

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

**COMMITTEE ON GOVERNMENT AND HIGHER EDUCATION**

Report of Regular Meeting  
Thursday, February 19, 2015  
House Hearing Room 1 -- 9:00 a.m.

**Convened** 9:00 a.m.  
**Recessed** 10: 20 a.m.  
**Reconvened** 10:55 a.m.  
**Recessed** 12:55 p.m.  
**Reconvened** 5:14 p.m.  
**Adjourned** 8:30 p.m.

**Members Present**

Mr. Friese  
Mr. Larkin  
Mr. Lovas  
Mr. Olson  
Mr. Petersen  
Mr. Saldate  
Ms. Townsend  
Mr. Ackerley, Vice-Chairman  
Mr. Thorpe, Chairman

**Members Absent**

**Request to Speak**

Report – Attachment 1

**Presentations**

**Name**

None

**Organization**

**Attachments (Handouts)**

**Committee Action**

**Bill**

**Action**

**Vote**

**Attachments**

(Summaries,  
Amendments, Roll Call)

HB2008	DPA S/E	6-3-0-0	2, 3, 4
HB2016	DPA S/E	6-3-0-0	5, 6, 7
HB2053	DPA S/E	5-3-0-1	8, 9, 10
HB2056	DPA S/E	7-0-0-2	11, 12, 13
HB2057	DPA S/E	5-4-0-0	14, 15, 16
HB2059	DPA S/E	5-4-0-0	17, 18, 19
HB2178	DPA S/E	9-0-0-0	20, 21, 22
HB2179	FAILED	0-8-0-1	23, 24, 25, 26
HB2261	DP	9-0-0-0	27, 28, 29
HB2265	DP	7-2-0-0	30, 31
HB2442	DPA	6-2-1-0	32, 33, 34, 35

HB2484	DP	9-0-0-0	36, 37
HB2570	DP	6-3-0-0	38, 39
HB2587	DPA	8-0-0-1	40, 41, 42
HB2588	DPA	9-0-0-0	43, 44, 45
HB2619	DPA	6-2-0-1	46, 47
HB2646	DPA S/E	5-3-0-1	48, 49, 50
HB2647	DPA	9-0-0-0	51, 52, 53
HCR2001	HELD		
HCR2016	DP	6-2-0-1	54, 55

*Meg Reilly*

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Meg Reilly, Chairman Assistant  
Monday, February 23, 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

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*House Government and Higher Education (2/19/2015)*

## **HB2057, technical correction; payment method**

### **Neutral:**

Pearlette Ramos, Arizona Department Of Liquor Licenses And Control

## **HB2261, university admissions; CTE; fine arts**

### **Testified in support:**

David Stockwell, representing self; Chuck McCollum, representing self; Vicki Tolman, representing self; Mikayla Cerwinske, representing self

### **Testified as opposed:**

Rusty Foley, representing self

### **Support:**

Karen Winfield, representing self; Paula Smith, representing self; Doug Daley, representing self; Peggy LaShier, representing self; Lois Lamer, representing self; Jeremy Plumb, representing self; Tina Norton, representing self; Victoria Russell, representing self

### **Oppose:**

Jill Humpherys, representing self

### **All Comments:**

Karen Winfield, Self: Precinct Committeeman, LD25; Jill Humpherys, Self: Although we have terrific CTE classes in our district, I would like to see the fine arts requirement maintained. Art is an iintregal part of who we are. High-risk students benefit from art, music, drama. Apple shows that art is part of tech design; Peggy LaShier, Self: CTE students have more of the knowledge/skills to enter their field of study in college by taking CTE. These classes give them higher AIMS scores, better attendance and college and career readiness skills...fine arts such as jewelry making does not.; David Stockwell, Self: As a mother of 4 children who entered college with both a strong fine arts and CTE background, I very much value the choices they had available in their public high school. I support these choices for all children.; Lois Lamer, Self: I am in favor of this option for students. It increases the availability of attending a post-secondary institution for additional education and training.; Jeremy Plumb, Self: This bill removes restrictions and barriers at the local level that currently limit student scheduling options. A "YES" vote will increase students ability to choose fine arts or CTE leading to greater college and career opportunities for all.; Vicki Tolman, Self: As a CTE educator, I would like to speak on behalf of the benefits of CTE courses and the difference it is making in the lives of our students (current students as well as students currently at universities and community college); Mikayla Cerwinske, Self: CTE Student speaking about benefits of CTE

## **HB2570, municipalities; vegetation requirements; prohibition**

### **Testified in support:**

Spencer Kamps, HOME BUILDERS ASSOCIATION OF CENTRAL AZ; Carol Perkinson, representing self; Mary Schmit, representing self

### **Testified as opposed:**

George Diaz, Principal, BUCKEYE, TOWN OF

### **Support:**

April Pinger, representing self; Tom Jenney, AMERICANS FOR PROSPERITY AZ; Emilena Turley, Council Member, representing self; Scot Mussi, Arizona Free Enterprise Club; Julie Farnsworth, representing self; Stan Barnes, Southern Arizona Home Builders Association; Jake Hoffman, representing self; kenneth dowlin, representing self

### **Oppose:**

Peter Bengtson, representing self; Eve Shapiro, representing self; William Diak, representing self; Brad Lundahl, SCOTTSDALE, CITY OF; Sandy Bahr, Sierra Club - Grand Canyon Chapter; Matthew Johnson, representing self; Judy Gausman, AZ Landscape Contractors Assoc; Michael Sorum, representing self; Dale Wiebusch, Legislative Associate, LEAGUE OF ARIZONA CITIES & TOWNS; Adriana Marinez, City Of Tucson ; John Glenn, representing self; Patrice Kraus, City Of Chandler; Amanda Rusing, Arizona Planning Association; Rob Bohr, GOODYEAR, CITY OF; Marge Zylla, TEMPE, CITY OF; Julie Rees, City Of Sierra Vista; Rachel Aja, City Of Peoria; Scott Butler, MESA, CITY OF

### **All Comments:**

Peter Bengtson, Self: This is a bad bill. Municipalities should be free to determine for themselves if they want to require salvage of native plants or if they want to require certain types of vegetation.; Eve Shapiro, Self: Save our deserts!; Brad Lundahl, SCOTTSDALE, CITY OF: Changed speaking request.; Matthew Johnson, Self: As a member of the Arizona Landscape Contractors Association and landscape contractor. I am against this bill for the following: Established valuable trees will be removed & not replaced, heat island could increase, Co2 exh. reduced with less plants; Judy Gausman, AZ Landscape Contractors Assoc: City standards require to "re-use" existing trees rather than a developer clearing the land without regard for re-vegetation. Municipalities should have standards in regards to landscape requirements or developers can minimize landscaping.; Jake Hoffman, Self: I support HB2570. This is a sensible step towards further protecting the rights of property owners.; Michael Sorum, Self: This should be a local issue addressed by the cities and towns that want to impose these restrictions. The state needs to stay out of it.; Dale Wiebusch, LEAGUE OF ARIZONA CITIES & TOWNS: There are many cities and towns that have erosion control and water management plans that need to have these vegetation requirements.; Carol Perkinson, Self: City should not tell condominiums what green plants or trees to plant. Let a landscape ARCHITECT determine the appropriate landscape for projects. we should encourage drought-resistant plantings. The city of Mesa requirement for 25% green landscape...; John Glenn, Self: Local jurisdictions should be allowed to adopt development standards that reflect what communities value. Phoenix specifically is trying to incorporate more shade into its ordinance & trees are an inexpensive way to accomplish this. Shade is good!; kenneth dowlin, Self: support testimony of Mary Schmidt; Amanda Rusing, Arizona Planning Association: -every city has an appeal process for enforcing landscaping requirements -every zoning code already recognizes best practices for h2o resources -public expectation of coordinated community design -doesn't address current native plant ordinances

## **HB2587, state agencies; credit cards**

### **Testified in support:**

Sean Dollman, representing self

### **Neutral:**

Jerry Landau, Administrative Office Of The Courts; Wendy Briggs, Arizona Bankers Association

### **All Comments:**

Sean Dollman, Self: Treasurer's office would like to testify on behalf of the bill.; Wendy Briggs, Arizona Bankers Association: The Arizona Bankers Association has some concerns they would like to work on with the sponsor.

## **HB2588, certificates of necessity; political subdivisions**

### **Testified in support:**

Bob Ramsey, representing self; Meghaen Dell'Artino, Ramsey Institute For Justice

### **Support:**

Rob Bohr, GOODYEAR, CITY OF; John Thomas, LIFE LINE AMBULANCE SERVICE INC; Dale Wiebusch, Legislative Associate, LEAGUE OF ARIZONA CITIES & TOWNS; elaine arena, River Medical; John Flynn, Arizona Fire District Association; Mary Cameli, representing self; Chris DeChant, representing self; Rachel Aja, City Of Peoria; Dianne McCallister, PMT AMBULANCE; John Karolzak, RURAL/METRO CORP; Harry Beck, representing self; Michael Racy, Lobbyist, RURAL/METRO CORP; Leah Hubbard Rhineheimer, GILBERT, TOWN OF; John Kaites, SOUTHWEST AMBULANCE; George Diaz, Principal, BUCKEYE, TOWN OF; Tom Dorn, AMERICAN MEDICAL RESPONSE

### **Neutral:**

Chuck LeVinus, PROFESSIONAL FIRE FIGHTERS OF AZ

### **All Comments:**

Mary Cameli, Self: I support the bill but not the amendment.; Chris DeChant, Self: This Bill will provide an opportunity to for Cities/Towns/Businesses who do not currently have a CON a rapid process. Better for business and citizens.; Meghaen Dell'Artino, Ramsey Institute For Justice: .; Harry Beck, Self: support the bill. reject the Ammendment; Chuck LeVinus, PROFESSIONAL FIRE FIGHTERS OF AZ: We have some concerns about the bill. We look forward to working out any concerns in the promised stakeholders process.

## **HB2442, community college expenditure limits; recalculation**

### **Testified in support:**

Sean McCarthy, AZ TAX RESEARCH ASSN; Marcelino Varona, representing self

### **Testified as opposed:**

Michael Racy, Lobbyist, NAVAJO COUNTY COMMUNITY COLLEGE DIST; Kristen Boilini, Arizona Community College Association; Kevin DeMenna, MARICOPA COUNTY COMMUNITY COLLEGE DIST

**Support:**

Michael DiMaria, CENTURYLINK, INC; Warde Nichols, Santa Cruz Provisional Community College; James Candland, Santa Cruz Provisional Community College; Michael Hunter, BARRY GOLDWATER INSTITUTE FOR PUBLIC POLICY RESEARCH; Mike Huckins, GREATER PHOENIX CHAMBER OF COMMERCE

**Neutral:**

Lee Lambert, representing self

**Oppose:**

Becky Hill, EASTERN ARIZONA COLLEGE; JD Rottweiler, COCHISE COLLEGE; Penny Wills, YAVAPAI COLLEGE; Michael Kearns, MOHAVE COMMUNITY COLLEGE; Doris Helmich, Central Arizona College; Richard Travis, representing self; Glenn Mayle, AZ WESTERN COLLEGE

**All Comments:**

Becky Hill, EASTERN ARIZONA COLLEGE: EAC appreciates the sponsor's ongoing dialogue with us regarding the estimating process. We look forward to finding solutions to address the calculation issues that recognize the authority of our elected Board and the mission of our local campus.; Lee Lambert, Self: While Pima College does not support the present language, we are signing in "neutral" because we are hopeful we can reach a compromise with the sponsor.; Richard Travis, Self: Coconino Community College opposes the bill; Kevin DeMenna, MARICOPA COUNTY COMMUNITY COLLEGE DIST: Current version, with the amendment, is opposed by MCCCCD. We look forward to working with Representative Olson on a reasonable solution.

**HB2619, sports authority district; tourism; board****Testified in support:**

Michael Racy, Lobbyist, PIMA COUNTY; Barry Aarons, TUCSON CONVENTION & VISITORS BUREAU; Thomas Tracy, representing self

**Support:**

Steven Eddy, TUCSON ELECTRIC POWER COMPANY; Kristen Jarnagin, Arizona Lodging & Tourism Association

**All Comments:**

Michael Racy, PIMA COUNTY: Support Amendment

**HB2646, rulemaking; approval of governor; factors****Support:**

Karen Winfield, representing self

**HB2647, information technology; title 18****Support:**

Rob Dalager, U-HAUL INTERNATIONAL, INC.

## **HB2008, unordered merchandise; technical correction**

### **Testified in support:**

Mike Williams, TNT; Tom Dorn, BJ Alan Company/Phantom Fireworks

### **Testified as opposed:**

Brad Lundahl, SCOTTSDALE, CITY OF; Jim Ford, representing self

### **Oppose:**

Dale Wiebusch, Legislative Associate, LEAGUE OF ARIZONA CITIES & TOWNS; Jessica Blazina, City Of Avondale; Julie Rees, City Of Sierra Vista; Rachel Aja, City Of Peoria; Alison Zelms, Deputy City Manager, PRESCOTT, CITY OF; Sara Sparman, Town Of Queen Creek; Rob Bohr, GOODYEAR, CITY OF; Amber Wakeman, City Of El Mirage; Richard Travis, representing self

### **All Comments:**

Dale Wiebusch, LEAGUE OF ARIZONA CITIES & TOWNS: Against the striker.; Brad Lundahl, SCOTTSDALE, CITY OF: Opposing strike-everything amendment to HB 2008; Julie Rees, City Of Sierra Vista: The City of Sierra Vista opposes the strike everything amendment.; Alison Zelms, PRESCOTT, CITY OF: Opposed to Strike Everything Amendment re Fireworks; Jim Ford, Self: Wish to address the strike everything amendment.; Sara Sparman, Town Of Queen Creek: Opposed to the strike everything amendment relating to fireworks.; Amber Wakeman, City Of El Mirage: City is opposed to the Strike Everything amendment.; Richard Travis, Self: City of Flagstaff opposes the Strike Everything Amendment on firework sales and usage

## **HB2059, technical correction; voting machines**

### **Support:**

Kimberly MacEachern, Arizona Prosecuting Attorneys' Advisory Council; kathleen mayer, Pima County Attorney's Office; Sheila Polk, representing self; michelle mowrey, representing self

### **All Comments:**

Kimberly MacEachern, Arizona Prosecuting Attorneys' Advisory Council: Support on the striker re: Marijuana education; kathleen mayer, Pima County Attorney's Office: in support of the striker; Sheila Polk, Self: Sheila Polk, Yavapai County Attorney and Chair of MATFORCE, the Yavapai County Substance Abuse Coalition, supports the striker.

## **HB2265, lieutenant governor; duties; ballot**

### **Support:**

Robyn Prud'homme-Bauer, representing self

### **Neutral:**

Jen Marson, AZ ASSOCIATION OF COUNTIES

## **All Comments:**

Robyn Prud'homme-Bauer, Self: LWV Arizona supports this bill. It gives clear line of succession and is very much needed for the executive branch of AZ government.; Jen Marson, AZ ASSOCIATION OF COUNTIES: Election officials need more than 60 days notice - sponsor is aware of our concerns and we will continue to work with him.

## **HB2056, state bonds; technical correction**

### **Support:**

Mike McCrery, representing self; Whitney Chase, representing self; Ryan Chase, representing self; Shelia McCrery, representing self; Stephanie Lopez, representing self; Julie Sievert, representing self; stuart kimball, representing self; Jade O'Brien, representing self; Aslineh Daniel, representing self; Mark O'Brien, representing self; Alan Rothfeld, representing self; Bishoy Soliman, representing self; Sharon Finell, representing self

### **Neutral:**

Amanda Rusing, Arizona Planning Association

## **All Comments:**

Mike McCrery, Self: Given the recent opposition to Phoenix ZA 488-14-2, this is a topic that many homeowners are very passionate about due to their great concern of adverse effects these types of facilities will bring to our communities.; Whitney Chase, Self: Because the impact of this type of facility is unknown and untested, this bill is necessary to protect residents and property owners.; Ryan Chase, Self: Because the impact of this type of facility is unknown and untested, this bill is necessary to protect residents and property owners, as well as schools and public property.; Shelia McCrery, Self: Please protect our neighborhoods from these kinds of facilities and especially from the people who would propose and approve them. Thank you for your service.; Stephanie Lopez, Self: The impact of marijuana facilities near residential neighborhoods is currently unknown. Why are we allowing City officials to decide which neighborhoods should be the "experiment" to get these facts? Variances should not be allowed.; Julie Sievert, Self: Due to the new nature of marijuana grow/ infusion facilities I am for this bill. I'm currently within 1200 ft of a proposed grow/ infusion facility and due to it being an unknown impact (crime/smell/value)would like it further away from residences.; Jade O'Brien, Self: The Marijuana Cultivation Facility will drop value of our homes & 1,500 home owners who are barely recovering from Foreclosures/Short Sales will be hurt again. I'm Real Estate Agent & know what the Majority of Buyers don't want in their backyard; Aslineh Daniel, Self: Please assist with stopping this cultivation center from being built in our neighborhood. We do not want his near our homes and children.; Mark O'Brien, Self: Please HELP save our neighborhood and schools from this potential travesty. Thank you for your consideration. Kind Regards, Mark O'Brien; Alan Rothfeld, Self: Our house is our only investment, don't allow a marijuana facility to be built so close to our community....Thank you; Bishoy Soliman, Self: Because of the unknown impacts marijuana cultivation facilities have on their surrounding areas, I feel this bill is necessary to protect our communities and community members from potential dangers and affects to neighboring property values.; Sharon Finell, Self: I am not in favor of any override allowing marijuana facilities less than 1000 feet from homes!!

## **HB2179, technical correction; transaction privilege tax**

### **Testified as neutral:**

Larry Wanger, representing self

### **Testified as opposed:**

Sherri Collins, AZ Commission For The Deaf And Hard Of Hearing; Donald Porterfield, representing self; Amy Porterfield, representing self; Chianne Hower, AZ RESTAURANT AND HOSPITALITY ASSN; Evamarie Sanchez, representing self; Jaime Trausch, representing self; Sarah Kader, representing self; Robert Kresmer, NATIONAL FEDERATION OF THE BLIND OF AZ; Lauren Heimerdinger, representing self; Shannon Mandadi, representing self; Hilda Moreno, representing self; Liana Rowe, representing self; brandon jonescu, representing self; Sharonda Greenlaw, representing self; timothy mullen, representing self; Brian Daugherty, representing self

### **Support:**

Robert Corbell, representing self

### **Oppose:**

Donna Kruck, Arizona Bridge To Independent Living; David Carey, Arizona Disability Advocacy Coalition, Arizona Bridge To Independent Living, Self; Leonard Clark Clark, representing self; Karen Michael, ANIMAL DEFENSE LEAGUE OF ARIZONA; Martha German, HUMANE VOTERS OF ARIZONA (HVA); Scott Bonsall-Cargill, HUMANE VOTERS OF ARIZONA (HVA); ellen katz, William E. Morris Institute For Justice; Courtney McKinstry, AZ ATTORNEY GENERAL'S OFFICE

### **All Comments:**

Sherri Collins, AZ Commission For The Deaf And Hard Of Hearing: We have some concerns with the language which is contrary to federal and current state law.; Larry Wanger, Self: I wish to speak on behalf of the Arizona Statewide Independent Living Council to provide information on the proposed amendment and the impact on persons who have disabilities.; Donna Kruck, Arizona Bridge To Independent Living: We strongly oppose the Thorpe striker amendment that concerns the Americans with Disabilities act and Service Animals, The proposed changes violate the intent and federal law of the ADA.; Donald Porterfield, Self: If the proposed amendment is passed, it would begin undoing all of the gains persons with disabilities have gained in the past 25 years. It would be an exclusionary law the operates on the basis of having a disability.; Amy Porterfield, Self: HB2179 is a direct violation of the Americans with Disabilities Act violates the civil rights of Arizonans with Disabilities.; Chianne Hower, AZ RESTAURANT AND HOSPITALITY ASSN: The Arizona Restaurant Association believes this could be a conflict of the Federal ADA and 2013 FDA Food Code, with a possibility of a discrimination violation issue for our restaurant owners.; ellen katz, William E. Morris Institute For Justice: The strike everything service animal bill violates federal law-including the Americans with Disabilities Act. When the disability rights groups find out about this bill--they will protest.; Sarah Kader, Self: I am a staff attorney at the Arizona Center for Disability Law and ACDL opposes this bill as it is unconstitutional and discriminatory. This bill contradicts the language and intent of the Americans with Disabilities Act.; Liana Rowe, Self: Service dog provisions are anti veteran; brandon jonescu, Self: against disabled veteran rights; Courtney McKinstry, AZ ATTORNEY GENERAL'S OFFICE: The AG's Office recognizes the intent of the sponsor but we have concerns with the strike everything amendment's unintended consequences.

## **HB2484, income; licensing; patents; repeal**

### **Testified in support:**

Kody Kelleher, AZ BOARD OF REGENTS

### **Support:**

Katy Yanez, NORTHERN ARIZONA UNIVERSITY; Charles "Steve" Miller, Arizona State University; Michael Haener, Partner, Arizona State University; Abigail Polito Hawkins, AZ STATE UNIVERSITY; Andrew Escoto, UNIVERSITY OF ARIZONA; Michael Sistik, UNIVERSITY OF ARIZONA

### **All Comments:**

Charles "Steve" Miller, Arizona State University: .; Abigail Polito Hawkins, AZ STATE UNIVERSITY: .

