

State of Arizona
Senate
Fiftieth Legislature
First Regular Session
2011

SENATE BILL 1230

AN ACT

AMENDING SECTIONS 5-505, 5-555, 41-126, 41-311, 41-312, 41-313, 41-316, 41-323, 41-328, 41-332, 41-351, 41-353, 41-355, 41-358, 41-364, 41-366, 41-1011, 41-3504, 44-1449, 44-1460.07, 44-1792 AND 44-6552, ARIZONA REVISED STATUTES; REPEALING TITLE 44, CHAPTER 24, ARIZONA REVISED STATUTES; AMENDING LAWS 2008, CHAPTER 291, SECTION 9, AS AMENDED BY LAWS 2010, CHAPTER 313, SECTION 16; RELATING TO THE SECRETARY OF STATE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 5-505, Arizona Revised Statutes, is amended to
3 read:

4 5-505. Apportionment of revenue

5 A. Not more than eighteen and one-half per cent of the total annual
6 revenues accruing from the sale of lottery tickets or shares and from all
7 other sources and not more than ~~fifteen~~ THIRTY-FIVE per cent of the total
8 annual revenues from the sale of special instant games authorized under
9 section 5-504, subsection I shall be deposited in the state lottery fund
10 established by section 5-521 to be expended for the following:

11 1. The payment of costs incurred in the operation and administration
12 of the lottery, including the expenses of the commission and the costs
13 resulting from any contract or contracts entered into for consulting or
14 operational services.

15 2. Independent audits, which shall be performed annually in addition
16 to the audits required by section 5-524.

17 3. Incentive programs for lottery sales agents and lottery employees.

18 4. Payment of compensation to licensed sales agents necessary to
19 provide for the adequate availability of tickets or services to prospective
20 buyers and for the convenience of the public. Except as otherwise provided
21 in this ~~paragraph~~ SUBSECTION, compensation of licensed sales agents shall be
22 at least five and one-half per cent but not more than eight per cent of the
23 price of each ticket or share that a retail sales agent sells in instant
24 games and online games, less the price of any tickets or shares that are
25 voided. ~~Compensation of a licensed sales agent who is designated as a~~
26 ~~charitable organization as defined in section 5-504 shall be twenty per cent~~
27 ~~of the price of each special instant game authorized under section 5-504,~~
28 ~~subsection I.~~

29 5. The payment of reasonable fees to redemption agents as authorized
30 by section 5-519.

31 6. The purchase or lease of lottery equipment, tickets and materials.

32 7. COMPENSATION OF A LICENSED SALES AGENT WHO IS DESIGNATED AS A
33 CHARITABLE ORGANIZATION AS DEFINED IN SECTION 5-504. COMPENSATION SHALL BE
34 TWENTY PER CENT OF THE PRICE OF EACH TICKET FROM A SPECIAL INSTANT GAME
35 AUTHORIZED UNDER SECTION 5-504, SUBSECTION I AND SHALL BE AN OFFSET AGAINST
36 THE SALE OF THE TICKET.

37 B. Not less than fifty per cent of the total annual revenues accruing
38 from the sale of lottery tickets or shares shall be deposited in the state
39 lottery prize fund established by section 5-523 for payment of prizes to the
40 holders of winning tickets or shares or for other purposes provided for in
41 section 5-518.

42 C. All other revenues accruing from the sale of lottery tickets or
43 shares in online games or instant games shall be deposited in the state
44 lottery fund established by section 5-521 to be used as prescribed by section
45 5-522.

1 D. Except for monies for prizes expended as provided in section 5-504,
2 subsection G and section 41-1505.10, monies expended under subsection A of
3 this section shall be subject to legislative appropriation.

4 Sec. 2. Section 5-555, Arizona Revised Statutes, is amended to read:

5 5-555. Apportionment of revenue

6 A. Not more than eighteen and one-half per cent of the total annual
7 revenues accruing from the sale of lottery tickets or shares and from all
8 other sources and not more than ~~fifteen~~ THIRTY-FIVE per cent of the total
9 annual revenues from the sale of special instant games authorized under
10 section 5-554, subsection I shall be deposited in the state lottery fund
11 established by section 5-571 to be expended for the following:

12 1. The payment of costs incurred in the operation and administration
13 of the lottery, including the expenses of the commission and the costs
14 resulting from any contract or contracts entered into for consulting or
15 operational services.

16 2. Independent audits, which shall be performed annually in addition
17 to the audits required by section 5-574.

18 3. Incentive programs for lottery sales agents and lottery employees.

19 4. Payment of compensation to licensed sales agents necessary to
20 provide for the adequate availability of tickets or services to prospective
21 buyers and for the convenience of the public. Except as otherwise provided
22 in this ~~paragraph~~ SUBSECTION, compensation of licensed sales agents shall be
23 at least five and one-half per cent but not more than eight per cent of the
24 price of each ticket or share that a retail sales agent sells in instant
25 games and online games, less the price of any tickets or shares that are
26 voided. ~~Compensation of a licensed sales agent who is designated as a~~
27 ~~charitable organization as defined in section 5-554 shall be twenty per cent~~
28 ~~of the price of each special instant game authorized under section 5-554,~~
29 ~~subsection I.~~

30 5. The payment of reasonable fees to redemption agents as authorized
31 by section 5-569.

32 6. The purchase or lease of lottery equipment, tickets and materials.

33 7. COMPENSATION OF A LICENSED SALES AGENT WHO IS DESIGNATED AS A
34 CHARITABLE ORGANIZATION AS DEFINED IN SECTION 5-554. COMPENSATION SHALL BE
35 TWENTY PER CENT OF THE PRICE OF EACH TICKET FROM A SPECIAL INSTANT GAME
36 AUTHORIZED UNDER SECTION 5-554, SUBSECTION I AND SHALL BE AN OFFSET AGAINST
37 THE SALE OF THE TICKET.

38 B. Not less than fifty per cent of the total annual revenues accruing
39 from the sale of lottery tickets or shares shall be deposited in the state
40 lottery prize fund established by section 5-573 for payment of prizes to the
41 holders of winning tickets or shares or for other purposes provided for in
42 section 5-568.

43 C. All other revenues accruing from the sale of lottery tickets or
44 shares in online games or instant games shall be deposited in the state

1 lottery fund established by section 5-571 to be used as prescribed by section
2 5-572.

3 D. Except for monies for prizes expended as provided in section 5-554,
4 subsection G and section 41-1505.10, monies expended under subsection A of
5 this section shall be subject to legislative appropriation.

6 Sec. 3. Section 41-126, Arizona Revised Statutes, is amended to read:
7 41-126. Fees; expedited services

8 A. The secretary of state shall receive the following fees:

9 1. Making a copy of any document on file in his office, no more than
10 ten cents for each page or partial page.

11 2. Filing and recording each application to become a notary public and
12 transmitting a commission for a notary public, no more than twenty-five
13 dollars.

14 3. Filing an application for registration or renewal of the
15 registration of a trademark or recording an assignment of a trademark,
16 fifteen dollars.

17 4. Filing an application for registration or renewal of the
18 registration of a trade name or recording an assignment of a trade name, no
19 more than ten dollars.

20 5. Issuing a certificate of registration of a trademark or a trade
21 name, no more than three dollars.

22 6. Filing, as required by the uniform commercial code:

23 (a) A financing statement, no more than three dollars.

24 (b) An amendment to a financing statement, no more than three dollars.

25 (c) An assignment, no more than three dollars.

26 (d) A continuation statement, no more than three dollars.

27 (e) A statement of release, no more than two dollars.

28 (f) A termination statement, no more than two dollars.

29 7. Issuing a certificate as provided in section 44-3146 naming a
30 particular debtor, no more than six dollars.

