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## JUDICIARY

## SENATE AMENDMENTS TO S.B. 1076

(Reference to printed bill)

Strike everything after the enacting clause and insert:

"Section 1. Section 5-104, Arizona Revised Statutes, is amended to read:

## 5-104. Racing commission; director; department; powers and duties

- A. The commission shall:
- 1. Issue racing dates.
- 2. Prepare and adopt such complete rules to govern the racing meetings as may be required to protect and promote the safety and welfare of the animals participating in such racing meetings, to protect and promote public health, safety and the proper conduct of racing and pari-mutuel wagering and any other matter pertaining to the proper conduct of racing within this state.
- 3. Conduct hearings on applications for permits and approve permits and shall conduct such rehearings on licensing and regulatory decisions made by the director as required pursuant to rules adopted by the commission.
- 4. Conduct all reviews of applications to construct capital improvements at racetracks as provided in this chapter.
- 5. Adopt rules governing the proper and humane methods for the disposition and transportation of dogs by breeders, kennels or others.
- B. The director shall license personnel and shall regulate and supervise all racing meetings held and pari-mutuel wagering conducted in this state and cause the various places where racing meetings are held and wagering is conducted to be visited and inspected on a regular basis. The director may delegate to stewards such of the director's powers and duties as are necessary to fully carry out and effectuate the purposes of this chapter. The director shall exercise immediate supervision over the department of racing. The director is subject to ongoing supervision by the commission,

and the commission may approve or reject decisions of the director in accordance with rules established by the commission.

- C. The commission or the department is authorized to allow stewards, with the written approval of the director, to require a jockey, apprentice jockey, sulky driver, groom, horseshoer, outrider, trainer, assistant trainer, exercise rider, pony rider, starter, assistant starter, jockey's agent, veterinarian, assistant veterinarian, cool-out, lead-out, paddock employee, security or maintenance worker, official or individual licensed in an occupational category whose role requires direct hands-on contact with horses or greyhounds, while on the grounds of a permittee, to submit to a test if the stewards have reason to believe the licensee is under the influence of or unlawfully in possession of any prohibited substance regulated by title 13, chapter 34.
- D. The department shall employ the services of the office of administrative hearings to conduct hearings on matters requested to be heard by the director or the commission for the department except for those rehearings that are required by the terms of this chapter to be conducted by the commission. Any person adversely affected by a decision of a steward or by any other decision of the department may request a hearing on such decision. The decision of the administrative law judge becomes the decision of the director unless rejected or modified by the director within thirty days. The commission may hear any appeal of a decision of the director in accordance with title 41, chapter 6, article 10.
- E. The department may visit and investigate the offices, tracks or places of business of any permittee and place in those offices, tracks or places of business expert accountants and such other persons as it deems necessary for the purpose of ascertaining that the permittee or any licensee is in compliance with the rules adopted pursuant to this article.
- F. The department shall collect the fees payable for a license issued by it, as follows:
  - 1. Occupational licenses, up to fifty dollars.
- 2. Owner, trainer, veterinarian, authorized agent, officials, assistant trainer, stable name renewal or kennel name renewal, up to seventy-five dollars.
- 3. Owner-trainer, driver, jockey, jockey agent or apprentice jockey, up to one hundred fifty dollars.
  - 4. New stable name or new kennel name, up to five hundred dollars.

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Duplicate license, up to five dollars.

Temporary license, up to fifty dollars.

for the purpose of dog racing, up to one hundred dollars.

If not licensed pursuant to paragraph 9 of this subsection with a

G. The commission shall establish financial assistance procedures for

combination license, greyhound racing kennels, up to one hundred dollars.