## **HCR2016, personal property tax; exemption**

### **Support:**

Garrick Taylor, Arizona Chamber Of Commerce And Industry; Farrell Quinlan, State Director, NATIONAL FEDERATION OF INDEPENDENT BUSINESS

## **HB2016, technical correction; mortgage guaranty insurance**

### **Testified as opposed:**

Michael Preston Green, AZ CAPITOL TIMES / AZ NEWS SERVICE; John Moody, Arizona Newspapers Association (ANA)

### **Support:**

Scot Mussi, Arizona Free Enterprise Club

### **Oppose:**

Ginger Lamb, Arizona News Service/Arizona Capitol Times; Chris Moeser, PHOENIX NEWSPAPERS INC; Marilyn Purvis, WICK COMMUNICATIONS; Paula Casey, Arizona Newspapers Association (ANA); Tom Lee, WICK COMMUNICATIONS; Ryan Harper, Arizona Trustees Association

### **All Comments:**

Chris Moeser, PHOENIX NEWSPAPERS INC: Phoenix Newspapers, Inc. opposes the strike-everything amendment.; Marilyn Purvis, WICK COMMUNICATIONS: Wick Communications is opposed to the striker amendment; Paula Casey, Arizona Newspapers Association (ANA): This S/E amendment will adversely affect Arizona newspapers at a cost to Government. There is nothing broken here. What are you trying to fix?

## **HCR2001, constitutional amendments; sixty percent approval**

### **Support:**

Dave Kopp, Manager, AZ CITIZENS DEFENSE LEAGUE INC

### **Oppose:**

Sam Wercinski, Arizona Advocacy Network; Jonathan Alanis, representing self; Mary Pradelt, representing self; Tanner Swanson, representing self; Pam Simon, representing self; Herb Burton, representing self; Ellen Punyon, representing self; Rebekah Friend, Arizona AFL-CIO

### **All Comments:**

Sam Wercinski, Arizona Advocacy Network: Voters expect the same standard for all candidates, incumbent or not, to be elected. Please amend it to require a 60% re-election for executive and legislative offices also. If no one receives it than the top two should advance to a run-off.; Jonathan Alanis, Self: Lawmakers do not need to surpass this 60% threshold to be elected, why not the same standard?; Mary Pradelt, Self: The VAST MAJORITY of states who allow constitutional amendments by initiatives & referenda do so with a SIMPLE MAJORITY vote of the electors. Changing our current simple majority suggests a desire to restrict input from voters on important issues.; Pam Simon, Self: This bill limits the voice of the people and would most certainly be challenged resulting in an expensive legal process which will be costly for taxpayers like me!; Herb Burton, Self: This is unnecessary and contrary to the purpose of a referendum.; Ellen Punyon, Self: I don't think there should be a time when the minority of a population can hold the majority at bay.

### **HB2178, technical correction; tax correction**

#### **Neutral:**

Pearlette Ramos, Arizona Department Of Liquor Licenses And Control

### **HB2053, technical correction; television district establishment**

#### **Neutral:**

Kathy Ber, DES Director of Legislative Services, Arizona Department Of Economic Security

#### **Oppose:**

ellen katz, William E. Morris Institute For Justice

### **All Comments:**

ellen katz, William E. Morris Institute For Justice: There needs to be a fiscal note to this bill. DES needs more funds to handle its current responsibilities without giving it more responsibilities. Where are all these jobs. AZ is behind the rest of the country in recovery of jobs.



# HOUSE OF REPRESENTATIVES

HB 2008

unordered merchandise; technical correction

Sponsor: Representative Shope

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X Committee on Government & Higher Education

Caucus and COW

House Engrossed

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## OVERVIEW

HB 2008 makes a technical correction.

### Summary of the Proposed Strike-Everything Amendment to HB 2059

The strike-everything amendment to HB 2008 establishes regulations for permissible consumer firework sale and use.

## HISTORY

The National Fire Protection Association (NFPA) is an international nonprofit organization whose mission is to reduce the worldwide burden of fire and other hazards on the quality of life by providing and advocating consensus codes and standards, research, training and education. NFPA codes and standards are designed to minimize the risk and effects of fire by establishing criteria for building, processing, design, service and installation. NFPA 1124 is the Code for the Manufacture, Transportation, Storage and Retail Sales of Fireworks and Pyrotechnic Articles. It regulates the construction, use and maintenance of buildings and facilities that manufacture and/or store fireworks, including manufacturing facilities, display sites, distribution facilities and retail stores. (NFPA)

Fire restrictions are implemented by land management agencies and national and state forests to help reduce fire risk and prevent wildfires during periods of high to extreme danger. The agency or forest first establishes a stage one fire restriction by prohibiting specified actions that risk igniting a fire. Stage two is implemented if conditions worsen and further prohibitions are established. If conditions continue to worsen, the forest will close (U.S. Forest Service).

Arizona Revised Statutes (A.R.S.) § 36-1606 asserts that the sale and use of permissible consumer fireworks are of statewide concern. The use of permissible consumer fireworks is not subject to further regulation by a governing body, except by an incorporated city or town, in a county with less than 500,000 people, regulating their use and sale within its corporate limits. A county with less than 500,000 people may also regulate the use and sale of permissible consumer fireworks within the unincorporated areas of the county when a federal or state agency implements stage one fire restrictions in any portion of the county.

A.R.S. § 36-1601 defines *permissible consumer fireworks* as ground and handheld sparkling devices, cylindrical fountains, cone fountains, illuminating torches, wheels, ground spinners, flitter sparklers, toy smoke devices, wire sparklers or dipped sticks, and other devices manufactured in accordance with the American Pyrotechnics Association.

Attachment 2

PROVISIONS

1. Prohibits further regulation of the use of permissible consumer fireworks by a governing body, except that cities, towns or unincorporated areas may:
  - a. Regulate the sale of permissible consumer fireworks within its corporate limits in a manner consistent with NFPA 1124 standards.
  - b. Prohibit the sale of permissible consumer fireworks on January 4 through May 19 and July 7 through December 9 each year.
  - c. Prohibit the use of permissible consumer fireworks on January 4 through June 23 and July 7 through December 23.
  - d. Prohibit, on any day, the use of permissible consumer fireworks on public property.
  - e. Prohibit, on any day, the use of permissible consumer fireworks within a 100 foot radius of:
    - i. A hospital;
    - ii. A public school; or
    - iii. The border of preservation lands owned by a city or town that has purchased more than 15,000 acres of preservation land.
2. Allows a city, town or unincorporated area within a county with a population of less than 500,000 people to prohibit the use or sale of permissible consumer fireworks on any day in which a federal or state agency implements a stage one or higher fire restriction.
3. Prohibits a governing body from requiring additional signage for the use or sale of permissible consumer fireworks, except:
  - a. The signage required under NFPA 1124; and
  - b. Specific signage outlined in this act.
4. Continues to allow a governing body, by ordinance, to regulate fireworks that are not permissible consumer fireworks.
5. Defines *NFPA 1124* as the National Fire Protection Association code for the Manufacture, Transportation, Storage and Retail Sales of Fireworks and Pyrotechnic Articles, 2013 edition as published in 2012.
6. Repeals and replaces current statute regulating permissible consumer fireworks.
7. Makes conforming changes.

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2008

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 36-1601, Arizona Revised Statutes, is amended to  
3 read:

4 36-1601. Definitions

5 In this article, unless the context otherwise requires:

6 1. "APA 87-1" means the American pyrotechnics association standard  
7 87-1, standard for construction and approval for transportation of fireworks,  
8 novelties and theatrical pyrotechnics, December 1, 2001 version.

9 2. "Consumer firework" means small firework devices that contain  
10 restricted amounts of pyrotechnic composition designed primarily to produce  
11 visible or audible effects by combustion and that comply with the  
12 construction, chemical composition and labeling regulations prescribed in 49  
13 Code of Federal Regulations parts 172 and 173, regulations of the United  
14 States consumer product safety commission as prescribed in 16 Code of Federal  
15 Regulations parts 1500 and 1507 and the APA 87-1.

16 3. "Display firework" means large firework devices that are explosive  
17 materials intended for use in fireworks displays and designed to produce  
18 visible or audible effects by combustion, deflagration or detonation as  
19 prescribed by 49 Code of Federal Regulations part 172, regulations of the  
20 United States consumer product safety commission as prescribed in 16 Code of  
21 Federal Regulations parts 1500 and 1507 and the APA 87-1.

22 4. "Fireworks":

23 (a) Means any combustible or explosive composition, substance or  
24 combination of substances, or any article prepared for the purpose of  
25 producing a visible or audible effect by combustion, explosion, deflagration  
26 or detonation, that is a consumer firework or display firework.

27 (b) Does not include:

8 (i) Toy pistols, toy canes, toy guns or other devices in which paper  
29 caps containing not more than twenty-five hundredths grains of explosive

1 compound are used if constructed so that the hand cannot come in contact with  
2 the cap when in place for the explosion.

3 (ii) Toy pistol paper caps that contain less than twenty-hundredths  
4 grains of explosive mixture, or fixed ammunition or primers therefor.

5 (iii) Federally deregulated novelty items that are known as snappers,  
6 snap caps, party poppers, glow worms, snakes, toy smoke devices and  
7 sparklers.

8 (iv) Permissible consumer fireworks.

9 5. "Governing body" means the board of supervisors of a county as to  
10 the area within the county but without the corporate limits of an  
11 incorporated city or town and means the governing body of an incorporated  
12 city or town as to the area within its corporate limits.

13 6. "NFPA 1124" MEANS THE NATIONAL FIRE PROTECTION ASSOCIATION CODE FOR  
14 THE MANUFACTURE, TRANSPORTATION, STORAGE AND RETAIL SALES OF FIREWORKS AND  
15 PYROTECHNIC ARTICLES, 2013 EDITION AS PUBLISHED IN AUGUST 2012.

16 ~~6~~ 7. "Permissible consumer fireworks":

17 (a) Means the following types of consumer fireworks as defined by the  
18 APA 87-1:

19 (i) Ground and handheld sparkling devices.

20 (ii) Cylindrical fountains.

21 (iii) Cone fountains.

22 (iv) Illuminating torches.

23 (v) Wheels.

24 (vi) Ground spinners.

25 (vii) Flitter sparklers.

26 (viii) Toy smoke devices.

27 (ix) Wire sparklers or dipped sticks.

28 (x) Multiple tube ground and handheld sparkling devices, cylindrical  
29 fountains, cone fountains and illuminating torches manufactured in accordance  
30 with section 3.5 of the APA 87-1.

31 (b) Does not include anything that is designed or intended to rise  
32 into the air and explode or to detonate in the air or to fly above the

1 ground, including firework items defined by the APA 87-1 and known as  
2 firecrackers, bottle rockets, sky rockets, missile-type rockets, helicopters,  
3 aerial spinners, torpedoes, roman candles, mine devices, shell devices and  
4 aerial shell kits or reloadable tubes.

5 ~~7.~~ 8. "Person" includes an individual, partnership, firm or  
6 corporation.

7 Sec. 2. Repeal

8 Section 36-1606, Arizona Revised Statutes, is repealed.

9 Sec. 3. Title 36, chapter 13, article 1, Arizona Revised Statutes, is  
10 amended by adding a new section 36-1606, to read:

11 36-1606. Consumer fireworks regulation; state preemption; further  
12 regulation of fireworks by local jurisdiction

13 A. THE SALE AND USE OF PERMISSIBLE CONSUMER FIREWORKS ARE OF STATEWIDE  
14 CONCERN. THE REGULATION OF PERMISSIBLE CONSUMER FIREWORKS PURSUANT TO THIS  
15 ARTICLE AND THEIR SALE OR USE IS NOT SUBJECT TO FURTHER REGULATION BY A  
6 GOVERNING BODY, EXCEPT AS FOLLOWS:

17 1. IN A COUNTY WITH A POPULATION OF MORE THAN FIVE HUNDRED THOUSAND  
18 PERSONS, A CITY OR TOWN WITHIN ITS CORPORATE LIMITS OR THE COUNTY WITHIN THE  
19 UNINCORPORATED AREAS OF THE COUNTY MAY DO ALL OF THE FOLLOWING:

20 (a) REGULATE, CONSISTENT WITH THE STANDARDS SET FORTH IN NFPA 1124,  
21 THE SALE OF PERMISSIBLE CONSUMER FIREWORKS WITHIN ITS CORPORATE LIMITS.

22 (b) PROHIBIT THE SALE OF PERMISSIBLE CONSUMER FIREWORKS ON DAYS OTHER  
23 THAN MAY 20 THROUGH JULY 6 AND DECEMBER 10 THROUGH JANUARY 3 OF EACH YEAR.

24 (c) PROHIBIT THE USE OF PERMISSIBLE CONSUMER FIREWORKS ON DAYS OTHER  
25 THAN JUNE 24 THROUGH JULY 6 AND DECEMBER 24 THROUGH JANUARY 3 OF EACH YEAR.

26 (d) PROHIBIT ON ALL DAYS THE USE OF PERMISSIBLE CONSUMER FIREWORKS  
27 WITHIN A ONE HUNDRED FOOT RADIUS OF THE BORDER OF PRESERVATION LANDS OWNED BY  
28 A CITY OR TOWN THAT HAS PURCHASED MORE THAN FIFTEEN THOUSAND ACRES OF LAND  
29 FOR PRESERVATION PURPOSES.

30 (e) PROHIBIT ON ANY DAY THE USE OF PERMISSIBLE CONSUMER FIREWORKS ON  
31 PUBLIC PROPERTY OR WITHIN ONE HUNDRED FEET OF ANY HOSPITAL OR PUBLIC SCHOOL.

1           2. IN A COUNTY WITH A POPULATION OF LESS THAN FIVE HUNDRED THOUSAND  
2 PERSONS, A CITY OR TOWN WITHIN ITS CORPORATE LIMITS OR THE COUNTY WITHIN THE  
3 UNINCORPORATED AREAS OF THE COUNTY MAY DO ALL OF THE FOLLOWING:

4           (a) REGULATE, CONSISTENT WITH THE STANDARDS SET FORTH IN NFPA 1124,  
5 THE SALE OF PERMISSIBLE CONSUMER FIREWORKS.

6           (b) PROHIBIT THE SALE OF PERMISSIBLE CONSUMER FIREWORKS ON DAYS OTHER  
7 THAN MAY 20 THROUGH JULY 6 AND DECEMBER 10 THROUGH JANUARY 3 OF EACH YEAR.  
8 THE SALE OF PERMISSIBLE CONSUMER FIREWORKS MAY BE PROHIBITED ON DAYS BETWEEN  
9 MAY 20 THROUGH JULY 6 AND DECEMBER 10 THROUGH JANUARY 3 OF EACH YEAR IF A  
10 FEDERAL OR STATE AGENCY IMPLEMENTS A STAGE ONE OR HIGHER FIRE RESTRICTION.  
11 ANY PROHIBITION DURING THOSE DATES IS LIMITED TO ONLY THE DATES WHEN THE  
12 STAGE ONE OR HIGHER FIRE RESTRICTION IS IN PLACE.

13           (c) PROHIBIT THE USE OF PERMISSIBLE CONSUMER FIREWORKS ON DAYS OTHER  
14 THAN JUNE 24 THROUGH JULY 6 AND DECEMBER 24 THROUGH JANUARY 3 OF EACH YEAR.  
15 THE USE OF PERMISSIBLE CONSUMER FIREWORKS MAY BE PROHIBITED DURING JUNE 24  
16 THROUGH JULY 6 AND DECEMBER 24 THROUGH JANUARY 3 OF EACH YEAR IF A FEDERAL OR  
17 STATE AGENCY IMPLEMENTS A STAGE ONE OR HIGHER FIRE RESTRICTION. ANY  
18 PROHIBITION DURING THOSE DATES IS LIMITED TO ONLY THE DATES WHEN THE STAGE  
19 ONE OR GREATER FIRE RESTRICTION IS IN PLACE.

20           (d) PROHIBIT ON ALL DAYS THE USE OF PERMISSIBLE CONSUMER FIREWORKS  
21 WITHIN A ONE HUNDRED FOOT RADIUS OF THE BORDER OF PRESERVATION LANDS OWNED BY  
22 A CITY OR TOWN THAT HAS PURCHASED MORE THAN FIFTEEN THOUSAND ACRES OF LAND  
23 FOR PRESERVATION PURPOSES.

24           (e) PROHIBIT ON ANY DAY THE USE OF PERMISSIBLE CONSUMER FIREWORKS ON  
25 PUBLIC PROPERTY OR WITHIN ONE HUNDRED FEET OF ANY HOSPITAL OR PUBLIC SCHOOL.

26           B. A GOVERNING BODY THAT CHOOSES TO REGULATE, CONSISTENT WITH THE  
27 REQUIREMENTS SET FORTH IN NFPA 1124 AND SUBSECTION A OF THIS SECTION, THE  
28 SALE OR USE OF PERMISSIBLE CONSUMER FIREWORKS MAY NOT REQUIRE ANY ADDITIONAL  
29 SIGNAGE REQUIREMENTS FOR THE SALE OR USE OF PERMISSIBLE CONSUMER FIREWORKS  
30 OTHER THAN THOSE SIGNAGE REQUIREMENTS STIPULATED IN NFPA 1124, EXCEPT THAT  
31 ADDITIONAL SIGNAGE THAT IS EIGHT AND ONE-HALF INCHES BY ELEVEN INCHES IN  
32 SIZE, THAT IS ON CARDSTOCK PAPER IN LANDSCAPE ORIENTATION AND THAT CONTAINS

1 THE FOLLOWING LANGUAGE ON A CONTRASTING BACKGROUND MAY BE POSTED BY THE  
2 RETAIL SALES DISPLAY OF PERMISSIBLE CONSUMER FIREWORKS:

3 STATE OF ARIZONA  
4 CONSUMER FIREWORKS REGULATIONS  
5 ARIZONA REVISED STATUTES SECTION 36-1601, ET AL.  
6 THE USE OF PERMISSIBLE CONSUMER FIREWORKS  
7 AS DEFINED UNDER STATE LAW IS ALLOWED:  
8 JUNE 24 - JULY 6 AND DECEMBER 24 - JANUARY 3  
9 THE SALE OF PERMISSIBLE CONSUMER FIREWORKS  
10 AS DEFINED UNDER STATE LAW IS ALLOWED:  
11 MAY 20 - JULY 6 AND DECEMBER 10 - JANUARY 3  
12 ALL OTHER FIREWORKS ARE PROHIBITED, EXCEPT  
13 AS AUTHORIZED BY LOCAL FIRE DEPARTMENT PERMIT.  
14 THE SALE AND USE OF NOVELTIES KNOWN AS SNAPPERS (POP-ITS),  
15 PARTY POPPERS, GLOW WORMS, SNAKES, TOY SMOKE DEVICES AND  
16 SPARKLERS ARE PERMITTED AT ALL TIMES.  
17 PERMISSIBLE CONSUMER FIREWORKS MAY NOT BE SOLD TO  
18 PERSONS UNDER SIXTEEN YEARS OF AGE.  
19 CHECK WITH YOUR LOCAL FIRE DEPARTMENT FOR ADDITIONAL  
0 REGULATIONS AND DATES BEFORE USING.

21 C. THIS ARTICLE DOES NOT PROHIBIT THE IMPOSITION BY ORDINANCE OF  
22 FURTHER REGULATIONS AND PROHIBITIONS BY A GOVERNING BODY ON THE SALE, USE  
23 AND POSSESSION OF FIREWORKS OTHER THAN PERMISSIBLE CONSUMER FIREWORKS. A  
24 GOVERNING BODY MAY NOT ALLOW OR AUTHORIZE THE SALE, USE OR POSSESSION OF  
25 ANY FIREWORKS IN VIOLATION OF THIS ARTICLE."

26 Amend title to conform

BOB THORPE

2008-se-thorpe  
2/17/15  
8:37 AM  
H:ajs

2008bt\*  
02/16/2015  
04:17 PM  
C: mjh

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

**ROLL CALL VOTE**

COMMITTEE ON GOVERNMENT AND HIGHER EDUCATION BILL NO. HB 2008

DATE February 19, 2015 MOTION: DPA S/E

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Friese			✓		
Mr. Larkin			✓		
Mr. Lovas	✓	✓			
Mr. Olson		✓			
Mr. Petersen		✓			
Mr. Saldate			✓		
Ms. Townsend		✓			
Mr. Ackerley, Vice-Chairman		✓			
Mr. Thorpe, Chairman		✓			
		6	3	0	0

APPROVED:

Bob Thorpe  
BOB THORPE, Chairman  
JOHN C. ACKERLEY, Vice-Chairman

Mary Reilly  
COMMITTEE SECRETARY

ATTACHMENT \_\_\_\_\_



# HOUSE OF REPRESENTATIVES

## HB 2016

technical correction; mortgage guaranty insurance  
Sponsor: Representative Mitchell

X Committee on Government & Higher Education  
Caucus and COW  
House Engrossed

### OVERVIEW

HB 2016 makes a technical change.