31 8. Making a copy of a filed financing statement, no more than fifty
32 cents per page.

33 9. Certifying a copy of a writing specified in paragraphs 6, 7 and 8
34 of this subsection, no more than three dollars.

35 10. Filing, recording or certifying any other document not specified in
36 this section, no more than three dollars.

37 11. Filing the oath and bond of notary public, eighteen dollars.

38 12. Issuing a certificate as to official capacity of a notary public
39 and affixing a seal to the certificate, eighteen dollars.

40 B. The secretary of state shall provide for and establish an expedited
41 service for the processing of requests, applications, filings and searches as
42 follows:

43 1. The expedited processing shall be a priority ~~same-day service~~
44 effected in a fast and efficient manner.

2. A fee shall be charged for expedited services. This fee shall not exceed twenty-five dollars per service and shall be in addition to any other fees provided by law, including those set forth in subsection A of this section.

C. The secretary of state shall adopt rules necessary to carry out subsection B of this section.

Sec. 4. Section 41-311, Arizona Revised Statutes, is amended to read:

41-311. Definitions

In this article, unless the context otherwise requires:

1. "Acknowledgment" means a notarial act in which a notary certifies that a signer, whose identity is proven by satisfactory evidence, appeared before the notary and acknowledged that the signer signed the document.

2. "Commission" means to authorize to perform notarial acts and the written authority to perform those acts.

3. "Copy certification" means a notarial act in which the notary certifies that the notary has made a photocopy of an original document that is neither a public record nor publicly recordable.

~~4. "Identity is personally known" means familiarity with an individual resulting from interactions with that person over a sufficient time to eliminate reasonable doubt that the individual has the identity claimed.~~

~~5.~~ 4. "Incomplete document" means a document that has not been signed where a signature line is provided or where other obvious blanks appear in the document or that lacks a notarial certificate.

~~6.~~ 5. "Jurat" means a notarial act in which the notary certifies that a signer, whose identity is proven by satisfactory evidence, has made in the notary's presence a voluntary signature and has taken an oath or affirmation vouching for the truthfulness of the signed document.

~~7.~~ 6. "Notarial act" or "notarization" means any act that a notary is authorized to perform under section 41-313.

~~8.~~ 7. "Notarial certificate" or "certificate" means the part of or attachment to a notarized document for completion by the notary that bears the notary's signature and seal and states the **VENUE, DATE AND** facts that are attested by the notary in a particular notarization.

~~9.~~ 8. "Notary public" or "notary" means any person commissioned to perform notarial acts under this article.

~~10.~~ 9. "Oath" or "affirmation" means a notarial act or part of a notarial act in which a person made a vow in the presence of the notary under penalty of perjury, with reference made to a supreme being in the case of an oath.

10. "PERSONAL KNOWLEDGE" MEANS FAMILIARITY WITH AN INDIVIDUAL RESULTING FROM INTERACTIONS WITH THAT INDIVIDUAL OVER A SUFFICIENT TIME TO ELIMINATE REASONABLE DOUBT THAT THE INDIVIDUAL HAS THE IDENTITY CLAIMED.

1 11. "Satisfactory evidence of identity" means:
2 (a) Proof of identity is evidenced by one of the following:
3 (i) An unexpired driver license that is issued by a state or territory
4 of the United States.
5 (ii) An unexpired passport that is issued by the United States
6 department of state.
7 (iii) An unexpired identification card that is issued by any branch of
8 the United States armed forces.
9 (iv) Any other unexpired identification card that is issued by the
10 United States government or a state or tribal government, that contains the
11 individual's photograph, signature and physical description and that contains
12 the individual's height, weight, color of hair and color of eyes.
13 (v) The oath or affirmation of a credible person who is personally
14 known to the notary and who personally knows the individual.
15 (vi) The oath or affirmation of a credible person who personally knows
16 the individual and who provides satisfactory evidence of identity pursuant to
17 item (i), (ii), (iii) or (iv) of this subdivision.
18 (vii) Personal knowledge of the individual by the notary.
19 (b) In addition to ~~the provisions of~~ subdivision (a), for the purposes
20 of a real estate conveyance or financing, ~~that~~ proof of identity may be
21 evidenced by one of the following:
22 (i) A valid unexpired passport that is issued by the United States
23 government.
24 (ii) A valid unexpired passport that is issued by a national
25 government other than the United States government and that is accompanied by
26 a valid unexpired visa or other documentation that is issued by the United
27 States government and that is necessary to establish an individual's legal
28 presence in the United States.
29 (iii) Any other valid unexpired identification that is deemed
30 acceptable by the United States department of homeland security to establish
31 an individual's legal presence in the United States and that is accompanied
32 with supporting documents as required by the United States department of
33 homeland security.
34 12. "VENUE" MEANS THIS STATE AND COUNTY WHERE A NOTARIAL ACT OCCURS.
35 Sec. 5. Section 41-312, Arizona Revised Statutes, is amended to read:
36 41-312. Appointment; term; oath and bond; training courses; fee
37 A. The secretary of state may appoint notaries public in each county
38 to hold office for four years who shall have jurisdiction in the county in
39 which they reside and in which they are appointed. Acknowledgments of
40 documents may be taken and executed and oaths may be administered by a notary
41 public in any county of the state although the commission is issued to the
42 notary public in and for another county.
43 B. The secretary of state shall give notice of the appointment to the
44 person appointed who shall take, within twenty days after receiving such
45 notice, the oath prescribed by law and give a bond, with sureties approved by

1 the state, in an amount prescribed by the secretary of state and file it with
2 the secretary of state. On filing the official oath and bond, the secretary
3 of state shall deliver the commission to such person.

4 C. A notary public is a public officer commissioned by this state and
5 the following apply without regard to whether the notary public's employer or
6 any other person has paid the fees and costs for the commissioning of the
7 notary public, including costs for the official seal and journals:

8 1. A notary public's official seal and commission and any journal that
9 contains only public record entries remain the property of the notary public.

10 2. A notary public may perform notarizations outside the workplace of
11 the notary's employer except during those times normally designated as the
12 notary public's hours of duty for that employer. All fees received by a
13 notary public for notarial services provided while not on duty remain the
14 property of the notary public.

15 3. An employer of a notary public shall not limit the notary public's
16 services to customers or other persons designated by the employer.

17 D. A notary public shall continue to serve until the notary public's
18 commission expires, the notary public resigns the commission, the notary
19 public dies or the secretary of state revokes the commission. An employer
20 may not cancel the notary bond or notary commission of any notary public who
21 is an employee and who leaves that employment.

22 E. A notary public shall comply with all of the following:

23 1. Be at least eighteen years of age.

24 2. Be a citizen or a legal permanent resident of the United States.

25 3. Be a resident of this state for income tax purposes and claim the
26 individual's residence in this state as the individual's primary residence on
27 state and federal tax returns.

28 4. Except as provided in section 41-330, subsection A, paragraph 2,
29 never have been convicted of a felony.

30 5. Keep as a reference a manual that is approved by the secretary of
31 state and that describes the duties, authority and ethical responsibilities
32 of notaries public.

33 6. BE ABLE TO READ AND WRITE ENGLISH.

34 F. An applicant for appointment and commission as a notary public
35 shall complete an application form prescribed by the secretary of state.
36 Except for the applicant's name and business address, all information on the
37 application is confidential and may not be disclosed to any person other than
38 the applicant, the applicant's personal representative or an employee or
39 officer of the federal, state or local government who is acting in an
40 official capacity. The secretary of state shall use the information
41 contained on the application only for carrying out the purposes of this
42 article.

43 G. This state or any of its political subdivisions may pay the fees
44 and costs for the commissioning of a notary public who is an employee of this
45 state or any of its political subdivisions and who performs notarial services

1 in the course of the notary public's employment or for the convenience of
2 public employees.

