ LICENSED BEVERAGE ASSN: Support with amendment.; Robert Dalager, Arizona Cardinals : If necessary; David Miller, Self: Representing PGA Tour

HB2773, spirituous liquor; delivery; off-sale permits

Testified in support:

Michael Gardner, Arizona Restaurant Association; Dan Bogert, AZ RESTAURANT ASSOCIATION; Matt Fulton, representing self; Mike Williams, DISTILLED SPIRITS OF US INC (DISCUS); Amber Smith, TUCSON METROPOLITAN CHAMBER OF COMMERCE

Testified as opposed:

Tony Bradley, President and CEO, Arizona Trucking Association; Daryl Chester, representing self; Mark Miller, representing self; David Delos, representing self; Don Isaacson, AZ LICENSED BEVERAGE ASSN

Support:

Jason Barraza, Associate Director, DIAGEO; Boaz Witbeck, AMERICANS FOR PROSPERITY AZ; Brock Wilson, representing self; Stephen Shadegg, AMERICANS FOR PROSPERITY AZ; Ashley Donis, representing self; Victoria Holderbach, AMERICANS FOR PROSPERITY AZ; Angela Williams, representing self; Brenda Garcia, representing self; Josh Jacobsen, representing self; Beth Cochran , representing self; Angelina Galaviz, representing self

Neutral:

Tom Farley, Wine Spirits Wholesalers Association Of Arizona; Sarah Ashton, representing self; Rob Fullmer, EVENT PRODUCERS ALLIANCE OF ARIZONA; Camila Alarcon, ARIZONA CRAFT BREWERS GUILD

Oppose:

Michelle Ahlmer, AZ RETAILERS ASSN; Amanda Gray, Arizona Petroleum Marketers Association; Dale Wiebusch, MARICOPA, CITY OF; Steve Gorman-Hackstadt, representing self; Lisa Tesnear, representing self; William Harris, representing self; Gianna Elms, representing self; Trish Hart, AZ FOOD MARKETING ALLIANCE

All Comments:

Matt Fulton, Self: wishing to speak Thank you Representative Weninger! Matt Fulton The Whining Pig; Angela Williams, Self: I would like to see the fees to allow this be reduced. Bars/restaurants are hit the hardest by Covid and this will be a way for them to stay in business-don't charge them too much please (or not at all).; Josh Jacobsen, Self: Please support this bill with a yes vote.; Beth Cochran , Self: I am requesting a YES vote to this Bill as a restaurant executive who needs all avenues of revenue to keep open for business.; Tony Bradley, Arizona Trucking Association: ATA opposes the additional regulatory requirements established under this bill for third party delivery services; Daryl Chester, Self: This is a bad bill. Cocktails do not need to be sold to go and Restaurants do not need to be selling cocktails to go.; Amanda Gray, Arizona Petroleum Marketers Association: We understand the hardships that restaurants are going through during this challenging time, but we do not support this as a permanent change.; Gianna Elms, Self: Bad for mental health, business, & will increase DUI related fatalities. Stats prove it in other states. Don't legalize ROADIES just to bailout restaurants & legitimize the Gov's illegal executive order! I'm a daughter of a drunk. COVID is no excuse!; Sarah Ashton, Self: Uber is changing position to neutral

ARIZONA STATE LEGISLATURE

Fifty-fifth Legislature - First Regular Session

COMMITTEE ATTENDANCE RECORD

COMMITTEE ON **COMMERCE**

CHAIRMAN: Jeff Weninger VICE-CHAIRMAN: Steve Kaiser

	DATE	1/19/21	1/26/21	2/2/21	2/9/21	/21
	CONVENED	2:05pm	2:03pm	2:04pm	2:09pm	m
	RECESSED					
	RECONVENED					
	ADJOURNED	4:27 PM	4:04 PM	3:04 PM	5:06PM	
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

HB 2772: fantasy sports betting; event wagering.
Sponsor: Representative Weninger, LD 17
Committee on Commerce

Overview
An emergency measure that establishes laws governing fantasy sports contests and event wagering.

History
A person is prohibited from engaging in any bet or wager with respect to the results of any race, sporting event, contest or other game of skill or change except for amusement or regulated gambling. Regulated gambling is gambling conducted in accordance with a Tribal-State Gaming Compact or gambling that is operated and controlled in accordance with statute or rule of this state. (Title 13, Chapter 33)

Provisions

Arizona State Lottery Commission (Commission) (Sec. 1)

1. Specifies the results of any gaming activity conducted pursuant to the 2021 Tribal-State Gaming Compact Amendments may not be used as a method of selecting winning tickets or shares by the Commission.
2. Allows the rules adopted by the Commission to include the licensing of authorized keno locations, including the persons that control the business or other activity conducted at a keno location.
3. Authorizes, upon the date on which specified conditions are met, the Commission to establish and operate a single electronic keno game and a single mobile draw game on a centralized computer system controlled by the lottery.
   a) Prescribes certain restrictions in conducting an electronic keno and mobile draw game, including the frequency of keno game draws, number of authorized keno locations, play styles and wagering options a mobile draw game may offer and user interface depictions.
4. Defines *additional wagering facility, authorized keno location, electronic keno game, fraternal organization, mobile draw game, other event, sports event* and *veterans' organization.*

2021 Compact Trust Fund (Trust Fund) (Sec. 2)

5. Establishes the Fund for the exclusive purposes of mitigating impacts to Indian tribes from gaming authorized by the 2021 Gaming Compact Amendment and providing economic benefits to beneficiary tribes.
6. Specifies the Trust Fund consists of contributions from Indian tribes designated in the 2021 Gaming Compact Amendment, excluding contributions made to the Arizona Benefits Fund.
7. Directs the Arizona Department of Gaming (ADG) to administer the Trust Fund.

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

8. Requires the state treasurer to hold any monies in trust.
   a) Allows the state treasurer to invest and divest Trust Fund monies
9. Specifies the beneficiaries of the Trust Fund.
10. Requires Fund monies to be disbursed exclusively for prescribed purposes and exempts the Fund from lapsing of appropriations.
11. Directs ADG to annually report, by September 30, to the governor, legislature and each tribe that has executed a 2021 gaming compact amendment that discloses all monies deposited in and disbursed from the Trust Fund during the prior FY.
12. Defines *2021 gaming compact amendment.*

Fantasy Sports Contests; Licensure (Sec. 3)

13. Requires a person to be licensed as a fantasy sports contest operator (Operator) in order to offer fantasy sports contests.
    a) Allows a person to offer fantasy sports contests provided specified criteria are met.
14. Authorized an Indian tribe that conducts class III gaming to offer and conduct fantasy sports contests without an Operator license provided certain conditions are met.
15. Specifies ADG has jurisdiction over persons conducting a fantasy sports contest.
    a) Allows ADG to adopt rules and prescribe penalties relating to conducting a contest.
16. Requires a person to submit an application, along with required documentation, to ADG for licensure.
    a) Specifies an applicant must submit a current photograph, the required fee and a full set of fingerprints.
    b) Delineates the required documentation an applicant must submit.
17. Permits ADG to require a holding or management company or any other person it considers sufficiently connected to the Operator to obtain a license if the license is necessary to preserve the integrity of contests and protect contest players.
18. Specifies the Operator license is valid for two years and maybe renewed biennially.
    a) Permits ADG to investigate a licensee to ensure compliance.
    b) Directs ADG to establish license and renewal fees.
       i. Allows ADG to assess investigative costs if the cost of the licensure investigation exceeds the amount of the initial license or renewal fee.
19. Instructs ADG to conduct the necessary background investigation to determine if the applicant meets the qualifications for licensure.
    a) Requires ADG to issue the license or deny the application after completion of the background investigation.
    b) Stipulates if the application was denied, ADG must send a statement setting forth the grounds for denial to the applicant.

