

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature – First Regular Session

COMMITTEE ON COMMERCE

Report of Regular Meeting
Wednesday, February 18, 2015
House Hearing Room 1 -- 9:30 a.m.

Convened 9:35 a.m.
Recessed
Reconvened
Adjourned 11:43 a.m.

Members Present

Mr. Espinoza
Mrs. Fernandez
Mr. Lawrence
Ms. Mach
Mr. Rivero
Mr. Shope
Mrs. Norgaard, Vice-Chairman
Mr. Petersen, Chairman

Members Absent

NONE

Request to Speak

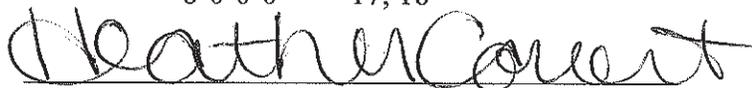
Report – Attachment 1, 2

Presentations

<u>Name</u>	<u>Organization</u>	<u>Attachments (Handouts)</u>
Dale Chapman	Office of the Auditor General	
Greg Hanchett	Office of Administrative Hearings	

Committee Action

<u>Bill</u>	<u>Action</u>	<u>Vote</u>	<u>Attachments (Summaries, Amendments, Roll Call)</u>
HB2005	DPA S/E	5-3-0-0	3, 4, 5
HB2336	DPA	8-0-0-0	6, 7, 8
HB2560	DPA	5-3-0-0	9, 10, 11, 12, 13
HB2611	DPA	5-3-0-0	14, 15, 16
HCM 2003	DP	8-0-0-0	17, 18


Heather Covert, Chairman Assistant
February 19, 2015

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

Information Registered on the Request to Speak System

House Commerce (2/18/2015)

HB2336, contract progress payments; design professionals

Testified in support:

Don Isaacson, American Council Of Engineering Companies Of Arizona

Testified as neutral:

Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ

Support:

Cheyenne Walsh, AMERICAN COUNCIL OF ENGINEERING COMPANIES OF AZ (ACEC/AZ); Mark Minter, EXECUTIVE DIRECTOR, Arizona Builders' Alliance; Steve Petersen, representing self; Evan Feldhausen, representing self; Rick Bright, representing self; Preston Achilles, representing self; Rob Caylor, representing self; Brad Lloyd, representing self; Michael Preston Green, AZ AIA AMERICAN INSTITUTE OF ARCHITECTS; Janice Burnett, representing self

All Comments:

Mark Minter, Arizona Builders' Alliance: Support amended version of the bill.; Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ: Neutral with Petersen amendment

HB2560, communications network facilitators; regulation

Testified in support:

Jon Riches, representing self

Support:

Michael Hunter, BARRY GOLDWATER INSTITUTE FOR PUBLIC POLICY RESEARCH

Neutral:

Dean Miller, TW TELECOM OF ARIZONA LLC; Jerry Fuentes, AT&T - Director Of External & Legislative Affairs; Michael DiMaria, CENTURYLINK, INC; Lauren King, VERIZON

Oppose:

Meghaen Dell'Artino, COX COMMUNICATIONS ARIZONA, LLC

All Comments:

Dean Miller, TW TELECOM OF ARIZONA LLC: Support the Petersen amendment.; Jerry Fuentes, AT&T - Director Of External & Legislative Affairs: Neutral with Petersen amendment; Meghaen Dell'Artino, COX COMMUNICATIONS ARIZONA, LLC: We support the amendment, but much more works needs to be done to address our concerns we look forward to working with the sponsor.; Michael DiMaria, CENTURYLINK, INC: We support the amendment and would like further discussion with the stakeholders; Lauren King, VERIZON: Support the Petersen amendment.

HCM2003, urging Congress; increase customs personnel

Support:

Robert Shuler, Fresh Produce Assn Of The Americas

HB2005, technical correction; unordered merchandise

Support:

Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ

Oppose:

Ryan Peters, LEAGUE OF ARIZONA CITIES & TOWNS

HB2611, consumer flex loans

Testified in support:

Rev. Jarrett Maupin, representing self; kelsey lundy, Lobbyist, Arizona Financial Choice Association

Testified as opposed:

Cynthia Zwick, Arizona Community Action Association; Mary Ryan, representing self; Paul Walker, Arizona Community Action Alliance

Support:

Scot Mussi, Arizona Free Enterprise Club; Brian Tassinari, Enova; James Norton, AZ Financial Choice Association; James Hamilton, ONLINE LENDERS ALLIANCE; David Schwarz, representing self; Vanessa Lugo, representing self; Robert Grieser, representing self; Michael Hunter, BARRY GOLDWATER INSTITUTE FOR PUBLIC POLICY RESEARCH

Neutral:

Louis Dettorre, Arizona Department Of Financial Institutions

Oppose:

Kathy Jorgensen, St. Vincent Depaul Society; Molly McGovern, representing self; Timothy Schmaltz, Coordinator-PAFCO, representing self; Frank Bergen, representing self; Shannon Rich, AZ COALITION TO END SEXUAL AND DOMESTIC VIOLENCE; Linda Cool, representing self; ellen katz, William E. Morris Institute For Justice; Roger G. Tabar, representing self; Judith Weber, representing self; DON RITCHIE, representing self; Joshua Oehler, CHILDREN'S ACTION ALLIANCE; Kelly Griffith, SOUTHWEST CENTER FOR ECONOMIC INTEGRITY; Barbara Weber, representing self; Joe Carter, representing self; Penny Allee Taylor, Valley Of The Sun United Way; Stephen Jennings, representing self

All Comments:

Kathy Jorgensen, St. Vincent Depaul Society: SVDP is opposed to the Flex Loan proposal. As with all predatory lending plans, The Flex Loans would place an undue burden on those we serve.; Frank Bergen, Self: Unalterably opposed to payday lenders' bid to re-enter Arizona with new version of loans outlawed by THE PEOPLE in 2008. Legislature should initiate a state plan for honest loans to people w/o credit and w. need to borrow. This is not the

way to go; Mary Ryan, Self: I am representing the SW Center for Economic Integrity; ellen katz, William E. Morris Institute For Justice: This bill creates a new fee -- the "customary fee" that is six times the rate of the APR. In the first month alone on a \$3,000, the lender will charge \$450. Payday lenders are behind this bill. We voted to get rid of them several years ago.; Judith Weber, Self: I am opposed to HB2611 regarding consumer flex loans. This is another effort by the pay day loan lobby to overcharge people and trap them in recurring predatory interest rates masquerading as fees. Please vote NO on this bill.; DON RITCHIE, Self: Interest rate is way too high.; Joshua Oehler, CHILDREN'S ACTION ALLIANCE: These payday loans disguised as "consumer flex loans", sneakily add exorbitant amounts of debt through hidden fees to a family's budget. This makes it virtually impossible for a family ever be free of debt.; Kelly Griffith, SOUTHWEST CENTER FOR ECONOMIC INTEGRITY: Mary Ryan will testify on behalf of the SW Center for Economic Integrity. This is a very dangerous lending scheme that will harm local economies and will wreck havoc on low-income family's fragile financial budgets.; Barbara Weber, Self: I am against HB2611 on the flex payday loans.; Joe Carter, Self: I am opposed to this bill regarding consumer flex loans. This is just another incarnation of the pay day loan racket which Arizona voters have already defeated. Please vote NO on this bill.; Rev. Jarrett Maupin, Self: Rev. Jarrett Maupin Progressive Christian Coalition; Stephen Jennings, Self: AARP, with over 800,000 Arizona members, opposes HB 2611. The interests and fees under the proposal are too high so many families and seniors will have to expend already stretched budgets and resources to pay off the loans. Thank you.; Vanessa Lugo, Self: I am with Check Into Cash, in support of HB 2611; Robert Grieser, Self: I am in support of this bill.