### Summary of the Proposed Strike-Everything Amendment to HB 2016

### HISTORY

Article 15 of the Arizona Constitution establishes the Arizona Corporation Commission (ACC) and Article 15 § 5 grants the ACC the sole power to issue certificates of incorporation to companies organizing under Arizona law and to issue licenses to foreign corporations to do business in Arizona.

The ACC is organized into 9 separate divisions. According to the ACC, in addition to other duties, the Corporations Division approves for filing all Articles of Incorporation for Arizona businesses; all Articles of Organization for Limited Liability Companies (LLCs); and grants authority to foreign corporations to transact business in this state. Any significant changes to Articles of Incorporation or Articles of Organization for Limited Liability Companies in the form of amendments, mergers, consolidations, dissolutions or withdrawals are also filed with the Division. All filings are public record and available for inspection.

Under current law, when the ACC approves any of the following filings, it is required to publish a copy of the filing within 60 days of approval:

Type of Filing	Statute
Articles of Incorporation	A.R.S. § 10-203 A.R.S. § 10-3203
Articles of Amendment	A.R.S. § 10-1006 A.R.S. § 10-11006 A.R.S. § 29-633
Restated Articles of Incorporation	A.R.S. § 10-1007 A.R.S. § 10-11007
Amendment Pursuant to Reorganization	A.R.S. § 10-1008 A.R.S. § 10-11008

**HB 2016**

Statement of Merger	A.R.S. § 10-1105 A.R.S. § 10-11105 A.R.S. § 29-754
Dissolutions	A.R.S. § 10-1403 A.R.S. § 10-11403 A.R.S. § 10-2077 A.R.S. § 10-2143
Application by Foreign Corporation	A.R.S. § 10-1503 A.R.S. § 10-11503
Withdrawal of Foreign Corporation	A.R.S. § 10-1520 A.R.S. § 10-11520
Formation of an LLC	A.R.S. § 29-635

**PROVISIONS**

1. Requires the ACC to establish and maintain a database for all of the filings listed above.
  - a. The database must be posted on the ACC's website and be searchable to the public.
  - b. Information in the database must be maintained for at least 90 days.
2. Grants the ACC the option of inputting the filing into the database within 60 days of ACC approval, instead of publishing the filing.
3. Makes technical and conforming changes.

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2016

Adopted  # of Verbals \_\_\_\_\_

(Reference to printed bill)

Failed \_\_\_\_\_ Withdrawn \_\_\_\_\_

1 Strike everything after the enacting clause and insert Not Offered \_\_\_\_\_ Analysts Initials \_\_\_\_\_

2 "Section 1. Section 10-130, Arizona Revised Statutes, is amended to  
3 read:

4 10-130. Powers; duties; database

5 A. The commission has the power and authority reasonably necessary to  
6 enable it to administer this title efficiently and to perform the duties  
7 imposed on it by this title, including the power and authority to make rules  
8 and ~~regulations~~ for those purposes.

9 B. THE COMMISSION SHALL ESTABLISH AND MAINTAIN A DATABASE FOR  
10 DOCUMENTS FILED PURSUANT TO SECTIONS 10-203, 10-1006, 10-1007, 10-1008,  
11 10-1105, 10-1403, 10-1503, 10-1520, 10-2077, 10-2143, 10-3203, 10-11006,  
12 10-11007, 10-11008, 10-11105, 10-11403, 10-11503, 10-11520, 29-633, 29-635  
13 AND 29-754. THE COMMISSION SHALL POST THE DATABASE ON ITS WEBSITE TO ALLOW  
14 THE PUBLIC TO SEARCH FOR BUSINESS INFORMATION, INCLUDING AN ENTITY'S NAME,  
15 APPROVAL DATE AND COUNTY OF THE KNOWN PLACE OF BUSINESS. THE INFORMATION  
16 MUST BE MAINTAINED IN THE DATABASE FOR AT LEAST NINETY DAYS.

17 Sec. 2. Section 10-203, Arizona Revised Statutes, is amended to read:

18 10-203. Incorporation

19 A. Unless a delayed effective date is specified in the articles of  
20 incorporation, incorporation occurs and the corporate existence begins when  
21 the articles of incorporation and certificate of disclosure are delivered to  
22 the commission for filing.

23 B. The commission's filing of the articles of incorporation and  
24 certificate of disclosure is conclusive proof that the incorporators  
25 satisfied all conditions precedent to incorporation except in a proceeding by  
26 the state to cancel or revoke the incorporation or involuntarily dissolve the  
27 corporation pursuant to chapter 14 of this title.

28 C. Subject to section 10-124, if the commission determines that the  
29 requirements of chapters 1 through 17 of this title for filing have not been  
30 met, the articles of incorporation and certificate of disclosure shall not be  
31 filed and the corporate existence terminates at the time the commission  
32 completes the determination. If the corporate existence is terminated  
33 pursuant to this subsection, sections 10-1405, 10-1406 and 10-1407 apply.

1 D. Within sixty days after the commission approves the filing, EITHER  
2 OF THE FOLLOWING MUST OCCUR:

3 1. A copy of the articles of incorporation shall be published. An  
4 affidavit evidencing the publication may be filed with the commission.

5 2. THE COMMISSION SHALL INPUT THE INFORMATION REGARDING THE APPROVAL  
6 INTO THE DATABASE AS PRESCRIBED BY SECTION 10-130.

7 Sec. 3. Section 10-1006, Arizona Revised Statutes, is amended to read:  
8 10-1006. Articles of amendment

9 A. A corporation amending its articles of incorporation shall deliver  
10 to the commission for filing articles of amendment setting forth:

11 1. The name of the corporation.

12 2. The text of each amendment adopted.

13 3. If an amendment provides for an exchange, reclassification or  
14 cancellation of issued shares, provisions for implementing the amendment if  
15 not contained in the amendment itself.

16 4. The date of each amendment's adoption.

17 5. If an amendment was adopted by the incorporators or board of  
18 directors without shareholder action, a statement to that effect and that  
19 shareholder action was not required.

20 6. If an amendment was approved by the shareholders:

21 (a) The designation of outstanding shares, number of outstanding  
22 shares, number of votes entitled to be cast by each voting group entitled to  
23 vote separately on the amendment and number of votes of each voting group  
24 indisputably represented at the meeting.

25 (b) Either the total number of votes cast for and against the  
26 amendment by each voting group entitled to vote separately on the amendment  
27 or the total number of undisputed votes cast for the amendment by each voting  
28 group and a statement that the number cast for the amendment by each voting  
29 group was sufficient for approval by that voting group.

30 B. Within sixty days after the commission approves the filing, EITHER  
31 OF THE FOLLOWING MUST OCCUR:

32 1. A copy of the articles of amendment shall be published. An  
33 affidavit evidencing the publication may be filed with the commission.

34 2. THE COMMISSION SHALL INPUT THE INFORMATION REGARDING THE APPROVAL  
35 INTO THE DATABASE AS PRESCRIBED BY SECTION 10-130.

1           Sec. 4. Section 10-1007, Arizona Revised Statutes, is amended to read:  
2           10-1007. Restated articles of incorporation

3           A. A corporation's board of directors may restate its articles of  
4 incorporation at any time with or without shareholder action.

5           B. The restatement may include one or more amendments to the articles.  
6 If the restatement includes an amendment requiring shareholder approval, it  
7 shall be adopted as provided in section 10-1003.

8           C. If the board of directors submits a restatement for shareholder  
9 action, the corporation shall notify each shareholder, whether or not  
10 entitled to vote, of the proposed shareholders' meeting ~~in accordance with~~  
11 PURSUANT TO section 10-705. The notice shall also state that the purpose or  
12 one of the purposes of the meeting is to consider the proposed restatement  
13 and shall contain or be accompanied by a copy of the restatement that  
14 identifies any amendment or other change it would make in the articles.

15           D. A corporation restating its articles of incorporation shall deliver  
16 to the commission for filing articles of restatement setting forth the name  
17 of the corporation and the text of the restated articles of incorporation  
together with a certificate setting forth:

18           1. Whether the restatement contains an amendment to the articles  
19 requiring shareholder approval and, if it does not, that the board of  
20 directors adopted the restatement.

21           2. If the restatement contains an amendment to the articles requiring  
22 shareholder approval, the information required by section 10-1006.

23           E. Duly adopted restated articles of incorporation supersede the  
24 original articles of incorporation and all amendments to them.

25           F. The commission may certify restated articles of incorporation, as  
26 the articles of incorporation currently in effect, without including the  
27 certificate information required by subsection D of this section.

28           G. Within sixty days after the commission approves the filing, EITHER  
29 OF THE FOLLOWING MUST OCCUR:  
30

31           1. A copy of the articles of restatement shall be published. An  
32 affidavit evidencing the publication may be filed with the commission.

33           2. THE COMMISSION SHALL INPUT THE INFORMATION REGARDING THE APPROVAL  
34 INTO THE DATABASE AS PRESCRIBED BY SECTION 10-130.  
35

1           Sec. 5. Section 10-1008, Arizona Revised Statutes, is amended to read:  
2           10-1008. Amendment pursuant to reorganization

3           A. A corporation's articles of incorporation may be amended pursuant  
4 to this section without action by the board of directors or shareholders to  
5 carry out a plan of reorganization confirmed by an order or decree of a court  
6 of competent jurisdiction under a federal statute or a statute of this state  
7 if the articles of incorporation after amendment contain only provisions  
8 required or permitted by section 10-202.

9           B. Before the date of entry of a final decree in the reorganization  
10 proceeding, the individual or individuals designated by the plan shall  
11 deliver to the commission for filing articles of amendment setting forth all  
12 of the following:

- 13           1. The name of the corporation.
- 14           2. The text of each amendment contained in the plan of reorganization.
- 15           3. The date of the court's order or decree confirming the plan of  
16 reorganization containing the articles of amendment.
- 17           4. The title of the reorganization proceeding in which the order or  
18 decree was entered.
- 19           5. A statement that the court had jurisdiction of the proceeding under  
20 federal or state statute.

21           C. Shareholders of a corporation undergoing reorganization do not have  
22 dissenters' rights except as and to the extent provided in the reorganization  
23 plan.

24           D. This section does not apply after entry of a final decree in the  
25 reorganization proceeding even though the court retains jurisdiction of the  
26 proceeding for limited purposes unrelated to consummation of the  
27 reorganization plan.

28           E. Within sixty days after the commission approves the filing, EITHER  
29 OF THE FOLLOWING MUST OCCUR:

- 30           1. A copy of the articles of amendment shall be published. An  
31 affidavit evidencing the publication may be filed with the commission.
- 32           2. THE COMMISSION SHALL INPUT THE INFORMATION REGARDING THE APPROVAL  
33 INTO THE DATABASE AS PRESCRIBED BY SECTION 10-130.

34           Sec. 6. Section 10-1105, Arizona Revised Statutes, is amended to read:  
35           10-1105. Statement of merger or interest exchange; publication

1           Within sixty days after the commission approves the filing of a  
2 statement of merger or statement of interest exchange, EITHER OF THE  
3 FOLLOWING MUST OCCUR:

4           1. A copy of the statement of merger or statement of interest exchange  
5 shall be published. An affidavit evidencing the publication may be filed  
6 with the commission.

7           2. THE COMMISSION SHALL INPUT THE INFORMATION REGARDING THE APPROVAL  
8 INTO THE DATABASE AS PRESCRIBED BY SECTION 10-130.

9           Sec. 7. Section 10-1403, Arizona Revised Statutes, is amended to read:  
10 10-1403. Articles of dissolution; effective date of dissolution

11           A. At any time after dissolution is authorized, the corporation may  
12 dissolve by delivering to the commission for filing articles of dissolution  
13 setting forth all of the following:

14           1. The name of the corporation.

15           2. The date dissolution was authorized.

16           3. If dissolution was approved by the shareholders, both:

17           (a) The number of votes entitled to be cast on the proposal to  
dissolve.

19           (b) Either the total number of votes cast for and against dissolution  
20 or the total number of undisputed votes cast for dissolution and a statement  
21 that the number cast for dissolution was sufficient for approval.

22           4. If voting by voting groups was required, the information required  
23 by paragraph 3 OF THIS SUBSECTION shall be separately provided for each  
24 voting group entitled to vote separately on the plan to dissolve.

25           B. A corporation is dissolved on the effective date of its articles of  
26 dissolution.

27           C. The articles of dissolution shall not be considered complete until  
28 the commission has received a notice from the department of revenue to the  
29 effect that the tax levied under title 42, chapter 5, article 1 against the  
30 corporation has been paid, or until it is notified by the department of  
31 revenue that the corporation is not subject to the tax and until the  
32 commission has received from the department of revenue its certificate issued  
33 pursuant to section 43-1151.

34           D. Within sixty days after the commission approves the filing, EITHER  
35 OF THE FOLLOWING MUST OCCUR:

36           1. A copy of the articles of dissolution shall be published. An  
37 affidavit evidencing the publication may be filed with the commission.

1           2. THE COMMISSION SHALL INPUT THE INFORMATION REGARDING THE APPROVAL  
2 INTO THE DATABASE AS PRESCRIBED BY SECTION 10-130.

3           E. The articles of dissolution shall not be considered complete until  
4 all fees, penalties and costs required to be paid under this title have been  
5 paid.

6           Sec. 8. Section 10-1503, Arizona Revised Statutes, is amended to read:  
7           10-1503. Application for authority to transact business

8           A. A foreign corporation may apply for authority to transact business  
9 in this state by delivering an application and a certificate of disclosure to  
10 the commission for filing. The certificate of disclosure shall contain the  
11 information set forth in section 10-202, subsection D and is subject to the  
12 requirements of section 10-202, subsection F. The application shall be  
13 executed by the corporation and shall set forth:

14           1. The name of the foreign corporation and, if its name is unavailable  
15 for use in this state, a corporate name that satisfies the requirements of  
16 section 10-1506.

17           2. The name of the state or country under whose law it is  
18 incorporated.

19           3. Its date of incorporation and period of duration.

20           4. The street address of its principal office in its state or country  
21 of incorporation.

22           5. The street address of the proposed known place of business of the  
23 corporation in this state and the name and street address of its proposed  
24 statutory agent in this state.

25           6. If its purpose or purposes are narrower than the transaction of any  
26 or all lawful business in which corporations may engage in the state or  
27 country under whose law it is incorporated, a statement of the limitations on  
28 its purpose.

29           7. The names and usual business addresses of its current directors and  
30 officers.

31           8. A statement of the aggregate number of shares that the corporation  
32 has authority to issue, itemized by classes, par value of shares, shares  
33 without par value and series, if any, within a class.

34           9. A statement of the aggregate number of issued shares itemized by  
35 classes, par value of shares, shares without par value and series, if any,  
36 within a class.

1           10. A brief statement of the character of business that the corporation  
2 initially intends actually to conduct in this state. This statement does not  
3 limit the character of business that the corporation ultimately conducts.

4           B. The foreign corporation shall deliver the application and the  
5 certificate of disclosure to the commission, together with a copy of its  
6 articles of incorporation, any amendments to the articles of incorporation  
7 and a certificate of existence or a document of similar import duly  
8 authenticated by the secretary of state or other official having custody of  
9 corporate records in the state or country under whose law it is incorporated,  
10 and the nonrefundable fees required by law.

11           C. After determining that the application sets forth the information  
12 required by this section, does not use as the name of the corporation in this  
13 state a name that is in violation of section 10-1506 and appears in all other  
14 respects to conform to the requirements of this article, the commission shall  
15 file the application. The date of filing shall be the date on which the  
16 corporation is granted authority to transact business in this state.

17           D. Within sixty days after the commission approves the filing, EITHER  
OF THE FOLLOWING MUST OCCUR:

19           1. A copy of the application shall be published. An affidavit  
20 evidencing the publication may be filed with the commission.

21           2. THE COMMISSION SHALL INPUT THE INFORMATION REGARDING THE APPROVAL  
22 INTO THE DATABASE AS PRESCRIBED BY SECTION 10-130.

23           E. A foreign corporation authorized to transact business in this state  
24 is subject to section 10-1623.

25           Sec. 9. Section 10-1520, Arizona Revised Statutes, is amended to read:  
26 10-1520. Withdrawal of foreign corporation

27           A. A foreign corporation authorized to transact business in this state  
28 shall not withdraw from this state until the commission files its application  
29 for withdrawal.

30           B. A foreign corporation authorized to transact business in this state  
31 may apply to surrender the authority by delivering an application to the  
32 commission for filing. The application shall set forth:

33           1. The name of the foreign corporation and the name of the state or  
34 country under whose law it is incorporated.

35           2. That it is not transacting business in this state and that it  
surrenders its authority to transact business in this state.

1           3. That the foreign corporation revokes the authority of its statutory  
2 agent to accept service on its behalf and appoints the commission as its  
3 agent for service of process in any proceeding based on a cause of action  
4 arising during the time it was authorized to transact business in this state.

5           4. A mailing address to which the commission may mail a copy of any  
6 process served on the commission pursuant to its appointment as the foreign  
7 corporation's agent for service of process.

8           5. A commitment to notify the commission in the future of any change  
9 in the foreign corporation's mailing address.

10           C. The application for withdrawal is not considered complete until the  
11 commission has received a notice from the department of revenue to the effect  
12 that the tax levied under title 42, chapter 5, article 1 against the foreign  
13 corporation has been paid or until it is notified by the department of  
14 revenue that the applicant is not subject to the tax and further has received  
15 from the department of revenue its certificate issued pursuant to section  
16 43-1151.

17           D. The application for withdrawal is not considered complete until all  
18 fees, penalties and costs required to be paid under this chapter have been  
19 paid.

20           E. After determining that the application appears in all respects to  
21 conform to the requirements of this chapter and when all fees have been paid  
22 as are prescribed in this chapter, the commission shall file the application  
23 in the manner provided in section 10-120. On the filing of the application  
24 for withdrawal, the authority of the foreign corporation to transact business  
25 in this state ceases.

26           F. Within sixty days after the commission approves the filing, EITHER  
27 OF THE FOLLOWING MUST OCCUR:

28           1. A copy of the application for withdrawal shall be published. An  
29 affidavit evidencing the publication may be filed with the commission.

30           2. THE COMMISSION SHALL INPUT THE INFORMATION REGARDING THE APPROVAL  
31 INTO THE DATABASE AS PRESCRIBED BY SECTION 10-130.

32           G. After withdrawal of the foreign corporation is effective, service  
33 of process on the commission under this section is service on the foreign  
34 corporation. On receipt of process, the commission shall mail a copy of the  
35 process to the foreign corporation at the most recent mailing address  
36 provided by the foreign corporation in the application or by notice to the  
37 commission.

1           Sec. 10. Section 10-2077, Arizona Revised Statutes, is amended to  
2 read:

3           10-2077. Dissolution

4           A. A cooperative ~~which~~ THAT has not commenced business may be  
5 dissolved by delivering to the corporation commission articles of  
6 dissolution, which shall be executed by the cooperative and which shall  
7 state:

- 8           1. The name of the cooperative.
- 9           2. The address of its principal office.
- 10          3. That the cooperative has not commenced business.
- 11          4. That any monies received by the cooperative, less any part  
12 disbursed for expenses of the cooperative, have been returned or paid to  
13 those entitled to the monies.
- 14          5. That no debt of the cooperative is unpaid.
- 15          6. That a majority of the incorporators elect that the cooperative be  
16 dissolved.

17          B. A cooperative ~~which~~ THAT has commenced business may be dissolved in  
the following manner:

19          1. The proposition to dissolve shall be submitted to the members of  
20 the cooperative at any annual or special meeting, the notice of which shall  
21 set forth the proposition.

22          2. The members at the meeting shall approve, by the affirmative vote  
23 of not less than a majority of all members of the cooperative, the  
24 proposition that the cooperative be dissolved.

25          3. ~~Upon~~ ON approval, a certificate of election to dissolve, designated  
26 in this subsection as the "certificate", shall be executed by the  
27 cooperative.

28          4. The certificate shall state:

29           (a) The name of the cooperative.

30           (b) The address of its principal office.

31           (c) That the members of the cooperative have duly voted that the  
32 cooperative be dissolved.

33          5. The certificate shall be submitted to the corporation commission  
34 for filing.

35          6. ~~Upon~~ ON filing the certificate with the corporation commission the  
cooperative shall cease to carry on its business except to the extent

1 necessary for winding up, but its corporate existence shall continue until  
2 articles of dissolution have been filed with the corporation commission.

3 7. The board of directors shall immediately cause notice of the  
4 dissolution proceedings to be mailed to each known creditor of and claimant  
5 against the cooperative, and such notice shall be published once a week for  
6 two successive weeks in a newspaper of general circulation in the county in  
7 which the principal office of the cooperative is located.

8 8. The board of directors shall wind up and settle the affairs of the  
9 cooperative, collect monies owing to it, liquidate its property and assets,  
10 pay and discharge its debts, obligations and liabilities, other than those to  
11 patrons arising by reason of their patronage, and do all other things  
12 required to wind up its business. After paying or discharging or adequately  
13 providing for the payment or discharge of all its debts, obligations and  
14 liabilities, other than those to patrons arising by reason of their  
15 patronage, the board of directors shall distribute any remaining sums, first  
16 to patrons for the pro rata return of all amounts standing to their credit by  
17 reason of their patronage, and second to members for the pro rata repayment  
18 of membership fees. Any sums then remaining shall be distributed among its  
19 members and former members in proportion to their patronage.