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- 8. If not licensed pursuant to paragraph 9 of this subsection with a combination license, farms or other operations where greyhounds are raised
  - 9. Any combination of greyhound racing kennels, farms or other operations where greyhounds are raised for the purpose of dog racing, up to one hundred dollars.
  - promoting adoption of racing greyhounds as domestic pets and for promoting adoption of retired racehorses. The provision of financial assistance to nonprofit enterprises for the purpose of promoting adoption of racing greyhounds as domestic pets and for the purpose of promoting adoption of retired racehorses is contingent on a finding by the commission that the program presented by the enterprise is in the best interest of the racing industry and this state. Upon a finding by the commission, the commission is authorized to make grants to nonprofit enterprises whose programs promote adoption of racing greyhounds or adoption of retired racehorses. commission shall develop an application process. The commission shall require an enterprise to report to the commission on the use of grants under Financial assistance for nonprofit enterprises for the purpose of promoting adoption of racing greyhounds as domestic pets under this subsection shall not exceed the amount collected for license fees under subsection F, paragraphs 7, 8 and 9 of this section. Financial assistance for nonprofit enterprises that promote adoption of retired racehorses under this subsection shall not exceed the amount of retired racehorse adoption surcharges collected pursuant to this subsection. The commission shall collect a retired racehorse adoption surcharge in addition to each civil penalty assessed in connection with horse or harness racing pursuant to this
  - H. A license is valid for the period established by the commission, but not to exceed three years, except for a temporary license issued pursuant to section 5-107.01, subsection F. The licensing period for horse racing

article. The amount of the retired racehorse adoption surcharge shall be

five per cent of the amount collected for each applicable civil penalty.

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shall begin July 1. The licensing period for greyhound racing shall begin February 1.

- I. Upon application in writing by an objector to any decision of track stewards, made within three days after the official notification to the objector of the decision complained of, the department or administrative law judge shall review the objection. In the case of a suspension of a license by the track stewards, such suspension shall commence at once and run for a period of not more than sixty days. Before the end of this suspension period, filing an application for review is not cause for reinstatement. If at the end of this suspension period the department or administrative law judge has not held a hearing to review the decision of the stewards, the suspended license shall be reinstated until such time as the department or administrative law judge holds a hearing to review the objection. Except as provided in section 41-1092.08, subsection H, a final decision of the commission is subject to judicial review pursuant to title 12, chapter 7, article 6.
- J. The commission or the director may issue subpoenas for the attendance of witnesses and the production of books, records and documents relevant and material to a particular matter before the commission or department. Such subpoenas shall be served and enforced in accordance with title 41, chapter 6, article 10.
- K. Any member of the commission, the administrative law judge or the director or the director's designee may administer oaths, and such oaths shall be administered to any person who appears before the commission to give testimony or information pertaining to matters before the commission.
- L. The commission shall adopt rules which require permittees to retain for three months all official race photographs and videotapes. The department shall retain all such photographs and videotapes which are used as evidence in an administrative proceeding until the conclusion of the proceeding and any subsequent judicial proceeding. All photographs and videotapes must be available to the public on request, including photographs and videotapes of races concerning which an objection is made, regardless of whether the objection is allowed or disallowed.
- M. The director may establish a management review section for the development, implementation and operation of a system of management reports and controls in major areas of department operations, including licensing,

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work load management and staffing, and enforcement of the provisions of this article and the rules of the commission.

- N. In cooperation with the department of public safety, the director shall establish a cooperative fingerprint registration system. Each applicant for a license or permit under this article or any other person who has a financial interest in the business or corporation making the application shall submit to fingerprint registration as part of the background investigation conducted pursuant to section 5-108. The cooperative fingerprint registration system shall be maintained in an updated form using information from available law enforcement sources and shall provide current information to the director upon request as to the fitness of each racing permittee and each racing licensee to engage in the racing industry in this state.
- O. The director shall develop and require department staff to use uniform procedural manuals in the issuance of any license or permit under this article and in the enforcement of this article and the rules adopted under this article.
- P. The director shall submit an annual report containing such operational and economic performance information as is necessary to evaluate the department's budget request for the forthcoming fiscal year to the governor, the speaker of the house of representatives, the president of the senate and the Arizona state library, archives and public records no later than September 30 each year. The annual report shall be for the preceding fiscal year and contain such performance information as:
- 1. The total state revenues for the previous fiscal year from the overall pari-mutuel handle with an itemization for each dog racing meeting, each horse racing meeting, each harness racing meeting and each additional wagering facility.
- 2. The total state revenues for the previous fiscal year from the regulation of racing, including licensing fees assessed pursuant to subsection F of this section and monetary penalties assessed pursuant to section 5-108.02.
- 3. The amount and use of capital improvement funds pursuant to sections 5-111.02 and 5-111.03 which would otherwise be state revenues.
- 4. The number of licenses and permits issued, renewed, pending and revoked during the previous fiscal year.