PLEASE COMPLETE THIS FORM FOR THE PUBLIC RECORD



HOUSE OF REPRESENTATIVES

Please PRINT Clearly

Committee on Commerce Bill Number _____

Date 2/18/15 Support Oppose Neutral

Name Dale Chapman Need to Speak? Yes No

Representing Auditor General's Office Are you a registered lobbyist? no

Complete Address _____

E-mail Address dchapman@azauditor.gov Phone Number _____

Comments: State agency presentation presenter

FIVE-MINUTE SPEAKING LIMIT

Attachment 2



HOUSE OF REPRESENTATIVES

HB 2005

technical correction; unordered merchandise

Sponsor: Representative Petersen

X Committee on Commerce

Caucus and COW

House Engrossed

OVERVIEW

HB 2005 makes a technical correction.

Summary of the Strike-Everything Amendment to HB 2005

HISTORY

A fire apparatus access road (Road) provides access for fire equipment from a fire station to a facility, building or portion of a building. The International Fire Code (I.F.C.) requires a Road for every facility, building or portion of a building located within a jurisdiction. The Road must extend to within 150 feet of all portions of a facility and all portions of the exterior walls of the first story of a building as measured by an approved route around the building or facility. I.F.C. 503.1.1 allows the local fire code official to increase the 150 feet threshold where buildings have installed approved and automated sprinkler systems.

Arizona Revised Statutes § 9-808 and § 11-861 prohibit municipalities and counties from adopting fire codes, ordinances, stipulations or other legal requirements for an approved Road or extension thereof that requires a one or two family residence or a miscellaneous accessory building to install fire sprinklers. Current statute authorizes a fire code official to increase or extend an approved Road, route or extension to comply with these sections, and asserts that compliance may not be grounds to deny or suspend a license or permit.

PROVISIONS

1. Stipulates that the sections prohibiting counties and municipalities from adopting legal requirements for approved Roads that require fire sprinklers in one or two family residences may be enforced in a private civil action and that relief may be awarded against a county or municipality.
2. Requires the court to award reasonable attorney fees, damages, lost opportunity costs, interest and the cost of the sprinkler system to the prevailing party in an action against a county or municipality for a violation of the sections prohibiting counties and municipalities from requiring fire sprinklers for one or two family residences.
3. Asserts that property rights are a matter of statewide concern and that the provisions relating to a property owner's rights supersede any regulation adopted by a county or municipality.
4. Makes technical and conforming changes.

Attachment 3

Analyst Initials AP

February 13, 2015

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2005
(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 9-808, Arizona Revised Statutes, is amended to
3 read:

4 9-808. Fire apparatus access road or approved route; one or two
5 family residences; utility or miscellaneous accessory
6 buildings or structures; enforcement; intent; state
7 preemption; definitions

8 A. A municipality may not adopt any, or part of any, fire code,
9 ordinance, stipulation or other legal requirement for an approved fire
10 apparatus access road or a fire apparatus access road extension, or both, or
11 an approved route or a route extension, or both, that directly or indirectly
12 requires a one or two family residence or a utility or miscellaneous
13 accessory building or structure to install fire sprinklers. A fire code
14 official may increase or extend an approved fire apparatus access road or a
15 fire apparatus access road extension, or both, or an approved route or a
16 route extension, or both, to comply with this section. Compliance with this
17 section ~~may not be~~ IS NOT grounds to deny or suspend a license or permit.

18 B. THIS SECTION MAY BE ENFORCED IN A PRIVATE CIVIL ACTION AND RELIEF,
19 INCLUDING AN INJUNCTION, MAY BE AWARDED AGAINST A MUNICIPALITY. THE COURT
20 SHALL AWARD REASONABLE ATTORNEY FEES, DAMAGES, LOST OPPORTUNITY COSTS,
21 INTEREST AND THE COST OF THE SPRINKLER SYSTEM TO A PARTY THAT PREVAILS IN AN
22 ACTION AGAINST A MUNICIPALITY FOR A VIOLATION OF THIS SECTION.

23 C. THE LEGISLATURE FINDS AND DETERMINES THAT PROPERTY RIGHTS ARE A
24 MATTER OF STATEWIDE CONCERN AND A FUNDAMENTAL ELEMENT OF FREEDOM. A PROPERTY
25 OWNER'S RIGHT TO USE THE PROPERTY OWNER'S PROPERTY MUST BE PROTECTED FROM
26 UNREASONABLE ABRIDGMENT BY MUNICIPAL REGULATION AND ENFORCEMENT. THIS
27 SECTION SUPERSEDES AND PREEMPTS ANY REGULATION ADOPTED BY A MUNICIPALITY
28 REGARDING AN APPROVED FIRE APPARATUS ACCESS ROAD, FIRE APPARATUS ACCESS ROAD
29 EXTENSION, APPROVED ROUTE OR ROUTE EXTENSION.

30 ~~B-~~ D. For the purposes of this section:

31 1. "Fire code" includes the international fire code, however
32 denominated.

33 2. "Utility or miscellaneous accessory building or structure" includes
34 an agricultural building, aircraft hangar, accessory to a residence, barn,
35 carport, fence that is more than six feet high, grain silo, greenhouse,
36 livestock shelter, private garage, retaining wall, shed, stable, tank or
37 tower.

38 Sec. 2. Section 11-861, Arizona Revised Statutes, is amended to read:

39 11-861. Adoption of codes by reference; limitations; method of
40 adoption; fire apparatus access roads or approved routes;
41 intent; state preemption; pool barrier gates

42 A. In any county that has adopted zoning pursuant to this chapter, the
43 board of supervisors may adopt and enforce, for the unincorporated areas of

1 the county so zoned, a building code and other related codes to regulate the
2 quality, type of material and workmanship of all aspects of construction of
3 buildings or structures, except that the board may authorize that areas zoned
4 rural or unclassified may be exempt from the provisions of the code adopted.
5 The codes may be adopted by reference after notice and hearings before the
6 county planning and zoning commission and board of supervisors as provided in
7 this chapter for amendments to the zoning ordinance of the county.

8 B. The board of supervisors may adopt a fire prevention code in the
9 unincorporated areas of the county in which a fire district has not adopted a
10 nationally recognized fire code pursuant to section 48-805. Any fire code
11 adopted by a board of supervisors pursuant to this subsection shall remain in
12 effect until a fire district is established and adopts a code applicable
13 within the boundaries of the district.