20 9. The board of directors shall thereupon authorize the execution of  
21 articles of dissolution, which shall be executed by the cooperative.

22 10. The articles of dissolution shall recite that they are executed  
23 pursuant to this article and shall state:

24 (a) The name of the cooperative.

25 (b) The address of its principal office.

26 (c) The date on which the certificate of election to dissolve was  
27 filed by the corporation commission.

28 (d) That there are no actions or suits pending against the  
29 cooperative.

30 (e) That all debts, obligations and liabilities of the cooperative  
31 have been paid and discharged or that adequate provision has been made for  
32 payment and discharge.

33 (f) That the preceding provisions of this subsection have been duly  
34 complied with.

35 11. The articles of dissolution prepared pursuant to paragraph 10 of  
36 this subsection shall be delivered to the CORPORATION commission for filing.

1 Within sixty days after the CORPORATION commission approves the filing,  
2 EITHER OF THE FOLLOWING MUST OCCUR:

3 (a) A copy of the articles of dissolution shall be published. An  
4 affidavit evidencing the publication may be filed with the CORPORATION  
5 commission.

6 (b) THE CORPORATION COMMISSION SHALL INPUT THE INFORMATION REGARDING  
7 THE APPROVAL INTO THE DATABASE AS PRESCRIBED BY SECTION 10-130.

8 Sec. 11. Section 10-2143, Arizona Revised Statutes, is amended to  
9 read:

10 10-2143. Dissolution

11 A. A generation and transmission cooperative that has not commenced  
12 business may dissolve voluntarily by delivering to the corporation commission  
13 articles of dissolution, executed and acknowledged on behalf of the  
14 generation and transmission cooperative by a majority of the incorporators,  
15 which shall state:

- 16 1. The name of the generation and transmission cooperative.
- 17 2. The address of its principal office.
- 18 3. The date of its incorporation.
- 19 4. That the generation and transmission cooperative has not commenced  
20 business.
- 21 5. That the amount, if any, actually paid in on account of membership  
22 fees, less any part disbursed for necessary expenses, has been returned to  
23 those entitled and that all easements have been released to the grantors.
- 24 6. That no debt of the generation and transmission cooperative remains  
25 unpaid.
- 26 7. That a majority of the incorporators elect that the generation and  
27 transmission cooperative be dissolved. The articles of dissolution shall be  
28 submitted to the corporation commission for filing as provided in this  
29 article.

30 B. A generation and transmission cooperative that has commenced  
31 business may dissolve voluntarily and wind up its affairs in the following  
32 manner:

- 33 1. The proposition that the generation and transmission cooperative be  
34 dissolved must be submitted to the members of the generation and transmission  
35 cooperative at any meeting. The meeting notice shall state the proposition.  
The proposed voluntary dissolution is deemed to be approved on the

1 affirmative vote of not less than two-thirds of those members acting through  
2 their voting delegates voting at the meeting.

3 2. On approval, a certificate of election to dissolve, designated the  
4 "certificate", shall be executed by the generation and transmission  
5 cooperative. The certificate shall be submitted to the corporation  
6 commission for filing as provided in this article and shall state:

7 (a) The name of the generation and transmission cooperative.

8 (b) The address of its principal office.

9 (c) The names and addresses of its directors.

10 (d) The total number of voting delegates of the generation and  
11 transmission cooperative and the number of voting delegates who voted for and  
12 against the voluntary dissolution of the generation and transmission  
13 cooperative.

14 3. On the filing of the certificate with the corporation commission,  
15 the generation and transmission cooperative shall cease to carry on its  
16 business except as is necessary for the winding up of business, but its  
17 corporate existence continues until articles of dissolution have been filed  
18 with the corporation commission.

19 4. After the filing of the certificate with the corporation  
20 commission, the board of directors shall immediately mail notice of the  
21 winding up of proceedings to each known creditor and claimant and publish  
22 notice once a week for two successive weeks in a newspaper of general  
23 circulation in the county in which the principal office of the generation and  
24 transmission cooperative is located.

25 5. The board of directors has full power to wind up and settle the  
26 affairs of the cooperative and shall proceed to collect the debts owing to  
27 the generation and transmission cooperative, convey and dispose of its  
28 property and assets, pay, satisfy and discharge its debts, obligations and  
29 liabilities and do all other things required to liquidate its business and  
30 affairs and, after paying or adequately providing for the payment of all its  
31 debts, obligations and liabilities, shall distribute the remainder of its  
32 property and assets among its members without priority in proportion to the  
33 aggregate patronage of each member during the seven years next preceding the  
34 date of filing the certificate, or, if the generation and transmission  
35 cooperative was not in existence for such period, during the period of its  
36 existence.

1           6. When all debts, liabilities and obligations of the generation and  
2 transmission cooperative have been paid and discharged or adequate provision  
3 has been made for them, and all the remaining property and assets of the  
4 generation and transmission cooperative have been distributed to the members  
5 pursuant to this section, the board of directors shall authorize the  
6 execution of articles of dissolution. The articles of dissolution shall  
7 state:

8           (a) The name of the generation and transmission cooperative.

9           (b) The address of the principal office of the generation and  
10 transmission cooperative.

11           (c) That the generation and transmission cooperative has previously  
12 delivered to the corporation commission a certificate of election to dissolve  
13 and the date on which the certificate was filed by the corporation  
14 commission.

15           (d) That all debts, obligations and liabilities of the generation and  
16 transmission cooperative have been paid and discharged or that adequate  
17 provision has been made for them.

18           (e) That all the remaining property and assets of the generation and  
19 transmission cooperative have been distributed among the members in  
20 accordance with this section.

21           (f) That there are no actions or suits pending against the generation  
22 and transmission cooperative.

23           7. The articles of dissolution prepared pursuant to paragraph 6 of  
24 this subsection shall be delivered to the CORPORATION commission for filing.  
25 Within sixty days after the CORPORATION commission approves the filing,  
26 EITHER OF THE FOLLOWING MUST OCCUR:

27           (a) A copy of the articles of dissolution shall be published. An  
28 affidavit evidencing the publication may be filed with the CORPORATION  
29 commission.

30           (b) THE CORPORATION COMMISSION SHALL INPUT THE INFORMATION REGARDING  
31 THE APPROVAL INTO THE DATABASE AS PRESCRIBED BY SECTION 10-130.

32           Sec. 12. Section 10-3203, Arizona Revised Statutes, is amended to  
33 read:

34           10-3203. Incorporation

35           A. Unless a delayed effective date is specified in the articles of  
incorporation, incorporation occurs and the corporate existence begins when

1 the articles of incorporation and certificate of disclosure are delivered to  
2 the commission for filing.

3 B. The commission's filing of the articles of incorporation and  
4 certificate of disclosure is conclusive proof that the incorporators  
5 satisfied all conditions precedent to incorporation except in a proceeding by  
6 the state to cancel or revoke the incorporation or involuntarily dissolve the  
7 corporation pursuant to chapter 37 of this title.

8 C. Subject to section 10-3124, if the commission determines that the  
9 requirements of chapters 24 through 42 of this title for filing have not been  
10 met, the articles of incorporation and certificate of disclosure shall not be  
11 filed and the corporate existence terminates at the time the commission  
12 completes the determination. If the corporate existence is terminated  
13 pursuant to this subsection, sections 10-11404, 10-11405 and 10-11406 apply.

14 D. Within sixty days after the commission approves the filing, EITHER  
15 OF THE FOLLOWING MUST OCCUR:

16 1. A copy of the articles of incorporation shall be published. An  
17 affidavit evidencing the publication may be filed with the commission.

18 2. THE COMMISSION SHALL INPUT THE INFORMATION REGARDING THE APPROVAL  
19 INTO THE DATABASE AS PRESCRIBED BY SECTION 10-130.

20 Sec. 13. Section 10-11006, Arizona Revised Statutes, is amended to  
21 read:

22 10-11006. Articles of amendment

23 A. A corporation amending its articles of incorporation shall deliver  
24 to the commission for filing articles of amendment setting forth:

25 1. The name of the corporation.

26 2. The text of each amendment adopted.

27 3. The date of each amendment's adoption.

28 4. A statement that the amendment was duly adopted by act of the  
29 members or act of the board of directors and, if applicable, with the  
30 approval required pursuant to section 10-11030.

31 B. Within sixty days after the commission approves the filing, EITHER  
32 OF THE FOLLOWING MUST OCCUR:

33 1. A copy of the articles of amendment shall be published. An  
34 affidavit evidencing the publication may be filed with the commission.

35 2. THE COMMISSION SHALL INPUT THE INFORMATION REGARDING THE APPROVAL  
36 INTO THE DATABASE AS PRESCRIBED BY SECTION 10-130.

1           Sec. 14. Section 10-11007, Arizona Revised Statutes, is amended to  
2 read:

3           10-11007. Restated articles of incorporation

4           A. A corporation's board of directors may restate its articles of  
5 incorporation at any time with or without approval by the members or any  
6 other person.

7           B. The restatement may include one or more amendments to the articles  
8 of incorporation. If the restatement includes an amendment requiring  
9 approval by the members or any other person, it shall be adopted as provided  
10 in section 10-11003.

11           C. If the board of directors submits a restatement for member action,  
12 the corporation shall notify each member entitled to vote of the proposed  
13 membership meeting in writing in accordance with section 10-3705. The notice  
14 shall also state that the purpose or one of the purposes of the meeting is to  
15 consider the proposed restatement and shall contain or be accompanied by a  
16 copy or summary of the restatement that identifies any amendment or other  
17 change it would make in the articles.

18           D. If the board of directors submits a restatement for member action  
19 by written ballot or written consent, the material that solicits the approval  
20 shall contain or be accompanied by a copy or summary of the restatement that  
21 also identifies any amendment or other change it would make in the articles  
22 of incorporation.

23           E. A corporation restating its articles of incorporation shall deliver  
24 to the commission for filing articles of restatement setting forth the name  
25 of the corporation and the text of the restated articles of incorporation  
26 together with a certificate setting forth:

27           1. Whether the restatement contains an amendment to the articles  
28 requiring approval by any other person other than the board of directors and,  
29 if it does not, that the board of directors adopted the restatement.

30           2. If the restatement contains an amendment to the articles requiring  
31 approval by the members, a statement that such approval was obtained.

32           3. If the restatement contains an amendment to the articles requiring  
33 approval by a person whose approval is required pursuant to section 10-11030,  
34 a statement that such approval was obtained.

35           F. Duly adopted restated articles of incorporation supersede the  
original articles of incorporation and all amendments to them.

1           G. The commission may certify restated articles of incorporation, as  
2 the articles of incorporation currently in effect, without including the  
3 certificate information required by subsection E of this section.

4           H. Within sixty days after the commission approves the filing, EITHER  
5 OF THE FOLLOWING MUST OCCUR:

6           1. A copy of the articles of restatement shall be published. An  
7 affidavit evidencing the publication may be filed with the commission.

8           2. THE COMMISSION SHALL INPUT THE INFORMATION REGARDING THE APPROVAL  
9 INTO THE DATABASE AS PRESCRIBED BY SECTION 10-130.

10          Sec. 15. Section 10-11008, Arizona Revised Statutes, is amended to  
11 read:

12          10-11008. Amendment pursuant to reorganization

13          A. A corporation's articles may be amended pursuant to this section  
14 without action by the board of directors or members or approval required  
15 pursuant to section 10-11030 to carry out a plan of reorganization ordered or  
16 decreed by a court of competent jurisdiction under a federal statute or a  
17 statute of this state if the articles of incorporation after amendment  
18 contain only provisions required or permitted by section 10-3202.

19          B. Before the date of entry of a final decree in the reorganization  
20 proceeding, the individual or individuals designated by the court plan shall  
21 deliver to the commission articles of amendment setting forth all of the  
22 following:

23           1. The name of the corporation.

24           2. The text of each amendment contained in the plan of reorganization.

25           3. The date of the court's order or decree confirming the plan of  
26 reorganization containing the articles of amendment.

27           4. The title of the reorganization proceeding in which the order or  
28 decree was entered.

29           5. A statement that the court had jurisdiction of the proceeding under  
30 federal or state statute.

31          C. This section does not apply after entry of a final decree in the  
32 reorganization proceeding even though the court retains jurisdiction of the  
33 proceeding for limited purposes unrelated to consummation of the  
34 reorganization plan.

35          D. Within sixty days after the commission approves the filing, EITHER  
36 OF THE FOLLOWING MUST OCCUR:

1           1. A copy of the articles of amendment shall be published. An  
2 affidavit evidencing the publication may be filed with the commission.

3           2. THE COMMISSION SHALL INPUT THE INFORMATION REGARDING THE APPROVAL  
4 INTO THE DATABASE AS PRESCRIBED BY SECTION 10-130.

5           Sec. 16. Section 10-11105, Arizona Revised Statutes, is amended to  
6 read:

7           10-11105. Statement of merger or interest exchange; publication

8           Within sixty days after the commission approves the filing, EITHER OF  
9 THE FOLLOWING MUST OCCUR:

10           1. A copy of the statement of merger or interest exchange shall be  
11 published. An affidavit evidencing the publication may be filed with the  
12 commission.

13           2. THE COMMISSION SHALL INPUT THE INFORMATION REGARDING THE APPROVAL  
14 INTO THE DATABASE AS PRESCRIBED BY SECTION 10-130.

15           Sec. 17. Section 10-11403, Arizona Revised Statutes, is amended to  
16 read:

17           10-11403. Articles of dissolution

18           A. At any time after dissolution is authorized, the corporation may  
19 dissolve by delivering to the commission articles of dissolution setting  
20 forth all of the following:

21           1. The name of the corporation.

22           2. The date dissolution was authorized.

23           3. A statement that the dissolution was duly authorized by an act of  
24 the members or an act of the board of directors and, if applicable, with the  
25 approval required pursuant to section 10-11402.

26           B. A corporation is dissolved on the effective date of its articles of  
27 dissolution.

28           C. The articles of dissolution shall not be considered complete until  
29 all fees, penalties and costs required to be paid under this title have been  
30 paid.

1 D. Within sixty days after the commission approves the filing, EITHER  
2 OF THE FOLLOWING MUST OCCUR:

3 1. A copy of the articles of dissolution shall be published. An  
4 affidavit evidencing the publication may be filed with the commission.

5 2. THE COMMISSION SHALL INPUT THE INFORMATION REGARDING THE APPROVAL  
6 INTO THE DATABASE AS PRESCRIBED BY SECTION 10-130.

7 E. The articles of dissolution are not complete until the commission  
8 has received a notice from the department of revenue that the tax levied  
9 under title 42, chapter 5, article 1 against the corporation has been paid,  
10 or until the department of revenue notifies the commission that the  
11 corporation is not subject to the tax and the commission has received from  
12 the department of revenue a certificate issued by the department of revenue  
13 pursuant to section 43-1151.

14 Sec. 18. Section 10-11503, Arizona Revised Statutes, is amended to  
15 read:

16 10-11503. Application for certificate of authority

17 A. A foreign corporation may apply for authority to conduct affairs in  
18 this state by delivering an application and a certificate of disclosure to  
19 the commission for filing. The certificate of disclosure shall contain the  
20 information set forth in section 10-3202, subsection D and is subject to the  
21 requirements of section 10-3202, subsection F. The application shall be  
22 executed by the corporation and shall set forth:

23 1. The name of the foreign corporation and, if its name is unavailable  
24 for use in this state, a corporate name that satisfies the requirements of  
25 section 10-11506.

26 2. The name of the state or country under whose law it is  
27 incorporated.

28 3. Its date of incorporation and period of duration.

29 4. The street address of its principal office in its state or country  
30 of incorporation.

31 5. The street address of the proposed known place of business of the  
32 corporation in this state and the name and street address of its proposed  
33 statutory agent in this state.

34 6. If its purpose or purposes are narrower than the transaction of any  
35 or all lawful affairs in which corporations may engage in the state or  
36 country under whose law it is incorporated, a statement of the limitations on  
37 its purpose.

1           7. The names and usual business addresses of its current directors and  
2 officers.

3           8. Whether the foreign corporation has members.

4           9. A brief statement of the character of business that the corporation  
5 initially intends actually to conduct in this state. This statement does not  
6 limit the character of business that the corporation ultimately conducts.

7           B. The foreign corporation shall deliver the application and the  
8 certificate of disclosure to the commission, together with a copy of its  
9 articles of incorporation, any amendments to the articles of incorporation  
10 and a certificate of existence or a document of similar import duly  
11 authenticated by the secretary of state or other official having custody of  
12 corporate records in the state or country under whose law it is incorporated,  
13 and the nonrefundable fees required by law.

14           C. After determining that the application sets forth the information  
15 required by this section, does not use as the name of the corporation in this  
16 state a name that is in violation of section 10-11506 and appears in all  
17 other respects to conform to the requirements of this article, the commission  
shall file the application. The date of filing shall be the date on which  
19 the corporation is granted authority to transact business in this state.

20           D. Within sixty days after the commission approves the filing, EITHER  
21 OF THE FOLLOWING MUST OCCUR:

22           1. A copy of the application shall be published. An affidavit  
23 evidencing the publication may be filed with the commission.

24           2. THE COMMISSION SHALL INPUT THE INFORMATION REGARDING THE APPROVAL  
25 INTO THE DATABASE AS PRESCRIBED BY SECTION 10-130.

26           E. A foreign corporation authorized to transact business in this state  
27 is subject to section 10-11623.

28           Sec. 19. Section 10-11520, Arizona Revised Statutes, is amended to  
29 read:

30           10-11520. Withdrawal of foreign corporation

31           A. A foreign corporation authorized to conduct affairs in this state  
32 shall not withdraw from this state until the commission files its application  
33 for withdrawal.

34           B. A foreign corporation authorized to conduct affairs in this state  
35 may apply to surrender the authority by delivering an application to the  
commission for filing. The application shall set forth:

1           1. The name of the foreign corporation and the name of the state or  
2 country under whose law it is incorporated.

3           2. That it is not conducting affairs in this state and that it  
4 surrenders its authority to conduct affairs in this state.

5           3. That the foreign corporation revokes the authority of its statutory  
6 agent to accept service on its behalf and appoints the commission as its  
7 agent for service of process in any proceeding based on a cause of action  
8 arising during the time it was authorized to conduct affairs in this state.

9           4. A mailing address to which the commission may mail a copy of any  
10 process served on the commission pursuant to its appointment as the foreign  
11 corporation's agent for service of process.

12           5. A commitment to notify the commission in the future of any change  
13 in the foreign corporation's mailing address.

14           C. The application for withdrawal is not considered complete until the  
15 commission has received a notice from the department of revenue to the effect  
16 that the tax levied under title 42, chapter 5, article 1 against the foreign  
17 corporation has been paid or until it is notified by the department of  
18 revenue that the applicant is not subject to the tax and further has received  
19 from the department of revenue its certificate issued pursuant to section  
20 43-1151.

21           D. The application for withdrawal is not considered complete until all  
22 fees, penalties and costs required to be paid under this chapter have been  
23 paid.

24           E. After determining that the application appears in all respects to  
25 conform to the requirements of this chapter and when all fees have been paid  
26 as are prescribed in this chapter, the commission shall file the application  
27 in the manner provided in section 10-3120. On the filing of the application  
28 for withdrawal, the authority of the foreign corporation to transact business  
29 in this state ceases.

30           F. Within sixty days after the commission approves the filing, EITHER  
31 OF THE FOLLOWING MUST OCCUR:

32           1. A copy of the application for withdrawal shall be published. An  
33 affidavit evidencing the publication may be filed with the commission.

34           2. THE COMMISSION SHALL INPUT THE INFORMATION REGARDING THE APPROVAL  
35 INTO THE DATABASE AS PRESCRIBED BY SECTION 10-130.



1           2. Change, enlarge or diminish the purposes of the limited liability  
2 company.

3           3. If management is reserved to the members of a limited liability  
4 company, vest management of the limited liability company in one or more  
5 managers.

6           4. If management is vested in one or more managers, vest management of  
7 the limited liability company in the members.

8           D. A limited liability company may restate its articles of  
9 organization. Restated articles of organization shall be executed and filed  
10 in the same manner as articles of amendment. Restated articles of  
11 organization shall be specifically designated as such in the heading and  
12 shall state either in the heading or in an introductory paragraph the limited  
13 liability company's present name and, if it has been changed, all of its  
14 former names.

15           E. A limited liability company that has not amended its articles of  
16 organization as required by this section may not maintain an action ~~upon~~ ON  
17 or on account of a contract or transaction made in the name of the limited  
18 liability company in any court of this state until it has first amended its  
19 articles of organization as required by this section. No person has any  
20 liability because an amendment to articles of organization has not been filed  
21 to reflect the occurrence of any event prescribed by subsection B of this  
22 section if the amendment is filed within the thirty-day period specified in  
23 subsection B of this section.

24           F. Within sixty days after the commission approves the filing, EITHER  
25 OF THE FOLLOWING MUST OCCUR:

26           1. A copy of the articles of amendment or restated articles of  
27 organization shall be published in a newspaper of general circulation in the  
28 county of the known place of business for three consecutive publications. An  
29 affidavit evidencing publication may be filed with the commission.