Operator Prohibitions, Procedures and Responsibilities

20. Prohibits an Operator from employing a person, or requires the termination of an employed person, if determined that the person meets specified criteria.
21. Requires an Operator, as a condition of licensure, to submit to, and receive approval for, commercially reasonable procedures and internal controls intended to:
    a) Prevent the Operator or any specified person from participating in a fantasy sports contest offered to the public;

b) Prevent the employees of the Operator from sharing protected information with 3rd-parties unless the information is made publicly available;
c) Prevent participants in an athletic event from participating in a fantasy sports contest that is based on the athletic event;
d) Establish the number of entries a single fantasy sports contest player may enter in a single contest and take reasonable steps to prevent the submission of more than allowable number of entries;
e) Identify each highly experienced player by attaching a symbol to the player's username;
f) Offer some fantasy sports contests that are open o0nly to players other than highly experienced players;
g) Either: 1) segregate the deposits in the fantasy sports contest player's accounts from operational money, or 2) maintain certain types of monetary reserves which the aggregate amount exceeds the total dollar value amount of deposits in the players' account;
h) Ensure compliance with applicable state and federal requirements to protect the privacy and online security of a contest players and the player's account; and
i) Otherwise ensure the integrity of fantasy sports contests.

22. Requires an Operator to comply with submitted and approved procedures and internal controls.
    a) Allows an Operator to make technical adjustments to its procedures and internal controls under certain conditions.
    b) Asserts the submitted procedures are confidential and privileged.
23. Instructs an Operator, by July 1 of each year, to contract with a certified public accountant to perform an independent audit of the financial condition of the Operator's total operation for the previous FY to ensure compliance.
    a) Requires the Operator to submit the audit to the ADG.
    b) Specifies the results of the audit are confidential and privileged.
24. Directs an Operator to prohibit an individual who is under the age of 21 from participating in a fantasy sports contest.
25. Outlines certain Operator prohibitions which include allowing the use of a script that provides a player with an unfair competitive advantage and using false, deceptive or misleading advertising that is not based on fact.
26. Prohibits a fantasy sports contest from being offered on, at or from any kiosk or machine open to public use and physically located in:
    a) A retail business location, bar, restaurant or other commercial establishment; or
    b) A place of public accommodation, with an exception provided for a fraternal organization, veterans' organization or a licensed racetrack.
27. Provides an exception from certain prohibitions to a federally recognized Indian tribe operating under its Tribal-State Gaming Compact and any amendments.

Problem Gambling

28. Requires an Operator to develop a procedure to inform fantasy sports contest players who have a problem with gambling that help is available.
29. Directs ADG and an Operator to comply with specified requirements to allow problem gamblers to voluntarily exclude themselves from fantasy sports contests statewide.
30. Prohibits an Operator to pay any prize or award to a person who is on the ADG's self-exclusion list.

a) Requires any prize or award by such a person to be forfeited and donated to the ADG's division of problem gambling.
b) Asserts the ADG's self-exclusion list is not open for public inspection.

31. Direct an Operator to develop and maintain a program to mitigate and curtail compulsive play.

Arizona Department of Gaming

32. Directs ADG to adopt rules to implement Fantasy Sports Contest laws and outlines criteria to be included in the rules.

Operator Requirements

33. Requires a licensed Operator to report any change to ownership information within 30 days of the changes effective date.
    a) Specifies ADG determines the license validity due to the change.
34. Directs the Operator to retain and maintain all required records for at least 3 years.
    a) Requires the records be organized in a manner that enables the Operator to provide them to ADG.
    b) Specifies the records are confidential and privileged.
35. Requires the Operator, prior to paying a person any prize or award, to identify and determine if the person has any tax liabilities or setoff obligations from the information provided by certain state agencies.
    a) Stipulates any prize or award will be first used against such tax liabilities or obligations with any remaining monies awarded to the player.
    b) Provides a priority list for instances of the person has multiple liabilities.

Revocation, Suspension or Denial of License

36. Prescribes conditions and criteria in which ADG may revoke, suspend or deny a license.
37. Asserts, by applying for a license, an applicant agrees to be subject to state jurisdiction as necessary to determine qualifications to hold the license.
38. Prohibits the applicant from withdrawing an application written permission and ADG from unreasonably withholding such permission.
39. Defines *career offender, career offender organization* and *occupational manner or context.*

Violations and Penalties

40. Proscribes and prevents licensure for the following:
    a) Offering a Fantasy Sports Contest if unlicensed;
    b) Knowingly falsifying statements on an application for an Operator license; and
    c) Knowingly providing false testimony to ADG.
41. Establishes the following penalties for violations of the proscriptions:
    a) For the first or second violation, Class 3 misdemeanor.
    b) For a third or subsequent violation, Class 1 misdemeanor.
42. Permits ADG, for violating Fantasy Sports Contest laws, to:
    a) Issue a cease and desist order and to obtain injunctive relief against violators;
    b) Impose a civil penalty of up to $10,000; and
    c) Suspend, revoke or restrict the license

Fees

43. Directs ADG to establish a fee for the privilege of operating a fantasy sports contest that is not less than the highest percentage of revenue share that an Indian tribe pays to the state.
    a) Requires an Operator to report to ADG and pay from its monthly fantasy sports contest adjusted revenues
    b) Exempts certain individuals.
    c) Specifies the fee is due by the 25th of each month for deposit into the Fantasy Sports Contest Fund (Contest Fund).
44. Assigns liability to Operator's who fail to pay the required fees and established a penalty for nonpayment of 5% per month with a maximum penalty of 25% of the amounts due.
    a) Specifies monies collected from penalties are deposited into the Contest Fund

Fantasy Sports Contest Fund

45. Establishes the Contest Fund which consists of monies deposited from the fee established for the privilege of operating a fantasy sports contest
    a) Specifies Contest Fund is administered by ADG and is subject to legislative appropriation.
46. Requires the State Treasurer to invest and divest monies in the Contest Fund and credit revenues to the Contest Fund.
47. Prohibits ADG from spending more than 10% of monies in the Contest Fund on its annual costs of regulation and enforcement.
    a) Requires ADG to transfer any remaining monies to the state GF.

Miscellaneous; Fantasy Sports Contest

48. Contains a conditional enactment clause regarding the effective date of Fantasy Sports Contests laws.
49. Defines pertinent terms relating to Fantasy Sports Contest laws.

Event Wagering (Sec. 4)

50. Directs ADG to enforce and supervise compliance with laws and rules relating to the regulation and control of event wagering.
    a) permits ADG to adopt rules regarding event wagering
51. Requires ADG to evaluate all applicants to determine suitability for issuing specified licenses, license renewals and to charge and collect all event wagering related fees.
52. Permits ADG to deny, revoke or suspend licenses or renewals and to deny requests to withdraw license applications.
53. Requires ADG to conduct background checks and to monitor and conduct periodic audits, of specified operators and providers.
54. Specifies hearings to be conducted pursuant to Uniform Administrative Hearing Procedures laws.
    a) Allows a party aggrieved by a final order or decision of the ADG to seek judicial review.
55. Instructs ADG to oversee event wagering and develop standards and procedures as prescribed by the director of ADG.
    a) Includes certain standards and procedures which ADG must establish and enforce.
56. Permits ADG to adopt rules authorizing event wagering operators to offset loss and manage risk using liquidity pools under certain conditions.