14 C. For the purpose of this article, codes authorized by subsections A
15 and B of this section shall be limited to the following:

16 1. Any building, electrical, plumbing or mechanical code that has been
17 adopted by any national organization or association that is organized and
18 conducted for the purpose of developing codes or that has been adopted by the
19 largest city in that county. If the board of supervisors adopts a city code,
20 it shall adopt, within ninety days after receiving a written notification of
21 a change to the city code, the same change or shall terminate the adopted
22 city code.

23 2. Any fire prevention code that has been adopted by a national
24 organization or association organized or conducted for the purpose of
25 developing fire prevention codes and that is as stringent as the state fire
26 code adopted pursuant to section 41-2146.

27 D. The board of supervisors may adopt a current wildland-urban
28 interface code. The code may be adapted from a model code adopted by a
29 national or international organization or association for mitigating the
30 hazard to life and property. The board must follow written public procedures
31 in the development and adoption of the code and any revisions to the code to
32 provide effective, early and continuous public participation through:

33 1. The broad dissemination and publicity of the proposed code and any
34 revisions to the code.

35 2. The opportunity for submission and consideration of written public
36 comments.

37 3. Open discussions, communications programs and information services.

38 4. Consultation with federal agencies and state and local officials.

39 E. The board of supervisors shall not adopt a code or ordinance or
40 part of a uniform code or ordinance that prohibits a person or entity from
41 choosing to install or equip or not install or equip fire sprinklers in a
42 single family detached residence or any residential building that contains
43 not more than two dwelling units. The board of supervisors shall not impose
44 any fine, penalty or other requirement on any person or entity for choosing
45 to install or equip or not install or equip fire sprinklers in such a
46 residence. This subsection does not apply to any code or ordinance that
47 requires fire sprinklers in a residence and that was adopted before
48 December 31, 2009.

1 F. A board of supervisors may not adopt any, or part of any, fire
2 code, ordinance, stipulation or other legal requirement for an approved fire
3 apparatus access road or a fire apparatus access road extension, or both, or
4 an approved route or a route extension, or both, that directly or indirectly
5 requires a one or two family residence or a utility or miscellaneous
6 accessory building or structure to install fire sprinklers. A fire code
7 official may increase or extend an approved fire apparatus access road or a
8 fire apparatus access road extension, or both, or an approved route or a
9 route extension, or both, to comply with this subsection. Compliance with
10 this subsection ~~may not be~~ IS NOT grounds to deny or suspend a license or
11 permit. THIS SUBSECTION MAY BE ENFORCED IN A PRIVATE CIVIL ACTION AND
12 RELIEF, INCLUDING AN INJUNCTION, MAY BE AWARDED AGAINST A COUNTY. THE COURT
13 SHALL AWARD REASONABLE ATTORNEY FEES, DAMAGES, LOST OPPORTUNITY COSTS,
14 INTEREST AND THE COST OF THE SPRINKLER SYSTEM TO A PARTY THAT PREVAILS IN AN
15 ACTION AGAINST A COUNTY FOR A VIOLATION OF THIS SUBSECTION. THE LEGISLATURE
16 FINDS AND DETERMINES THAT PROPERTY RIGHTS ARE A MATTER OF STATEWIDE CONCERN
17 AND A FUNDAMENTAL ELEMENT OF FREEDOM. A PROPERTY OWNER'S RIGHT TO USE THE
18 PROPERTY OWNER'S PROPERTY MUST BE PROTECTED FROM UNREASONABLE ABRIDGMENT BY
19 COUNTY REGULATION AND ENFORCEMENT. THIS SUBSECTION SUPERSEDES AND PREEMPTS
20 ANY REGULATION ADOPTED BY A COUNTY REGARDING AN APPROVED FIRE APPARATUS
21 ACCESS ROAD, FIRE APPARATUS ACCESS ROAD EXTENSION, APPROVED ROUTE OR ROUTE
22 EXTENSION. For the purposes of this subsection:

23 1. "Fire code" includes the international fire code, however
24 denominated.

25 2. "Utility or miscellaneous accessory building or structure" includes
26 an agricultural building, aircraft hangar, accessory to a residence, barn,
27 carport, fence that is more than six feet high, grain silo, greenhouse,
28 livestock shelter, private garage, retaining wall, shed, stable, tank or
29 tower.

30 G. From and after December 31, 2014, a code or ordinance or part of a
31 uniform code or ordinance that is adopted by the board of supervisors applies
32 to locking devices for pool barrier gates used for means of ingress or egress
33 for semipublic swimming pools. Any new construction or major renovation of a
34 semipublic swimming pool from and after December 31, 2014 must meet the
35 requirements of the code or ordinance or part of the uniform code or
36 ordinance that is adopted by the board of supervisors. This subsection does
37 not apply to a locking device for a pool barrier gate used for means of
38 ingress or egress for a semipublic swimming pool that was installed before
39 January 1, 2015, if the locking device meets the requirements prescribed in
40 section 36-1681, subsection B, paragraph 3."

41 Amend title to conform

WARREN H. PETERSEN

2005-se-petersen
2/16/15
3:13 PM
H:laa

**ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - First Regular Session**

ROLL CALL VOTE

COMMITTEE ON _____ COMMERCE _____ BILL NO. HB 2005

DATE February 18, 2015 MOTION: DPA S/E

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Espinoza			✓		
Mrs. Fernandez			✓		
Mr. Lawrence		✓			
Ms. Mach			✓		
Mr. Rivero		✓			
Mr. Shope		✓			
Mrs. Norgaard, Vice-Chairman		✓			
Mr. Petersen, Chairman		✓			
		5	3	0	0

Heather Couert
COMMITTEE SECRETARY

APPROVED: 

WARREN H. PETERSEN, Chairman
JILL NORGAARD, Vice-Chairman

ATTACHMENT _____



HOUSE OF REPRESENTATIVES

HB 2336

contract progress payments; design professionals
Sponsor: Representative Fann

X Committee on Commerce
Caucus and COW
House Engrossed

OVERVIEW

HB 2336 establishes prompt payment requirements for *design professionals* who perform architectural, engineering, geological, landscape and survey work on construction projects.

HISTORY

The *Arizona Prompt Payment Act* prescribes the contractual rights and obligations of both the owner and the contractor in construction projects. Arizona Revised Statutes (A.R.S.) Title 32, Sections §1129.01 through §1129.07 states the homeowner must make prompt and timely progress payments to the contractors, subcontractors and material suppliers according to the provisions of the contract. Progress payments are made in 30-day billing cycles, or as otherwise stated in a clear and conspicuous manner in the contract. Payments are based on work or services already completed or materials that have been supplied according to the contract or subcontract. The owner may withhold payment and decline to approve a billing or invoice for various reasons, but must give proper and timely notice to the contractor. Among the reasons: unsatisfactory job progress; defective materials or workmanship; disputed materials or work; failing to comply with the terms of the contract; damage to the owner; reasonable evidence the work cannot be completed for the unpaid balance of the contract. Further, statute outlines the requirements for release of retention monies and final payment.