3 H. The secretary of state may require that applicants ~~attend~~ AND
4 SUSPENDED NOTARIES PRESENT PROOF OF ATTENDANCE AT a notary training course
5 before receiving their commissions OR BEFORE REINSTATEMENT OF A SUSPENDED
6 COMMISSION. ~~and Notaries~~ ANY APPLICANT WHO IS REQUIRED TO attend a notary
7 training course MUST COMPLETE THE TRAINING within ninety days before renewing
8 their commissions. The secretary of state may assess a fee prescribed by the
9 secretary of state for administering notary training courses. The secretary
10 of state shall deposit the fees collected in the notary education fund
11 established by section 41-332.

12 Sec. 6. Section 41-313, Arizona Revised Statutes, is amended to read:
13 41-313. Duties

14 A. Notaries public shall perform the following notarial acts, when
15 requested:

- 16 1. Take acknowledgments and give certificates of the acknowledgments
17 endorsed on or attached to the instrument.
- 18 2. Administer oaths and affirmations.
- 19 3. Perform jurats.
- 20 4. Perform copy certification.

21 B. NOTARIES PUBLIC SHALL PERFORM THE NOTARIAL ACTS PRESCRIBED IN
22 SUBSECTION A OF THIS SECTION ONLY IF:

- 23 1. THE SIGNER IS IN THE PRESENCE OF THE NOTARY AT THE TIME OF
24 NOTARIZATION.
- 25 2. THE SIGNER SIGNS IN A LANGUAGE THAT THE NOTARY UNDERSTANDS.
- 26 3. SUBJECT TO SUBSECTION D, THE SIGNER COMMUNICATES DIRECTLY WITH THE
27 NOTARY IN A LANGUAGE THEY BOTH UNDERSTAND OR INDIRECTLY THROUGH A TRANSLATOR
28 WHO IS PHYSICALLY PRESENT WITH THE SIGNER AND NOTARY AT THE TIME OF THE
29 NOTARIZATION AND COMMUNICATES DIRECTLY WITH THE SIGNER AND THE NOTARY IN
30 LANGUAGES THE TRANSLATOR UNDERSTANDS.
- 31 4. THE NOTARIAL CERTIFICATE IS WORDED AND COMPLETED USING ONLY
32 LETTERS, CHARACTERS AND A LANGUAGE THAT ARE READ, WRITTEN AND UNDERSTOOD BY
33 THE NOTARY PUBLIC.

34 C. IF A NOTARY ATTACHES A NOTARIAL CERTIFICATE TO A DOCUMENT USING A
35 SEPARATE SHEET OF PAPER, THE ATTACHMENT MUST CONTAIN A DESCRIPTION OF THE
36 DOCUMENT THAT INCLUDES AT A MINIMUM THE TITLE OR TYPE OF DOCUMENT, THE
37 DOCUMENT DATE, THE NUMBER OF PAGES OF THE DOCUMENT AND ANY ADDITIONAL SIGNERS
38 OTHER THAN THOSE NAMED IN THE NOTARIAL CERTIFICATE.

39 D. A NOTARY MAY PERFORM A NOTARIAL ACT ON A DOCUMENT THAT IS A
40 TRANSLATION OF A DOCUMENT THAT IS IN A LANGUAGE THAT THE NOTARY DOES NOT
41 UNDERSTAND ONLY IF THE PERSON PERFORMING THE TRANSLATION SIGNS AN AFFIDAVIT
42 CONTAINING AN OATH OR AFFIRMATION THAT THE TRANSLATION IS ACCURATE AND
43 COMPLETE. THE NOTARIZED TRANSLATION AND AFFIDAVIT SHALL BE ATTACHED TO THE
44 DOCUMENT AND SHALL CONTAIN ALL OF THE ELEMENTS DESCRIBED IN SUBSECTION C.

1 ~~B.~~ E. Notaries public shall:

2 1. Keep, maintain and protect as a public record a journal of all
3 official acts performed by the notary as described in section 41-319.

4 2. Provide and keep the official seal that is imprinted in dark ink
5 with the words "notary public", the name of the county in which the notary is
6 commissioned, the name of the notary as it appears on the notarial
7 application, the great seal of the state of Arizona and the expiration date
8 of the notarial commission.

9 3. Authenticate with the official seal all official acts on every
10 certificate or acknowledgment signed and sealed by the notary.

11 4. Respond to any requests for information and comply with any
12 investigations that are initiated by the secretary of state or the attorney
13 general.

14 Sec. 7. Section 41-316, Arizona Revised Statutes, is amended to read:

15 41-316. Fees

16 A. The secretary of state shall establish fees that notaries public
17 may charge for notarial acts. These fees shall be established by rules
18 adopted pursuant to chapter 6 of this title.

19 B. Notaries public may be paid an amount up to the amount authorized
20 for mileage expenses and per diem subsistence for state employees as
21 prescribed by title 38, chapter 4, article 2.

22 C. A notary shall not ~~ADVERTISE OR~~ charge or receive a fee for
23 performing a notarial act except as specifically authorized by rule.

24 Sec. 8. Section 41-323, Arizona Revised Statutes, is amended to read:

25 41-323. Change of address; lost journal or seal; civil penalty

26 A. Within thirty days after the change of a notary's mailing, ~~BUSINESS~~
27 or residential address, the notary shall deliver to the secretary of state,
28 by certified mail or other means providing a receipt, a signed notice of the
29 change that provides both the old and new addresses.

30 B. Within ten days after the loss or theft of an official journal or
31 seal, the notary shall deliver to the secretary of state, by certified mail
32 or other means providing a receipt, a signed notice of the loss or
33 theft. The notary also shall inform the appropriate law enforcement agency
34 in the case of theft.

35 C. If a notary fails to comply with subsection A or B, the notary has
36 failed to fully and faithfully discharge the duties of a notary and the
37 secretary of state may impose a civil penalty of twenty-five dollars against
38 the notary. The notary shall pay any civil penalty imposed by the secretary
39 of state pursuant to this subsection ~~prior to~~ BEFORE the renewal of the
40 notary's commission.

41 Sec. 9. Section 41-328, Arizona Revised Statutes, is amended to read:

42 41-328. Prohibited conduct; incomplete documents; signatures of
43 relatives

44 A. A notary public shall not perform a jurat on a document that is
45 incomplete. If a notary public is presented with a document that the notary

1 knows from experience to be incomplete or if the document on its face is
2 incomplete, the notary public shall refuse to perform the jurat.

3 B. A notary public is an impartial witness and shall not notarize the
4 notary's own signature or the signatures of any person who is related TO THE
5 NOTARY by marriage or adoption.

6 C. SUBJECT TO SECTION 41-320, A NOTARY PUBLIC SHALL NOT PERFORM A
7 NOTARIZATION ON A DOCUMENT IF THE NOTARY IS AN OFFICER OF ANY NAMED PARTY, IF
8 THE NOTARY IS A PARTY TO THE DOCUMENT OR IF THE NOTARY WILL RECEIVE ANY
9 DIRECT MATERIAL BENEFIT FROM THE TRANSACTION THAT IS EVIDENCED BY THE
10 NOTARIZED DOCUMENT THAT EXCEEDS IN VALUE THE FEES PRESCRIBED PURSUANT TO
11 SECTION 41-316.

12 Sec. 10. Section 41-332, Arizona Revised Statutes, is amended to read:

13 41-332. Notary education fund

14 The notary education fund is established consisting of monies deposited
15 pursuant to ~~section~~ SECTIONS 41-312 AND 41-353. The secretary of state shall
16 administer the fund. Monies in the fund are subject to legislative
17 appropriation.