30           2. THE COMMISSION SHALL INPUT THE INFORMATION REGARDING THE APPROVAL  
31 INTO THE DATABASE AS PRESCRIBED BY SECTION 10-130.

32           G. Publication OR POSTING PURSUANT TO SUBSECTION F OF THIS SECTION is  
33 not required if amendments to the articles of organization or restated  
34 articles of organization only change any of the following:

- 35           1. The name or address of members or managers.
- 36           2. The known place of business address.
- 37           3. The name or address of the statutory agent.

1           Sec. 21. Section 29-635, Arizona Revised Statutes, is amended to read:

2           29-635. Formation of limited liability company

3           A. Except as provided in section 29-634, subsection D, a limited  
4 liability company is formed when the articles of organization are delivered  
5 to the commission for filing, even if the commission is unable to make the  
6 determination required for filing by section 29-634, subsection A at the time  
7 of delivery. If the articles of organization, as delivered to the  
8 commission, do not conform to the filing provisions of this chapter and are  
9 not brought into conformance within the time period prescribed by section  
10 29-634, subsection C, paragraph 2, the existence of the limited liability  
11 company terminates at the end of the time period.

12           B. A copy of the articles of organization that is filed with the  
13 commission and that is stamped "filed" and marked with the filing date is  
14 conclusive evidence that all conditions precedent required to be performed by  
15 the organizers have been complied with and that the limited liability company  
16 has been legally organized and formed under this chapter. A limited  
17 liability company continues perpetually unless otherwise provided in its  
18 articles of organization or operating agreement or until the limited  
19 liability company is dissolved and terminated in accordance with this  
20 chapter.

21           C. Within sixty days after the commission approves the filing, EITHER  
22 OF THE FOLLOWING MUST OCCUR:

23           1. There shall be published in a newspaper of general circulation in  
24 the county of the known place of business, for three consecutive  
25 publications, a notice of the filing of such articles of organization  
26 consisting of the information required in section 29-632, subsection A,  
27 paragraphs 1, 2, 3, 5 and 6. An affidavit evidencing publication may be  
28 filed with the commission.

29           2. THE COMMISSION SHALL INPUT THE INFORMATION REGARDING THE APPROVAL  
30 INTO THE DATABASE AS PRESCRIBED BY SECTION 10-130.

31           Sec. 22. Section 29-754, Arizona Revised Statutes, is amended to read:

32           29-754. Statement of merger or other transaction; publication

33           A. A statement of merger, conversion, domestication or division shall  
34 serve as articles of termination for a domestic limited liability company  
35 that is not the surviving or resulting business entity in a transaction.

          B. If a statement of merger includes amendments to the articles of  
organization of a domestic limited liability company, the document shall be

1 published as provided in section 29-633 OR THE COMMISSION SHALL INPUT THE  
2 INFORMATION INTO THE DATABASE AS PRESCRIBED BY SECTION 10-130. The document  
3 required to be filed and published shall be styled "statement of merger".  
4 Sec. 23. Effective date  
5 This act is effective from and after December 31, 2015."  
6 Amend title to conform

BOB THORPE

2016-se-thorpe  
2/16/15  
4:42 PM  
H:ajs

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02/10/2015  
11:50 AM  
C: mu

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

**ROLL CALL VOTE**

COMMITTEE ON GOVERNMENT AND HIGHER EDUCATION BILL NO. HB 2016

DATE February 19, 2015 MOTION: APN 5/E

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Friese			✓		
Mr. Larkin			✓		
Mr. Lovas	✓	✓			
Mr. Olson		✓			
Mr. Petersen		✓			
Mr. Saldate		<del>✓</del>	✓		
Ms. Townsend		✓			
Mr. Ackerley, Vice-Chairman		✓			
Mr. Thorpe, Chairman		✓			
		6 <del>✓</del>	3 <del>✓</del>	0	0

APPROVED:

Bob Thorpe  
BOB THORPE, Chairman  
JOHN C. ACKERLEY, Vice-Chairman

Mary Kelly  
COMMITTEE SECRETARY

ATTACHMENT \_\_\_\_\_



# HOUSE OF REPRESENTATIVES

HB 2053

technical correction; television district establishment

Sponsor: Representative Thorpe

---

X Committee on Government & Higher Education

Caucus and COW

House Engrossed

---

## OVERVIEW

HB 2053 makes a technical change.

### Summary of Proposed Strike-Everything Amendment to HB 2053

The proposed strike-everything amendment to HB 2053 requires the Arizona Department of Economic Security (DES) to develop a plan to transition adults off of public assistance and into the workforce.

## HISTORY

Laws 1972, Chapter 202 created DES to promote the safety, well-being, and self-sufficiency of children, adults and families within Arizona. DES supports enhanced safety and security for Arizonans by focusing on four key goals; strengthening individuals and families, enhancing self-sufficiency, collaborating with communities to enlarge their capacity, increasing efficiency and being effective through innovation and accountability.

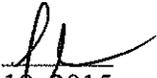
DES administers several programs related to public assistance, including:

- Nutrition Assistance: In 2008, the U.S. Congress changed the name of the Food Stamp Program to the Supplemental Nutrition Assistance Program (SNAP). Arizona's program name is Nutrition Assistance (NA).
- Cash Assistance: The Temporary Assistance for Needy Families (TANF) Cash Assistance program provides temporary cash benefits and supportive services to the neediest of Arizona's children and their families. Eligibility is based on citizenship or qualified noncitizen resident status, Arizona residency and limits on resources and monthly income.

## PROVISIONS

1. Requires DES to develop a plan to transition able-bodied adults off of public assistance and into the workforce.
2. Allows the plan to include:
  - a. Applying for waivers from the federal government.
  - b. Seeking legislative changes.
  - c. Programmatic changes that DES can make administratively, in conjunction with other agencies and through rulemaking.
3. Requires DES to submit a report regarding the agency's initial plan goals, the goals that DES was able to meet in that year and any impediments experienced in implementation. The report must be submitted:

Fifty-second Legislature  
First Regular Session

Analyst Initials   
February 18, 2015

Attachment 

**HB 2053**

- a. On or before March 30, 2016 and for three years after.
  - b. To the Speaker of the House of Representatives, the President of the Senate and the Governor, and provide a copy to the Secretary of State.
4. Repeals this section on January 1, 2020.

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2053

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 Section 1. Public assistance; transition plan; report; repeal

3 A. The department of economic security shall develop a plan to  
4 transition able-bodied adults off of public assistance and into the  
5 workforce. The plan may include applying for waivers from the federal  
6 government, seeking legislative changes and any programmatic changes the  
7 department can make administratively, in conjunction with other state  
8 agencies and through rulemaking.

9 B. On or before March 30, 2016 and for three years thereafter, the  
10 department of economic security shall submit a report to the speaker of the  
11 house of representatives, the president of the senate and the governor and  
12 provide a copy to the secretary of state regarding the department's initial  
13 plan goals, the goals the department was able to meet in that year and any  
14 impediments the department has experienced in the implementation of the plan.

15 C. This section is repealed from and after December 31, 2019."

16 Amend title to conform

BOB THORPE

2053-se-thorpe  
2/17/15  
2:35 PM  
H:ajs

Adopted  # of Verbals \_\_\_\_\_  
Failed \_\_\_\_\_ Withdrawn \_\_\_\_\_  
Not Offered \_\_\_\_\_ Analysts Initials \_\_\_\_\_

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

**ROLL CALL VOTE**

COMMITTEE ON GOVERNMENT AND HIGHER EDUCATION BILL NO. HB 2053

DATE February 19, 2015 MOTION: Dpas/E

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Friese			✓		
Mr. Larkin			✓		
Mr. Lovas		✓			
Mr. Olson		✓			
Mr. Petersen		✓			
Mr. Saldate			✓		
Ms. Townsend		✓			
Mr. Ackerley, Vice-Chairman					✓
Mr. Thorpe, Chairman		✓			
		5	3	0	1

May Rully  
COMMITTEE SECRETARY

APPROVED:

Bob Thorpe  
BOB THORPE, Chairman  
JOHN C. ACKERLEY, Vice-Chairman

ATTACHMENT \_\_\_\_\_



# HOUSE OF REPRESENTATIVES

HB 2056

state bonds; technical correction  
Sponsor: Representative Thorpe

---

X Committee on Government & Higher Education  
Caucus and COW  
House Engrossed

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## OVERVIEW

HB 2056 makes a technical change.

### Summary of the Proposed Strike-Everything Amendment to HB 2056

The proposed strike-everything amendment to HB 2056 restricts county and municipality zoning ordinances in relation to marijuana cultivation facilities and marijuana infusion production facilities.

## HISTORY

In 2010, Arizona voters passed Proposition 203, the Arizona Medical Marijuana Act (AMMA). AMMA permits the sale and use of marijuana for medicinal purposes, outlines the process for patients to qualify through the Arizona Department of Health Services (ADHS) and provides options for obtaining medical marijuana. AMMA can be found in Arizona Revised Statutes (A.R.S.) Title 36, Chapter 28.1. ADHS adopted rules for the implementation of AMMA (AMMA Rules), however the rules were litigated and are currently being updated.

A.R.S. § 36-2801 defines a *nonprofit medical marijuana dispensary* (Dispensaries) as a not-for-profit entity that acquires, possesses, cultivates, manufactures, delivers, transfers, transports, supplies, sells or dispenses marijuana or related supplies and educational materials to medical marijuana cardholders. A.R.S. § 36-2806 outlines requirements for Dispensaries, and links the cultivation of marijuana to the Dispensary. A.R.S. § 36-2806.01 permits cities, towns and counties to enact reasonable zoning regulations that limit the use of land for Dispensaries to specific areas.

For purposes of obtaining a Dispensary license, an applicant must first obtain a Dispensary registration certificate. Part of that process includes demonstrating that the location complies with local zoning requirements, if the city or county has enacted an ordinance pursuant to A.R.S. § 36-2806.01 (A.R.S. § 36-2804 and R9-17-304).

## PROVISIONS

1. Prohibits a municipality or county zoning ordinance from allowing a *marijuana cultivation facility* or a *marijuana infusion production facility* to be located within 2,500 feet of a:
  - a. Residential area,
  - b. Place of worship, or
  - c. School (public or private) and accompanying grounds.
2. Outlines the process for measuring distance.
3. Defines a *marijuana cultivation facility* and a *marijuana infusion production facility*.

Fifty-second Legislature  
First Regular Session

Attachment   //  

Analyst Initials   //    
February 17, 2015

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2056

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 9-462.01, Arizona Revised Statutes, is amended to  
3 read:

4 9-462.01. Zoning regulations; public hearing; prohibition;  
5 definitions

6 A. Pursuant to this article, the legislative body of any municipality  
7 by ordinance may in order to conserve and promote the public health, safety  
8 and general welfare:

9 1. Regulate the use of buildings, structures and land as between  
10 agriculture, residence, industry, business and other purposes.

11 2. Regulate signs and billboards.

12 3. Regulate the location, height, bulk, number of stories and size of  
13 buildings and structures, the size and use of lots, yards, courts and other  
14 open spaces, the percentage of a lot which THAT may be occupied by a building  
15 or structure, access to incident solar energy and the intensity of land use.

16 4. Establish requirements for off-street parking and loading.

17 5. Establish and maintain building setback lines.

18 6. Create civic districts around civic centers, public parks, public  
19 buildings or public grounds and establish regulations therefor.

20 7. Require as a condition of rezoning public dedication of  
21 rights-of-way as streets, alleys, public ways, drainage and public utilities  
22 as are reasonably required by or related to the effect of the rezoning.

23 8. Establish floodplain zoning districts and regulations to protect  
24 life and property from the hazards of periodic inundation. Regulations may  
25 include variable lot sizes, special grading or drainage requirements, or  
26 other requirements deemed necessary for the public health, safety or general  
27 welfare.

28 9. Establish special zoning districts or regulations for certain lands  
29 characterized by adverse topography, adverse soils, subsidence of the earth,  
30 high water table, lack of water or other natural or man-made hazards to life  
31 or property. Regulations may include variable lot sizes, special grading or

Adopted  # of Verbals \_\_\_\_\_

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Attachment 12

1 drainage requirements, or other requirements deemed necessary for the public  
2 health, safety or general welfare.

3 10. Establish districts of historical significance provided that:

4 (a) The ordinances may require that special permission be obtained for  
5 any development within the district if the legislative body has adopted a  
6 plan for the preservation of districts of historical significance which THAT  
7 meets the requirements of subdivision (b) of this paragraph, and the criteria  
8 contained in the ordinance are consistent with the objectives set forth in  
9 the plan.

10 (b) A plan for the preservation of districts of historical  
11 significance shall identify districts of special historical significance,  
12 state the objectives to be sought concerning the development or preservation  
13 of sites, area and structures within the district, and formulate a program  
14 for public action including the provision of public facilities and the  
15 regulation of private development and demolition necessary to realize these  
16 objectives.

17 (c) The ordinance establishing districts of historical significance  
18 shall set forth standards necessary to preserve the historical character of  
19 the area so designated.

20 (d) The ordinances may designate or authorize any committee,  
21 commission, department or person to designate structures or sites of special  
22 historical significance in accordance with criteria contained in the  
23 ordinance, and no designation shall be made except after a public hearing  
24 upon ON notice of the owners of record of the property so designated. The  
25 ordinances may require that special permission be obtained for any  
26 development respecting the structures or sites.

27 11. Establish age specific community zoning districts in which  
28 residency is restricted to a head of a household or spouse who must be of a  
29 specific age or older and in which minors are prohibited from living in the  
30 home. Age specific community zoning districts shall not be overlaid over  
31 property without the permission of all owners of property included as part of  
32 the district unless all of the property in the district has been developed,  
33 advertised and sold or rented under specific age restrictions. The  
34 establishment of age specific community zoning districts is subject to all of  
35 the public notice requirements and other procedures prescribed by this  
36 article.

37 12. Establish procedures, methods and standards for the transfer of  
38 development rights within its jurisdiction. Any proposed transfer of  
39 development rights from the sending property or to the receiving property  
40 shall be subject to the notice and hearing requirements of section 9-462.04

1 and shall be subject to the approval and consent of the property owners of  
2 both the sending and receiving property. Before any transfer of development  
3 rights, a municipality shall adopt an ordinance providing for:

4 (a) The issuance and recordation of the instruments necessary to sever  
5 development rights from the sending property and to affix development rights  
6 to the receiving property. These instruments shall be executed by the  
7 affected property owners and lienholders.

8 (b) The preservation of the character of the sending property and  
9 assurance that the prohibitions against the use and development of the  
10 sending property shall bind the landowner and every successor in interest to  
11 the landowner.

12 (c) The severance of transferable development rights from the sending  
13 property and the delayed transfer of development rights to a receiving  
14 property.

15 (d) The purchase, sale, exchange or other conveyance of transferable  
16 development rights prior to the rights being affixed to a receiving property.

17 (e) A system for monitoring the severance, ownership, assignment and  
18 transfer of transferable development rights.

19 (f) The right of a municipality to purchase development rights and to  
20 hold them for resale.

21 (g) The right of a municipality at its discretion to enter into an  
22 intergovernmental agreement with another municipality or a county for the  
23 transfer of development rights between jurisdictions. The transfer shall  
24 comply with this paragraph, except that if the sending property is located in  
25 an unincorporated area of a county, the approval of the development rights to  
26 be sent to a municipality shall comply with section 11-817.

27 B. For the purposes prescribed in subsection A of this section, the  
28 legislative body may divide a municipality, or portion of a municipality,  
29 into zones of the number, shape and area it deems best suited to carry out  
30 the purpose of this article and articles 6, 6.2 and 6.3 of this chapter.

31 C. All zoning regulations shall be uniform for each class or kind of  
32 building or use of land throughout each zone, but the regulations in one type  
33 of zone may differ from those in other types of zones as follows:

34 1. Within individual zones, there may be uses permitted on a  
35 conditional basis under which additional requirements must be met, including  
36 requiring site plan review and approval by the planning agency. The  
37 conditional uses are generally characterized by any of the following:

38 (a) Infrequency of use.

39 (b) High degree of traffic generation.

40 (c) Requirement of large land area.

1           2. Within residential zones, the regulations may permit modifications  
2 to minimum yard lot area and height requirements.

3           D. To carry out the purposes of this article and articles 6 and 6.2 of  
4 this chapter, the legislative body may adopt overlay zoning districts and  
5 regulations applicable to particular buildings, structures and land within  
6 individual zones. For the purposes of this subsection, "overlay zoning  
7 district" means a special zoning district that includes regulations which  
8 THAT modify regulations in another zoning district with which the overlay  
9 zoning district is combined. Overlay zoning districts and regulations shall  
10 be adopted pursuant to section 9-462.04.

11           E. The legislative body may approve a change of zone conditioned upon  
12 ON a schedule for development of the specific use or uses for which rezoning  
13 is requested. If at the expiration of this period the property has not been  
14 improved for the use for which it was conditionally approved, the legislative  
15 body, after notification by certified mail to the owner and applicant who  
16 requested the rezoning, shall schedule a public hearing to take  
17 administrative action to extend, remove or determine compliance with the  
18 schedule for development or take legislative action to cause the property to  
19 revert to its former zoning classification.

20           F. All zoning and rezoning ordinances or regulations adopted under  
21 this article shall be consistent with and conform to the adopted general plan  
22 of the municipality, if any, as adopted under article 6 of this chapter. In  
23 the case of uncertainty in construing or applying the conformity of any part  
24 of a proposed rezoning ordinance to the adopted general plan of the  
25 municipality, the ordinance shall be construed in a manner that will further  
26 the implementation of, and not be contrary to, the goals, policies and  
27 applicable elements of the general plan. A rezoning ordinance conforms with  
28 the land use element of the general plan if it proposes land uses, densities  
29 or intensities within the range of identified uses, densities and intensities  
30 of the land use element of the general plan.

31           G. No regulation or ordinance under this section may prevent or  
32 restrict agricultural composting on farmland that is five or more contiguous  
33 acres and that meets the requirements of this subsection. An agricultural  
34 composting operation shall notify in writing the legislative body of the city  
35 or town and the nearest fire department of the location of the composting  
36 operation. If the nearest fire department is located in a different city or  
37 town from the agricultural composting operation, the agricultural composting  
38 operation shall also notify in writing the fire department of the city or  
39 town in which the operation is located. Agricultural composting is subject  
40 to sections 3-112 and 49-141. Agricultural composting may not be conducted

1 within one thousand three hundred twenty feet of an existing residential use,  
2 unless the operations are conducted on farmland or land leased in association  
3 with farmland. Any disposal of manure shall comply with section 49-247. For  
4 the purposes of this subsection:

5 1. "Agricultural composting" means the controlled biological  
6 decomposition of organic solid waste under in-vessel anaerobic or aerobic  
7 conditions where all or part of the materials are generated on the farmland  
8 or will be used on the farmland associated with the agricultural composting  
9 operation.

10 2. "Farmland" has the same meaning prescribed in section 3-111 and is  
11 subject to regulation under section 49-247.

12 H. A ZONING ORDINANCE ADOPTED PURSUANT TO THIS ARTICLE MAY NOT ALLOW A  
13 MARIJUANA CULTIVATION FACILITY OR MARIJUANA INFUSION PRODUCTION FACILITY TO  
14 BE LOCATED WITHIN TWO THOUSAND FIVE HUNDRED FEET OF AN AREA ZONED FOR  
15 RESIDENTIAL USE, A PLACE OF WORSHIP OR A PUBLIC OR PRIVATE SCHOOL OR THE  
16 ACCOMPANYING GROUNDS. FOR THE PURPOSES OF THIS SUBSECTION, MEASUREMENTS  
17 SHALL BE MADE FROM THE EXTERIOR WALLS OF THE BUILDING OR PORTION OF THE  
18 BUILDING IN WHICH THE MARIJUANA CULTIVATION OR MARIJUANA INFUSION PRODUCTION  
19 IS CONDUCTED TO THE ZONING BOUNDARY LINE OF AN AREA ZONED FOR RESIDENTIAL USE  
20 OR THE PROPERTY LINE OF A PARCEL THAT CONTAINS A PLACE OF WORSHIP OR A PUBLIC  
21 OR PRIVATE SCHOOL OR THE ACCOMPANYING GROUNDS.

22 ~~H.~~ I. For the purposes of this section:

23 1. "Development rights" means the maximum development that would be  
24 allowed on the sending property under any general or specific plan and local  
25 zoning ordinance of a municipality in effect on the date the municipality  
26 adopts an ordinance pursuant to subsection A, paragraph 12 of this section  
27 respecting the permissible use, area, bulk or height of improvements made to  
28 the lot or parcel. Development rights may be calculated and allocated in  
29 accordance with factors including dwelling units, area, floor area, floor  
30 area ratio, height limitations, traffic generation or any other criteria that  
31 will quantify a value for the development rights in a manner that will carry  
32 out the objectives of this section.

33 2. "MARIJUANA CULTIVATION FACILITY" MEANS AN ENTITY THAT CULTIVATES,  
34 PREPARES OR PACKAGES AND SELLS MARIJUANA TO NONPROFIT MEDICAL MARIJUANA  
35 DISPENSARIES, MARIJUANA INFUSION PRODUCTION FACILITIES AND OTHER MARIJUANA  
36 CULTIVATION FACILITIES, BUT NOT TO CONSUMERS.