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- 5. The investigations conducted during the previous fiscal year and any action taken as a result of the investigations.
- 6. The department budget for the immediately preceding three fiscal years, including the number of full-time, part-time, temporary and contract employees, a statement of budget needs for the forthcoming fiscal year and a statement of the minimum staff necessary to accomplish these objectives.
- 7. Revenues generated for this state for the preceding fiscal year by persons holding horse, harness and dog racing permits.
- 8. Recommendations for increasing state revenues from the regulation of the racing industry while maintaining the financial health of the industry and protecting the public interest.
- Q. The commission may certify animals as Arizona bred or as Arizona stallions. The commission may delegate this authority to a breeders' association it contracts with for these purposes. The commission may authorize the association, racing organization or department to charge and collect a reasonable fee to cover the cost of breeding or ownership certification or transfer of ownership for racing purposes.
- R. The department has responsibility for the collection and accounting of revenues for the state boxing AND MIXED MARTIAL ARTS commission including, but not limited to, licensing fees required by section 5-230, the levy of the tax on gross receipts imposed by section 5-104.02 and cash deposited pursuant to section 5-229. All revenues collected pursuant to this subsection, from whatever source, shall be reported and deposited pursuant to section 5-104.02, subsection C. The director shall adopt rules as necessary to accomplish the purposes of this subsection and chapter 2, article 2 of this title.
- S. The commission may obtain the services of the office of administrative hearings on any matter which the commission is empowered to hear.
- T. The department may adopt rules pursuant to title 41, chapter 6 to carry out the purposes of this article, ensure the safety and integrity of racing in this state and protect the public interest.
  - Sec. 2. Section 5-221, Arizona Revised Statutes, is amended to read: 5-221. <u>Definitions</u>
  - In this article, unless the context otherwise requires:

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- 1. "Boxing" means the act of attack and defense with the fists, using padded gloves, that is practiced as a sport. Where applicable, boxing includes kickboxing.
- 2. "Commission" means the Arizona state boxing AND MIXED MARTIAL ARTS commission.
  - 3. "Contest" means any boxing contest, match or exhibition.
  - 4. "Department" means the Arizona department of racing.
  - 5. "Director" means the director of the Arizona department of racing.
- 6. "Executive director" means the executive director of the commission.
- 7. "Kickboxing" means a form of boxing, INCLUDING MUAY THAI PURSUANT TO RULES AND REGULATIONS OF THE UNITED STATES MUAY THAI ASSOCIATION AS ADAPTED BY THE COMMISSION, in which blows are delivered with any part of the arm below the shoulder, including the hand, and any part of the leg below the hip, including the foot.
- 8. "MIXED MARTIAL ARTS" MEANS ANY FORM OF COMPETITION, OTHER THAN BOXING OR KICKBOXING. IN WHICH BLOWS ARE DELIVERED.
- 8. 9. "Professional" means any person who competes for any money prize or a prize that exceeds the value of thirty-five dollars or teaches or pursues or assists in the practice of boxing as a means of obtaining a livelihood or pecuniary gain.
- 9. 10. "Tough man contest" means any boxing match consisting of one minute rounds, between two or more persons who use their hands, wearing padded gloves that weigh not less than twelve ounces, or their feet, or both, in any manner. Tough man contest does not include kickboxing or any recognized martial arts competition.
- 10. "Unarmed combat" means any form of competition, other than boxing and kickboxing, in which blows are delivered.
  - Sec. 3. Section 5-223, Arizona Revised Statutes, is amended to read:
  - 5-223. Arizona state boxing and mixed martial arts commission;