Event Wagering; Licensure

57. Prohibits a person from offering any activity connected to event wagering unless obtaining all necessary licenses.
58. Designates a wager placed by a participant that is received by an event wagering operator as gambling or gaming.
59. Outlines the applicability of Event Wagering laws.
    a) Species Event Wagering statute does not apply to event wagering conducted exclusively on Indian lands when the individual who places the wager is physically present on said lands.
    b) Prohibits an event wagering operator from accepting any wager from an individual who is physically on Indian lands.
60. Restricts a person from providing event wagering devices in a public place of accommodation to enable individuals to place wagers except as provided by Event Wagering statute.
    a) Exempts an event wagering operator aggregating, providing or making available event wagering devices within its own facility.
61. Specifies that intermediate routing of electronic data does not determine the location or locations in which the wager is conducted.
62. Allows an event wagering operator to use more than one event wagering platform.
63. Stipulates only an event wagering operator may process, accept, offer or solicit wagers.
64. Mandates that the event wagering operator clearly display its or and affiliates brand on event wagering platforms it uses.
    a) Allows the event wagering operator to have the brand of the platform that it uses be the name and logos of an event wagering platform provider if the platform also clearly displays the event wagering operator trademarks and logos or that of an affiliate.
65. Outlines the limitations on the number of event wagering operator licenses that may be issued.
66. Outlines the applicants eligible to receive an event wagering operator license.
67. Requires a person to apply for an event wagering license to ADG.
    a) Delineates certain information to be included in the application.
68. Asserts any applicant for licensure agrees to be subject to state jurisdiction as necessary to determine qualifications to hold the license.
69. Specifies a certain event wagering operator licensee may offer event wagering through:
    a) An event wagering facility within a five-block radius of the event wagering operator's sports facility; and
    b) A mobile platform as specified by ADG.
70. Specifies an event wagering license is valid for five years provided the licensee submits an annual license fee, maintains certain qualifications and complies with governing laws and rules.
71. Allows a licensee to renew its license by applying to ADG.
    a) Prohibits the renewal of a license if ADG determines the event wagering operator is in noncompliance with rules and laws.
    b) Directs a licensee to submit the nonrefundable annual license and application fees with the renewal application.
72. Prohibits a person from obtaining more than one event wagering operator license.

73. Allows a management services provider to offer services to more than one event wagering operator.

74. Instructs ADG to conduct the necessary background investigation to determine if the applicant meets the qualifications for licensure.
    a) Requires ADG to issue the license or deny the application after completion of the background investigation.
    b) Stipulates if the application was denied, ADG must send a statement setting forth the grounds for denial to the applicant.

75. Authorized ADG to conduct additional background investigations at any time while the license remains valid.
    a) Specifies licensure does not create a right of employment or continued employment.

76. Prohibits an event wagering operator from employing a person, or requires the termination of an employed person, if determined that the person meets specified criteria.

77. Requires ADG, within 30 days after receipt of a complete application, to issue a license unless:
    a) The background check discloses criminal history; or
    b) Other grounds for disqualification are apparent on the face of the application.

78. Specifies ADG will review and approve or deny an application in accordance with statutory Hearing Procedures.

79. Requires the amount of the application fee be credited toward the licensee's license fee and the remission of the balance of the initial license fee to ADG by the licensee.

80. Directs fees collected from licensees be deposited in the Event Wagering Fund for paying the actual operating and administrative expenses incurred for event wagering.

81. Requires licensees to give ADG a written notice within 30 days after a material change is made to information provided in the license or renewal application.

82. Exempts Indian tribes operating event wagering exclusively on Indian lands from licensure requirements.

83. Provides requirements for displaying an event wagering license.

84. Requires ADG to keep all related data and documents used in the course of review or investigation of a license application or renewal confidential.

85. Prohibits the transfer of a license without prior ADG approval.
    a) Directs ADG to ensure there is no gap in validity of licenses.

License Revocation, Suspension and Denial

86. Establishes criteria for the revocation, suspension or denial of a license.

87. Entitles an applicant or holder of license to a full hearing on any final action by ADG that can result in revocation, suspension or denial.
    a) Mandates the hearing be conducted in accordance with statutory Hearing Procedures.

88. Allows ADG to summarily suspend any license in cases of an immediate threat to public health, safety or welfare.

89. Defines *career offender*, *career offender organization* and *occupational manner or context*.

Limited Event Wagering Operator Licenses

90. Allows an event wagering operator to partner with a racetrack enclosure or additional wagering facility for obtaining a limited event wagering license only at one specific physical location
    a) Caps, to a maximum of 10, limited event wagering licenses issued to authorize event wagering at 10 specific physical locations.
91. Prescribes the necessary information to be provided in a limited event wagering license application.
92. Outlines the conditions required to be met for the issuance of a limited event wagering license.
93. Specifies a limited event wagering license allows the licensee to conduct event wagering only in accordance with Event Waging law and rules.
94. Requires a limited event wagering licensee to be licensed prior to the commencement of operation and every two years thereafter.
    a) Specifies the license must include each principal, primary management official, and key employees.
95. Directs ADG to deposit fees collected from licenses into the Event Wagering Fund.
96. Defines *additional wagering facility.*

Supplier License

97. Allows ADG to issue a supplier license to a qualified person for specified conditions.
98. Permits ADG to accept a license issued by another jurisdiction with similar licensure requirements and evidence of the applicant's satisfaction of those requirements.
99. Allows ADG to adopt rules that establish additional requirements for suppliers and equipment.
100. Requires an applicant to demonstrate that the equipment, system or services it offers to event wagering operators conform ADG standards and allows ADG to accept previous approval by another jurisdiction provided requisite evidence is available.
101. Directs the applicant to pay a nonrefundable license and application fee to ADG.
    a) Specifies the license is valid for two years.
102. Instructs ADG to grant a renewal of a license provide the renewal applicant meets specified requirements.
    a) Directs ADG to deposit the fees collected from licensees in the Event Wagering Fund.
103. Requires a supplier to submit a list of all equipment and services sold, delivered or offered to an event wagering operator to ADG.
    a) Requires the equipment and services be tested and approved by an independent testing laboratory.
104. Permits an event wagering operator or a limited event wagering licensee to continue use of supplies acquired from a licensed supplier, even if that supplier's license has expired or is canceled unless an identified defect exists.

Management Services Provider License

105. Allows an event wagering operator to contract with a licensed management services provider (Provider) to conduct event wagering.
    a) Permits a Provider to provide services to more than one licensed event wagering operator or licensed limited event operator.

106. Requires applicants for Provider licenses to meet all requirements and pay a nonrefundable license and application fee.
    a) Allows ADG to adopt rules establishing additional requirements.

107. Permits ADG to accept a license issued by another jurisdiction with similar licensure requirements and evidence of the applicant's satisfaction of those requirements.

108. Directs ADG to deposit fees collect form licenses in the Event Wagering Fund.

109. Stipulates Provider licenses must be renewed every two years to licensees who continue compliance and pay the renewal fee.

License Fees

110. Instructs ADG to establish and collect fees for applications, initial licenses and renewals for: a) event wagering operators; b) limited event wagering operators; c) management services providers; and d) supplies.

111. Stipulates if actual costs incurred to investigate the background of an applicant exceed the associated fees paid, those costs may be assessed to the applicant.
    a) Requires full payment prior to license issuance
    b) Permits ADG to require applicants to post a bond sufficient to cover anticipated costs of background investigations.