37 3. "MARIJUANA INFUSION PRODUCTION FACILITY" MEANS AN ENTITY THAT  
38 ACQUIRES, POSSESSES, MANUFACTURES, PREPARES OR PACKAGES AND SELLS MARIJUANA  
39 PRODUCTS BY THE MEANS OF COOKING, BLENDING OR INCORPORATING MARIJUANA INTO

1 CONSUMABLE, EDIBLE OR TRANSDERMAL PRODUCTS TO NONPROFIT MEDICAL MARIJUANA  
2 DISPENSARIES OR OTHER MARIJUANA CULTIVATION FACILITIES, BUT NOT TO CONSUMERS.

3 ~~2-~~ 4. "Receiving property" means a lot or parcel within which  
4 development rights are increased pursuant to a transfer of development  
5 rights. Receiving property shall be appropriate and suitable for development  
6 and shall be sufficient to accommodate the transferable development rights of  
7 the sending property without substantial adverse environmental, economic or  
8 social impact to the receiving property or to neighboring property.

9 ~~3-~~ 5. "Sending property" means a lot or parcel with special  
10 characteristics, including farmland, woodland, desert land, mountain land,  
11 floodplain, natural habitats, recreation or parkland, including golf course  
12 area, or land that has unique aesthetic, architectural or historic value that  
13 a municipality desires to protect from future development.

14 ~~4-~~ 6. "Transfer of development rights" means the process by which  
15 development rights from a sending property are affixed to one or more  
16 receiving properties.

17 Sec. 2. Section 11-811, Arizona Revised Statutes, is amended to read:

18 11-811. Zoning ordinance; zoning districts; prohibition;  
19 definitions

20 A. Pursuant to this article, the board of supervisors may adopt a  
21 zoning ordinance in order to conserve and promote the public health, safety,  
22 convenience and general welfare. The zoning ordinance and all rezonings and  
23 zoning regulations amendments adopted under this article shall be consistent  
24 with and conform to the adopted comprehensive plan. In addition to the other  
25 matters that are required or authorized under this section and article 1 of  
26 this chapter, the zoning ordinance:

27 1. Shall show the zoning districts designated as appropriate for  
28 various classes of residential, business and industrial uses and shall  
29 provide for the establishment of setback lines and other plans providing for  
30 adequate light, air and parking facilities and for expediting traffic within  
31 the districts.

32 2. May establish the percentage of a lot or parcel that may be covered  
33 by buildings and the size of yards, courts and other open spaces.

34 3. Shall consider access to incident solar energy.

35 4. May provide for retirement community zoning districts.

36 5. May provide for the regulation and use of business licenses, adult  
37 oriented business manager permits and adult service provider permits in  
38 conjunction with the establishment or operation of adult oriented businesses  
39 and facilities, including adult arcades, adult bookstores or video stores,  
40 cabarets, adult live entertainment establishments, adult motion picture

1 theaters, adult theaters, massage establishments and nude model studios.  
2 With respect to cabarets, the ordinance shall not conflict with specific  
3 statutory or valid regulatory requirements applicable to persons licensed to  
4 dispense alcoholic beverages, but the ordinance may include regulation of the  
5 age and conduct of erotic entertainers in a manner at least as restrictive as  
6 rules adopted under title 4. Notwithstanding section 11-812, a county in  
7 regulating or licensing businesses and facilities pursuant to this paragraph  
8 may impose reasonable operating requirements that affect the existing uses of  
9 businesses and facilities.

10 6. Shall designate and zone appropriate areas of reasonable size in  
11 which there may be established with reasonable permanency canneries,  
12 fertilizer plants, refineries, commercial feedlots, meat packing plants,  
13 tallow works and other like businesses. A dairy operation, including areas  
14 designated for the raising of replacement heifers or bulls owned by the same  
15 dairy operation, is not subject to this paragraph, and is a general  
16 agricultural purpose under subsection C, paragraph 2 of this section and  
17 section 11-812, subsection A, paragraph 2. A replacement heifer or bull  
18 raising operation of a dairy that is not on contiguous property of the dairy  
19 is subject to this paragraph unless the operation begins within one-quarter  
20 mile of the dairy.

21 B. To carry out the purposes of this article, the board may adopt  
22 overlay zoning districts and regulations applicable to particular buildings,  
23 structures and land within individual zones. For the purposes of this  
24 subsection, "overlay zoning district" means a special zoning district that  
25 includes regulations that modify regulations in another zoning district with  
26 which the overlay zoning district is combined. Overlay zoning districts and  
27 regulations shall be adopted pursuant to section 11-813. The provisions of  
28 overlay zoning shall apply retroactively to authorize overlay zoning  
29 districts and regulations adopted before April 20, 1993.

30 C. This section does not authorize:

31 1. The imposition of dedications, exactions, fees or other  
32 requirements that are not otherwise authorized by law.

33 2. The regulation or restriction of the use or occupation of land or  
34 improvements for railroad, mining, metallurgical, grazing or general  
35 agricultural purposes, if the tract concerned is five or more contiguous  
36 commercial acres. For the purposes of this paragraph, general agricultural  
37 purposes do not include the cultivation of cannabis as defined in section  
38 13-3401 or marijuana as defined in section 13-3401 or 36-2801.

1           D. NOTWITHSTANDING SECTION 11-812, A ZONING ORDINANCE ADOPTED PURSUANT  
2 TO THIS ARTICLE MAY NOT ALLOW A MARIJUANA CULTIVATION FACILITY OR MARIJUANA  
3 INFUSION PRODUCTION FACILITY TO BE LOCATED WITHIN TWO THOUSAND FIVE HUNDRED  
4 FEET OF AN AREA ZONED FOR RESIDENTIAL USE, A PLACE OF WORSHIP OR A PUBLIC OR  
5 PRIVATE SCHOOL OR THE ACCOMPANYING GROUNDS. FOR THE PURPOSES OF THIS  
6 SUBSECTION, MEASUREMENTS SHALL BE MADE FROM THE EXTERIOR WALLS OF THE  
7 BUILDING OR PORTION OF THE BUILDING IN WHICH THE MARIJUANA CULTIVATION OR  
8 MARIJUANA INFUSION PRODUCTION IS CONDUCTED TO THE ZONING BOUNDARY LINE OF AN  
9 AREA ZONED FOR RESIDENTIAL USE OR THE PROPERTY LINE OF A PARCEL THAT CONTAINS  
10 A PLACE OF WORSHIP OR A PUBLIC OR PRIVATE SCHOOL OR THE ACCOMPANYING GROUNDS.

11           ~~D.~~ E. For the purposes of this section:

12           1. "Adult arcade" means any place to which the public is permitted or  
13 invited and in which coin-operated or slug-operated or electronically,  
14 electrically or mechanically controlled still or motion picture machines,  
15 projectors or other image producing devices are maintained to show images  
16 involving specific sexual activities or specific anatomical areas to persons  
17 in booths or viewing rooms.

18           2. "Adult bookstore or video store" means a commercial establishment  
19 that offers for sale or rent any of the following as one of its principal  
20 business purposes:

21           (a) Books, magazines, periodicals or other printed matter,  
22 photographs, films, motion pictures, videocassettes or reproductions or  
23 slides or other visual representations that depict or describe specific  
24 sexual activities or specific anatomical areas.

25           (b) Instruments, devices or paraphernalia that are designed for use in  
26 connection with specific sexual activities.

27           3. "Adult live entertainment establishment" means an establishment  
28 that features either:

29           (a) Persons who appear in a state of nudity.

30           (b) Live performances that are characterized by the exposure of  
31 specific anatomical areas or specific sexual activities.

32           4. "Adult motion picture theater" means a commercial establishment in  
33 which for any form of consideration films, motion pictures, videocassettes,  
34 slides or other similar photographic reproductions that are characterized by  
35 the depiction or description of specific sexual activities or specific  
36 anatomical areas are predominantly shown.

37           5. "Adult oriented business" means adult arcades, adult bookstores or  
38 video stores, cabarets, adult live entertainment establishments, adult motion  
39 picture theaters, adult theaters, massage establishments that offer adult  
40 service or nude model studios.

1           6. "Adult oriented business manager" means a person on the premises of  
2 an adult oriented business who is authorized to exercise overall operational  
3 control of the business.

4           7. "Adult service" means dancing, serving food or beverages, modeling,  
5 posing, wrestling, singing, reading, talking, listening or other performances  
6 or activities conducted for any consideration in an adult oriented business  
7 by a person who is nude or seminude during all or part of the time that the  
8 person is providing the service.

9           8. "Adult service provider" or "erotic entertainer" means any natural  
10 person who provides an adult service.

11           9. "Adult theater" means a theater, concert hall, auditorium or  
12 similar commercial establishment that predominantly features persons who  
13 appear in a state of nudity or who engage in live performances that are  
14 characterized by the exposure of specific anatomical areas or specific sexual  
15 activities.

16           10. "Cabaret" means an adult oriented business licensed to provide  
17 alcoholic beverages pursuant to title 4, chapter 2, article 1.

18           11. "Discernibly turgid state" means the state of being visibly  
19 swollen, bloated, inflated or distended.

20           12. "MARIJUANA CULTIVATION FACILITY" MEANS AN ENTITY THAT CULTIVATES,  
21 PREPARES OR PACKAGES AND SELLS MARIJUANA TO NONPROFIT MEDICAL MARIJUANA  
22 DISPENSARIES, MARIJUANA INFUSION PRODUCTION FACILITIES AND OTHER MARIJUANA  
23 CULTIVATION FACILITIES, BUT NOT TO CONSUMERS.

24           13. "MARIJUANA INFUSION PRODUCTION FACILITY" MEANS AN ENTITY THAT  
25 ACQUIRES, POSSESSES, MANUFACTURES, PREPARES OR PACKAGES AND SELLS MARIJUANA  
26 PRODUCTS BY THE MEANS OF COOKING, BLENDING OR INCORPORATING MARIJUANA INTO  
27 CONSUMABLE, EDIBLE OR TRANSDERMAL PRODUCTS TO NONPROFIT MEDICAL MARIJUANA  
28 DISPENSARIES OR OTHER MARIJUANA CULTIVATION FACILITIES, BUT NOT TO CONSUMERS.

29           ~~12-~~ 14. "Massage establishment" means an establishment in which a  
30 person, firm, association or corporation engages in or permits massage  
31 activities, including any method of pressure on, friction against, stroking,  
32 kneading, rubbing, tapping, pounding, vibrating or stimulating of external  
33 soft parts of the body with the hands or with the aid of any mechanical  
34 apparatus or electrical apparatus or appliance. This paragraph does not  
35 apply to:

36           (a) Persons who are licensed pursuant to title 32, chapter 7, 8, 13,  
37 14 or 17.

38           (b) Registered nurses, licensed practical nurses or technicians who  
39 are acting under the supervision of a physician who is licensed pursuant to  
40 title 32, chapter 13 or 17.

1 (c) Registered nurse practitioners who are licensed pursuant to title  
2 32, chapter 15.

3 (d) Persons who are employed or acting as trainers for a bona fide  
4 amateur, semiprofessional or professional athlete or athletic team.

5 (e) Persons who are licensed pursuant to title 32, chapter 3 or 5 if  
6 the activity is limited to the head, face or neck.

7 ~~13-~~ 15. "Nude model studio" means a place in which a person who  
8 appears in a state of nudity or who displays specific anatomical areas is  
9 observed, sketched, drawn, painted, sculptured, photographed or otherwise  
10 depicted by other persons who pay money or other consideration. Nude model  
11 studio does not include a proprietary school that is licensed by this state,  
12 a college, community college or university that is supported entirely or in  
13 part by taxation, a private college or university that maintains and operates  
14 educational programs in which credits are transferable to a college,  
15 community college or university that is supported entirely or in part by  
16 taxation or a structure to which the following apply:

17 (a) A sign is not visible from the exterior of the structure and no  
18 other advertising appears indicating that a nude person is available for  
19 viewing.

20 (b) A student must enroll at least three days in advance of a class in  
21 order to participate.

22 (c) No more than one nude or seminude model is on the premises at any  
23 time.

24 ~~14-~~ 16. "Nude", "nudity" or "state of nudity" means any of the  
25 following:

26 (a) The appearance of a human anus, genitals or a female breast below  
27 a point immediately above the top of the areola.

28 (b) A state of dress that fails to opaquely cover a human anus,  
29 genitals or a female breast below a point immediately above the top of the  
30 areola.

31 ~~15-~~ 17. "Principal business purposes" means that a commercial  
32 establishment derives fifty per-cent PERCENT or more of its gross income from  
33 the sale or rental of items listed in paragraph 2 of this subsection.

34 ~~16-~~ 18. "Seminude" means a state of dress in which clothing covers no  
35 more than the genitals, pubic region and female breast below a point  
36 immediately above the top of the areola, as well as portions of the body that  
37 are covered by supporting straps or devices.

38 ~~17-~~ 19. "Specific anatomical areas" means any of the following:

1           (a) A human anus, genitals, the pubic region or a female breast below  
2 a point immediately above the top of the areola that is less than completely  
3 and opaquely covered.

4           (b) Male genitals in a discernibly turgid state even if completely and  
5 opaquely covered.

6           ~~18.~~ 20. "Specific sexual activities" means any of the following:

7           (a) Human genitals in a state of sexual stimulation or arousal.

8           (b) Sex acts, normal or perverted, actual or simulated, including acts  
9 of human masturbation, sexual intercourse, oral copulation or sodomy.

10          (c) Fondling or other erotic touching of the human genitals, pubic  
11 region, buttocks, anus or female breast.

12          (d) Excretory functions as part of or in connection with any of the  
13 activities under subdivision (a), (b) or (c) of this paragraph."

14 Amend title to conform

BOB THORPE

2056bt  
02/17/2015  
12:22 PM  
C: 1d

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

**ROLL CALL VOTE**

COMMITTEE ON GOVERNMENT AND HIGHER EDUCATION BILL NO. HB 2056

DATE February 19, 2015 MOTION: DPA SE

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Friese		✓			
Mr. Larkin	✓	✓			
Mr. Lovas		✓			
Mr. Olson					✓
Mr. Petersen					✓
Mr. Saldate		✓			
Ms. Townsend		✓			
Mr. Ackerley, Vice-Chairman		✓			
Mr. Thorpe, Chairman		✓			
		4	0	0	2

Mary Reilly  
COMMITTEE SECRETARY

APPROVED:  
Bob Thorpe  
BOB THORPE, Chairman  
JOHN C. ACKERLEY, Vice-Chairman

ATTACHMENT \_\_\_\_\_



# HOUSE OF REPRESENTATIVES

HB 2057

technical correction; payment method

Sponsor: Representative Thorpe

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X Committee on Government & Higher Education

Caucus and COW

House Engrossed

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## OVERVIEW

HB 2057 makes a technical change.

### Summary of the Proposed Strike-Everything Amendment to HB 2057

The proposed strike-everything amendment to HB 2057 states that it is illegal to consume, possess, ingest, purchase or sell alcohol in powdered form.

## HISTORY

There are currently six states that have enacted legislation to define or regulate the sale of powdered alcohol: Alaska, Delaware, Louisiana, Michigan, South Carolina and Vermont. Delaware's Title 4, § 101 defines a *concentrated alcoholic beverage* as "any powders or crystals, liquid or any other substances which, after being mixed with sugar, water or any other nonalcoholic materials, ferments or otherwise becomes a wine, beer or alcoholic beverage."

There are currently at least 25 state legislatures with bills relating to the definition, sale and regulation of powdered alcohol.

Penalties for a Class 1 misdemeanor include:

- A maximum jail sentence of six months
- Up to \$2,500, plus surcharges, for individuals
- Up to \$20,000 plus surcharges, for enterprises

## PROVISIONS

1. Makes it illegal to possess, consume, ingest, purchase, sell, offer to sell or furnish liquor in powdered form.
2. Classifies these acts as a Class 1 misdemeanor.
3. Makes technical changes.

Attachment 14

PROPOSED  
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2057  
(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 4-244, Arizona Revised Statutes, is amended to  
3 read:

4 4-244. Unlawful acts

5 It is unlawful:

6 1. For a person to buy for resale, sell or deal in spirituous liquors  
7 in this state without first having procured a license duly issued by the  
8 board.

9 2. For a person to sell or deal in alcohol for beverage purposes  
10 without first complying with this title.

11 3. For a distiller, vintner, brewer or wholesaler knowingly to sell,  
12 dispose of or give spirituous liquor to any person other than a licensee  
13 except in sampling wares as may be necessary in the ordinary course of  
14 business, except in donating spirituous liquor to a nonprofit organization  
15 which THAT has obtained a special event license for the purpose of charitable  
16 fund raising activities or except in donating spirituous liquor with a cost  
17 to the distiller, brewer or wholesaler of up to five hundred dollars in a  
18 calendar year to an organization that is exempt from federal income taxes  
19 under section 501(c) (3), (4), (6) or (7) of the internal revenue code and  
20 not licensed under this title.

21 4. For a distiller, vintner or brewer to require a wholesaler to offer  
22 or grant a discount to a retailer, unless the discount has also been offered  
23 and granted to the wholesaler by the distiller, vintner or brewer.

24 5. For a distiller, vintner or brewer to use a vehicle for trucking or  
25 transportation of spirituous liquors unless there is affixed to both sides of  
26 the vehicle a sign showing the name and address of the licensee and the type

Adopted  # of Verbals \_\_\_\_\_

Failed \_\_\_\_\_ Withdrawn \_\_\_\_\_

Not Offered \_\_\_\_\_ Analysts Initials \_\_\_\_\_

Attachment 15

1 and number of the person's license in letters not less than three and  
2 one-half inches in height.

3 6. For a person to take or solicit orders for spirituous liquors  
4 unless the person is a salesman or solicitor of a licensed wholesaler, a  
5 salesman or solicitor of a distiller, brewer, vintner, importer or broker or  
6 a registered retail agent.

7 7. For any retail licensee to purchase spirituous liquors from any  
8 person other than a solicitor or salesman of a wholesaler licensed in this  
9 state.

10 8. For a retailer to acquire an interest in property owned, occupied  
11 or used by a wholesaler in the wholesaler's business, or in a license with  
12 respect to the premises of the wholesaler.

13 9. Except as provided in paragraphs 10 and 11 of this section, for a  
14 licensee or other person to sell, furnish, dispose of or give, or cause to be  
15 sold, furnished, disposed of or given, to a person under the legal drinking  
16 age or for a person under the legal drinking age to buy, receive, have in the  
17 person's possession or consume spirituous liquor. This paragraph shall not  
18 prohibit the employment by an off-sale retailer of persons who are at least  
19 sixteen years of age to check out, if supervised by a person on the premises  
20 who is at least nineteen years of age, package or carry merchandise,  
21 including spirituous liquor, in unbroken packages, for the convenience of the  
22 customer of the employer, if the employer sells primarily merchandise other  
23 than spirituous liquor.

24 10. For a licensee to employ a person under nineteen years of age to  
25 manufacture, sell or dispose of spirituous liquors. This paragraph shall not  
26 prohibit the employment by an off-sale retailer of persons who are at least  
27 sixteen years of age to check out, if supervised by a person on the premises  
28 who is at least nineteen years of age, package or carry merchandise,  
29 including spirituous liquor, in unbroken packages, for the convenience of the  
30 customer of the employer, if the employer sells primarily merchandise other  
31 than spirituous liquor.

32 11. For an on-sale retailer to employ a person under nineteen years of  
33 age in any capacity connected with the handling of spirituous liquors. This

1 paragraph does not prohibit the employment by an on-sale retailer of a person  
2 under nineteen years of age who cleans up the tables on the premises for  
3 reuse, removes dirty dishes, keeps a ready supply of needed items and helps  
4 clean up the premises.

5 12. For a licensee, when engaged in waiting on or serving customers, to  
6 consume spirituous liquor or for a licensee or on-duty employee to be on or  
7 about the licensed premises while in an intoxicated or disorderly condition.

8 13. For an employee of a retail licensee, during that employee's  
9 working hours or in connection with such employment, to give to or purchase  
10 for any other person, accept a gift of, purchase for himself or consume  
11 spirituous liquor, except that:

12 (a) An employee of a licensee, during that employee's working hours or  
13 in connection with the employment, while the employee is not engaged in  
14 waiting on or serving customers, may give spirituous liquor to or purchase  
15 spirituous liquor for any other person.

16 (b) An employee of an on-sale retail licensee, during that employee's  
17 working hours or in connection with the employment, while the employee is not  
18 engaged in waiting on or serving customers, may taste samples of beer or wine  
19 not to exceed four ounces per day or distilled spirits not to exceed two  
20 ounces per day provided by an employee of a wholesaler or distributor who is  
21 present at the time of the sampling.

22 (c) An employee of an on-sale retail licensee, under the supervision  
23 of a manager as part of the employee's training and education, while not  
24 engaged in waiting on or serving customers may taste samples of distilled  
25 spirits not to exceed two ounces per educational session or beer or wine not  
26 to exceed four ounces per educational session, and provided that a licensee  
27 shall not have more than two educational sessions in any thirty day period.