A.R.S. § 32-1129 defines *work* to mean the labor, materials, equipment and services provided by a contractor or subcontractor under a construction contract. *Construction contract* means a written or oral agreement for the construction, alteration, repair, maintenance, moving or demolition of a building, structure, improvement or excavation or development of land. *Owner* means any person, firm, partnership, corporation, association or any combination that causes a building, structure or improvement to be built, altered or repaired, including land development.

PROVISIONS

1. Creates the *Arizona Design Professional Prompt Pay Act* and applies the provisions to future contracts and services by *design professionals*.
2. Adds *design professionals* and the pertinent language relating to contracts, definitions, and progress payments into the statutes that regulate public buildings (Title 34); and, state government (Title 41).
3. Includes *design professionals* in the present laws that govern progress payments for construction contracts and services.

Attachment 60

Analyst Initials ABGA
February 11, 2015

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ADOT Prompt Payment and Progress Payments

(A.R.S. § 28-411)

4. Directs ADOT to pay the agreed upon or reasonable sum of the labor, materials and work or services performed by the contractor or consultant based on the oral or written advance notice to proceed or other directive by its authorized agent.
5. Stipulates that there is no defense for nonpayment if the labor, materials, work or services were furnished and installed before executing the contract or before its effective date.
6. Sets the prices or contract amount, with hourly rates or other cost formulas, as the presumptive agreed upon or reasonable total value of a project, unless ADOT and the project contractors/consultants otherwise agree in writing.

Design Professional Service Contracts

(A.R.S. §§ 32-162 through 165)

7. Requires progress payments be made by the owner or contractor to the design professional according to the terms of the mutually agreed upon contract. Unless the contractor does not approve the invoice, payment must be made by the 21st day after receiving the invoice.
8. Deems the invoice for progress payments approved, unless the contractor provides timely written notice to the design professional via first class mail, listing the disapproved items.
9. Requires payment by the design professional to any contracted subconsultants by the seventh day after the owner or contractor makes a progress payment and entitles the subconsultant to receive 1% per month interest on the unpaid balance. Gives the subconsultants 30 days to send notice to the design professional contesting a payment amount.
10. Permits a subconsultant to request notification from the owner or contractor as progress payments are made to the design professional. In turn, the owner or contractor must send written notice by first class mail to the subconsultant within five days of making a progress payment to a design professional.
11. Lists the violations, unsatisfactory work and other parameters that constitute a basis for withholding retention payments.
12. Requires interest be paid at 1% per month on the unpaid balance of any late payments to a design professional.
13. Awards reasonable costs and attorney fees to the successful party in an action or arbitration proceeding brought to collect payments or interest.
14. Permits a design professional to suspend or terminate a service contract for failure by the contractor to make timely payment of the amount approved and certified. Outlines specifics.
15. Allows a subconsultant to suspend or terminate a service contract for failure by the design professional to make timely payments as approved and certified. Prescribes requirements.
16. Describes the public policy of this state with regard to the design professional service contracts and specifies what constitutes a void and unenforceable provision.
17. Outlines the notice requirement that must be included in a service contract for work on an owner-occupant dwelling regarding making payments to design professionals.
18. Defines pertinent terms relating to design professional service contracts.

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2336

(Reference to printed bill)

- 1 Page 2, strike line 10, insert "A LIMITED NOTICE TO PROCEED"
- 2 Strike lines 13 through 15; line 16, strike "MODIFICATION."
- 3 Lines 18 and 19, strike "PRESUMPTIVE AGREED OR REASONABLE VALUE" insert "FAIR
- 4 AND REASONABLE COST"
- 5 Line 20, after the period insert "IF THE PARTIES FAIL TO SUCCESSFULLY NEGOTIATE
- 6 AND SIGN A CONTRACT OR CONTRACT MODIFICATION, THE CONTRACTOR OR CONSULTANT
- 7 SHALL BE PAID FOR COSTS INCURRED PURSUANT TO THE LIMITED NOTICE TO PROCEED
- 8 AND SUBJECT TO THE DEPARTMENT'S COST GUIDELINES."
- 9 Strike lines 24 through 45
- 10 Strike pages 3 through 7
- 11 Page 8, strike lines 1 through 6
- 12 Renumber to conform
- 13 Page 15, lines 11 and 12, strike "title 32, chapter 1, article 4, Arizona Revised
- 14 Statutes,"
- 15 Amend title to conform

WARREN H. PETERSEN

2336-p1-petersen
2/13/15
1:48 PM
H:laa

Attachment 7

Adopted # of Verbals _____
Failed _____ Withdrawn _____
Not Offered _____ Analysts Initials _____



HOUSE OF REPRESENTATIVES

HB 2560

communications network facilitators; regulation

Sponsor: Representative Petersen

X Committee on Commerce

Caucus and COW

House Engrossed

OVERVIEW

HB 2560 establishes parameters for the regulation of online business facilitators.

HISTORY

The typical business model for selling or leasing goods and providing services to the consumer is the traditional business model in which a physical location is in Arizona. The business may also have a virtual web-based business plan that permits online ordering. The business and its related individuals are regulated, licensed and certified by various federal, state and local agencies, depending on the circumstances. Traditional business derives its income from the direct-to-consumer products it sells or leases. The business may have a physical location, or virtual website so products may be ordered online, or both.

The new sharing economy is one in which a business and its network of users, are connected virtually by a *communications network facilitator (Facilitator)* through the use of technology in order to share their possessions, talent and time with each other. A *communication network provider (Provider)* is a business that provides products or services to the *communications network user*, whether the business is a for-profit or a nonprofit business.

PROVISIONS

1. Creates a new chapter of law within the Trades and Commerce sections (Title 44) titled *Communications Network Facilitators*.
2. Authorizes a *Facilitator* to be regulated, licensed or certified only insofar as it also acts as a business *Provider* and stipulates the provisions do not prohibit such regulation.
3. Confirms the provisions do not provide immunity from liability under the criminal code.
4. Asserts that a *Facilitator* does not control, own, operate or manage the products or services that are offered by a *Provider*.
5. Proclaims that a *Facilitator* acting in its capacity as such cannot be required to offer products or services as a condition of operating as a business.
6. States that a nonprofit *Provider* acting in its capacity as such may conduct business without undue regulation to the extent that it would otherwise operate without the aid of a *Communications Network*.
7. Includes preemptive language that declares the statewide concern for the regulation of *Facilitators* and specifies they are not subject to further regulation by any county, city, town or political subdivision of this state.

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HB 2560

8. Authorizes a *Facilitator* to bring a superior court action to enjoin the unlawful regulation by the state or any county or municipality. Further, directs the court to award costs and reasonable attorney fees if the *Facilitator* prevails.
9. Delegates to the State Attorney General, the authority to bring an action to enjoin any unlawful regulation of the communications network industry.
10. Defines applicable terms: *Communications Network*; *Communications Network Facilitator*; *Communications Network Provider*; *Nonprofit Communications Network Provider*; *Communications Network User*.