    appointment: terms: compensation: conflict of interest:

    emergency ringside meetings
- A. The Arizona state boxing AND MIXED MARTIAL ARTS commission shall consist of three members appointed by the governor pursuant to section 38-211. The term of office of commissioners is three years. The term of one member shall expire on the third Monday in January each year.

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- B. Two members of the commission constitute a quorum for conducting business. A concurrence of two members is necessary to render a decision by the commission. Emergency ringside meetings held immediately prior and subsequent to a scheduled contest for the purpose of determining whether or not there has been a violation of the rules and regulations of the commission or the provisions of this chapter shall be exempt from the provisions of title 38, chapter 3, article 3.1.
- C. The commissioners shall receive compensation as determined pursuant to section 38-611 for each day they act in their official capacity, not to exceed one hundred days each year.
- D. A commissioner shall not during his term of office promote, sponsor or have any financial interest in a boxer, a boxing contest or in the premises leased for a boxing contest.
  - Sec. 4. Section 5-224, Arizona Revised Statutes, is amended to read: 5-224. Division of boxing and mixed martial arts regulation; powers and duties
- A. A division of boxing AND MIXED MARTIAL ARTS regulation is established in the Arizona department of racing to provide staff support for the Arizona state boxing AND MIXED MARTIAL ARTS commission. The director of the department shall appoint an assistant director to perform the duties prescribed in this article. The resources for the Arizona state boxing AND MIXED MARTIAL ARTS commission shall come from monies appropriated to the department of racing.
- B. The commission shall obtain from a physician licensed to practice in this state rules and standards for the physical examination of boxers and referees. A schedule of fees to be paid physicians by the promoter or matchmaker for the examination shall be set by the commission.
- C. The commission may adopt and issue rules pursuant to title 41, chapter 6 to carry out the purposes of this chapter.
- D. The commission shall hold a regular meeting quarterly and in addition may hold special meetings. Except as provided in section 5-223, subsection B, all meetings of the commission shall be open to the public and reasonable notice of the meetings shall be given pursuant to title 38, chapter 3, article 3.1.
  - E. The commission shall:
- 1. Make and maintain a record of the acts of the division, including the issuance, denial, renewal, suspension or revocation of licenses.

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- 2. Keep records of the commission open to public inspection at all reasonable times.
- 3. Assist the director in the development of rules to be implemented pursuant to section 5-104, subsection T.
- 4. Conform to the rules adopted pursuant to section 5-104, subsection  $\mathsf{T}.$
- F. The commission may enter into intergovernmental agreements with Indian tribes, tribal councils or tribal organizations to provide for the regulation of boxing AND MIXED MARTIAL ARTS contests on Indian reservations. Nothing in this chapter shall be construed to diminish the authority of the department of gaming.
  - Sec. 5. Section 5-225, Arizona Revised Statutes, is amended to read:
  - 5-225. Regulation of boxing contests, tough man contests and mixed martial arts
- A. All boxing contests are subject to the provisions of this chapter. Every contestant in a boxing contest shall wear padded gloves that weigh at least eight ounces. The commission shall for every contest:
  - 1. Direct a deputy to be present.
  - 2. Direct the deputy to make a written report.
- B. All tough man contests, including amateur tough man contests, are subject to the provisions of this chapter. Every contestant in a tough man contest shall wear padded gloves that weigh at least twelve ounces.
- C. Unarmed combat MIXED MARTIAL ARTS, including amateur unarmed combat MIXED MARTIAL ARTS, is subject to the provisions of this chapter. Contestants in unarmed combat MIXED MARTIAL ARTS shall not strike other contestants in the spinal column or in the back of the head. Contestants shall not strike with their knees or elbows unless specified by rule. The commission may establish a fee for unarmed combat MIXED MARTIAL ARTS AND BOXING events in an amount determined by the commission. In determining the amount of the fee, the executive director may consider factors including the amount of time likely to be expended in processing the event application and the complexity of the application. Monies that are derived from the fees this subsection AND MONIES DERIVED charged pursuant to INTER-GOVERNMENTAL TRIBAL AGREEMENTS shall be available to the commission for the administration and regulation of <del>unarmed combat</del> MIXED MARTIAL ARTS AND BOXING, and those monies are exempt from the provisions of section 35-190 relating to lapsing of appropriations. Within ninety days after the

