

# **Commerce & Public Safety Committee**

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# COMMERCE & PUBLIC SAFETY COMMITTEE

## LEGISLATION ENACTED

provisional licenses; criminal convictions (NOW: DOC; graduated intervention policy; report) (S.B. 1071) – Chapter 236

SEE THE JUDICIARY COMMITTEE.

teenage drivers; communication devices prohibited (S.B. 1080) – Chapter 209

SEE THE TRANSPORTTION & TECHNOLOGY COMMITTEE.

telecommunications service assistance program (S.B. 1093) – Chapter 106

Repeals the Department of Economic Security's responsibility to administer the Telecommunications Service Assistance Program.

outdoor advertising (S.B. 1114) – Chapter 237

Permits up to 35 electronic outdoor advertising signs in select areas of Mohave County. New signs must comply with light output thresholds and minimize the impact of artificial sky glow on observatories.

contractor licensure; requirements; confidential information (S.B. 1116) – Chapter 159

Repeals the Registrar of Contractor's duty to suspend general remodeling and repair contractor licenses based on the lack of workers' compensation coverage. Requires confidentiality of applicant and licensee contact information and modifies payment schedule requirements for residential pool and spa installation contractors.

fallen correctional employees memorial; extension (S.B. 1117) – Chapter 79

Extends the timeframe in which the Arizona Department of Administration is authorized to place a memorial in the Governmental Mall commemorating fallen Arizona Department of Corrections employees from October 1, 2018, to October 1, 2020.

military justice; nonjudicial punishment procedures (S.B. 1118) – Chapter 66

Makes changes to forms of nonjudicial punishment that may be imposed on members of the Arizona National Guard (Guard) by removing the ability of a Guard member to be fined and eliminating detention of pay. Increases, from 14 to 28, the maximum number of drill periods that may be forfeited when nonjudicial punishment is imposed on officers and other personnel as outlined.

hairstylist licenses; cosmetology (S.B. 1130) – Chapter 12

Beginning January 1, 2018, establishes a hairstylist license under the Board of Cosmetology (Board) permitting hair cutting, styling and dyeing. Applicants must be at least 18 years old or 16 years old with 2 years of high school or high school equivalent, complete a 1,000-hour course and pass a Board examination. Establishes a hairstyling instructor license which requires 350 additional hours of training, and lowers training requirements for cosmetologist and aesthetician instructors to 350 hours. Authorizes operation of hairstyling salons and schools.

employment security; time frames; interest (S.B. 1166) – Chapter 15

Requires 10 percent interest to accrue on unemployment benefit overpayment debts. The Department of Economic Security may waive interest accrued so long as it does not exceed 25 percent of interest on fraudulent debts. Standardizes appeal timeframes and extends the voluntary unemployment contribution deadline for employers by one month.

real estate transfer fees; definition (S.B. 1175) – Chapter 218

Retroactive to July 28, 2010, exempts a 501(c)3 or 501(c)4 nonprofit organization from the prohibition on real estate transfer fees.

alarm industry; fingerprint requirements (S.B. 1186) – Chapter 219

Requires an alarm agent and alarm business controlling person to obtain a valid fingerprint clearance card from the Department of Public Safety. Repeals the Board of Technical Registration's duty to maintain fingerprints and administer background checks. Extends, from two to three years, the validity of alarm business, controlling person and agent certifications.

public safety; supplemental benefits; continuation (S.B. 1190) – Chapter 113

Delays, from October 1, 2017, to October 1, 2025, the repeal of the requirement that public safety employers offer participation in a supplemental benefits plan for public safety employees who are injured while on duty.

Arizona department of housing; continuation. (S.B. 1196) – Chapter 132

Continues the Arizona Department of Housing for eight years, until July 1, 2025, retroactive to July 1, 2017.

real estate appraisal (S.B. 1197) – Chapter 334

Implements oversight of appraisal management companies by the Department of Financial Institutions as required by revisions to Title XI of the Financial Institutions, Reform, Recovery and Enforcement Act. Establishes the Appraisal Subcommittee Fund for remittance of National Registry appraiser and appraisal management company fees to the federal Appraisal Subcommittee.

corporation commission; telecommunications; rates (S.B. 1217) – Chapter 81

Allows a telecommunications provider to implement modified rates, terms of service or standards of service 40 calendar days after notifying affected customers and the Arizona Corporation Commission (ACC). The ACC must hold a hearing and determine that the action does not disadvantage the entity in a manner that is not competitively neutral in order to suspend, modify or deny the filing.

housing department; conforming changes (S.B. 1218) – Chapter 335

Authorizes the Arizona Department of Housing to administer duties of the Office of Manufactured Housing and resolve alleged violations of the Arizona Mobile Home Landlord and Tenant Act. Requires the Board of Manufactured Housing to adopt rules for installation and inspection of factory-built buildings. Requires mobile home or factory-built building agents to promptly submit all purchase offers to their client and allows an affidavit of affixture to consummate a sale.

contractors; owners; documents (S.B. 1246) – Chapter 116

Repeals statutory minimum written elements for a contract over \$1,000 that is executed between a contractor and property owner before January 1, 2008.