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2560

(Reference to printed bill)

1 Page 1, line 25, strike "OPERATIONAL" insert "OCCUPATIONAL"

2 Page 2, between lines 2 and 3, insert:

3 "F. NOTWITHSTANDING ANY OTHER LAW, THIS CHAPTER DOES NOT APPLY TO A
4 LICENSED CABLE TELEVISION SYSTEM OR OPERATOR, A TELECOMMUNICATIONS
5 CORPORATION, OR PUBLIC SERVICE CORPORATION, TO THE EXTENT IT IS ENGAGED IN
6 THE DELIVERY OR PROVISION OF TELECOMMUNICATIONS SERVICE OR CABLE TELEVISION
7 SERVICE.

8 G. THIS SECTION DOES NOT APPLY TO A MOTOR VEHICLE MANUFACTURER OR
9 SUBSIDIARY OR AFFILIATE THAT PROVIDES NETWORK COMMUNICATIONS INTO MOTOR
10 VEHICLES FOR TELEMATICS AND OTHER COMMUNICATION RELATED IN-VEHICLE SERVICES."

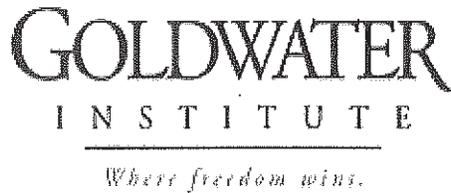
11 Amend title to conform

WARREN H. PETERSEN

2560-p2-petersen
2/16/15
4:35 PM
H:laa

Attachment 10

Adopted # of Verbals _____
Failed _____ Withdrawn _____
Not Offered _____ Analysts Initials _____



HB2560: The Sharing Economy Act

What is the sharing economy?

Whereas traditional businesses directly provide goods and services, oversee employees interacting with customers, and own goods to conduct business, sharing economy businesses take a different model. Sharing economy businesses are technologies, like apps, which enable everyday people to rent their possessions and time to each other. These businesses do not provide goods and services, do not own goods necessary to conduct business, and do not oversee customer interactions. Private citizens do that.

As an example, consider Airbnb: Airbnb is a technology platform that allows private citizens to rent private bedrooms and apartments to each other. The website Airbnb serves as a dispatcher between two everyday people who want to engage in the business of home rental. Airbnb does not employ the person renting out their home, does not own the home, and does not provide the rental services. Therefore, Airbnb should not be regulated as if it performs all of those actions.

Who is this bill meant to protect?

This bill protects sharing economy enterprises. Since these businesses do not provide goods or services in the industries that they facilitate, this Act prevents regulation as if they do. This Act also ensures that private citizens using these platforms for not-for-profit activities are not regulated as commercial enterprises.

As an example, consider FlyteNow. FlyteNow is a website where private pilots find would-be passengers and share expenses. Expense sharing between private pilots and passengers has been legal for decades when facilitated through airport bulletin boards. However, the FAA ruled that pilots using the more efficient online bulletin board, FlyteNow, are engaging in commercial activity and are subject to commercial regulations. While these pilots are being regulated at the federal level, they serve as a good example of what this bill prevents: Under the Sharing Economy Act, state and local officials could neither regulate not-for-profit FlyteNow pilots as commercial pilots, nor could they regulate FlyteNow as a commercial airline.

How does the Sharing Economy Act relate to the Uber and Lyft bills under consideration?

The Sharing Economy Act does not damage interests that are involved in ridesharing legislation under consideration. Regulations may still be placed on ridesharing activity. Under this Act, regulations could be applied to drivers instead of the Uber and Lyft companies themselves.

As an example, consider a ridesharing bill mandating that ridesharing drivers maintain primary liability insurance whenever the app is on. In that scenario, this Act means that drivers, not the sharing economy companies Uber or Lyft, are forced to obtain insurance. The driver may secure insurance through Uber or Lyft, but only if Uber or Lyft voluntarily provides that insurance.

Why shouldn't sharing economy companies be regulated like service providers?

Sharing economy companies should not be regulated like the service providers that they facilitate, including requirements to obtain occupational licensure, since they do not provide those services. Instead, sharing economy enterprises facilitate communications between customers and the real service providers. In so doing, they are protected under the First Amendment's Free Speech Clause. In addition, such needless regulation discourages innovative technologies that improve lives.

For instance, a communications facilitator matching cosmetologists with people in need of beauty services should not be forced to get a cosmetology license. Unfortunately, Arizona regulators attempted to do exactly that to a woman linking licensed beauticians with people too elderly or sick to leave their homes. Among other things, regulators insisted she get a cosmetology license, costing tens of thousands of dollars and requiring 1600 hours of training, even though the training was irrelevant to running her business. Ultimately, these regulators faced costly litigation and lost the case partly on First Amendment grounds.

Does this mean that all activity by sharing economy businesses will be unregulated?

No. Sharing economy companies may be regulated as what they are: communication facilitators. They may also be regulated for any activities in which they voluntarily participate. However, they may not be forced to undergo or provide anything additional in order to operate.

For instance, Instacart is a sharing economy platform matching people in need of groceries with personal shoppers. Instacart neither owns the groceries nor the delivery vehicles, and neither oversees nor employs the shoppers. Under this Act, rules could be created for Instacart concerning its role as a communications facilitator and its other voluntary activities, like payment processing. However, Instacart may not be regulated as a grocery store or delivery service and, for instance, be forced to oversee food quality.

Does this mean that any business with an app will be immune from regulation?

No. Businesses with apps will face any legitimate regulations that they would face without an app. The same goes for not-for-profit workers in the sharing economy.

For instance, if a sandwich shop creates a delivery app, the sandwich shop will still have to abide by regulations, such as keeping its kitchens clean. Similarly, someone charitably making and delivering sandwiches to the poor through a delivery app will still have to abide by any rules existing for not-for-profit sandwich making and delivery absent an app.

Why is this bill important?

The sharing economy offers limitless promise, from making businesses more efficient to helping the environment to generating productive jobs. States that embrace the sharing economy also make it easier to start a business, as *anyone* may become a 'microentrepreneur' in this new economy. This Act protects existing and future companies that offer us these advantages.