18 Sec. 11. Section 41-351, Arizona Revised Statutes, is amended to read:

19 41-351. Definitions

20 In this article, unless the context otherwise requires:

21 1. "Approved time stamp provider" means a person or organization
22 recognized by the secretary of state as capable of reliably providing time
23 stamp services on notary service electronic documents.

24 2. "Electronic" means relating to technology having electrical,
25 digital, magnetic, wireless, optical, electromagnetic or similar
26 capabilities.

27 3. "Electronic acknowledgment" means a notarial act in which an
28 electronic notary electronically certifies that the signer, whose identity is
29 proven by satisfactory evidence, either:

30 (a) Appeared before the electronic notary and acknowledged that the
31 signer executed the instrument.

32 (b) Provided secure electronic acknowledgment that the signer executed
33 the electronic instrument presented to the electronic notary.

34 4. "Electronic commission" means the written authority to perform
35 electronic notarization acts.

36 5. "Electronic document" means any record created, generated, sent,
37 communicated, received or stored by electronic means.

38 6. "Electronic jurat" means an electronic notarial act in which the
39 electronic notary certifies that a signer, whose identity is proven by
40 satisfactory evidence, has made in the electronic notary's presence a
41 voluntary electronic signature or mark and has taken an oath or affirmation
42 vouching for the truthfulness of the signed electronic document.

43 7. "Electronic notary public" or "electronic notary" means any person
44 commissioned to perform notarial acts under this article.

1 8. "Electronic notary token" means the electronic attachment to a
2 notarized electronic document that is attached by the electronic notary and
3 that contains the notary's electronic signature. The electronic notary token
4 is linked to the electronic document to which it relates in a manner so that
5 if the document is changed the electronic notary token is invalidated.

6 9. "Electronic signature" means an electronic method or process that
7 through the application of a security procedure allows a determination that
8 the electronic signature at the time it was executed was all of the
9 following:

- 10 (a) Unique to the person using it.
11 (b) Capable of verification.
12 (c) Under the sole control of the person using it.
13 (d) Linked to the electronic document to which it relates in a manner
14 so that if the document is changed the electronic signature is invalidated.

15 10. "Notary service electronic certificate" means the materials and
16 methods issued by an electronic notary to a prospective signer so that signer
17 may create a notary service electronic signature.

18 11. "Notary service electronic signature" means an act completed by a
19 signer using a properly issued notary service electronic certificate to sign
20 an electronic document.

21 12. "Oath" or "affirmation" means an act in which a person makes a vow
22 in the presence of the electronic notary under penalty of perjury, with
23 reference made to a supreme being in the case of an oath.

24 13. "Personal knowledge ~~of identity~~" means familiarity with an
25 individual resulting from interactions with that individual over a sufficient
26 time to eliminate reasonable doubt that the individual has the identity
27 claimed.

28 14. "Satisfactory evidence of identity" means:

- 29 (a) Proof of identity is evidenced by one of the following:
30 (i) An unexpired driver license that is issued by a state or territory
31 of the United States.
32 (ii) An unexpired passport that is issued by the United States
33 department of state.
34 (iii) An unexpired identification card that is issued by any branch of
35 the United States armed forces.
36 (iv) Any other unexpired identification card that is issued by the
37 United States government or a state or tribal government, that contains the
38 individual's photograph, signature and physical description and that contains
39 the individual's height, weight, color of hair and color of eyes.
40 (v) The oath or affirmation of a credible person who is personally
41 known to the electronic notary and who personally knows the individual
42 signer.
43 (vi) The oath or affirmation of a credible person who personally knows
44 the individual and who provides satisfactory evidence of identity pursuant to
45 item (i), (ii), (iii) or (iv) of this subdivision.

1 (vii) Personal knowledge of the individual signer by the electronic
2 notary.

3 (b) In addition to ~~the provisions of paragraph 14,~~ subdivision (a) of
4 this ~~section~~ PARAGRAPH, for the purposes of a real estate conveyance or
5 financing, ~~that~~ proof of identity may be evidenced by one of the following:

6 (i) A valid unexpired passport that is issued by the United States
7 government.

8 (ii) A valid unexpired passport that is issued by a national
9 government other than the United States government and that is accompanied by
10 a valid unexpired visa or other documentation that is issued by the United
11 States government and that is necessary to establish an individual's legal
12 presence in the United States.

13 (iii) Any other valid unexpired identification that is deemed
14 acceptable by the United States department of homeland security to establish
15 an individual's legal presence in the United States and that is accompanied
16 with supporting documents as required by the United States department of
17 homeland security.

18 15. "Time stamp token" means a secure electronic method to affix a
19 statement of the time and date that the document was recognized as a valid
20 notary service electronic document by an approved time stamp provider. A
21 time stamp token is attached by an approved time stamp provider to the
22 document in a way that if the document changes the time stamp token is
23 invalidated.

24 Sec. 12. Section 41-353, Arizona Revised Statutes, is amended to read:

25 41-353. Appointment; term; bond; duties; fees; training courses

26 A. The secretary of state may appoint electronic notaries public to
27 hold office for four years.

28 B. The secretary of state shall prescribe the application form for an
29 electronic notary. Applicants shall submit the application to the secretary
30 of state with a filing fee, a bond and a bond filing fee as prescribed by
31 rule by the secretary of state.

32 C. The materials and methods for creating notary service electronic
33 certificates and any other encryption based technologies used by an
34 electronic notary shall have a maximum useful life of two years and shall not
35 exceed the life of the electronic notary commission.

36 D. An electronic notary public is a public officer commissioned by
37 this state and the following apply without regard to whether the electronic
38 notary public's employer or any other person has paid the fees and costs for
39 the commissioning of the electronic notary public, including costs for the
40 materials and methods employed with the electronic notary token and the
41 materials and methods for creating notary service electronic certificates and
42 journals:

43 1. All of the following remain the property of the electronic notary:

44 (a) The materials and methods employed with and solely for the
45 electronic notary token.

1 (b) The materials and methods used solely for creating notary service
2 electronic certificates.

3 (c) Any journals containing only public information record entries.

4 2. Notwithstanding paragraph 1 of this subsection, an electronic
5 notary does not gain ownership or presumptive access rights to any of an
6 employer's assets or resources that are used or are usable for a purpose
7 other than electronic notarial acts.

8 3. An electronic notary may perform electronic notarizations outside
9 the workplace of the electronic notary's employer except during those times
10 normally designated as the electronic notary's hours of duty for that
11 employer. All fees received by an electronic notary for electronic notarial
12 services provided while not on duty remain the property of the electronic
13 notary.

14 4. An employer of an electronic notary shall not limit the electronic
15 notary's services to customers or other persons designated by the employer.

16 E. An electronic notary public shall continue to serve until the
17 electronic notary's commission expires, the electronic notary resigns the
18 commission, the electronic notary dies or the secretary of state suspends or
19 revokes the commission. An employer shall not cancel the electronic notary
20 bond or electronic notary commission of any electronic notary who is an
21 employee and who leaves that employment.

22 F. An electronic notary shall comply with all of the following:

23 1. Be at least eighteen years of age.

24 2. Be a citizen or a legal permanent resident of the United States.

25 3. Be a resident of this state for income tax purposes and claim the
26 individual's residence in this state as the individual's primary residence on
27 state and federal tax returns.

28 4. Except as provided in section 41-368, subsection A, paragraph 2,
29 never have been convicted of a felony.

30 5. Keep as a reference a manual that is approved by the secretary of
31 state and that describes the duties, authority and ethical responsibilities
32 of electronic notaries public.

33 6. BE ABLE TO READ AND WRITE ENGLISH.