~~peace officers; investigative interviews; recordings~~ (NOW: law enforcement officers; administrative investigations) (S.B. 1253) – Chapter 260

Applies specified requirements to an administrative investigation of a law enforcement officers use-of-force incident that resulted in a death or serious physical injury to another person if the officer recorded a video of the incident. Under such circumstances, the administrative investigation is not complete until after the officer has had an opportunity to view the recorded video and provide any further information regarding the footage that the officer believes is relevant. Further, the officer must be read a notice containing prescribed components before viewing the recorded video. A law enforcement agency may adopt its own policy or rule that relates to an officer's review of the recorded video.

business entities; omnibus (S.B. 1272) – Chapter 18

Applies the Arizona Electronic Transactions Act definitions of *electronic transmission*, *notice* and *delivery* to filings at the Arizona Corporation Commission. Allows an existing foreign nonprofit corporation to amend its application for authority rather than obtain new authority. A person is civilly liable for authorizing or signing a report, certificate, notice or other document while knowing that the information contained is materially false or misleading.

Arizona competes fund; microenterprises (S.B. 1292) – Chapter 336

Delays the repeal of the Arizona Competes Fund (Fund) from July 1, 2018 until July 1, 2026. Requires 30 percent of the Fund monies reserved for rural and small business grants, up to \$1,000,000, to be used for grants to support and advance microenterprise development. A *microenterprise* is any business principally based in Arizona that employs 10 or fewer employees.

private vocational program license; exemption (S.B. 1293) – Chapter 206

Exempts from licensure by the Board of Private Postsecondary Education any private instructional program or course that is fewer than 40 contact hours and costs less than \$1,000.

workers' compensation; tiered rate filings (NOW: workers' compensation rates; deviations) (S.B. 1331) – Chapter 267

Allows a workers' compensation insurer to file up to six rate deviations with the Department of Insurance. Each deviation must be supported by actuarial analysis and underwriting criteria that logically distinguish potential risk.

workers' compensation; work search requirements (NOW: workers' compensation; settlement; travel expenses) (S.B. 1332) – Chapter 287

Beginning November 1, 2017, allows a party in a workers' compensation claim to receive a full and final settlement by releasing all or part of an accepted claim for compensation. The Industrial Commission of Arizona must approve all settlements based on the status of the employee's injuries. In cases where the employee is not represented by counsel, an Administrative Law Judge must determine that the settlement is fair and reasonable to the employee.

claimants; residential contractors' recovery fund (S.B. 1475) – Chapter 222

Allows an owner of noncommercial historic property that is harmed by a licensed contractor to recover up to \$30,000 in losses from the Residential Contractors' Recovery Fund. To qualify as a noncommercial historic property, the real property must be listed in the National Register of Historic Places and meet the maintenance standards established by the State Parks Board.

occupational safety and health omnibus (S.B. 1478) – Chapter 147

Exempts model system programs from inspections or investigations by the Division of Occupational Safety and Health (ADOSH), unless action is prompted by a complaint, referral, fatality, catastrophe, nonfatal accident or toxic chemical release. Allows the Industrial Commission of Arizona (ICA) to compel the testimony of witnesses and production of evidence in the course of an inspection or investigation. Transfers administration of boiler inspections from the ICA to special private sector inspectors certified by ADOSH.

finder fees; apartment tenants (H.B. 2039) – Chapter 23

Repeals the frequency and monetary limits for finder fees provided by a residential property management company to an apartment tenant.

metal dealer licensure; local authority (H.B. 2044) – Chapter 140

Specifies that a city, town or county may license and regulate scrap metal dealers.

liquor; serving age; reduction (H.B. 2047) – Chapter 54

Reduces, from 19 to 18, the minimum age for manufacturing, handling or selling spirituous liquors.

real estate licensing; exception; assistants (NOW: real estate licensing; applicability; exemption) (H.B. 2067) – Chapter 123