License Restrictions & Prohibitions

112. Prohibits specified persons or their immediate family from applying for or obtaining a license.

113. Establishes prohibited activity of a licensee.

114. Specifies first violation offense is a Class 3 misdemeanor and a second or subsequent offense is a Class 1 misdemeanor.

ADG; Financial Requirements

115. Instructs ADG to establish the following:
    a) A bond amount in escrow and the amount of cash that must be kept on hand to ensure that adequate reserves exist for payouts;
    b) Insurance requirements for licensees;
    c) Minimum requirements by which licensees must exercise effective control over internal fiscal affairs;
    d) Internal and independent audit requirements;
    e) Financial report submission procedure;
    f) Designation of confidential or proprietary information;
    g) Systems for mitigation of fraud, cheating or money laundering; and
    h) Post-employment restrictions necessary for the maintenance of integrity of the event wagering industry.

116. Allows the licensee to maintain the bond at any bank or other ADG approved entity.
    a) Requires the licensee to be the beneficiary of any interest accrued on bonds.

Authorized Event Wagering

117. Asserts the operation of event wagering is lawful only when conducted in accordance with Event Wagering laws and rules.

118. Allows wagers on racing meetings or simulcasted races be made, offered or received through specified means.

119. Instructs each event wagering operator to adopt and adhere to a written, comprehensive policy that outlines House rules for accepting of wagers and payouts.
    a) Stipulates the policy and rules be approved by ADG and be readily available to bettors.

120. Directs the Department adopt rules regarding: 1) governing the acceptance of wagers and payouts in excess of $10,000; and 2) reporting requirements that comply with the federal Bank Secrecy Act and Patriot Act and laws and rules governing reporting suspicious wagers.

121. Deems wagers placed in accordance with Event Wagering statutes to be an enforceable contract under law.

122. Requires event wagering operators to exclusively use official league data for live betting unless the operator can demonstrate that the governing body of a sport or sports league, organization or association or other entity cannot provide a feed of such data.

Prohibited Wagers

123. Prohibits wagering on:
    a) Injuries, penalties and other types of event wagering that are contrary to law; and
    b) Individual actions, events, occurrences or nonoccurrences to be determined during a collegiate sports event, including the performance or nonperformance of a team or individual participant during a sports event.
        i. Stipulates this does not prohibit wagers on the overall outcome of a collegiate sports events or seasonal awards based on a player's cumulative play.

124. Restricts an event wagering operator to offer only parlay and proposition bets of the type or category prescribed by ADG.
    a) Requires ADG to prescribe the types of categories of parlay and proposition bests that may be offered.

125. Allows an event wagering operator or specified entity to submit to ADG a written request to prohibit a type or form of event wagering or a category of persons from wagering, there is a belief that such event wagering is contrary to public policy, unfair, or perceived to degrade the integrity of the industry.
    a) Stipulates such a request provides a reasonable amount of time for ADG to conduct due diligence before decision-making.

126. Directs ADG to review prohibitive requests to determine if good cause exits to grant the request.
    a) Requires ADG to see input from licensee unless the emergency nature does not provide sufficient time.
    b) Directs ADG to respond prior to the start of the event, or as soon as practicable.

Reporting Prohibited or Suspicious Conduct

127. Requires all licensees to immediately report to ADG and the relevant sports governing body any information relating to outlined suspicious or prohibited activity.

128. Directs licensees to report to ADG, in real time and at the account level, information regarding a bettor, and the amount, type, time, location and outcome of the bet.
    a) Specifies such information must be submitted in the form and manner established by ADG.

129. Requires licensees to share real-time information for wagers on sports events if the sports governing body has notified ADG that such information is necessary and desirable.
    a) Allows such information to be shared in anonymized form and restricts use to integrity purposes.

130. Instructs ADG and licensees to make commercially reasonable efforts to cooperate with investigations.

131. Requires ADG to establish a hotline or other method that allows any person to confidentially report information about prohibited conduct.

132. Directs ADG to investigate allegations and refer to prosecutorial entities prohibited conduct.

133. Asserts that the identity of any reporting person shall remain confidential unless disclosure is authorized by that person or referral to a prosecutorial entity.

134. Requires ADG to notify the appropriate sport's governing body if it receives a complaint of prohibited conduct by an athlete.

135. Allows ADG to provide or facilitate access to information regarding betting and data files relating to wagers upon notification by a sports governing body of an official investigation in conduct into the a person or persons who are prohibited from participating in wagering or are believed to have taken action that affects the integrity or perceived integrity of the sport it governs.
    a) Specifies any information obtained by a sports governing body be kept confidential unless the information has been made public through criminal proceeding or by court order.

Event Wagering Fund

136. Directs ADG to establish a fee for the privilege of operating event wagering that is not less than the highest percentage of revenue share that an Indian tribe pays to the state.
    a) Grants the event wagering operator the option to choose either the cash accrual or modified accrual basis method for accounting for purposes of calculating the amount of the fee owed.
    b) Specifies the fee is due by the 25th day of the month following the calendar month in which the adjusted gross event wagering receipts were received and the obligation was due.

137. Establishes the Event Wagering Fund which is administered by ADG.
    a) Requires ADG to deposit on monies collected pursuant to Event Wagering law into the fund.
    b) Transfers all remaining monies in the fund on the 25th day of each month to the state GF.
    c) Permits the state treasure to invest and divest monies in the fund and credits revenues to the fund.

138. Prohibits ADG from spending more than 10% of monies on the annual costs of regulation and enforcement and reverts remaining monies to the state GF.

Problem Gambling

139. Requires a licensee to develop a procedure to inform players who have a problem with gambling that help is available.

140. Directs ADG and a licensee to comply with specified requirements to allow problem gamblers to voluntarily exclude themselves from event wagering statewide.

141. Prohibits event wagering operators, commercial sports license holders and limited event wagering operators to pay any prize or award to a person who is on the ADG's self-exclusion list.
    a) Requires any prize or award by such a person to be forfeited and donated to the ADG's division of problem gambling.
    b) Asserts the ADG's self-exclusion list is not open for public inspection.

142. Directs event wagering operators, commercial sports license holders and limited event wagering operators to develop and maintain a program to mitigate and curtail compulsive play.

143. Requires the event wagering facility operator, prior to paying a person any jackpot, prize or award, to identify and determine if the person has any tax liabilities or setoff obligations from the information provided by certain state agencies.
    a) Stipulates any prize or award will be first used against such tax liabilities or obligations with any remaining monies awarded to the player.
    b) Provides a priority list for instances of the person has multiple liabilities.

144. Specifies statute relating to problem gambling does not waive an Indian tribe's sovereign immunity from a suit by a person listed and whose winnings are withheld for an identified obligation.

Miscellaneous; Event Waging

145. Specifies Event Wagering law does not prohibit a sports governing body from entering into agreements with licensees in which the sports governing body may share in the amount bet from sports wagering.
    a) Specifies the sports governing body is not required to obtain a license to lawfully accept such amounts.

146. Directs ADG to prepare and submit, by September 1, to the executive and legislature an annual report containing the following:
    a) Number of active Licensees by type;
    b) Aggregate Gross and Net Revenue of all Licensees;
    c) Number of investigations conducted; and
    d) Financial impact of the event wagering industry.
        i. Allows the report to be submitted with other information required to be submitted and maybe submitted electronically.

147. Instructs a licensed event wagering operator and management services provider, by July 1 of each year, to contract with a certified public accountant to perform an independent audit on the financial condition of the operator's and provider's total operation for the previous FY to ensure compliance.
    a) Requires audit results be submitted to the ADG within a specified amount of time.
    b) Specifies the results of the audit are confidential and privileged.