34 G. An applicant for appointment and commission as an electronic notary
35 shall complete an application form prescribed by the secretary of state.
36 Except for the applicant's name, physical business address, electronic
37 business address and business telephone number, all other information on the
38 application is confidential and shall not be disclosed to any person other
39 than the applicant, the applicant's personal representative or an officer or
40 employee of the federal government or this state or its political
41 subdivisions who is acting in an official capacity. The secretary of state
42 shall use the information contained on the application only for carrying out
43 the purposes of this article.

44 H. The state or any of its political subdivisions may pay the fees and
45 costs for the commissioning of an electronic notary who is an employee of

1 this state or any of its political subdivisions and performs electronic
2 notarial services in the course of the electronic notary's employment or for
3 the convenience of public employees.

4 1. THE SECRETARY OF STATE MAY REQUIRE THAT APPLICANTS AND SUSPENDED
5 NOTARIES PRESENT PROOF OF ATTENDANCE AT A NOTARY TRAINING COURSE BEFORE
6 RECEIVING THEIR COMMISSIONS OR BEFORE REINSTATEMENT OF A SUSPENDED
7 COMMISSION. NOTARIES SHALL ATTEND A NOTARY TRAINING COURSE WITHIN NINETY
8 DAYS BEFORE RENEWING THEIR COMMISSIONS. THE SECRETARY OF STATE MAY ASSESS A
9 FEE PRESCRIBED BY THE SECRETARY OF STATE FOR ADMINISTERING NOTARY TRAINING
10 COURSES. THE SECRETARY OF STATE SHALL DEPOSIT THE FEES COLLECTED IN THE
11 NOTARY EDUCATION FUND ESTABLISHED BY SECTION 41-332.

12 Sec. 13. Section 41-355, Arizona Revised Statutes, is amended to read:

13 41-355. Duties; electronic notarization in presence of
14 electronic notary

15 A. Electronic notaries public shall perform the following electronic
16 notarial acts when requested:

- 17 1. Take electronic acknowledgments.
- 18 2. Administer oaths and affirmations relating to electronic documents
19 and electronic notarial acts.
- 20 3. Perform jurats relating to electronic documents and electronic
21 notarial acts.

22 ~~4. Educate notary service electronic signature certificate applicants~~
23 ~~about the responsibilities and consequences of the use of the certificate.~~

24 ~~5. Administer an oath or affirmation that the notary service~~
25 ~~electronic signature certificate applicant understands the responsibilities~~
26 ~~and consequences of using a notary service electronic signature certificate~~
27 ~~to sign a notary service electronic document and that the electronic~~
28 ~~signature certificate has the same legal force and effect as any notarial act~~
29 ~~made before a notary public pursuant to article 2 of this chapter.~~

30 ~~6. Register the notary service electronic signature certificate~~
31 ~~applicant for the issuance of a notary service electronic signature~~
32 ~~certificate that has a maximum useful life of two years.~~

33 B. NOTARIES PUBLIC SHALL PERFORM THE NOTARIAL ACTS PRESCRIBED IN
34 SUBSECTION A OF THIS SECTION ONLY IF:

35 1. THE SIGNER IS IN THE PRESENCE OF THE NOTARY AT THE TIME OF
36 NOTARIZATION.

37 2. THE SIGNER SIGNS IN A LANGUAGE THAT THE NOTARY UNDERSTANDS.

38 3. SUBJECT TO SUBSECTION D, THE SIGNER COMMUNICATES DIRECTLY WITH THE
39 NOTARY IN A LANGUAGE THEY BOTH UNDERSTAND OR INDIRECTLY THROUGH A TRANSLATOR
40 WHO IS PHYSICALLY PRESENT WITH THE SIGNER AND NOTARY AT THE TIME OF THE
41 NOTARIZATION AND COMMUNICATES DIRECTLY WITH THE SIGNER AND THE NOTARY IN
42 LANGUAGES THE TRANSLATOR UNDERSTANDS.

43 4. THE NOTARIAL CERTIFICATE IS WORDED AND COMPLETED USING ONLY
44 LETTERS, CHARACTERS AND A LANGUAGE THAT ARE READ, WRITTEN AND UNDERSTOOD BY
45 THE NOTARY PUBLIC.

1 C. IF A NOTARY ATTACHES A NOTARIAL CERTIFICATE TO A DOCUMENT USING A
2 SEPARATE SHEET OF PAPER, THE ATTACHMENT MUST CONTAIN A DESCRIPTION OF THE
3 DOCUMENT THAT INCLUDES AT A MINIMUM THE TITLE OR TYPE OF DOCUMENT, THE
4 DOCUMENT DATE, THE NUMBER OF PAGES OF THE DOCUMENT AND ANY ADDITIONAL SIGNERS
5 OTHER THAN THOSE NAMED IN THE NOTARIAL CERTIFICATE.

6 D. A NOTARY MAY PERFORM A NOTARIAL ACT ON A DOCUMENT THAT IS A
7 TRANSLATION OF A DOCUMENT THAT IS IN A LANGUAGE THAT THE NOTARY DOES NOT
8 UNDERSTAND ONLY IF THE PERSON PERFORMING THE TRANSLATION SIGNS AN AFFIDAVIT
9 CONTAINING AN OATH OR AFFIRMATION THAT THE TRANSLATION IS ACCURATE AND
10 COMPLETE. THE NOTARIZED TRANSLATION AND AFFIDAVIT SHALL BE ATTACHED TO THE
11 DOCUMENT AND SHALL CONTAIN ALL OF THE ELEMENTS DESCRIBED IN SUBSECTION C.

12 ~~B-~~ E. A notarized electronic document that is completed in the
13 presence of an electronic notary consists of the following:

- 14 1. A complete electronic document.
- 15 2. A signature or mark that is affixed to the document by the signer.
- 16 3. A time and date statement that is contained within the electronic
17 notary token.
- 18 4. An electronic notary token that is affixed by the electronic notary
19 to the document.

20 ~~E-~~ F. On completion of the notarized electronic document, any change
21 to any of the elements prescribed in subsection ~~B-~~ E of this section
22 invalidates the notarized electronic document.

23 ~~D-~~ G. An electronic notary public shall:

- 24 1. Keep, maintain and protect as a public record a journal of all
25 official acts performed by the notary as prescribed in section 41-361 and in
26 the form prescribed by the secretary of state.
- 27 2. Provide and keep the materials and processes to create an
28 electronic notary token as approved by the secretary of state.
- 29 3. Authenticate with the electronic notary token all official acts and
30 affix the date of the expiration of the notary's commission as an electronic
31 notary on every document that the electronic notary electronically signs.
- 32 4. Respond to any requests for information and comply with any
33 investigations that are initiated by the secretary of state or the office of
34 the attorney general.

35 Sec. 14. Section 41-358, Arizona Revised Statutes, is amended to read:

36 ~~41-358.~~ Fees; rules

37 A. Electronic notaries public may receive fees for the following
38 services:

- 39 1. Acknowledgments.
- 40 2. Oaths and affirmations.
- 41 3. Jurats.
- 42 4. Issuance of notary service electronic certificates.
- 43 B. The secretary of state shall determine by rule fees for services.

1 C. A NOTARY SHALL NOT ADVERTISE, CHARGE OR RECEIVE A FEE FOR
2 PERFORMING AN ELECTRONIC NOTARIAL ACT EXCEPT AS SPECIFICALLY AUTHORIZED BY
3 RULE.

4 Sec. 15. Section 41-364, Arizona Revised Statutes, is amended to read:

5 41-364. Change of address: lost or stolen electronic journal or
6 seal: civil penalty

7 A. Within thirty days after the change of an electronic notary's
8 mailing, BUSINESS, residential or electronic address, the electronic notary
9 shall deliver to the secretary of state, by certified mail or other means
10 providing a receipt, a signed notice of the change that provides both the old
11 and new addresses.