Allows an employee of a salesperson or broker licensed by the Department of Real Estate to perform clerical, bookkeeping, accounting and other administrative and support duties without a license.

manufactured homes; real estate transactions (H.B. 2072) – Chapter 25

Allows real estate brokers and salespersons to sell mobile and manufactured homes located in mobile home parks. The realtor must remain compliant with Department of Real Estate requirements.

state fair board; continuation (H.B. 2105) – Chapter 28

Continues the Arizona Exposition and State Fair Board for eight years, until July 1, 2025, retroactive to July 1, 2017.

correctional facilities; community notification (H.B. 2133) – Chapter 314

Requires the Arizona Department of Corrections (ADC), before incurring any obligation for the establishment of a correctional facility or a change of use of a correctional facility, to provide 45 days' written notice to designated recipients. The bill outlines the details that the notice must include and requires ADC to hold a hearing after the 45 days regarding the proposed correctional facility or change of use. Requires ADC to conspicuously post a sign detailing the date, time and location of the hearing on the proposed site for at least 15 days prior to the hearing.

ADC must receive written comments prior to the hearing and oral comments at the hearing. The bill requires ADC to compile all written comments into a report and post the report with the minutes of the hearing on the Department's website within five calendar days of the hearing. At least 15 days after the hearing, ADC must make a final site determination for the correctional facility or the change of use.

Defines *correctional facility*, *change of use* and circumstances that qualify as *establishing* a correctional facility. Applies the notice and hearing requirements in the bill to existing ADC processes relating to community correctional centers and private incarceration facilities.

household goods; unlawful moving practices (H.B. 2145) – Chapter 224

Prohibits a household goods mover performing an intrastate move from enforcing a carrier's lien or refusing to unload goods unless the consumer does not tender the total price set forth in the contract. The moving contract must disclose the total estimated price and the extent to which insurance will cover any lost or damaged goods. The Attorney General may investigate violations and prosecute offenders under the Consumer Fraud Act.

~~tax lien foreclosures; subdivisions; exemption~~ (NOW: tax settlement; Native American veterans) (H.B. 2158) – Chapter 215

Extends the time period for claims to the Veterans' Income Tax Settlement (VITS) Fund to be accepted by the Arizona Department of Veterans' Services from December 31, 2017, to December 31, 2019. Changes the date for withholdings to be eligible for refund from payments that were withheld after July 1, 1993, to payments that were withheld after July 1, 1977. Extends the date that monies remaining in the VITS Fund revert to the state General Fund from June 30, 2019, to June 30, 2021.

~~workers' compensation; occupational diseases; cancer~~ (NOW: occupational diseases; workers' compensation; presumptions) (H.B. 2161) – Chapter 318

Adds, to conditions presumed to have arisen out of employment, any disease, infirmity or impairment of a firefighter's health caused by: 1) buccal cavity and pharynx cancer; 2) esophagus cancer; 3) kidney cancer; 4) large intestine cancer; 5) lung cancer; 6) malignant myeloma; 7) multiple myeloma; 8) non-Hodgkin's lymphoma; 9) prostate cancer; 10) skin cancer; 11) stomach cancer; or 12) testicular cancer. The firefighter must have received a physical examination reasonably aligned with the National Fire Protection Association Program and the condition must be diagnosed within 15 years from the last date of employment.

The presumption may be rebutted by a preponderance of the evidence that there is a specific cause of cancer other than an occupational exposure to a carcinogen. Compensation for respiratory tract cancer may be denied if exposure to cigarettes or tobacco products outside the scope of employment is a substantial contributing cause of the condition.

mobile home relocation; long-term RVs (H.B. 2176) – Chapter 91

Increases maximum Mobile Home Relocation Fund disbursements from \$5,000 to \$7,500 for a single section mobile home and from \$10,000 to \$12,500 for a multi-section mobile home. Extends mobile home tenant rights, landlord obligations and relief eligibility to recreational vehicles (RVs) when relocation is required due to a change in use or community age restriction. Allows individual relief disbursements of up to \$4,000 for a displaced RV owner. Establishes obligations for a person who inherits a mobile home.

community notification; form of notice (H.B. 2200) – Chapter 135

Allows a law enforcement agency to meet requirements for community notification of registered sex offenders electronically instead of through dissemination of flyers. Electronic notification is limited to agencies that have established an electronic notification process and to those persons who affirmatively choose to receive community notification electronically.