Southwest Center for Economic Integrity Consumer Federation of America

Projected Flex Loan Costs

Assumptions	
Principal	\$ 3,000
Max. APR	36%
Req. reduction	5%
Max. permissible fee	0.5%

Table. Monthly Payment for a \$3000 Flex Loan Assuming a 5% Principal Reduction on the Outstanding Balance

End of Day	Year 1												Year 2												Year 3												Year 4												Year 5																																																																							
	0	30	60	90	120	150	180	210	240	270	300	330	360	0	30	60	90	120	150	180	210	240	270	300	330	360	0	30	60	90	120	150	180	210	240	270	300	330	360	0	30	60	90	120	150	180	210	240	270	300	330	360	0	30	60	90	120	150	180	210	240	270	300	330	360																																																							
Principal Payment	\$	150	\$	143	\$	135	\$	129	\$	122	\$	116	\$	110	\$	105	\$	100	\$	95	\$	90	\$	85	\$	81	\$	77	\$	73	\$	69	\$	66	\$	63	\$	60	\$	57	\$	54	\$	51	\$	49	\$	46	\$	44	\$	42	\$	40	\$	38	\$	36	\$	34	\$	32	\$	31	\$	29	\$	28	\$	26	\$	25	\$	26	\$	24	\$	23	\$	21	\$	20	\$	19	\$	18	\$	17	\$	16	\$	15	\$	14	\$	13	\$	14	\$	13	\$	12	\$	11	\$	10	\$	9	\$	9	\$	8	\$	8	\$	7	\$	7	\$	6
Interest (Monthly Rate on Monthly Balance)	\$	90	\$	86	\$	81	\$	77	\$	73	\$	69	\$	66	\$	63	\$	60	\$	57	\$	54	\$	51	\$	49	\$	46	\$	44	\$	42	\$	40	\$	38	\$	36	\$	34	\$	32	\$	31	\$	29	\$	28	\$	26	\$	24	\$	23	\$	21	\$	20	\$	19	\$	18	\$	17	\$	16	\$	15	\$	14	\$	13	\$	12	\$	11	\$	10	\$	9	\$	9	\$	8	\$	8	\$	7	\$	7	\$	6	\$	6	\$	5																								
Fees	\$	450	\$	428	\$	406	\$	386	\$	367	\$	348	\$	331	\$	314	\$	299	\$	284	\$	269	\$	256	\$	243	\$	231	\$	208	\$	198	\$	188	\$	179	\$	170	\$	161	\$	153	\$	146	\$	138	\$	131	\$	125	\$	119	\$	113	\$	107	\$	102	\$	97	\$	92	\$	87	\$	83	\$	79	\$	75	\$	71	\$	67	\$	64	\$	61	\$	58	\$	55	\$	52	\$	50	\$	47	\$	45	\$	43	\$	41	\$	40																								
Total Payment	\$	690	\$	656	\$	623	\$	592	\$	562	\$	534	\$	507	\$	482	\$	458	\$	435	\$	413	\$	392	\$	373	\$	354	\$	336	\$	320	\$	304	\$	289	\$	274	\$	260	\$	247	\$	235	\$	223	\$	212	\$	201	\$	191	\$	182	\$	173	\$	164	\$	156	\$	148	\$	141	\$	134	\$	127	\$	121	\$	115	\$	109	\$	103	\$	98	\$	93	\$	89	\$	84	\$	80	\$	76	\$	72	\$	69	\$	65	\$	62																								
Cumulative Payments	\$	690	\$	1,346	\$	1,968	\$	2,560	\$	3,122	\$	3,656	\$	4,163	\$	4,645	\$	5,103	\$	5,537	\$	5,951	\$	6,343	\$	6,716	\$	7,070	\$	7,407	\$	7,726	\$	8,030	\$	8,318	\$	8,593	\$	8,853	\$	9,100	\$	9,335	\$	9,558	\$	9,771	\$	9,972	\$	10,163	\$	10,345	\$	10,518	\$	10,682	\$	10,838	\$	10,986	\$	11,127	\$	11,260	\$	11,387	\$	11,508	\$	11,623	\$	11,732	\$	11,835	\$	11,933	\$	12,027	\$	12,115	\$	12,199	\$	12,279	\$	12,355	\$	12,428	\$	12,496	\$	12,562	\$	12,623																								
Outstanding Principal	\$	3,000	\$	2,850	\$	2,708	\$	2,572	\$	2,444	\$	2,321	\$	2,205	\$	2,095	\$	1,990	\$	1,891	\$	1,796	\$	1,706	\$	1,621	\$	1,540	\$	1,463	\$	1,390	\$	1,324	\$	1,264	\$	1,209	\$	1,159	\$	1,112	\$	1,069	\$	1,022	\$	971	\$	922	\$	876	\$	835	\$	797	\$	764	\$	734	\$	706	\$	681	\$	652	\$	624	\$	598	\$	573	\$	549	\$	524	\$	500	\$	478	\$	458	\$	439	\$	421	\$	404	\$	388	\$	373	\$	359	\$	346																								
	\$	450	\$	427	\$	406	\$	386	\$	366	\$	348	\$	331	\$	314	\$	299	\$	284	\$	269	\$	256	\$	243	\$	231	\$	219	\$	208	\$	198	\$	188	\$	179	\$	170	\$	161	\$	153	\$	145	\$	138	\$	131	\$	125	\$	119	\$	113	\$	107	\$	102	\$	97	\$	92	\$	87	\$	83	\$	79	\$	75	\$	71	\$	67	\$	64	\$	61	\$	58	\$	55	\$	52	\$	50	\$	47	\$	45	\$	43	\$	40																								

Assuming a 5% Monthly Principal Reduction	After Year 1	After Year 2	After Year 3	After Year 4	After Year 5
Percent of Principal Paid	46%	71%	84%	91%	95%
Cumulative Payments	\$ 6,343	\$ 9,771	\$ 11,623	\$ 12,623	\$ 13,164
Interest Paid	\$ 627	\$ 1,274	\$ 1,516	\$ 1,647	\$ 1,717
Fees Paid	\$ 4,137	\$ 6,372	\$ 7,580	\$ 8,233	\$ 8,586
Total Fees Paid	\$ 4,964	\$ 7,647	\$ 9,096	\$ 9,879	\$ 10,302
Remaining Principal	\$ 1,621	\$ 876	\$ 473	\$ 256	\$ 138

**ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - First Regular Session**

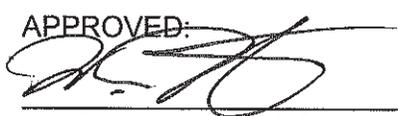
ROLL CALL VOTE

COMMITTEE ON _____ COMMERCE _____ BILL NO. HB 2560

DATE February 18, 2015 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Espinoza			✓		
Mrs. Fernandez			✓		
Mr. Lawrence		✓			
Ms. Mach			✓		
Mr. Rivero		✓			
Mr. Shope		✓			
Mrs. Norgaard, Vice-Chairman		✓			
Mr. Petersen, Chairman		✓			
		5	3	0	0

Deborah Couert
COMMITTEE SECRETARY

APPROVED: 

WARREN H. PETERSEN, Chairman
JILL NORGAARD, Vice-Chairman

ATTACHMENT _____



HOUSE OF REPRESENTATIVES

HB 2611

consumer flex loans

Sponsor: Representative Mesnard

W/D Committee on Banking and Financial Services

X Committee on Commerce

Caucus and COW

House Engrossed

OVERVIEW

HB 2611 establishes *flex loans* regulated by the Arizona Department of Financial Institutions (DFI) and outlines the requirements for licensure, loan plans, interest rates and finance charges.

HISTORY

Established in 1973, DFI is statutorily charged with the licensing, supervision, and regulation of state-chartered financial institutions and enterprises. The regulated entities include money transmitters, motor vehicle dealers, collections agencies, consumer lenders, mortgage banks and brokers, credit unions and banks.