28 (d) An unpaid volunteer who is a bona fide member of a club and who is  
29 not engaged in waiting on or serving spirituous liquor to customers may  
30 purchase for himself and consume spirituous liquor while participating in a  
31 scheduled event at the club. An unpaid participant in a food competition may  
32 purchase for himself and consume spirituous liquor while participating in the  
33 food competition.

1           (e) An unpaid volunteer of a special event licensee under section  
2           4-203.02 may purchase and consume spirituous liquor while not engaged in  
3           waiting on or serving spirituous liquor to customers at the special event.  
4           This subdivision does not apply to an unpaid volunteer whose responsibilities  
5           include verification of a person's legal drinking age, security or the  
6           operation of any vehicle or heavy machinery.

7           14. For a licensee or other person to serve, sell or furnish spirituous  
8           liquor to a disorderly or obviously intoxicated person, or for a licensee or  
9           employee of the licensee to allow or permit a disorderly or obviously  
10          intoxicated person to come into or remain on or about the premises, except  
11          that a licensee or an employee of the licensee may allow an obviously  
12          intoxicated person to remain on the premises for a period of time of not to  
13          exceed thirty minutes after the state of obvious intoxication is known or  
14          should be known to the licensee in order that a nonintoxicated person may  
15          transport the obviously intoxicated person from the premises. For the  
16          purposes of this section, "obviously intoxicated" means inebriated to the  
17          extent that a person's physical faculties are substantially impaired and the  
18          impairment is shown by significantly uncoordinated physical action or  
19          significant physical dysfunction that would have been obvious to a reasonable  
20          person.

21          15. For an on-sale or off-sale retailer or an employee of such retailer  
22          to sell, dispose of, deliver or give spirituous liquor to a person between  
23          the hours of 2:00 a.m. and 6:00 a.m.

24          16. For a licensee or employee to knowingly permit any person on or  
25          about the licensed premises to give or furnish any spirituous liquor to any  
26          person under twenty-one years of age or knowingly permit any person under  
27          twenty-one years of age to have in the person's possession spirituous liquor  
28          on the licensed premises.

29          17. For an on-sale retailer or an employee of such retailer to allow a  
30          person to consume or possess spirituous liquors on the premises between the  
31          hours of 2:30 a.m. and 6:00 a.m.

32          18. For an on-sale retailer to permit an employee or for an employee to  
33          solicit or encourage others, directly or indirectly, to buy the employee

1 drinks or anything of value in the licensed premises during the employee's  
2 working hours. No on-sale retailer shall serve employees or allow a patron  
3 of the establishment to give spirituous liquor to, purchase liquor for or  
4 drink liquor with any employee during the employee's working hours.

5 19. For an off-sale retailer or employee to sell spirituous liquor  
6 except in the original unbroken container, to permit spirituous liquor to be  
7 consumed on the premises or to knowingly permit spirituous liquor to be  
8 consumed on adjacent property under the licensee's exclusive control.

9 20. For a person to consume spirituous liquor in a public place,  
10 thoroughfare or gathering. The license of a licensee permitting a violation  
11 of this paragraph on the premises shall be subject to revocation. This  
12 paragraph does not apply to the sale of spirituous liquors on the premises of  
13 and by an on-sale retailer. This paragraph also does not apply to a person  
14 consuming beer from a broken package in a public recreation area or on  
15 private property with permission of the owner or lessor or on the walkways  
16 surrounding such private property or to a person consuming beer or wine from  
17 a broken package in a public recreation area as part of a special event or  
18 festival that is conducted under a license secured pursuant to section  
19 4-203.02 or 4-203.03.

20 21. For a person to have possession of or to transport spirituous  
21 liquor which THAT is manufactured in a distillery, winery, brewery or  
22 rectifying plant contrary to the laws of the United States and this  
23 state. Any property used in transporting such spirituous liquor shall be  
24 forfeited to the state and shall be seized and disposed of as provided in  
25 section 4-221.

26 22. For an on-sale retailer or employee to allow a person under the  
27 legal drinking age to remain in an area on the licensed premises during those  
28 hours in which its primary use is the sale, dispensing or consumption of  
29 alcoholic beverages after the licensee, or the licensee's employees, know or  
30 should have known that the person is under the legal drinking age. An  
31 on-sale retailer may designate an area of the licensed premises as an area in  
32 which THAT spirituous liquor will not be sold or consumed for the purpose of  
33 allowing underage persons on the premises if the designated area is separated

1 by a physical barrier and at no time will underage persons have access to the  
2 area in which spirituous liquor is sold or consumed. A licensee or an  
3 employee of a licensee may require a person who intends to enter a licensed  
4 premises or a portion of a licensed premises where persons under the legal  
5 drinking age are prohibited under this section to exhibit a written  
6 instrument of identification that is acceptable under section 4-241 as a  
7 condition of entry. The director, or a municipality, may adopt rules to  
8 regulate the presence of underage persons on licensed premises provided the  
9 rules adopted by a municipality are more stringent than those adopted by the  
10 director. The rules adopted by the municipality shall be adopted by local  
11 ordinance and shall not interfere with the licensee's ability to comply with  
12 this paragraph. This paragraph does not apply:

13 (a) If the person under the legal drinking age is accompanied by a  
14 spouse, parent or legal guardian of legal drinking age or is an on-duty  
15 employee of the licensee.

16 (b) If the owner, lessee or occupant of the premises is a club as  
17 defined in section 4-101, paragraph 7, subdivision (a) and the person under  
18 the legal drinking age is any of the following:

19 (i) An active duty military service member.

20 (ii) A veteran.

21 (iii) A member of the United States army national guard or the United  
22 States air national guard.

23 (iv) A member of the United States military reserve forces.

24 (c) To the area of the premises used primarily for the serving of food  
25 during the hours when food is served.

26 23. For an on-sale retailer or employee to conduct drinking contests,  
27 to sell or deliver to a person an unlimited number of spirituous liquor  
28 beverages during any set period of time for a fixed price, to deliver more  
29 than forty ounces of beer, one liter of wine or four ounces of distilled  
30 spirits in any spirituous liquor drink to one person at one time for that  
31 person's consumption or to advertise any practice prohibited by this  
32 paragraph. ~~The provisions of This paragraph do~~ DOES not prohibit an on-sale

1 retailer or employee from selling and delivering an opened, original  
2 container of distilled spirits if:

3 (a) Service or pouring of the spirituous liquor is provided by an  
4 employee of the on-sale retailer.

5 (b) The employee of the on-sale retailer monitors consumption to  
6 ensure compliance with this paragraph. Locking devices may be used, but are  
7 not required.

8 24. For a licensee or employee to knowingly permit the unlawful  
9 possession, use, sale or offer for sale of narcotics, dangerous drugs or  
10 marijuana on the premises. As used in this paragraph, "dangerous drug" has  
11 the same meaning prescribed in section 13-3401.

12 25. For a licensee or employee to knowingly permit prostitution or the  
13 solicitation of prostitution on the premises.

14 26. For a licensee or employee to knowingly permit unlawful gambling on  
15 the premises.

16 27. For a licensee or employee to knowingly permit trafficking or  
17 attempted trafficking in stolen property on the premises.

18 28. For a licensee or employee to fail or refuse to make the premises  
19 or records available for inspection and examination as provided in this title  
20 or to comply with a lawful subpoena issued under this title.

21 29. For any person other than a peace officer or a member of a  
22 sheriff's volunteer posse while on duty who has received firearms training  
23 that is approved by the Arizona peace officer standards and training board,  
24 the licensee or an employee of the licensee acting with the permission of the  
25 licensee to be in possession of a firearm while on the licensed premises of  
26 an on-sale retailer. This paragraph shall not be construed to include a  
27 situation in which a person is on licensed premises for a limited time in  
28 order to seek emergency aid and such person does not buy, receive, consume or  
29 possess spirituous liquor. This paragraph shall not apply to:

30 (a) Hotel or motel guest room accommodations.

31 (b) The exhibition or display of a firearm in conjunction with a  
32 meeting, show, class or similar event.

1           (c) A person with a permit issued pursuant to section 13-3112 who  
2 carries a concealed handgun on the licensed premises of any on-sale retailer  
3 that has not posted a notice pursuant to section 4-229.

4           30. For a licensee or employee to knowingly permit a person in  
5 possession of a firearm other than a peace officer or a member of a sheriff's  
6 volunteer posse while on duty who has received firearms training that is  
7 approved by the Arizona peace officer standards and training board, the  
8 licensee or an employee of the licensee acting with the permission of the  
9 licensee to remain on the licensed premises or to serve, sell or furnish  
10 spirituous liquor to a person in possession of a firearm while on the  
11 licensed premises of an on-sale retailer. It shall be a defense to action  
12 under this paragraph if the licensee or employee requested assistance of a  
13 peace officer to remove such person. This paragraph shall not apply to:

14           (a) Hotel or motel guest room accommodations.

15           (b) The exhibition or display of a firearm in conjunction with a  
16 meeting, show, class or similar event.

17           (c) A person with a permit issued pursuant to section 13-3112 who  
18 carries a concealed handgun on the licensed premises of any on-sale retailer  
19 that has not posted a notice pursuant to section 4-229.

20           31. For any person in possession of a firearm while on the licensed  
21 premises of an on-sale retailer to consume spirituous liquor. This paragraph  
22 does not prohibit the consumption of small amounts of spirituous liquor by an  
23 undercover peace officer on assignment to investigate the licensed  
24 establishment.

25           32. For a licensee or employee to knowingly permit spirituous liquor to  
26 be removed from the licensed premises, except in the original unbroken  
27 package. This paragraph does not apply to any of the following:

28           (a) A person who removes a bottle of wine which THAT has been  
29 partially consumed in conjunction with a purchased meal from licensed  
30 premises if a cork is inserted flush with the top of the bottle or the bottle  
31 is otherwise securely closed.

32           (b) A person who is in licensed premises that have noncontiguous  
33 portions that are separated by a public or private walkway or driveway and

1 who takes spirituous liquor from one portion of the licensed premises across  
2 the public or private walkway or driveway directly to the other portion of  
3 the licensed premises.

4 (c) A bar, beer and wine bar, liquor store, beer and wine store or  
5 microbrewery licensee who dispenses beer only in a clean container composed  
6 of a material approved by a national sanitation organization with a maximum  
7 capacity that does not exceed one gallon and not for consumption on the  
8 premises if:

9 (i) The licensee or the licensee's employee fills the container at the  
10 tap at the time of sale.

11 (ii) The container is sealed with a plastic adhesive and displays a  
12 government warning label.

13 (iii) The dispensing of that beer is not done through a drive-through  
14 or walk-up service window.

15 The department shall review the effects of this subdivision and submit a  
16 report by July 1, 2015 on the effects of this subdivision to the governor,  
17 the speaker of the house of representatives and the president of the senate.  
18 The department shall provide a copy of this report to the secretary of state.

19 33. For a person who is obviously intoxicated to buy or attempt to buy  
20 spirituous liquor from a licensee or employee of a licensee or to consume  
21 spirituous liquor on licensed premises.

22 34. For a person under twenty-one years of age to drive or be in  
23 physical control of a motor vehicle while there is any spirituous liquor in  
24 the person's body.

25 35. For a person under twenty-one years of age to operate or be in  
26 physical control of a motorized watercraft that is underway while there is  
27 any spirituous liquor in the person's body. For the purposes of this  
28 paragraph, "underway" has the same meaning prescribed in section 5-301.

29 36. For a licensee, manager, employee or controlling person to  
30 purposely induce a voter, by means of alcohol, to vote or abstain from voting  
31 for or against a particular candidate or issue on an election day.

32 37. For a licensee to fail to report an occurrence of an act of  
33 violence to either the department or a law enforcement agency.

1           38. For a licensee to use a vending machine for the purpose of  
2 dispensing spirituous liquor.

3           39. For a licensee to offer for sale a wine carrying a label including  
4 a reference to Arizona or any Arizona city, town or geographic location  
5 unless at least seventy-five ~~per-cent~~ PERCENT by volume of the grapes used in  
6 making the wine were grown in Arizona.

7           40. For a retailer to knowingly allow a customer to bring spirituous  
8 liquor onto the licensed premises, except that an on-sale retailer may allow  
9 a wine and food club to bring wine onto the premises for consumption by the  
10 club's members and guests of the club's members in conjunction with meals  
11 purchased at a meeting of the club that is conducted on the premises and that  
12 at least seven members attend. An on-sale retailer who allows wine and food  
13 clubs to bring wine onto its premises under this paragraph shall comply with  
14 all applicable provisions of this title and any rules adopted pursuant to  
15 this title to the same extent as if the on-sale retailer had sold the wine to  
16 the members of the club and their guests. For the purposes of this  
17 paragraph, "wine and food club" means an association that has more than  
18 twenty bona fide members paying at least six dollars per year in dues and  
19 that has been in existence for at least one year.

20           41. For a person under twenty-one years of age to have in the person's  
21 body any spirituous liquor. In a prosecution for a violation of this  
22 paragraph:

23           (a) Pursuant to section 4-249, it is a defense that the spirituous  
24 liquor was consumed in connection with the bona fide practice of a religious  
25 belief or as an integral part of a religious exercise and in a manner not  
26 dangerous to public health or safety.

27           (b) Pursuant to section 4-226, it is a defense that the spirituous  
28 liquor was consumed for a bona fide medicinal purpose and in a manner not  
29 dangerous to public health or safety.

30           42. For an employee of a licensee to accept any gratuity, compensation,  
31 remuneration or consideration of any kind to either:

1 (a) Permit a person who is under twenty-one years of age to enter any  
2 portion of the premises where that person is prohibited from entering  
3 pursuant to paragraph 22 of this section.

4 (b) Sell, furnish, dispose of or give spirituous liquor to a person  
5 who is under twenty-one years of age.

6 43. For a person to purchase, offer for sale or use any device, machine  
7 or process which THAT mixes spirituous liquor with pure oxygen or another gas  
8 to produce a vaporized product for the purpose of consumption by inhalation  
9 or to allow patrons to use any item for the consumption of vaporized  
10 spirituous liquor.

11 44. For a retail licensee or an employee of a retail licensee to sell  
12 spirituous liquor to a person if the retail licensee or employee knows the  
13 person intends to resell the spirituous liquor.

14 45. Except as authorized by paragraph 32, subdivision (c) of this  
15 section, for a person to reuse a bottle or other container authorized for use  
16 by the laws of the United States or any agency of the United States for the  
17 packaging of distilled spirits or for a person to increase the original  
18 contents or a portion of the original contents remaining in a liquor bottle  
19 or other authorized container by adding any substance.

20 46. FOR A PERSON TO POSSESS, CONSUME, INGEST, PURCHASE, SELL, OFFER FOR  
21 SALE OR FURNISH SPIRITUOUS LIQUOR IN POWDERED FORM.

22 Sec. 2. Section 4-246, Arizona Revised Statutes, is amended to read:

23 4-246. Violation; classification

24 A. A person violating any provision of this title is guilty of a class  
25 2 misdemeanor unless another classification is prescribed.

26 B. A person violating section 4-244, paragraph 9, 14, 34, 42, or 44 OR  
27 46 is guilty of a class 1 misdemeanor.

28 C. A person violating section 4-229, subsection B, or section 4-244,  
29 paragraph 31 is guilty of a class 3 misdemeanor.

30 D. In addition to any other penalty prescribed by law, the court may  
31 suspend the privilege to drive of a person under eighteen years of age for a  
32 period of up to one hundred eighty days on receiving the record of the  
33 person's first conviction for a violation of section 4-244, paragraph 9.

1           E. In addition to any other penalty prescribed by law, a person who is  
2 convicted of a violation of section 4-244, paragraph 42 shall pay a fine of  
3 at least five hundred dollars.

4           F. In addition to any other penalty prescribed by law, a person who is  
5 convicted of a violation of section 4-241, subsection L, M or N shall pay a  
6 fine of at least two hundred fifty dollars."

7 Amend title to conform

BOB THORPE

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

**ROLL CALL VOTE**

COMMITTEE ON GOVERNMENT AND HIGHER EDUCATION BILL NO. HB 2057

DATE February 19, 2015 MOTION: Open SE

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Friese		✓			
Mr. Larkin	✗		✓		
Mr. Lovas		✓	✓		
Mr. Olson		✓			
Mr. Petersen			✓		
Mr. Saldate		✓			
Ms. Townsend		✓			
Mr. Ackerley, Vice-Chairman			✓		
Mr. Thorpe, Chairman		✓			
		5	4	0	0

APPROVED:

Bob Thorpe  
BOB THORPE, Chairman  
JOHN C. ACKERLEY, Vice-Chairman

May Reilly  
COMMITTEE SECRETARY

ATTACHMENT \_\_\_\_\_



# HOUSE OF REPRESENTATIVES

HB 2059

technical correction; voting machines

Sponsor: Representative Thorpe

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X Committee on Government & Higher Education

Caucus and COW

House Engrossed

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## OVERVIEW

HB 2059 makes a technical correction.

### Summary of the Proposed Strike-Everything Amendment to HB 2059

The strike-everything amendment to HB 2059 outlines how monies in the Medical Marijuana Fund (Fund) may be used, including marijuana education programs.

## HISTORY

In November 2010, voters passed Proposition 203, the Arizona Medical Marijuana Act, allowing qualifying patients who have been diagnosed by a physician with an outlined debilitating medical condition to obtain a permissible amount of marijuana to treat or alleviate the condition.

Arizona Revised Statutes § 36-2817 establishes the Fund within the Department of Health Services (DHS) consisting of fees collected, civil penalties imposed and private donations. Monies in the fund are continuously appropriated and do not revert to the state General Fund at the end of each Fiscal Year (FY). The year-end fund balance for FY 2014 was \$7,282,500 and the estimated year-end fund balance for FY 2015 is \$7,871,300 (Joint Legislative Budget Committee).

## PROVISIONS

1. Requires monies in the Fund:
  - a. Be spent only for purposes authorized under the Arizona Medical Marijuana Act.
  - b. Not be used for expenditures on capital construction projects, lobbying activities involving elected officials or political campaigns for an individual or ballot proposal.
  - c. Be used for programs to discourage marijuana use among the general population, especially for those under 24, through public health education programs, including community-based education and other programs focused on child abuse and neglect prevention.
  - d. Be used to supplement and not supplant monies appropriated for health education purposes.
2. Specifies that monies in the Fund can only be used for the following purposes:
  - a. Contracts with county health departments, qualifying community health centers, Indian tribes, accredited schools, nonprofit organizations, community colleges and universities for education programs aimed at reducing and preventing marijuana use.
  - b. Administrative costs for implementing and operating a marijuana education program and to award and oversee contracts for education programs, including obtaining expert services to assist in evaluating and responding to requests for proposals.

**HB 2059**

- i. Administrative costs are limited to 10%
  - c. DHS expenses for developing and delivering marijuana education programs, including radio, television, print or social media costs.
  - d. Evaluations of marijuana education programs.
3. Directs DHS to require advertising, production and editorial firms to use their best efforts to employ or contract with Arizona residents when contracting for the development and production of original advertising materials.
  - a. Requires DHS to annually report instances when it did not employ or contract with an Arizona resident, including the reason why, to the Governor, the President of the Senate and the Speaker of the House of Representatives by December 1 of each year.
4. Requires DHS to evaluate all marijuana education programs and submit its findings in a report to the Governor, the President of the Senate, the Speaker of the House of Representatives and the Secretary of State every two years.
  - a. The first report must be submitted by November 15, 2015.
5. Makes a conforming change.
6. Contains a Proposition 105 clause.

PROPOSED  
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2059  
(Reference to printed bill)

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

1 Strike everything after the enacting clause and insert:

2 "Section 1. Subject to the requirements

3 section 1, Constitution of Arizona, section 36-2817, Arizona Revised  
4 Statutes, is amended to read:

5 36-2817. Medical marijuana fund; private donations; purposes;  
6 evaluation; reports

7 A. The medical marijuana fund is established consisting of fees  
8 collected, civil penalties imposed and private donations received under this  
9 chapter. The department shall administer the fund. Monies in the fund are  
10 continuously appropriated.

11 B. The director of the department may accept and spend private grants,  
12 gifts, donations, contributions and devises to assist in carrying out the  
13 provisions of this chapter.

14 C. MONIES IN THE FUND, SUBJECT TO AVAILABILITY, SHALL:

15 1. BE SPENT ONLY FOR PURPOSES THAT ARE AUTHORIZED BY THIS CHAPTER.

16 2. NOT BE USED FOR EXPENDITURES ON CAPITAL CONSTRUCTION PROJECTS,  
17 LOBBYING ACTIVITIES INVOLVING ELECTED OFFICIALS OR POLITICAL CAMPAIGNS FOR AN  
18 INDIVIDUAL OR ANY BALLOT PROPOSAL.

19 3. BE USED FOR PROGRAMS TO DISCOURAGE MARIJUANA USE AMONG THE GENERAL  
20 POPULATION, ESPECIALLY PERSONS WHO ARE UNDER TWENTY-FOUR YEARS OF AGE,  
21 THROUGH PUBLIC HEALTH EDUCATION PROGRAMS, INCLUDING COMMUNITY-BASED EDUCATION  
22 AND OTHER PROGRAMS THAT ARE FOCUSED ON CHILD ABUSE AND NEGLECT PREVENTION.