endowed-care cemeteries; unitrusts (H.B. 2203) – Chapter 32

Allows a cemetery fund trustee to convert a fund into a total return unitrust or express total return unitrust. The trustee must exercise the judgement of a prudent investor to safely preserve capital and expend funds solely for the care of plots, burial spaces and surrounding areas.

alcohol; drug monitoring program; establishment (NOW: corrections; treatment programs; annual report) (H.B. 2211) – Chapter 33

Requires the Arizona Department of Corrections to submit an annual report on drug and alcohol treatment programs available to offenders in Arizona and outlines what information must be contained in the report.

registration exemptions; securities (NOW: operations; employees; home-based business) (H.B. 2233) – Chapter 228

Prohibits a county from enforcing an ordinance that prevents a home-based business from: 1) generating reasonable traffic, parking and delivery activity; 2) having multiple clients on the premise at one time; and 3) employing any resident and immediate family member plus two additional people.

occupational licensing; military members (H.B. 2271) – Chapter 39

Deems the education, training or experience requirements for an occupational license, certificate or registration completely or partially satisfied, as determined by the regulating entity, if the applicant received substantially equivalent education, training or experience as a member of the U.S. Armed Forces or any national guard. Requires a regulating entity to work with the Arizona Department of Veterans' Services to access the applicant's military background information. Exempts regulating entities from rulemaking for one year for the purpose of determining eligibility criteria.

provisional licenses; criminal convictions. (H.B. 2290) – Chapter 230

Permits an occupational licensing authority to issue a standard or provisional license to an otherwise qualified applicant who was convicted of an offense. An applicant on community supervision, probation or parole must provide the supervising officer's contact information to the licensing authority. Persons convicted of violent or sexual crimes and occupations requiring contact with vulnerable individuals are precluded from eligibility.



security guard training instructors; certification (H.B. 2319) – Chapter 252

Establishes registration certificates for security guard training instructors and firearms safety training instructors under the Department of Public Safety (DPS). Requires all training of armed and unarmed security guards to be conducted by registered instructors. Instructor applicants must be at least 18 years old, pass a background screening and complete the training requirements established by DPS.

franchises; mark owners; employment relationships (H.B. 2322) – Chapter 40

Stipulates that a franchisor is not an employer of a franchisee or franchisee's employee and that a trademark owner is not an employer of a licensee or licensee's employee. A franchisor or trademark owner may elect to assume the role of employer or co-employer through written attestation.

liquor omnibus (H.B. 2337) – Chapter 168

**Licensing** – Requires the Department of Liquor Licenses and Control (DLLC), until January 1, 2022, to issue a new beer and wine bar license in a county for each population increase of 5,000 people rather than every 10,000 people. Limits per person entries into the new license random selection process to the number available for issuance. Shortens the license protest period, from the later of 60 days after an application is filed or 15 days after action by a local governing body, to the shorter of these timeframes. Exempts restaurant licensees from audits in the first three months of operation.

**Craft Distillers** – Allows all craft distillers to ship directly to consumers by removing gallonage cap requirements. Increases, from 75 to 150, the number of days per year a craft distillery may operate with a festival license. Festivals occurring fully within a licensed location or the craft distiller's existing premises are exempt from local governing body approval requirements. Allows a craft distiller to operate a second remote tasting room and share a common area with another remote tasting room that is located on a separate premise.

**Acquisition of Control** – Prohibits a local governing body from charging multiple fees for a single acquisition of control. A local governing body may no longer protest an acquisition of control but may provide a recommendation to the DLLC. The DLLC Director must provide notice of how the governing body may examine the results of the acquisition of control investigation free of charge.

**Special Events** – Allows a physical location to host special events up to 30 days a year. Club licensees are limited to 12 special events a year where attendees are not guests of club members. Special events licensees may conduct a wine or distilled spirits pull of up to 50 bottles at each event and may retain a special events contractor to assist in selling and serving spirituous liquor. The DLLC may adopt rules regulating special events contractors and must maintain a list of eligible contractors. At the conclusion of the event, the licensee has one business day to return unbroken packages of liquor to the appropriate wholesaler or off-sale licensee.