148. Defines pertinent terms relating to Event Wagering laws.

149. Contains a conditional enactment clause regarding the effective date of Event Wagering laws.

Miscellaneous; Further Provisions

150. Includes a definition for *event wagering* and *fantasy sports contest* within the Gambling statutes. (Sec. 5)

151. Excludes fantasy sports contests from the definition of *gambling, gamble* or *wager.* (Sec. 5)

152. Includes *event wagering that is conducted pursuant to Event Wagering statute* as *regulated gambling. (Sec. 5)*

153. Exempts, from statute relating to prohibitions on betting and wagering, persons and conducts as prescribed in Event Wagering statutes. (Sec. 6)

154. Exempts ADG from rule making for one year after the effective date of this Act. (Sec. 7)

155. Contains a legislative intent clause. (Sec. 8)

Fifty-fifth Legislature
First Regular Session

Commerce
H.B. 2772

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2772

(Reference to printed bill)

Page 6, line 36, after "SHALL" insert "ISSUE A"

Page 7, line 14, after the second quotation mark insert ":

(a)"

Between lines 20 and 21, insert:

"(b) INCLUDES EVENTS INVOLVING MOTOR VEHICLES."

Lines 37, 40 and 41, after "ATHLETES" insert "OR PARTICIPANTS"

Page 8, line 10, after "SYSTEMS" insert "EXCEPT AS OTHERWISE PROVIDED BY THIS CHAPTER"

Page 11, line 11, after the first comma insert "ON REQUEST,"

Page 12, line 22, strike "IF IT IS DETERMINED" insert "THAT MEETS ANY OF THE FOLLOWING CRITERIA AS IDENTIFIED"

Line 23, after "DEPARTMENT" strike remainder of line

Line 24, strike "OF THE FOLLOWING CRITERIA"

Page 17, strike lines 21 through 43, insert:

"E. IF A FANTASY SPORTS CONTEST OPERATOR IS REQUIRED TO FILE A FORM 1099-MISC OR W2-G OR OTHER SUBSTANTIALLY EQUIVALENT FORM WITH THE UNITED STATES INTERNAL REVENUE SERVICE FOR A PERSON WHO IS IDENTIFIED BY THE ARIZONA SUPREME COURT, THE DEPARTMENT OF ECONOMIC SECURITY DIVISION OF CHILD SUPPORT ENFORCEMENT, THE DEPARTMENT OF ECONOMIC SECURITY SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM AND ASSISTANCE OVERPAYMENT OR THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION AS OWING AN OBLIGATION, THE FANTASY SPORTS CONTEST OPERATOR SHALL WITHHOLD THE AMOUNT OF OBLIGATIONS OWED FROM THE PERSON'S ACCOUNT AT THE TIME THE FORM 1099-MISC OR W2-G OR A SUBSTANTIALLY EQUIVALENT FORM IS ISSUED, IF THE FANTASY SPORTS

Attachment 5

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

OPERATOR HAS BEEN NOTIFIED BY THIS STATE OF THE OBLIGATION. AT THAT TIME, THE FANTASY SPORTS CONTEST OPERATOR SHALL TRANSMIT THE AMOUNT WITHHELD FOR OBLIGATIONS TO THE DEPARTMENT OF GAMING AND SHALL ALSO TRANSMIT ANY INFORMATION REQUESTED BY THE DEPARTMENT OF GAMING. THE DEPARTMENT OF GAMING SHALL PROVIDE INFORMATION TO THE FANTASY SPORTS CONTEST OPERATOR OF PERSONS WITH OUTSTANDING OBLIGATIONS. IF THE IDENTIFIED PERSON IS ALSO SELF-EXCLUDED, TAX LIABILITIES AND SETOFF OBLIGATIONS SHALL BE SATISFIED BEFORE ANY MONIES ARE DONATED TO THE DEPARTMENT OF GAMING DIVISION OF PROBLEM GAMBLING PURSUANT TO SECTION 5-1206. IF THE IDENTIFIED PERSON HAS MULTIPLE LIABILITIES, THOSE LIABILITIES SHALL BE SATISFIED IN THE FOLLOWING ORDER:

1. CHILD SUPPORT ENFORCEMENT.

2. SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM AND ASSISTANCE OVERPAYMENT.

3. THE ARIZONA SUPREME COURT.

4. THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION."

Page 20, line 19, strike "NOT LESS THAN" insert "AT LEAST"

Page 21, line 7, after "CHAPTER" insert "UNLESS OTHERWISE PROVIDED BY THE LEGISLATURE"

Strike lines 26 through 31, insert:

"1. "ADJUSTED GROSS EVENT WAGERING RECEIPTS" MEANS AN EVENT WAGERING OPERATOR'S GROSS WAGERING RECEIPTS, EXCLUDING VOIDED BETS MINUS WINNINGS PAID TO AUTHORIZED PARTICIPANTS AND ANY FEDERAL EXCISE TAX. A DEDUCTION FROM ADJUSTED GROSS EVENT WAGERING RECEIPTS EQUAL TO THE VALUE OF FREE BETS OR PROMOTIONAL CREDITS REDEEMED BY AUTHORIZED PARTICIPANTS MAY BE TAKEN AS PROVIDED IN THIS PARAGRAPH. THE DEDUCTION UNDER THIS PARAGRAPH FOR FREE BETS OR PROMOTIONAL CREDITS IS LIMITED TO THE FIRST FIVE YEARS FOLLOWING THE EFFECTIVE DATE OF THIS SECTION AS FOLLOWS:

(a) FOR YEARS ONE AND TWO, A DEDUCTION NOT TO EXCEED TWENTY PERCENT OF AN EVENT WAGERING OPERATOR'S GROSS WAGERING RECEIPTS.

(b) FOR YEAR THREE, A DEDUCTION NOT TO EXCEED FIFTEEN PERCENT OF AN EVENT WAGERING OPERATOR'S GROSS WAGERING RECEIPTS.

(c) FOR YEARS FOUR AND FIVE, A DEDUCTION NOT TO EXCEED TEN PERCENT OF AN EVENT WAGERING OPERATOR'S GROSS WAGERING RECEIPTS.

(d) FOR YEAR SIX AND EACH YEAR THEREAFTER, NO DEDUCTION OF FREE PLAY IS ALLOWED. JANUARY 1 FOLLOWING THE YEAR IN WHICH THE EVENT WAGERING OPERATOR BEGINS EVENT WAGERING OPERATIONS IS CONSIDERED THE FIRST YEAR OF EVENT WAGERING FOR THE PURPOSES OF THIS PARAGRAPH. AN EVENT WAGERING OPERATOR MAY DEDUCT UP TO TWENTY PERCENT OF AN EVENT WAGERING OPERATOR'S GROSS WAGERING RECEIPTS DURING ANY PERIOD THAT THE OPERATOR CONDUCTS EVENT WAGERING BEFORE JANUARY 1 OF THE FIRST YEAR OF EVENT WAGERING OPERATIONS."