12 B. Within ten days after the loss or theft of an official journal or
13 any materials or processes used in creating an electronic notary token or
14 registering notary service electronic certificate applicants, the electronic
15 notary shall deliver to the secretary of state, by certified mail or other
16 means providing a receipt, a signed notice of the loss or theft. The
17 electronic notary also shall inform the appropriate law enforcement agency in
18 the case of theft.

19 C. If an electronic notary fails to comply with subsection A or B, the
20 electronic notary has failed to fully and faithfully discharge the duties of
21 an electronic notary and the secretary of state may impose against the
22 electronic notary a civil penalty in an amount the secretary of state
23 prescribes by rule. The electronic notary shall pay any civil penalty
24 imposed by the secretary of state pursuant to this subsection before the
25 renewal of the notary's commission.

26 Sec. 16. Section 41-366, Arizona Revised Statutes, is amended to read:

27 41-366. Prohibited conduct: incomplete documents: signatures of
28 relatives

29 A. An electronic notary public shall not perform an electronic jurat
30 on a document that is incomplete. If an electronic notary public is
31 presented with a document that the electronic notary knows from experience to
32 be incomplete or if the document on its face is incomplete, the electronic
33 notary public shall refuse to perform the jurat.

34 B. An electronic notary public is an impartial witness and shall not
35 notarize the notary's own signature or the signatures of any person who is
36 related TO THE ELECTRONIC NOTARY by marriage or adoption.

37 C. SUBJECT TO SECTION 41-362, A NOTARY PUBLIC SHALL NOT PERFORM A
38 NOTARIZATION ON A DOCUMENT IF THE NOTARY IS AN OFFICER OF ANY NAMED PARTY, IF
39 THE NOTARY IS A PARTY TO THE DOCUMENT OR IF THE NOTARY WILL RECEIVE ANY
40 DIRECT MATERIAL BENEFIT FROM THE TRANSACTION THAT IS EVIDENCED BY THE
41 NOTARIZED DOCUMENT THAT EXCEEDS IN VALUE THE FEES PRESCRIBED IN SECTION
42 41-358.

1 Sec. 17. Section 41-1011, Arizona Revised Statutes, is amended to
2 read:

3 41-1011. Publication and distribution of code and register:
4 online databases

5 A. The secretary of state is responsible for the publication and
6 distribution of the code and the register.

7 B. The secretary of state shall prescribe a uniform numbering system,
8 form and style for all rules filed with and published by that office. The
9 secretary of state shall reject rules if they are not in compliance with the
10 prescribed numbering system, form and style.

11 C. The secretary of state shall prepare, arrange and correlate all
12 rules and other text as necessary for the publication of the code and the
13 register. The secretary of state may not alter the sense, meaning or effect
14 of any rule but may renumber rules and parts of rules, rearrange rules,
15 change reference numbers to agree with renumbered rules and parts of rules,
16 substitute the proper rule number for "the preceding rule" and similar terms,
17 delete figures if they are merely a repetition of written words, change
18 capitalization for the purpose of uniformity and correct manifest clerical or
19 typographical errors. With the consent of the attorney general the secretary
20 of state may remove from the code a provision of a rule that a court of final
21 appeal declares unconstitutional or otherwise invalid and a rule made by an
22 agency that is abolished if the rule is not transferred to a successor
23 agency.

24 ~~D. On or before December 31, 2013, the secretary of state shall~~
25 ~~establish an online database of rules that is searchable by agency, date,~~
26 ~~topic, rule number, type of business for compliance and type of activity for~~
27 ~~compliance.~~

28 ~~E. On or before December 31, 2014, the secretary of state shall~~
29 ~~establish an online database of codes, ordinances and business license~~
30 ~~requirements for each agency that is searchable by agency, date, topic,~~
31 ~~ordinance number, type of business for compliance and type of activity for~~
32 ~~compliance. The secretary of state shall link the county information to the~~
33 ~~searchable database prescribed in subsection D. Each county shall supply~~
34 ~~information to the secretary of state in a manner and format prescribed by~~
35 ~~the secretary of state.~~

36 ~~F. On or before December 31, 2015, the secretary of state shall~~
37 ~~establish an online database of codes, ordinances and business license~~
38 ~~requirements for each city and town that is searchable by city or town, date,~~
39 ~~topic, ordinance or code number, type of business for compliance and type of~~
40 ~~activity for compliance. The secretary of state shall link the city or town~~
41 ~~information to the searchable database prescribed in subsection D. Each city~~
42 ~~or town shall supply information to the secretary of state in a manner and~~
43 ~~format prescribed by the secretary of state.~~

1 Sec. 18. Section 41-3504, Arizona Revised Statutes, is amended to
2 read:

3 41-3504. Powers and duties of the agency; violation;
4 classification

5 A. For budget units, the agency shall:

6 1. Develop, implement and maintain a coordinated statewide plan for
7 information technology. This includes:

8 (a) Adopting statewide technical, coordination and security standards
9 for information technology.

10 (b) Serving as statewide coordinator for information technology
11 resources.

12 (c) Developing a statewide disaster recovery plan.

13 (d) Developing a list of approved agency projects by priority
14 category.

15 (e) Developing a detailed list of information technology assets owned,
16 leased or employed by this state.

17 (f) Evaluating and either approving or disapproving budget unit
18 information technology plans. Budget units shall submit information
19 technology plans that include quality assurance plans and disaster recovery
20 plans to the agency each year on or before September 1. The legislative and
21 judicial departments of state government shall submit information technology
22 plans for information purposes.

23 (g) Evaluating specific information technology projects relating to
24 the approved budget unit and statewide information technology plans. The
25 agency shall approve or reject projects with total costs of at least
26 twenty-five thousand dollars but not more than one million dollars and may
27 establish conditional approval criteria including procurement purchase
28 authority. If the total project costs exceed one million dollars the agency
29 shall evaluate the project and make recommendations to the committee.
30 Beginning on June 1, 1998, as part of a budget request for an information
31 technology project that has total costs of at least twenty-five thousand
32 dollars, a budget unit shall indicate the status of review by the agency.
33 Projects shall not be artificially divided to avoid review by the agency.

34 2. Require that budget units incorporate life cycle analysis
35 prescribed by section 41-2553 into the information technology planning,
36 budgeting and procurement processes.

37 3. Require that budget units demonstrate expertise to carry out
38 information technology plans, either by employing staff or contracting for
39 outside services.

40 4. Monitor information technology projects that the agency considers
41 to be major or critical, including expenditure and activity reports and
42 periodic review.

43 5. Temporarily suspend the expenditure of monies if the agency
44 determines that the information technology project is at risk of failing to

1 achieve its intended results or does not comply with the requirements of this
2 section.

3 6. Continuously study emergent technology and evaluate its impact on
4 this state's system.

5 7. Advise each budget unit as necessary and report to the committee on
6 an annual basis.

7 8. Provide to budget units, information technology consulting services
8 it deems necessary, either directly or by procuring outside consulting
9 services.

10 9. Maintain all otherwise confidential information received from a
11 budget unit pursuant to this section as confidential.

12 10. Provide staff support to the committee.

13 11. Subject to section 35-149, accept, spend and account for grants,
14 monies and direct payments from public or private sources and other grants of
15 monies or property for the conduct of programs that it deems consistent with
16 the overall purposes and objectives of the agency.

17 12. Adopt rules it deems necessary or desirable to further the
18 objectives and programs of the agency.

19 13. Formulate policies, plans and programs to effectuate the purposes
20 of the agency.

21 14. Advise and make recommendations to the governor and the legislature
22 on all matters concerning its objectives.

23 15. Contract and enter into interagency and intergovernmental
24 agreements pursuant to title 11, chapter 7, article 3 with any public or
25 private party.