***State Liquor Board (Board)*** – Increases the number of Board members who may be from the same county from two to three. Allows Board members who possess a license to represent themselves before the Board once their term ends.

national guard; deployment; professional licenses (H.B. 2341) – Chapter 62

Exempts a license, certificate or registration of a member of any National Guard from expiration while the member is serving on federal active duty instead of limiting the exemption to only Arizona National Guard members.

dog racing; conforming changes (H.B. 2358) – Chapter 41

Repeals the requirement that the Department of Gaming must regulate dog racing. Live dog racing was prohibited in Arizona beginning January 1, 2017.

wireless facilities; collocation; rights-of-way (NOW: wireless facilities; rights-of-way) (H.B. 2365) – Chapter 124

Requires cities, towns and counties to establish rates, fees and terms for the installation and operation of utility poles or monopoles and collocation of wireless or small wireless facilities in rights-of-way. Collocation of small wireless facilities in rights-of-way and utility poles under certain height thresholds are exempt from zoning review and entitled to approval unless the application does not satisfy design, concealment, spacing or public safety requirements.

Allows wireless providers to batch up to 25 applications for access to city and town rights-of-way and caps application fees at \$100 for each of the first five facilities and \$50 for each additional facility. Allows wireless providers to batch up to 35 applications for access to county rights-of-way and caps application fees at \$100 for each of the first five facilities and \$65 for each additional facility. Annual access rates for small wireless facilities are capped at \$50 for city collocations and \$20 for collocations on county utility poles.

Projects must be completed within 180 days after permit issuance unless an extension is provided or delay results from a lack of available commercial power. Agreements must have a 10-year minimum duration and be renewable for an equivalent duration.

withholding of wages; school employees (NOW: school employees; payment of wages) (H.B. 2370) – Chapter 200

Beginning July 1, 2018, repeals an exemption that allows school districts to withhold wages during their normal two-week payroll processing cycle. School districts must instead remit employee compensation within seven business days after the end of the most recent pay period. An employee's salary may be prorated into equal payments.

schools; illegal substances; notification (H.B. 2395) – Chapter 324

SEE THE EDUCATION COMMITTEE.

workers' compensation; firefighters; heart-related cases (H.B. 2410) – Chapter 325

Establishes the presumption that heart-related, perivascular and pulmonary injuries, illnesses or death among firefighters are occupational diseases deemed to arise out of employment if the firefighter: 1) passed a physical examination before employment that did not indicate evidence of heart-related, perivascular or pulmonary injury or illness; 2) received a physical examination reasonably aligned with the National Fire Protection Association Program; and 3) suffered a cardiac injury, illness or death with 24 hours after a reasonably related exposure to a known event.

The presumption may be rebutted by a preponderance of the evidence that there is a specific cause of the heart-related, perivascular and pulmonary injury, illness or death other than employment. The presumption is negated if there is evidence that exposure to cigarettes or tobacco products outside the scope of employment was a substantial contributing cause of the heart-related, perivascular and pulmonary injury, illness or death.

signatures; electronic transactions; blockchain technology (H.B. 2417) – Chapter 97

Recognizes a signature, record or contract that is secured through blockchain technology is in an electronic form and valid. The legislation also establishes the validity and enforceability of smart contracts in commerce and stipulates the rights of ownership or use of information remain the same. Applies blockchain provisions to the Uniform Commercial Code for sales, leases and documents of title.

private postsecondary institutions; peace officers (H.B. 2472) – Chapter 203

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workers' compensation; employee definition; notice. (NOW: land subdividers; notice; certificate; exemption) (H.B. 2482) – Chapter 298

Allows a subdivider to use a certificate of assured water supply issued to a previous owner of real property if: 1) the plat has not changed; 2) the certificate has not been revoked; 3) water service is available to each lot within the subdivided land; 4) all activation and replenishment reserve fees have been paid; and 5) the plat has been submitted to a qualified platting authority. The Department of Water Resources must post a list of all revoked and pending certificates on its website.

concurrent criminal jurisdiction; Goldwater range (H.B. 2535) – Chapter 100

Repeals the December 1, 2017, sunset date for the authorization of concurrent criminal jurisdiction with the federal government that applies to the Barry M. Goldwater Range.

## **LEGISLATION VETOED**

### **industrial hemp; licensing (S.B. 1337) – VETOED**

Authorizes a pilot program for the production, processing and manufacturing of industrial hemp by licensed growers and processors. Industrial hemp is the cannabis sativa plant with a delta-9 tetrahydrocannabinol (THC) concentration of less than 0.3 percent on a dry weight basis. To be licensed, a grower or processor must apply to the Department of Agriculture (Department) within nine months of the general effective date. Applicants must pass a criminal records check and obtain a valid controlled substance registration from the Drug Enforcement Administration. The bill allows the Department to physically inspect an industrial hemp site to ensure compliance, collect samples for analysis by the State Agricultural Laboratory and destroy crops that exceed THC limits.

The Governor indicates in his veto message that the bill lacks funding for the Department to properly implement a new program of this kind.