Page 22, line 3, strike "OPERATION,"

Line 7, after "MEANS" insert "EITHER:

(a)"

Line 10, strike "PROFESSIONAL SPORTS EVENT BASED" insert "NATIONAL ASSOCIATION FOR STOCK CAR AUTO RACING NATIONAL TOURING RACE"

Line 11, strike "PROMOTER'S"; after "DESIGNEE" insert "OF SUCH AN OWNER, OPERATOR OR PROMOTER"

Between lines 12 and 13, insert:

"(b) AN ARIZONA INDIAN TRIBE OR AN ENTITY FULLY OWNED BY AN ARIZONA INDIAN TRIBE OR ITS DESIGNEE LICENSED TO OPERATE ONLY MOBILE EVENT WAGERING OUTSIDE THE BOUNDARIES OF ITS INDIAN LANDS AND THROUGHOUT THIS STATE IF IT HAS SIGNED THE MOST RECENT TRIBAL-STATE GAMING COMPACT AND ANY APPLICABLE APPENDICES OR AMENDMENTS. IF AN OWNER, OPERATOR, PROMOTER OR INDIAN TRIBE THAT QUALIFIED FOR AN EVENT WAGERING OPERATOR LICENSE APPOINTS A DESIGNEE, THE DESIGNEE WILL BE CONSIDERED THE EVENT WAGERING OPERATOR AND THE LICENSEE WITH RESPECT TO THE APPLICABLE LICENSE FOR THE PURPOSES OF THIS CHAPTER."

Line 33, strike "AN EVENT OR" insert "A"; after "SKILL" insert "OR AN EVENT"

Page 23, line 27, strike "PGA"; strike "OR" insert "AND"

Line 30, after "ORGANIZATION" insert "HEADQUARTERED IN THE UNITED STATES"

Page 24, line 36, strike "CONTRACTING" insert "REQUIREMENTS"

Page 25, line 4, strike "ANY WINNING PRIZE" insert "A PAYOUT OF WINNINGS THAT TRIGGERS THE LICENSEE'S OBLIGATION TO FILE A FORM 1099-MISC OR W-2G OR A SUBSTANTIALLY EQUIVALENT FORM WITH THE UNITED STATES INTERNAL REVENUE SERVICE"

Line 10, strike "ITS"

Line 11, strike "DESIGNEE"

Page 26, line 7, strike "EVENT WAGERING PLATFORM" insert "MANAGEMENT SERVICES"

Line 11, strike "EVENT WAGERING"

Line 12, strike the first "PLATFORM" insert "MANAGEMENT SERVICES PROVIDER"; strike "AN" insert "THE"

Between lines 14 and 15, insert:

"H. AN OWNER, OPERATOR, PROMOTER OR INDIAN TRIBE THAT QUALIFIES FOR AN EVENT WAGERING OPERATOR LICENSE AND APPOINTS A DESIGNEE TO BE LICENSED AS AN EVENT WAGERING OPERATOR IS NOT RESPONSIBLE FOR THE CONDUCT OF ITS DESIGNEE."

Line 25, strike "HOST" insert "HOSTS"

Line 26, after "A" strike remainder of line insert "NATIONAL ASSOCIATION FOR STOCK CAR AUTO RACING NATIONAL TOURING RACE"

Line 27, strike "THEIR" insert "THE OWNER'S, OPERATOR'S OR PROMOTER'S"

Line 31, after "AND" insert "B"

Line 32, strike "OF A"

Strike line 33, insert a period

Page 28, line 29, after "AUTHORIZES" insert "AN EVENT WAGERING OPERATOR IDENTIFIED IN SUBSECTION A, PARAGRAPH 2 OF THIS SECTION, TO OPERATE ONLY MOBILE EVENT WAGERING OR"

Line 33, after the first "FACILITY" insert "OR, IN THE CASE OF A DESIGNEE, THE SPORTS FACILITY OR THE DESIGNATING OWNER, OPERATOR OR PROMOTER OF A PROFESSIONAL SPORTS TEAM, EVENT OR FRANCHISE"

Page 30, line 3, strike "WITHIN THIRTY DAYS" insert "NOT LATER THAN SIXTY DAYS"

Line 7, after the period insert "UNLESS MORE THAN TEN APPLICATIONS FOR EACH TYPE OF LICENSE ARE RECEIVED FOR A PARTICULAR LICENSE TYPE, THE DEPARTMENT

SHALL ADOPT A PROCESS FOR ENSURING AN EQUAL OPPORTUNITY FOR ALL QUALIFIED APPLICANTS TO OBTAIN A LICENSE."

Page 34, line 32, strike "LICENSES" insert "LICENSEES"

Page 36, line 45, after "RECEIVED" insert "UNLESS OTHERWISE PROHIBITED BY FEDERAL LAW"

Page 37, line 19, strike the period insert a comma

Line 21, strike "LIVE BETTING" insert "TIER TWO SPORTS WAGER"

Line 24, strike "LIVE BETTING" insert "TIER TWO SPORTS WAGERS"

Page 39, line 35, strike "NOT LESS THAN" insert "AT LEAST"

Page 40, line 11, after "C." insert "UNLESS OTHERWISE DETERMINED BY THE LEGISLATURE,"

Page 41, lines 30 and 34, after "TAKE" insert "COMMERCIALLY"

Page 42, line 12, after "PERSON" strike remainder of line

Line 13, strike "PERSON'S IDENTIFICATION MUST BE VERIFIED" insert "A PAYOUT OF WINNINGS THAT TRIGGER THE LICENSEE'S OBLIGATION TO FILE A FORM 1099-MISC OR W-2G OR A SUBSTANTIALLY EQUIVALENT FORM WITH THE UNITED STATES INTERNAL REVENUE SERVICE"

Line 15, strike "SET-OFF" insert "SETOFF"

Line 21, after "PERSON" insert "RECEIVES A PAYOUT OF WINNINGS THAT TRIGGER THE LICENSEE'S OBLIGATION TO FILE A FORM 1099-MISC OR W-2G OR A SUBSTANTIALLY EQUIVALENT FORM WITH THE UNITED STATES INTERNAL REVENUE SERVICE AND"

Line 22, strike "JACKPOT, PRIZE OR"

Line 23, strike the first "AWARD" insert "WINNINGS"; strike "JACKPOT, PRIZE OR AWARD" insert "WINNINGS"

Lines 24 and 28, strike "SET-OFF" insert "SETOFF"

Amend title to conform

JEFF WENINGER

2772WENINGER
02/08/2021
11:49 AM
C: LAT

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2772

DATE February 09, 2021 MOTION: DPA

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

HB 2773: spirituous liquor; delivery; off-sale permits
Sponsor: Representative Weninger, LD 17
Committee on Commerce

Overview
Establishes requirements to allow restaurants and bars to conduct sales and delivery of spirituous liquors off-premises.

History
The Department of Liquor Licenses and Control (Department), which consists of the State Liquor Board and the Office of the Director (Director) of the Department regulates the manufacture, distribution and sale of liquor in this state through the issuance of 21 license types or series.

Under current law, it is unlawful for a licensee or employee to knowingly allow spirituous liquor to be removed from the licensed premises, except in the original unbroken package unless:

1. It is a bottle of wine that has been partially consumed in conjunction with a purchased meal and is properly sealed.
2. There is a noncontiguous portion of the licensed premises that is separated by a public or private walkway or driveway and the liquor is taken from one portion of the premises directly to the other.
3. The licensee has an appropriate permit that dispenses beer only in a clean container and that is not for consumption on the premises if:
   a. The licensee fills the container at the tap at the time of sale; and
   b. the container is sealed and displays a government warning label.(A.R.S. § 4-244).

Spirituous liquor means 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, which produces intoxication, fruits preserved in ardent spirits, and beverages containing more than one-half of one percent of alcohol by volume (A.R.S. § 4-101).

Provisions

Spirituous Liquor Delivery; Bar and Restaurant (Sec. 2)

1. Allows a bar (series 6) or a restaurant (series 12) licensee to take orders for the sale and delivery of spirituous liquor off the licensed premises by telephone, mail, internet or other means.
   a) Spirituous liquor for a bar includes beer, wine or mixed cocktails.
   b) Spirituous liquor for a restaurant includes:
      i) Mixed cocktail, if the licensee holds a permit allowing for the sale of mixed cocktails for off premises consumption.
      ii) Beer, if the licensee holds a permit allowing for the sale of beer for off premises consumption.