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effective date of this amendment to this section, The commission shall begin using USE rules for unarmed combat MIXED MARTIAL ARTS that are consistent with the mixed martial arts unified rules of conduct adopted by the New Jersey state athletic control board, which shall be used until the association of boxing commissions approves standardized rules that are implemented in states that use rules identical or substantially similar to the rules adopted by the New Jersey state athletic control board UNTIL THE COMMISSION ADOPTS MIXED MARTIAL ARTS RULES. Nothing in this subsection prevents a promoter of an unarmed combat A MIXED MARTIAL ARTS event in this state from prohibiting specific types of conduct for that particular event that are WOULD OTHERWISE BE allowed under the rules adopted by the New Jersey state athletic control board, the association of boxing commissions or the Arizona state boxing commission.

Sec. 6. Section 5-235.01, Arizona Revised Statutes, is amended to read:

## 5-235.01. <u>Disciplinary action: grounds: civil penalty:</u> emergency suspension: injunction

- A. The commission may take any one or a combination of the following disciplinary actions:
  - 1. Revoke a license.
  - 2. Suspend a license.
- 3. Impose a civil penalty in an amount of not to exceed one thousand dollars per violation of this chapter.
- B. The commission may take disciplinary action or refuse to issue or renew a license for any of the following causes:
- 1. Committing an act involving dishonesty, fraud or deceit with the intent to substantially benefit oneself or another or substantially injure another.
- 2. Advertising by means of known false, misleading, deceptive or fraudulent statements through any communication media MEDIUM.
- 3. Violating  $\frac{\text{any provision of}}{\text{of}}$  this chapter or any rule adopted pursuant to this chapter.
  - 4. Making oral or written false statements to the commission.
- 5. Failing to complete the license application as prescribed by the commission.
- C. THE COMMISSION MAY CONDUCT TESTS FOR THE USE OF PROHIBITED DRUGS AND SUBSTANCES. NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, THE

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COMMISSION MAY IMMEDIATELY SUSPEND THE LICENSE, IMMEDIATELY REVOKE THE LICENSE OR IMMEDIATELY IMPOSE A CIVIL PENALTY NOT TO EXCEED \_\_\_\_\_\_ DOLLARS, OR ANY COMBINATION OF THESE ACTIONS, AGAINST A CONTESTANT WHO TESTS POSITIVE FOR PROHIBITED DRUGS AND SUBSTANCES, WHO REFUSES OR FAILS TO TAKE A TEST FOR PROHIBITED DRUGS AND SUBSTANCES UNDER RULES ADOPTED BY THE COMMISSION OR WHO REFUSES OR FAILS TO TAKE A TEST FOR PROHIBITED DRUGS AND SUBSTANCES AFTER A TEST IS REQUESTED BY THE COMMISSION OR THE EXECUTIVE DIRECTOR. ALL CIVIL PENALTIES ASSESSED PURSUANT TO THIS SUBSECTION SHALL BE DEPOSITED, PURSUANT TO SECTIONS 35-146 AND 35-147, IN THE STATE GENERAL FUND. THE RULES ADOPTED PURSUANT TO THIS SUBSECTION MAY INCLUDE APPROPRIATE DEFINITIONS FOR PROHIBITED DRUGS AND SUBSTANCES.