PROVISIONS

1. Creates a new chapter entitled *flex loans* within the Banks and Financial Institutions title of law and outlines the requirements for licensure, loan plans, interest rates and finance charges.
2. Adds a flex loan lender to the list of financial enterprises that DFI must examine. Current law assesses a charge of up to \$65 per hour for each examiner. (A.R.S. § 6-125)
3. Allows the superintendent of DFI (superintendent) to set the fee amount for a flex loan lender license and applies the current \$500 application fee for a branch office. (A.R.S. § 6-126)
4. Applies the current \$1,000 consumer lender fee to the flex loan lender, plus the present \$200 for each branch office. (A.R.S. § 6-126)
5. Defines pertinent terms. (A.R.S. § 6-1801)
6. Delineates individuals and types of loans that are exempt from licensure. (A.R.S. § 6-1802)
7. Outlines the circumstances in which the superintendent may deny renewal of a license or suspend or revoke a license. (A.R.S. § 6-1803)
8. Prohibits the licensee from making flex loans under any name or at any place of business other than the name and place stated in the license. (A.R.S. § 6-1803)
9. Requires the DFI Superintendent to issue a license within 120 days, if there are no grounds to deny a license and requires the license to be prominently displayed. (A.R.S. § 6-1804)
10. Outlines various reasons to deny a license renewal. (A.R.S. § 6-1805)

Attachment 14

Licensed Locations; Restrictions (A.R.S. § 6-1806)

11. Permits the licensee to make flex loans by mail or electronic means, make accommodations to consumers at any location requested by the consumer, and conduct administrative, loan servicing, or recordkeeping activity at any other location not open to the public, if the superintendent is notified in advance of that activity.
12. Stipulates the licensee may conduct all activities outside the state if approved by the superintendent.
13. Allows the licensee to change the location of offices upon written notice to the superintendent.
14. Subjects flex loans to the requirements relating to disclosures, finance charges, repayments, and annual reporting.
15. Prohibits a licensee from making a flex loan from within any licensed office in which any other business not licensed and regulated by DFI is solicited or engaged in, or in association or conjunction with any other business not licensed and regulated by DFI.

Books, Records, Annual Report (A.R.S. §§ 6-1807 through 6-1810)

16. Requires the licensee to maintain any records that enable the superintendent to determine compliance for at least two years, and allows for electronic recordkeeping.
17. Directs the licensee to observe generally accepted accounting principles and practices.
18. Requires a licensee to make any records available on demand by the superintendent within three business days.
19. Authorizes the superintendent access during normal business hours to the offices, files, safes, or vaults of the business or subject matter of any examination, investigation or hearing.
20. Requires the licensee to file an annual report in the form prescribed by the superintendent before October 1 of each year and assesses fees and penalties for noncompliance.
21. Requires the licensee to include in the annual report, the standard annual percentage rate or the range of rates for certain specific loan amounts.
22. Directs the superintendent to compile a report of the standard annual percentage rate or range of annual percentage rates for public dissemination on at least an annual basis.

Prohibited Acts (A.R.S. § 6-1811)

23. Prohibits a licensee from knowingly advertising, displaying, or distributing any false or deceptive statement with regard to the rates, terms, or conditions of a flex loan.
24. Permits a licensee to give a consumer a prize or tangible property of \$25 or less aggregate value, but restricts a licensee from otherwise paying to anyone a fee, commission, or bonus.
25. Prohibits a consumer from having more than one outstanding flex loan and requires the person to provide a written statement as such.
26. Directs each licensee to inquire about any outstanding flex loan from a client and prohibits the licensee from offering a new loan if the person already has one or more outstanding loan.

Loans and Finance Charges (A.R.S. §§ 6-1832 through 6-1835)

27. Authorizes a maximum flex loan of \$3,000 and finance charges of 36% per annum.
28. Computes finance charges on the unpaid principal balance of the flex loans as follows:
 - a. By multiplying the *daily periodic rate* by the actual unpaid balance of the loan each day during the billing cycle. The daily rate is determined by dividing the annual percentage rate (maximum 36%) by 365.
 - b. By multiplying the *monthly periodic rate* by the average daily balance of the loan during the billing cycle. Outlines the formula.
29. Requires payments be made by each billing cycle due date that include installments of principal, finance charges and fees combined with a minimum monthly payment that reduces by at least 5%, the principal outstanding loan balance.
30. Assesses additional finance charges as follows:
 - a. A delinquency charge equal to 5% of the installment amount unpaid within 7 days after its due date.
 - b. A *customary fee* to defray the ordinary costs of opening, administering and terminating a flex loan plan, including costs associated with: underwriting and documenting the account; securing/maintaining the account; validating consumer information; offering electronic and telephone access to accounts; processing account transactions; responding to consumer inquiries; providing periodic billing statements; all other services/activities.
 - c. Court costs.
 - d. Reasonable attorney fees if the flex loan is referred for collection.
 - e. Stipulates the *customary fee* is not considered as interest, and may not exceed ½ of 1% of the actual unpaid *daily principal balance* in any billing cycle.
 - f. Dishonored check fees to cover the actual charges by the financial institution.

Miscellaneous

31. Directs the DFI superintendent to adopt rules necessary to regulate the conduct of licensees. (A.R.S. § 6-1812)
32. Specifies the conditions which constitute a voidable loan. (A.R.S. § 6-1813)
33. States failure to comply does not affect the validity or enforceability of any flex loan, with exception. (A.R.S. § 6-1814)
34. Outlines the requirements for flex loans, which include disclosures, finance charges, repayments, allowable fees, and annual reporting. (A.R.S. § 6-1831)
35. Stipulates that a person is not responsible for any loan is a result of theft or fraud. Requires the licensee to correct any derogatory credit information within 30 days of becoming aware that the loan was a result of theft or fraud. (A.R.S. § 6-1836)

Adopted <input checked="" type="checkbox"/>	# of Verbals _____
Failed _____	Withdrawn _____
Not Offered _____	Analysts Initials _____

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2611

(Reference to printed bill)