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

2. Specifies that the transaction is not considered a sale until delivery has been made.
3. Requires the licensee to inform the purchaser of liquor laws relating to minimum age and identification requirements.
4. Allows the licensee to maintain a delivery service or contract with one or more licensed third-party facilitators for delivery of spirituous liquor provided it is loaded at the premises of the restaurant or bar and delivered within the state.
   a) Outlines container labeling requirements.
5. Asserts the licensee is responsible for any violation law or rules regarding the sale or delivery of spiritous liquor, except when a violation is attributable to licensed third-party facilitator.
6. Requires deliveries be made by an employee and to a customer who is at least 21 years old.
7. Requires the restaurant or bar licensee or third-party facilitator to collect the full payment of the liquor before the product leaves the premises.
8. Directs the Director to adopt rules that set operational limits for the delivery of spiritous liquors.
   a) Adds any violation based on an act or omission of a licensee's employee or third-party facilitator will be mitigated in accordance with statute.

Restaurant License Series 12; Permit to Sell Mixed Cocktails (Sec. 3)

9. Allows a restaurant applicant or licensee to apply for a permit to sell mixed cocktails off the licensed premises.
10. Requires the issuance of the permit only after the Director has determined the convenience and interest of the community will be substantially served.
    a) Specifies after issuance, the permit must be noted on the license and in the records of the Department.
    b) Allows the Department to establish an application and renewal fee.
11. Stipulates all applicants for the permit and their employees, managers and managing agents complete alcohol training.
12. Specifies the Director cannot treat a contracted third-party facilitator's violation as a violation by the restaurant.

Bar License Series 6 (Sec. 5)

13. Specifies the Director cannot treat a contracted third-party facilitator's violation as a violation by the bar.

Third-Party Facilitator Licensure (Sec. 4)

14. Allows the Director to issue a third-party facilitator license for the purpose facilitating the delivery of spiritous liquor.
    a) Allows the Director to establish a license and renewal fee and outlines the required content of the application.
    b) Permits the Director the refuse to issue a third-party facilitator license for good cause.
    c) Outlines conditions in which the Director may not issue a license.
15. Asserts a license is valid for one year and cannot be transferred.
16. Permits the Director the establish a license renewal fee to be used for administrative costs associated with the license, auditing and enforcement.
17. Allows the Director to suspend, revoke or refuse to renew a license for any violation or good cause or to impose a civil penalty against the licensee for each violation.

a) allows the licensee to appeal the finding or decision of the Director.
b) Specifies the civil penalty imposed is at least $200 but not more than $300. (Sec. 7)

18. Permits a licensee to deliver beer, wine and mixed cocktails to a consumer on behalf of a bar or a restaurant.
    a) Requires the Director to adopt rules that set age verification and record standards.
19. Requires all third-party facilitator applicants, licensees and their employees, managers and managing agents to complete alcohol training.

Fees for Licensure (Sec. 6)

20. Clarifies the application fee for a permit for a restaurant to sell mixed cocktails off the premises is set by the Director.
21. Clarifies the Department may charge a fee for a third-party facilitator license.
    a) Prohibits the Department from charging an application fee.
22. Permits the Director to establish an annual fee for a permit for a restaurant to sell mixed cocktails off the premises.
23. Permits the Director to charge a fee for the annual renewal of a third-party facilitator license.

Miscellaneous

24. Defines *mixed cocktail* as a drink containing one or more spirituous liquors that contain more than .5% of alcohol by volume and that are combined at the licensed premises. (Sec. 1)
25. Excludes, as an unlawful act, to knowingly allow spirituous liquor to be removed from the licensed premises with respect to a bar licensee that prepares beer, wine or a mixed cocktail, or a restaurant licensee that holds the appropriate permit and prepares a mixed cocktail and transfers it to a clean container and is not for consumption on the premises if:
    a) the licensee or employee fills the container on the premises; and
    b) the container is sealed and displays a government warning label. (Sec. 8)
26. Makes technical and conforming changes.

Fifty-fifth Legislature
First Regular Session

Commerce
H.B. 2773

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2773

(Reference to printed bill)

Page 11, line 22, after "WINE" insert ", DISTILLED SPIRITS"

Page 15, line 44, strike "BEER, WINE AND MIXED COCKTAILS" insert "SPIRITUOUS LIQUOR"

Page 16, line 3, strike "BEER, WINE AND MIXED COCKTAILS" insert "SPIRITUOUS LIQUOR"

Page 31, line 44, strike "BEER, WINE OR"

Page 32, line 7, strike "BEER, WINE OR"

Amend title to conform

JEFF WENINGER

2773WENINGER
02/05/2021
03:22 PM
H: PRB/ls

Attachment 8

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. HB 2773

DATE February 09, 2021 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Chaplik		✓			
Cook	✓		✓		
Espinoza	✓		✓		
Fernandez	✓	✓			
Meza			✓		
Nutt		✓			
Powers Hannley		✓			
Wilmeth		✓			
Kaiser, Vice-Chairman		✓			
Weninger, Chairman		✓			
		7	3	0	0

Iris McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 9

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

HB 2156: appropriations; broadband grants
Sponsor: Representative Espinoza, LD 19
Committee on Commerce

Overview
Appropriates $5,000,000 from the state General Fund in each of the fiscal years (FY) 2022, 2023 and 2024 to the Arizona Commerce Authority (ACA).

History
Broadband service is defined as providing access and transport to the internet, computer processing, information storage or protocol conversion at a rate of at least one megabit per second in either the upstream or downstream direction, as established by the Federal Communications Commission. Broadband service does not include information content or service applications provided over the access service or any intrastate service that was subject to a tariff (A.R.S. § 28-7381).

Laws 2019, Chapter 263 appropriated $3,000,000 from the state General Fund for FY 2020 to the ACA to provide rural broadband grants.

Provisions
1. Appropriates $5,000,000 from the state General Fund in FY 2022, 2023 and 2024 to the ACA to provide broadband grants. (Sec. 1)
2. Directs the ACA to submit a report to the Joint Legislative Budget Committee on its plan for distributing the grants on or before January 31 in the years 2022, 2023 and 2024. (Sec. 1)
3. Exempts the appropriations from lapsing. (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. HB 2156

DATE February 09, 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 11

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2367

DATE FEBRUARY 9, 2021 MOTION: HELD

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

Iris McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 12

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2507

DATE FEBRUARY 9, 2021 MOTION: HELD

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

Iris McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 13

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

HB 2541: telecommunications fund; report; posting
Sponsor: Representative Wilmeth, LD 15
Committee on Commerce

Overview
Requires the Director of the Arizona Department of Administration (ADOA) to post an annual report on the ADOA's website.

History
The Telecommunications Program Office (Office) is established within ADOA to enter into a contract to provide the installation and maintain telecommunication systems and act as Arizona's agent for telecommunication carrier services to the offices, departments and agencies of this state. The Office, with the approval of the ADOA Director, can enter into more than one contract for each service or product not provided by the primary contractor (A.R.S. § 41-712).

The Telecommunications Fund (Fund) is established to pay the costs of operating the Office and ADOA is responsible for administering the Fund. In addition to administering the Fund, ADOA is required to prepare a report that accounts for all monies deposited in the Fund, the sources of the monies received for deposit, the purposes for which the monies were used during the preceding fiscal year and the future spending plans for Fund monies (A.R.S. § 41-713).