26 16. Have an official seal that shall be judicially noticed.

27 17. ON OR BEFORE DECEMBER 31, 2015, ESTABLISH AN INTERACTIVE ONLINE
28 DIRECTORY OF CODES, RULES, ORDINANCES, IF AVAILABLE ELECTRONICALLY, AND
29 STATUTES TO ASSIST INDIVIDUALS AND BUSINESSES WITH REGULATORY REQUIREMENTS
30 AND OBLIGATIONS. AS PROVIDED IN THIS PARAGRAPH, COUNTIES, MUNICIPALITIES AND
31 BUDGET UNITS SHALL SUBMIT INFORMATION IN A MANNER AND FORMAT PRESCRIBED BY
32 THE AGENCY.

33 B. The agency shall advise the judicial and legislative branches of
34 state government concerning information technology.

35 C. The agency may examine all books, papers, records and documents in
36 the office of any budget unit and may require any state officer of the budget
37 unit to furnish information or statements necessary to carry out the
38 provisions of this chapter.

39 D. The director, any member of the director's staff or any employee
40 who knowingly divulges or makes known in any manner not permitted by law any
41 particulars of any confidential record, document or information is guilty of
42 a class 5 felony.

1 Sec. 19. Section 44-1449, Arizona Revised Statutes, is amended to
2 read:

3 44-1449. Classification of goods or services

4 A single application for registration of a mark may include ~~any or~~ all
5 goods and services ~~upon~~ ON which the mark is actually being used ~~comprised in~~
6 ~~a single class, but in no event shall a single application include goods or~~
7 ~~services upon which the mark is being used which fall within different~~
8 ~~classes of goods or services~~ IN ONE OR MULTIPLE CLASSES. The following
9 general classes of goods and services are established for convenience of
10 administration of this article, but not to limit or extend the applicant's or
11 registrant's rights:

12 1. Chemical products used in industry, science, photography,
13 agriculture, horticulture or forestry; artificial and synthetic resins;
14 plastics for industrial use in the form of powders, liquids or pastes;
15 natural and artificial manures; fire extinguishing compositions; tempering
16 substances and chemical preparations for soldering; chemical substances for
17 preserving foodstuffs; tanning substances; adhesive substances used in
18 industry.

19 2. Paints, varnishes and lacquers; preservatives against rust and
20 against deterioration of wood; coloring matters and dyestuffs; mordants;
21 natural resins; metals in foil and powder form for painters and decorators.

22 3. Bleaching preparations and other substances for laundry use;
23 cleaning, polishing, scouring and abrasive preparations; soaps; perfumery,
24 essential oils, cosmetics and hair lotions; dentifrices.

25 4. Industrial oils and greases except oils and fats and essential
26 oils; lubricants; dust laying and absorbing compositions; fuels, including
27 motor spirit and illuminants; candles, tapers, night-lights and wicks.

28 5. Pharmaceutical, veterinary and sanitary substances; infants' and
29 invalids' food; plasters and material for bandaging; material for stopping
30 teeth, dental wax and disinfectants; preparations for killing weeds and
31 destroying vermin.

32 6. Unwrought and partly wrought common metals and the metals' alloys;
33 anchors, anvils, bells and rolled and cast building materials; rails and
34 other metallic materials for railway tracks; chains, except driving chains
35 for vehicles; nonelectric cables and wires; locksmiths' work; metallic pipes
36 and tubes; safes and cash boxes; steel balls; horseshoes; nails and screws;
37 other goods in nonprecious metal that are not included in other classes;
38 ores.

39 7. Machines and machine tools; motors, except motors for land
40 vehicles; machine couplings and belting, except couplings and belting for
41 land vehicles; large size agricultural implements; incubators.

42 8. Hand tools and instruments; cutlery, forks and spoons; side arms.

43 9. Scientific, nautical, surveying and electrical apparatus and
44 instruments, including wireless apparatus and instruments; photographic,
45 cinematographic, optical, weighing, measuring, signaling, checking,

1 supervision, life-saving and teaching apparatus and instruments; coin or
2 counterfreed apparatus; talking machines; cash registers; calculating
3 machines; fire extinguishing apparatus.
4 10. Surgical, medical, dental and veterinary instruments and apparatus,
5 including artificial limbs, eyes and teeth.
6 11. Installations for lighting, heating, steam generating, cooking,
7 refrigerating, drying, ventilating, water supply and sanitary purposes.
8 12. Vehicles; apparatus for locomotion by land, air or water.
9 13. Firearms; ammunition and projectiles; explosive substances;
10 fireworks.
11 14. Precious metals and the metals' alloys; goods in precious metals or
12 coated with precious metals, except cutlery, forks and spoons; jewelry and
13 precious stones; horological and other chronometric instruments.
14 15. Musical instruments except talking machines and wireless apparatus.
15 16. Paper and paper articles and cardboard and cardboard articles;
16 printed matters, newspapers and periodicals and books; bookbinding material;
17 photographs; stationery and stationery adhesive materials; artists'
18 materials; paintbrushes; typewriters and office requisites, except furniture;
19 instructional and teaching material, except instructional and teaching
20 apparatus; playing cards; printers' type and cliches or stereotype.
21 17. Gutta percha, India rubber, balata and substitutes and articles
22 made from these substances and not included in other classes; plastics in the
23 form of sheets, blocks and rods for use in manufacturing; materials for
24 packing, stopping or insulating; asbestos, mica and asbestos or mica
25 products; nonmetallic hose pipes.
26 18. Leather, imitations of leather and articles made from leather and
27 imitations of leather that are not included in other classes; skins and
28 hides; trunks and traveling bags; umbrellas, parasols and walking sticks;
29 whips, harnesses and saddlery.
30 19. Building materials, natural and artificial stone, cement, lime,
31 mortar, plaster and gravel; pipes of earthenware or cement; roadmaking
32 materials; asphalt, pitch and bitumen; portable buildings; stone monuments;
33 chimney pots.
34 20. Furniture, mirrors and picture frames; articles of wood, cork,
35 reeds, cane, wicker, horn, bone, ivory, whalebone, shell, amber,
36 mother-of-pearl, meerscham or celluloid, substitutes for all of these
37 materials, or of plastics and that are not included in other classes.
38 21. Small domestic utensils and containers, except utensils and
39 containers of precious metals or utensils and containers coated with precious
40 metals; combs and sponges; brushes, except paintbrushes; brushmaking
41 materials; instruments and material for cleaning purposes and steel wool;
42 unworked or semiworked glass, except glass used in building; glassware,
43 porcelain and earthenware that is not included in other classes.

22. Ropes, string, nets, tents, awnings, tarpaulins, sails and sacks; padding and stuffing materials, including hair, kapok, feathers and seaweed; raw, fibrous textile materials.

23. Yarns and threads.

24. Tissues that are piece goods; bed and table covers; textile articles that are not included in other classes.

25. Clothing, including boots, shoes and slippers.

26. Lace, embroidery, ribands and braid; buttons, press buttons, hooks, eyes, pins and needles; artificial flowers.

27. Carpets, rugs, mats and matting; linoleums and other materials for covering existing floors; nontextile wall hangings.

28. Games and playthings; gymnastic and sporting articles, except gymnastic and sporting clothes; ornaments and decorations for Christmas trees.

29. Meats, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies and jams; eggs, milk and other dairy products; edible oils and fats; preserves and pickles.

30. Coffee, tea, cocoa, sugar, rice, tapioca, sago and coffee substitutes; flour and preparations made from cereals; bread, biscuits, cakes, pastry and confectionery; ices; honey and treacle; yeast and baking powder; salt, mustard, pepper, vinegar, sauces and spices.