- 1 Page 6, line 15, strike "OR 9"
- 2 Line 19, strike "CLOSED-END" insert "OPEN-END"; strike "TEN" insert "THREE"
- 3 Line 22, strike "TEN" insert "THREE"
- 4 Strike lines 24 through 27
- 5 Renumber to conform
- 6 Page 7, line 36, after the period insert "A FLEX LOAN LENDER SHALL APPLY FOR
7 RENEWAL AS PRESCRIBED BY THE SUPERINTENDENT NOT LATER THAN JUNE 30 OF EACH
8 YEAR. A LICENSE FOR WHICH A RENEWAL APPLICATION IS NOT RECEIVED BY THE
9 SUPERINTENDENT BY JUNE 30 IS SUSPENDED AND THE FLEX LOAN LENDER MAY NOT ACT
10 AS A FLEX LOAN LENDER UNTIL THE LICENSE IS RENEWED OR A NEW LICENSE IS ISSUED
11 PURSUANT TO THIS ARTICLE. THE LICENSE OF A FLEX LOAN LENDER THAT HAS NOT
12 FILED A RENEWAL APPLICATION AND PAID THE RENEWAL FEE BY JULY 31 EXPIRES."
- 13 Page 10, line 31, after "PAYMENTS" insert "PERMITTED"
- 14 Page 11, between lines 33 and 34, insert:
- 15 "D. A LICENSEE SHALL NOT MAKE A FLEX LOAN HAVING AN ANNUAL PERCENTAGE
16 RATE GREATER THAN THAT SET FORTH IN FEDERAL LAW IN 10 UNITED STATES CODE
17 SECTION 987 (b) TO A PERSON WHO IS EITHER:
- 18 1. A MEMBER OF THE UNITED STATES ARMED FORCES WHO IS ON ACTIVE DUTY
19 UNDER A CALL OR ORDER THAT DOES NOT SPECIFY A PERIOD OF THIRTY DAYS OR LESS.
20 2. ON ACTIVE NATIONAL GUARD AND RESERVE DUTY.
21 3. A DEPENDENT AS DEFINED IN THE JOHN WARNER NATIONAL DEFENSE
22 AUTHORIZATION ACT FOR FISCAL YEAR 2007 (P.L. 109-364; 120 STAT. 2083; 10
23 UNITED STATES CODE SECTION 987) OR ANY REGULATION ADOPTED PURSUANT TO THAT
24 ACT, INCLUDING 32 CODE OF FEDERAL REGULATIONS PART 232, OF A PERSON LISTED IN
25 PARAGRAPHS 1 AND 2 OF THIS SUBSECTION."
- 26 Page 12, line 15, after "LINE" insert "OR, ALTERNATIVELY A LICENSEE MAY PROVIDE THE
27 BORROWER WITH THE DISCLOSURES REQUIRED BY THIS SECTION IN A MOBILE OR OTHER
28 ELECTRONIC APPLICATION, ON WHICH THE SIZE OF THE TYPE FACE OF THE DISCLOSURE
29 CAN BE MANUALLY MODIFIED BY A PROSPECTIVE BORROWER, IF THE PROSPECTIVE
30 BORROWER IS GIVEN THE OPTION TO PRINT THE DISCLOSURE IN A TYPE FACE OF AT

1 LEAST TWELVE POINT SIZE OR IS PROVIDED BY THE LICENSEE WITH A HARD COPY OF
2 THE DISCLOSURE IN A TYPE FACE OF AT LEAST TWELVE POINT SIZE BEFORE THE LOAN
3 IS CONSUMMATED"

4 Between lines 27 and 28, insert:

5 "D. IF A LICENSEE IS PROVIDING ELECTRONIC LOANS, THE LICENSEE MUST
6 CONSPICUOUSLY DISPLAY THE FOLLOWING DISCLOSURE ON ITS WEBSITE:

7 NOTICE: BEFORE SIGNING ANY LOAN DOCUMENTS OR OTHERWISE COMMITTING TO A
8 LOAN, PLEASE READ OUR TERMS AND CONDITIONS CAREFULLY."

9 Reletter to conform

10 Strike lines 33 through 37, insert:

11 "F. A LICENSEE SHALL PROVIDE CUSTOMERS WITH A PERIODIC BILLING
12 STATEMENT IN COMPLIANCE WITH THE TRUTH IN LENDING ACT (P.L. 90-321, 82 STAT.
13 146, 15 UNITED STATES CODE SECTIONS 1601 THROUGH 1667f)."

14 Reletter to conform

15 Line 42, strike "NOT"; after "OF" insert "NOT"

16 Line 44, after "OF" insert "NOT MORE THAN"

17 Page 13, line 3, after "UNPAID" insert "PRINCIPAL"

18 Strike lines 19 through 23

19 Page 14, line 8, strike "3" insert "2"

20 Line 10, after "ACTUAL" insert "UNPAID"

21 Amend title to conform

WARREN H. PETERSEN

2611-p1-petersen
2/17/15
8:57 AM
H:ajs

**ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - First Regular Session**

ROLL CALL VOTE

COMMITTEE ON _____ COMMERCE _____ BILL NO. HB 2611

DATE February 18, 2015 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Espinoza			✓		
Mrs. Fernandez			✓		
Mr. Lawrence		✓			
Ms. Mach			✓		
Mr. Rivero		✓			
Mr. Shope		✓			
Mrs. Norgaard, Vice-Chairman		✓			
Mr. Petersen, Chairman		✓			
		5	3	0	0

Deborah Couert
COMMITTEE SECRETARY

APPROVED:
[Signature]

WARREN H. PETERSEN, Chairman
JILL NORGAARD, Vice-Chairman

ATTACHMENT _____



HOUSE OF REPRESENTATIVES

HCM 2003

urging Congress; increase customs personnel
Sponsors: Representatives Steele, Coleman, Hale, et al.

X Committee on Commerce
Caucus and COW
House Engrossed

OVERVIEW

HCM 2003 urges the United States (U.S.) Congress to increase and maintain staffing for Customs Field Office (Customs) personnel at Arizona's ports of entry from Mexico.

HISTORY

The U.S. has long been engaged in trade and commerce with Mexico. According to the U.S. Department of Commerce, more than \$500 billion in bilateral trade and over \$100 billion in cross-border investment occurs between the two countries annually.

Arizona has a significant role in the trade relationship between the U.S. and Mexico, with primary channels for cross-border trade running through the ports of entry at Nogales, Douglas and San Luis, Arizona. \$28 billion in two-way trade is processed annually through Arizona's points of entry, and according to the U.S. Census Bureau, Arizona exports to Mexico totaled \$7.1 billion in 2013.

The Customs personnel within the U.S. Custom and Border Protection service of the U.S. Department of Homeland Security serve at these ports of entry to promote security and economic stability.

On October 14, 2014, a letter signed by every member of the Arizona Congressional delegation was sent to the U.S. Department of Homeland Security expressing the need for greater staffing and allocation of personnel to Arizona's ports of entry.

PROVISIONS

1. Urges the U.S. Congress to increase and maintain staffing for Customs personnel at the ports of entry from Mexico in Nogales, Douglas and San Luis, Arizona.
2. Asks the Arizona Secretary of State to transmit copies of this Memorial to the following individuals:
 - a. The President of the U.S. Senate.
 - b. The Speaker of the U.S. House of Representatives.
 - c. Each Member of Congress from the State of Arizona.

Attachment

**ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - First Regular Session**

ROLL CALL VOTE

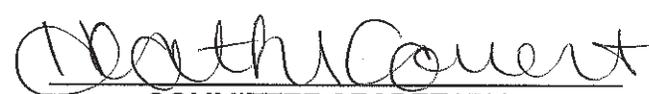
COMMITTEE ON _____ COMMERCE _____ BILL NO. HCM 2003

DATE February 18, 2015 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Espinoza		✓			
Mrs. Fernandez		✓			
Mr. Lawrence		✓			
Ms. Mach		✓			
Mr. Rivero		✓			
Mr. Shope		✓			
Mrs. Norgaard, Vice-Chairman		✓			
Mr. Petersen, Chairman		✓			
		8	0	0	0

APPROVED: 

 WARREN H. PETERSEN, Chairman
 JILL NORGAARD, Vice-Chairman


 COMMITTEE SECRETARY

ATTACHMENT _____