Provisions
1. Requires the Director of ADOA to post the annual report of the Fund on ADOA's website. (Sec. 1)
2. Makes a technical change. (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. HB 2541

DATE February 09, 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 McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 15

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

HB 2544: blockchain and cryptocurrency study committee
Sponsor: Representative Wilmeth, LD 15
Committee on Commerce

Overview
Establishes the Blockchain and Cryptocurrency Study Committee (Committee).

History
Blockchain is a cryptographically secured distributed ledger that records transactions chronologically, permanently and unalterably.

Blockchain technology is distributed ledger technology that uses a distributed, decentralized, shared and replicated ledger, which may be public or private, permissioned or permissionless, or driven by tokenized crypto economics or tokenless. The data on the ledger is protected with cryptography, is immutable and auditable and provides an uncensored truth (A.R.S. § 44-7061).

Provisions
1. Establishes the 11-member Committee and outlines the Committee membership. (Sec. 1)
2. Directs the Committee to:
   a. Meet as often as the chairperson deems necessary;
   b. Review data on the scope of blockchain and cryptocurrency throughout the country;
   c. Compile an overview of potential legislation;
   d. Solicit ideas and opinions of industry experts on additional legislation; and
   e. Submit a report regarding the Committee's findings and recommendations of legislative priorities that will foster a positive blockchain and cryptocurrency economic environment in this state to the Speaker of the House of Representatives and provide a copy to the Secretary of State by December 31, 2021. (Sec. 1)
3. Terminates the Committee October 1, 2022. (Sec. 1)

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

Fifty-fifth Legislature
First Regular Session

Commerce
H.B. 2544

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2544

(Reference to printed bill)

Page 1, line 3, strike "report" insert "reports"

Line 12, after "company" strike remainder of line

Line 13, strike "trade volume" insert "or the president's or chief executive officer's designee"

Strike lines 15 through 19, insert:

"3. Three representatives of the cryptocurrency or blockchain space who may represent private industry in exchanges, payment solutions or non-cryptocurrency transaction purposes. The speaker of the house of representatives shall appoint these members."

Renumber to conform

Strike lines 26 and 27

Renumber to conform

Line 40, strike "a" insert "an initial"; after "report" insert ", and on or before December 31, 2022, submit a final report,"

Line 45, strike "2022" insert "2023"

Amend title to conform

JUSTIN WILMETH

2544WILMETH
02/05/2021
08:08 AM
C: NS

Attachment 17

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. HB 2544

DATE February 09, 2021 MOTION: DPA

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

Erin McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 18

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

HB 2545: contractor license numbers; advertising; exception.
Sponsor: Representative Wilmeth, LD 15
Committee on Commerce

Overview
Allows a contractor licensee to meet specified posting requirements for certain advertising by including a website's uniform resource locator (URL) on the advertising.

History
A licensed contractor must post the license number appearing on any license the licensee holds, preceded by the acronym ROC in: 1) a conspicuous place on premises where work is performed; 2) all written bids submitted by the licensee; and 3) all broadcast, published, internet or billboard advertising, letterheads and other documents used by the licensee to correspond with customers or potential customers. The ROC may take disciplinary action for a failure to meet the license number posting requirements. A licensee's failure to meet the requirements is not grounds for preventing the award of a contract, voiding an awarded contract, or any other claim or defense against the licensee (A.R.S. § 32-1124).

Provisions
1. Allows a licensee to meet the license number posting requirements for broadcast, internet or billboard advertising by including a website's URL that directly links to a website that prominently displays the licensee's name and license number. (Sec. 1)
2. Requires a licensee to post or place, on all estimates submitted by the licensee, the license number, preceded by the acronym ROC, of any licenses held by the licensee. (Sec. 1)
3. Makes technical changes. (Sec. 1)

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

Fifty-fifth Legislature
First Regular Session

Commerce
H.B. 2545

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2545

(Reference to printed bill)

Page 2, after line 22, insert:

"Sec. 2. Section 32-1158, Arizona Revised Statutes, is amended to read:

32-1158. Contract requirements; provision of documents and receipt at contract signing

A. Any contract in an amount of more than ~~one thousand dollars~~ $1,000 entered into between a contractor and the owner of a property to be improved shall contain in writing at least the following information:

1. The name of the contractor and the contractor's business address and license number.

2. The name and mailing address of the owner and the jobsite address or legal description.

3. The date the parties entered into the contract.

4. The estimated date of completion of all work to be performed under the contract.

5. A description of the work to be performed under the contract.

6. The total dollar amount to be paid to the contractor by the owner for all work to be performed under the contract, including all applicable taxes.

7. The dollar amount of any advance deposit paid or scheduled to be paid to the contractor by the owner.

8. The dollar amount of any progress payment and the stage of construction at which the contractor will be entitled to collect progress payments during the course of construction under the contract.

Attachment 20

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

9. That the property owner has the right to file a written complaint with the registrar for an alleged violation of section 32-1154, subsection A. The contract shall contain the registrar's telephone number and website address and shall state that complaints must be made within the applicable time period as set forth in section ~~32-1155~~ 32-1162, subsection A. The information in this paragraph must be prominently displayed in the contract in at least ~~ten-point~~ TEN-POINT bold type, and the contract shall be signed by the property owner and the contractor or the contractor's designated representative. This paragraph does not apply to a person who is subject to and complies with section 12-1365.

B. When a contractor and an owner sign a contract, the contractor shall provide the owner with a legible copy of all documents signed and a written and signed receipt for and in the true amount of any cash paid to the contractor by the owner.

C. The requirements of this section are not prerequisites to the formation or enforcement of a contract. Failure to comply with the requirements of this section does not constitute a defense by either party to an action for compensation, damages, breach, enforcement or other cause of action based on the contract."

Amend title to conform

JUSTIN WILMETH

2545COMMERCE
02/05/2021
02:42 PM
C: MU

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

ROLL CALL VOTE

COMMITTEE ON Commerce BILL NO. HB 2545

DATE February 09, 2021 MOTION: DPA

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

Iris McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 2, 1

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

HB 2546: home solicitation sales; definition
Sponsor: Representative Wilmeth, LD 15
Committee on Commerce

Overview
Modifies the qualifying factors for a sale to be defined as a *home solicitation sale.*

History
A *home solicitation sale* is defined as a sale of goods or services in which the seller or the seller's representative personally solicits the sale and the buyer's agreement is made at any home other than that of the person soliciting the same and that agreement is given to the seller or the sellers representative, and all or any part of the purchase price or debt incurred for payment is payable in installments. A sale which otherwise meets the definition of a home solicitation sale, except that it is a cash sale, shall be deemed to be a home solicitation sale if the seller makes or provides a loan to the buyer or obtains or assists in obtaining a loan for the buyer to pay the purchase price (A.R.S. § 44-5001).

The buyer has until midnight of the third business day to cancel the home solicitation sale. The buyer must provide a written notice of cancellation to the seller (A.R.S. § 44-5002).

Provisions
1. Removes the requirement that all or any part of the purchase price or debt incurred for payment be payable in installments as a qualifier for a home solicitation sale. (Sec. 1)
2. Stipulates a cash sale qualifies as a home solicitation sale provided the seller makes or provides a loan to the buyer or obtains a loan for the buyer to pay the purchase price. (Sec. 1)
3. 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. HB 2546

DATE February 09, 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 McMahon
COMMITTEE SECRETARY

APPROVED:

JEFF WENINGER, Chairman
STEVE KAISER, Vice-Chairman

ATTACHMENT 23