31. Agricultural, horticultural and forestry products and grains that are not included in other classes; living animals; fresh fruits and vegetables; seeds; live plants and flowers; foodstuffs for animals; malt.

32. Beer, ale and porter; mineral waters, aerated waters and other nonalcoholic drinks; syrups and other preparations for making beverages.

33. Wines, spirits and liqueurs.

34. Raw or manufactured tobacco; smokers' articles; matches.

35. Computers and computer software.

36. Advertising and business.

37. Insurance and financial.

38. Construction and repair.

39. Communication.

40. Transportation and storage.

41. Material treatment.

42. Education and entertainment.

43. Miscellaneous.

Sec. 20. Section 44-1460.07, Arizona Revised Statutes, is amended to read:

44-1460.07. Trade name registration cancellation; release for use

A. The secretary of state shall cancel a trade name registration if:

1. The secretary of state receives a voluntary request for cancellation from the registrant or the assignee of record.

2. The registration is not renewed in accordance with this article.

1 3. A court of competent jurisdiction orders the cancellation on any
2 grounds.

3 4. The registration was obtained fraudulently by containing false or
4 misleading information.

5 B. THE SECRETARY OF STATE MAY RELEASE A TRADE NAME FOR USE PURSUANT TO
6 THIS ARTICLE SIX MONTHS AFTER THE TRADE NAME'S CORPORATE OWNER HAS BEEN
7 ADMINISTRATIVELY DISSOLVED.

8 Sec. 21. Section 44-1792, Arizona Revised Statutes, is amended to
9 read:

10 44-1792. Exemption

11 This article does not apply to:

12 1. Any private club owned and operated by its members, any facility
13 owned or operated by the state of Arizona or any of its political
14 subdivisions, any health spa operated by a fraternal or benevolent society
15 organized under title 10, chapter 19, article 3 or a nonprofit corporation
16 organized under title 10, chapters 24 through 40, or any health care
17 institution licensed pursuant to title 36, chapter 4.

18 2. Any health spa ~~which by January 15 of every even-numbered year~~
19 ~~files a declaration, executed under penalty of perjury by the owner or~~
20 ~~manager of the health spa, with the secretary of state which states that the~~
21 ~~health spa~~ THAT does not require or in the ordinary course of business
22 receive prepayment for services. For the purposes of this paragraph, payment
23 for health spa services received within the thirty-one days in which the
24 services are to be rendered does not constitute prepayment. A health spa
25 ~~which has filed a declaration under this paragraph and which~~ THAT intends to
26 begin requiring or receiving prepayment for health spa services shall comply
27 with this article.

28 Sec. 22. Section 44-6552, Arizona Revised Statutes, is amended to
29 read:

30 44-6552. Charitable organizations: registration: late
31 registration penalty

32 A. Except as provided in subsection E of this section and section
33 44-6553, before soliciting its first contribution, whether through a
34 contracted fund raiser or otherwise, a charitable organization shall file a
35 registration statement with the secretary of state in a format prescribed and
36 adopted by the secretary of state by rule.

37 B. A charitable organization must file an annual registration
38 statement between September 1 and September 30 of each year following the
39 calendar year in which the charitable organization files its initial
40 registration statement with the secretary of state in a format that is
41 prescribed and adopted by the secretary of state by rule. IN THE
42 REGISTRATION STATEMENT FILED WITH THE SECRETARY OF STATE'S OFFICE, A
43 CHARITABLE ORGANIZATION MAY INDICATE WHETHER THEY PARTICIPATE AS A LICENSED
44 SALES AGENT PURSUANT TO SECTION 5-504.

1 C. If the internal revenue service determines that a person is a
2 charitable organization exempt from federal income taxes pursuant to section
3 501(c)(3) of the internal revenue code, at the time of its initial
4 registration under this section, the organization shall submit to the
5 secretary of state a copy of the internal revenue service's written
6 determination that it is exempt from taxes.

7 D. The secretary of state shall file and preserve all information
8 required to be filed with the secretary of state pursuant to this section for
9 five years from the date of filing, after which the information may be
10 destroyed. This information is public information and is open to public
11 inspection.

12 E. If a charitable organization is delinquent in filing its annual
13 registration statement, the secretary may assess a late registration penalty
14 of twenty-five dollars when the charitable organization files its
15 registration statement.

16 F. Instead of filing any financial disclosure information prescribed
17 by the secretary of state pursuant to this section, a tax exempt organization
18 pursuant to section 501(c)(3) of the internal revenue code may either:

19 1. File with the secretary of state a copy of the organization's
20 annual information return for the preceding fiscal year as defined in the
21 internal revenue code and applicable regulations.

22 2. Provide the secretary of state with the address on the internet
23 where the organization's annual information return is available.

24 G. Any charitable organization that is a bona fide and duly
25 constituted religious institution and any other entity that is an integral
26 part of a religious institution shall file the registration statement
27 prescribed in this section but is not required to file any financial
28 disclosure information prescribed by the secretary of state pursuant to this
29 section if all of the following apply:

30 1. The religious institution or entity is a tax exempt institution or
31 entity pursuant to the internal revenue code.

32 2. No part of the religious institution's or entity's net income
33 inures to the direct benefit of any individual.

34 3. The religious institution or entity only solicits monies from the
35 institution's or entity's membership, congregation or previous donors and the
36 institution's or entity's conduct and fees charged for services are primarily
37 supported and paid through government grants or contracts.

38 H. The secretary of state may deny an application for registration of
39 the name of a charitable organization if:

40 1. The name might mislead the public or is not readily distinguishable
41 from one or more names that are currently registered under this article.

42 2. The name is the same as or deceptively similar to:

43 (a) An existing corporate name or a corporate name reserved pursuant
44 to title 10, chapter 4, 18 or 27.

1 (b) The name of a limited partnership organized under the laws of this
2 state or licensed or registered as a foreign limited liability company,
3 authorized to transact business in the state or a name that is registered
4 pursuant to chapter 10, article 3 or 3.1 of this title.

5 I. The secretary of state may deny an application for registration or
6 may revoke the registration of a charitable organization for any of the
7 following reasons:

8 1. Substantial and material misstatement or omission in the submitted
9 application.

10 2. Conviction of a felony substantially related to solicitation by any
11 employee, member, officer or director who has any solicitation
12 responsibilities on behalf of the organization or any other person holding
13 any proprietary or beneficial interest in the charitable organization, unless
14 the civil rights have been restored.

15 3. An order or judgment by a court in any jurisdiction that the
16 charitable organization has engaged in deceptive, fraudulent or unlawful
17 business practices that substantially relate to solicitation.

18 4. The violation of any provision of this article.

19 5. The return of a check issued to the order of the secretary of state
20 due to insufficient funds or any other reason for nonpayment.

21 J. If the secretary of state denies an application, the secretary of
22 state shall notify the applicant within ten days after receiving the
23 application and shall state the reasons for the denial.

24 Sec. 23. Effective date

25 Section 5-555, Arizona Revised Statutes, as amended by this act is
26 effective from and after June 30, 2012.

27 Sec. 24. Repeal

28 Title 44, chapter 24, Arizona Revised Statutes, is repealed.

29 Sec. 25. Laws 2008, chapter 291, section 9, as amended by Laws 2010,
30 chapter 313, section 16, is amended to read:

31 Sec. 9. Delayed implementation; professional employer
32 organization registration; retroactivity

33 A. Notwithstanding any other law, the secretary of state shall not
34 implement title 23, chapter 3, article 4, Arizona Revised Statutes, relating
35 to professional employer organization registration, or any rules adopted
36 pursuant to title 23, chapter 3, article 4, Arizona Revised Statutes, until
37 July 1, ~~2012~~ 2013.

38 B. This section is effective retroactively to from and after February
39 29, 2008.