- C. D. In case of emergency, a member of the commission may, on his own motion or on the verified complaint of any person charging a violation of this chapter or of the rules promulgated by the commission, MAY suspend for a period of not to exceed ten days any license until final determination by the commission, if in his opinion the action is necessary to protect the public welfare and the best interests of boxing.
- D. E. The commission, the attorney general or a county attorney may apply to the superior court in the county in which acts or practices of any person which THAT constitute a violation of this chapter or the rules adopted pursuant to this chapter are alleged to have occurred for an order enjoining those acts or practices.
  - Sec. 7. Section 41-1092, Arizona Revised Statutes, is amended to read: 41-1092. <u>Definitions</u>

In this article, unless the context otherwise requires:

- 1. "Administrative law judge" means an individual or an agency head, board or commission that sits as an administrative law judge, that conducts administrative hearings in a contested case or an appealable agency action and that makes decisions regarding the contested case or appealable agency action.
- 2. "Administrative law judge decision" means the findings of fact, conclusions of law and recommendations or decisions issued by an administrative law judge.
- 3. "Appealable agency action" means an action that determines the legal rights, duties or privileges of a party and that is not a contested case. Appealable agency actions do not include interim orders by self-supporting regulatory boards or rules, orders, standards or statements

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of policy of general application issued by an administrative agency to implement, interpret or make specific the legislation enforced or administered by it, nor does it mean or include rules concerning the internal management of the agency that do not affect private rights or interests. For the purposes of this paragraph, administrative hearing does not include a public hearing held for the purpose of receiving public comment on a proposed agency action.

- 4. "Director" means the director of the office of administrative hearings.
- 5. "Final administrative decision" means a decision by an agency that is subject to judicial review pursuant to title 12, chapter 7, article 6.
  - 6. "Office" means the office of administrative hearings.
  - 7. "Self-supporting regulatory board" means any one of the following:
  - (a) The Arizona state board of accountancy.
  - (b) The state board of appraisal.
  - (c) The board of barbers.
  - (d) The board of behavioral health examiners.
  - (e) The Arizona state boxing AND MIXED MARTIAL ARTS commission.
  - (f) The state board of chiropractic examiners.
  - (g) The board of cosmetology.
  - (h) The state board of dental examiners.
  - (i) The state board of funeral directors and embalmers.
  - (i) The Arizona game and fish commission.
  - (k) The board of homeopathic and integrated medicine examiners.
  - (1) The Arizona medical board.
  - (m) The naturopathic physicians medical board.
  - (n) The state board of nursing.
- (o) The board of examiners of nursing care institution administrators and adult care home managers.
  - (p) The board of occupational therapy examiners.
  - (g) The state board of dispensing opticians.
  - (r) The state board of optometry.
- (s) The Arizona board of osteopathic examiners in medicine and surgery.
  - (t) The Arizona peace officer standards and training board.
  - (u) The Arizona state board of pharmacy.
  - (v) The board of physical therapy examiners.

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1	(w) The state board of podiatry examiners.
2	(x) The state board for private postsecondary education.
3	(y) The state board of psychologist examiners.
4	(z) The board of respiratory care examiners.
5	(aa) The office of pest management.
6	(bb) The state board of technical registration.
7	(cc) The Arizona state veterinary medical examining board.
8	(dd) The acupuncture board of examiners.
9	(ee) The Arizona regulatory board of physician assistants.
10	(ff) The board of athletic training.
11	(gg) The board of massage therapy.
12	Sec. 8. Section 41-3011.07, Arizona Revised Statutes, is amended to
13	read:
14	41-3011.07. Arizona state boxing and mixed martial arts
15	commission; termination July 1, 2011
16	A. The Arizona state boxing AND MIXED MARTIAL ARTS commission
17	terminates on July 1, 2011.
18	B. Title 5, chapter 2, article 2 is repealed on January 1, 2012."
19	Amend title to conform

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