23 4. BE USED TO SUPPLEMENT MONIES THAT ARE APPROPRIATED BY THE  
24 LEGISLATURE FOR HEALTH EDUCATION PURPOSES AND NOT BE USED TO SUPPLANT THOSE  
25 APPROPRIATED MONIES.

26 5. BE SPENT FOR THE FOLLOWING PURPOSES:

27 (a) CONTRACTS WITH COUNTY HEALTH DEPARTMENTS, QUALIFYING COMMUNITY  
28 HEALTH CENTERS AS DEFINED IN SECTION 36-2907.06, INDIAN TRIBES, ACCREDITED  
29 SCHOOLS, NONPROFIT ORGANIZATIONS, COMMUNITY COLLEGES AND UNIVERSITIES FOR  
30 EDUCATION PROGRAMS RELATED TO PREVENTING AND REDUCING MARIJUANA USE.

31 (b) ADMINISTRATIVE EXPENDITURES RELATED TO IMPLEMENTING AND OPERATING A  
32 PROGRAM DEVELOPED PURSUANT TO SUBDIVISION (a) OF THIS PARAGRAPH AND TO AWARD

1 AND OVERSEE CONTRACTS FOR EDUCATION PROGRAMS, INCLUDING OBTAINING EXPERT  
2 SERVICES TO ASSIST IN EVALUATING REQUESTS FOR PROPOSALS AND RESPONSES TO  
3 THOSE REQUESTS, AND SHALL NOT EXCEED TEN PERCENT.

4 (c) DEPARTMENT EXPENDITURES FOR DEVELOPING AND DELIVERING EDUCATION  
5 PROGRAMS THAT ARE DESIGNED TO PREVENT OR REDUCE MARIJUANA USE, INCLUDING  
6 RADIO, TELEVISION, PRINT OR SOCIAL MEDIA COSTS. WHEN CONTRACTING FOR THE  
7 DEVELOPMENT AND PRODUCTION OF ORIGINAL ADVERTISING MATERIALS, THE DEPARTMENT  
8 SHALL REQUIRE ADVERTISING, PRODUCTION AND EDITORIAL FIRMS TO USE THEIR BEST  
9 EFFORTS TO EMPLOY OR CONTRACT WITH RESIDENTS OF THIS STATE TO MANAGE, PRODUCE  
10 AND EDIT THE ORIGINAL ADVERTISING. THE DEPARTMENT SHALL REPORT ANNUALLY ON OR  
11 BEFORE DECEMBER 1 TO THE GOVERNOR, THE PRESIDENT OF THE SENATE AND THE  
12 SPEAKER OF THE HOUSE OF REPRESENTATIVES REGARDING INSTANCES WHEN THE  
13 DEPARTMENT DID NOT EMPLOY OR CONTRACT WITH RESIDENTS OF THIS STATE, INCLUDING  
14 THE REASONS FOR FAILING TO DO SO.

15 (d) THE EVALUATIONS REQUIRED BY SUBSECTION E OF THIS SECTION.

16 ~~E.~~ D. Monies in the medical marijuana fund do not revert to the state  
17 general fund at the end of a fiscal year.

18 E. THE DEPARTMENT SHALL EVALUATE THE PROGRAMS ESTABLISHED PURSUANT TO  
19 SUBSECTION C, PARAGRAPH 5 OF THIS SECTION AND EVERY TWO YEARS SHALL SUBMIT A  
20 WRITTEN REPORT OF ITS FINDINGS TO THE GOVERNOR, THE PRESIDENT OF THE SENATE  
21 AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND SHALL PROVIDE A COPY OF  
22 EACH REPORT TO THE SECRETARY OF STATE. THE DEPARTMENT SHALL SUBMIT ITS FIRST  
23 REPORT ON OR BEFORE NOVEMBER 15, 2015.

24 Sec. 2. Requirements for enactment; three-fourths vote

25 Pursuant to article IV, part 1, section 1, Constitution of Arizona,  
26 section 36-2817, Arizona Revised Statutes, as amended by this act, is  
27 effective only on the affirmative vote of at least three-fourths of the  
28 members of each house of the legislature."

29 Amend title to conform

BOB THORPE

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2/16/15  
3:58 PM  
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**ARIZONA HOUSE OF REPRESENTATIVES  
Fifty-second Legislature - First Regular Session**

**ROLL CALL VOTE**

COMMITTEE ON GOVERNMENT AND HIGHER EDUCATION BILL NO. HB 2059

DATE February 19, 2015 MOTION: Ypa S/E

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Friese			✓		
Mr. Larkin			✓		
Mr. Lovas		✓			
Mr. Olson		✓			
Mr. Petersen		✓			
Mr. Saldate			✓		
Ms. Townsend			✓		
Mr. Ackerley, Vice-Chairman		✓			
Mr. Thorpe, Chairman		✓			
		5	4	0	0

APPROVED:

Bob Thorpe  
BOB THORPE, Chairman  
JOHN C. ACKERLEY, Vice-Chairman

May Reilly  
COMMITTEE SECRETARY

ATTACHMENT \_\_\_\_\_



# HOUSE OF REPRESENTATIVES

## HB 2178

technical correction; tax correction  
Sponsor: Representative Thorpe

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X Committee on Government & Higher Education  
Caucus and COW  
House Engrossed

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### OVERVIEW

HB 2057 makes a technical change.

### Summary of the Proposed Strike-Everything Amendment to HB 2178

The proposed strike-everything amendment to HB 2178 clarifies that drinking wine in a public recreation area or on a private property with permission of the owner or lessor is not unlawful.

### HISTORY

Arizona Revised Statutes (A.R.S) Title 4 governs the regulatory requirements for the Department of Liquor Licenses and Control, which is responsible for administering and enforcing the Arizona state liquor laws.

A.R.S. § 4-244 specifies that it is unlawful to consume spirituous liquor in a public place, thoroughfare or gathering except:

- Persons consuming beer on private property or a public recreation area with the permission of the owner or lessor.
- Persons consuming beer and wine from a broken package in a public recreation area as a part of a festival or event which has secured a license pursuant to A.R.S. §§ 4-203.02, 4-203.03.

A.R.S. § 4-101 defines *broken package* as any container of spirituous liquor on which the United States sales tax seal has been broken or removed, or from which the cap, cork or seal of the manufacturer has been removed.

### PROVISIONS

1. States that it is not unlawful to drink wine from a broken package, on a private property or public recreation area with permission of the owner or lessor.
2. Makes technical changes.

Attachment 20

PROPOSED  
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2178  
(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 4-244, Arizona Revised Statutes, is amended to  
3 read:

4 4-244. Unlawful acts

5 It is unlawful:

6 1. For a person to buy for resale, sell or deal in spirituous liquors  
7 in this state without first having procured a license duly issued by the  
8 board.

9 2. For a person to sell or deal in alcohol for beverage purposes  
10 without first complying with this title.

11 3. For a distiller, vintner, brewer or wholesaler knowingly to sell,  
12 dispose of or give spirituous liquor to any person other than a licensee  
13 except in sampling wares as may be necessary in the ordinary course of  
14 business, except in donating spirituous liquor to a nonprofit organization  
15 which THAT has obtained a special event license for the purpose of charitable  
16 fund raising activities or except in donating spirituous liquor with a cost  
17 to the distiller, brewer or wholesaler of up to five hundred dollars in a  
18 calendar year to an organization that is exempt from federal income taxes  
19 under section 501(c) (3), (4), (6) or (7) of the internal revenue code and  
20 not licensed under this title.

21 4. For a distiller, vintner or brewer to require a wholesaler to offer  
22 or grant a discount to a retailer, unless the discount has also been offered  
23 and granted to the wholesaler by the distiller, vintner or brewer.

24 5. For a distiller, vintner or brewer to use a vehicle for trucking or  
25 transportation of spirituous liquors unless there is affixed to both sides of

Adopted  # of Verbals \_\_\_\_\_  
Failed \_\_\_\_\_ Withdrawn \_\_\_\_\_  
Not Offered \_\_\_\_\_ Analysts Initials Attachment 21

1 the vehicle a sign showing the name and address of the licensee and the type  
2 and number of the person's license in letters not less than three and  
3 one-half inches in height.

4 6. For a person to take or solicit orders for spirituous liquors  
5 unless the person is a salesman or solicitor of a licensed wholesaler, a  
6 salesman or solicitor of a distiller, brewer, vintner, importer or broker or  
7 a registered retail agent.

8 7. For any retail licensee to purchase spirituous liquors from any  
9 person other than a solicitor or salesman of a wholesaler licensed in this  
10 state.

11 8. For a retailer to acquire an interest in property owned, occupied  
12 or used by a wholesaler in the wholesaler's business, or in a license with  
13 respect to the premises of the wholesaler.

14 9. Except as provided in paragraphs 10 and 11 of this section, for a  
15 licensee or other person to sell, furnish, dispose of or give, or cause to be  
16 sold, furnished, disposed of or given, to a person under the legal drinking  
17 age or for a person under the legal drinking age to buy, receive, have in the  
18 person's possession or consume spirituous liquor. This paragraph shall not  
19 prohibit the employment by an off-sale retailer of persons who are at least  
20 sixteen years of age to check out, if supervised by a person on the premises  
21 who is at least nineteen years of age, package or carry merchandise,  
22 including spirituous liquor, in unbroken packages, for the convenience of the  
23 customer of the employer, if the employer sells primarily merchandise other  
24 than spirituous liquor.

25 10. For a licensee to employ a person under nineteen years of age to  
26 manufacture, sell or dispose of spirituous liquors. This paragraph shall not  
27 prohibit the employment by an off-sale retailer of persons who are at least  
28 sixteen years of age to check out, if supervised by a person on the premises  
29 who is at least nineteen years of age, package or carry merchandise,  
30 including spirituous liquor, in unbroken packages, for the convenience of the  
31 customer of the employer, if the employer sells primarily merchandise other  
32 than spirituous liquor.

1           11. For an on-sale retailer to employ a person under nineteen years of  
2 age in any capacity connected with the handling of spirituous liquors. This  
3 paragraph does not prohibit the employment by an on-sale retailer of a person  
4 under nineteen years of age who cleans up the tables on the premises for  
5 reuse, removes dirty dishes, keeps a ready supply of needed items and helps  
6 clean up the premises.

7           12. For a licensee, when engaged in waiting on or serving customers, to  
8 consume spirituous liquor or for a licensee or on-duty employee to be on or  
9 about the licensed premises while in an intoxicated or disorderly condition.

10           13. For an employee of a retail licensee, during that employee's  
11 working hours or in connection with such employment, to give to or purchase  
12 for any other person, accept a gift of, purchase for himself or consume  
13 spirituous liquor, except that:

14           (a) An employee of a licensee, during that employee's working hours or  
15 in connection with the employment, while the employee is not engaged in  
16 waiting on or serving customers, may give spirituous liquor to or purchase  
17 spirituous liquor for any other person.

18           (b) An employee of an on-sale retail licensee, during that employee's  
19 working hours or in connection with the employment, while the employee is not  
20 engaged in waiting on or serving customers, may taste samples of beer or wine  
21 not to exceed four ounces per day or distilled spirits not to exceed two  
22 ounces per day provided by an employee of a wholesaler or distributor who is  
23 present at the time of the sampling.

24           (c) An employee of an on-sale retail licensee, under the supervision  
25 of a manager as part of the employee's training and education, while not  
26 engaged in waiting on or serving customers may taste samples of distilled  
27 spirits not to exceed two ounces per educational session or beer or wine not  
28 to exceed four ounces per educational session, and provided that a licensee  
29 shall not have more than two educational sessions in any thirty day period.

30           (d) An unpaid volunteer who is a bona fide member of a club and who is  
31 not engaged in waiting on or serving spirituous liquor to customers may  
32 purchase for himself and consume spirituous liquor while participating in a  
33 scheduled event at the club. An unpaid participant in a food competition may

1 purchase for himself and consume spirituous liquor while participating in the  
2 food competition.

3 (e) An unpaid volunteer of a special event licensee under section  
4 4-203.02 may purchase and consume spirituous liquor while not engaged in  
5 waiting on or serving spirituous liquor to customers at the special event.  
6 This subdivision does not apply to an unpaid volunteer whose responsibilities  
7 include verification of a person's legal drinking age, security or the  
8 operation of any vehicle or heavy machinery.

9 14. For a licensee or other person to serve, sell or furnish spirituous  
10 liquor to a disorderly or obviously intoxicated person, or for a licensee or  
11 employee of the licensee to allow or permit a disorderly or obviously  
12 intoxicated person to come into or remain on or about the premises, except  
13 that a licensee or an employee of the licensee may allow an obviously  
14 intoxicated person to remain on the premises for a period of time of not to  
15 exceed thirty minutes after the state of obvious intoxication is known or  
16 should be known to the licensee in order that a nonintoxicated person may  
17 transport the obviously intoxicated person from the premises. For the  
18 purposes of this section, "obviously intoxicated" means inebriated to the  
19 extent that a person's physical faculties are substantially impaired and the  
20 impairment is shown by significantly uncoordinated physical action or  
21 significant physical dysfunction that would have been obvious to a reasonable  
22 person.

23 15. For an on-sale or off-sale retailer or an employee of such retailer  
24 to sell, dispose of, deliver or give spirituous liquor to a person between  
25 the hours of 2:00 a.m. and 6:00 a.m.

26 16. For a licensee or employee to knowingly permit any person on or  
27 about the licensed premises to give or furnish any spirituous liquor to any  
28 person under twenty-one years of age or knowingly permit any person under  
29 twenty-one years of age to have in the person's possession spirituous liquor  
30 on the licensed premises.

31 17. For an on-sale retailer or an employee of such retailer to allow a  
32 person to consume or possess spirituous liquors on the premises between the  
33 hours of 2:30 a.m. and 6:00 a.m.

1           18. For an on-sale retailer to permit an employee or for an employee to  
2           solicit or encourage others, directly or indirectly, to buy the employee  
3           drinks or anything of value in the licensed premises during the employee's  
4           working hours. No on-sale retailer shall serve employees or allow a patron  
5           of the establishment to give spirituous liquor to, purchase liquor for or  
6           drink liquor with any employee during the employee's working hours.

7           19. For an off-sale retailer or employee to sell spirituous liquor  
8           except in the original unbroken container, to permit spirituous liquor to be  
9           consumed on the premises or to knowingly permit spirituous liquor to be  
10          consumed on adjacent property under the licensee's exclusive control.

11          20. For a person to consume spirituous liquor in a public place,  
12          thoroughfare or gathering. The license of a licensee permitting a violation  
13          of this paragraph on the premises shall be subject to revocation. This  
14          paragraph does not apply to the sale of spirituous liquors on the premises of  
15          and by an on-sale retailer. This paragraph also does not apply to a person  
16          consuming beer OR WINE from a broken package in a public recreation area or  
17          on private property with permission of the owner or lessor or on the walkways  
18          surrounding such private property or to a person consuming beer or wine from  
19          a broken package in a public recreation area as part of a special event or  
20          festival that is conducted under a license secured pursuant to section  
21          4-203.02 or 4-203.03.

22          21. For a person to have possession of or to transport spirituous  
23          liquor ~~which~~ THAT is manufactured in a distillery, winery, brewery or  
24          rectifying plant contrary to the laws of the United States and this  
25          state. Any property used in transporting such spirituous liquor shall be  
26          forfeited to the state and shall be seized and disposed of as provided in  
27          section 4-221.

28          22. For an on-sale retailer or employee to allow a person under the  
29          legal drinking age to remain in an area on the licensed premises during those  
30          hours in which its primary use is the sale, dispensing or consumption of  
31          alcoholic beverages after the licensee, or the licensee's employees, know or  
32          should have known that the person is under the legal drinking age. An  
33          on-sale retailer may designate an area of the licensed premises as an area in

1 which spirituous liquor will not be sold or consumed for the purpose of  
2 allowing underage persons on the premises if the designated area is separated  
3 by a physical barrier and at no time will underage persons have access to the  
4 area in which spirituous liquor is sold or consumed. A licensee or an  
5 employee of a licensee may require a person who intends to enter a licensed  
6 premises or a portion of a licensed premises where persons under the legal  
7 drinking age are prohibited under this section to exhibit a written  
8 instrument of identification that is acceptable under section 4-241 as a  
9 condition of entry. The director, or a municipality, may adopt rules to  
10 regulate the presence of underage persons on licensed premises provided the  
11 rules adopted by a municipality are more stringent than those adopted by the  
12 director. The rules adopted by the municipality shall be adopted by local  
13 ordinance and shall not interfere with the licensee's ability to comply with  
14 this paragraph. This paragraph does not apply:

15 (a) If the person under the legal drinking age is accompanied by a  
16 spouse, parent or legal guardian of legal drinking age or is an on-duty  
17 employee of the licensee.

18 (b) If the owner, lessee or occupant of the premises is a club as  
19 defined in section 4-101, paragraph 7, subdivision (a) and the person under  
20 the legal drinking age is any of the following:

21 (i) An active duty military service member.

22 (ii) A veteran.

23 (iii) A member of the United States army national guard or the United  
24 States air national guard.

25 (iv) A member of the United States military reserve forces.

26 (c) To the area of the premises used primarily for the serving of food  
27 during the hours when food is served.

28 23. For an on-sale retailer or employee to conduct drinking contests,  
29 to sell or deliver to a person an unlimited number of spirituous liquor  
30 beverages during any set period of time for a fixed price, to deliver more  
31 than forty ounces of beer, one liter of wine or four ounces of distilled  
32 spirits in any spirituous liquor drink to one person at one time for that  
33 person's consumption or to advertise any practice prohibited by this

1 paragraph. ~~The provisions of~~ This paragraph ~~do~~ DOES not prohibit an on-sale  
2 retailer or employee from selling and delivering an opened, original  
3 container of distilled spirits if:

4 (a) Service or pouring of the spirituous liquor is provided by an  
5 employee of the on-sale retailer.

6 (b) The employee of the on-sale retailer monitors consumption to  
7 ensure compliance with this paragraph. Locking devices may be used, but are  
8 not required.

9 24. For a licensee or employee to knowingly permit the unlawful  
10 possession, use, sale or offer for sale of narcotics, dangerous drugs or  
11 marijuana on the premises. As used in this paragraph, "dangerous drug" has  
12 the same meaning prescribed in section 13-3401.

13 25. For a licensee or employee to knowingly permit prostitution or the  
14 solicitation of prostitution on the premises.

15 26. For a licensee or employee to knowingly permit unlawful gambling on  
16 the premises.

17 27. For a licensee or employee to knowingly permit trafficking or  
18 attempted trafficking in stolen property on the premises.

19 28. For a licensee or employee to fail or refuse to make the premises  
20 or records available for inspection and examination as provided in this title  
21 or to comply with a lawful subpoena issued under this title.

22 29. For any person other than a peace officer or a member of a  
23 sheriff's volunteer posse while on duty who has received firearms training  
24 that is approved by the Arizona peace officer standards and training board,  
25 the licensee or an employee of the licensee acting with the permission of the  
26 licensee to be in possession of a firearm while on the licensed premises of  
27 an on-sale retailer. This paragraph shall not be construed to include a  
28 situation in which a person is on licensed premises for a limited time in  
29 order to seek emergency aid and such person does not buy, receive, consume or  
30 possess spirituous liquor. This paragraph shall not apply to:

31 (a) Hotel or motel guest room accommodations.

32 (b) The exhibition or display of a firearm in conjunction with a  
33 meeting, show, class or similar event.

1 (c) A person with a permit issued pursuant to section 13-3112 who  
2 carries a concealed handgun on the licensed premises of any on-sale retailer  
3 that has not posted a notice pursuant to section 4-229.

4 30. For a licensee or employee to knowingly permit a person in  
5 possession of a firearm other than a peace officer or a member of a sheriff's  
6 volunteer posse while on duty who has received firearms training that is  
7 approved by the Arizona peace officer standards and training board, the  
8 licensee or an employee of the licensee acting with the permission of the  
9 licensee to remain on the licensed premises or to serve, sell or furnish  
10 spirituous liquor to a person in possession of a firearm while on the  
11 licensed premises of an on-sale retailer. It shall be a defense to action  
12 under this paragraph if the licensee or employee requested assistance of a  
13 peace officer to remove such person. This paragraph shall not apply to:

14 (a) Hotel or motel guest room accommodations.

15 (b) The exhibition or display of a firearm in conjunction with a  
16 meeting, show, class or similar event.

17 (c) A person with a permit issued pursuant to section 13-3112 who  
18 carries a concealed handgun on the licensed premises of any on-sale retailer  
19 that has not posted a notice pursuant to section 4-229.

20 31. For any person in possession of a firearm while on the licensed  
21 premises of an on-sale retailer to consume spirituous liquor. This paragraph  
22 does not prohibit the consumption of small amounts of spirituous liquor by an  
23 undercover peace officer on assignment to investigate the licensed  
24 establishment.

25 32. For a licensee or employee to knowingly permit spirituous liquor to  
26 be removed from the licensed premises, except in the original unbroken  
27 package. This paragraph does not apply to any of the following:

28 (a) A person who removes a bottle of wine ~~which~~ THAT has been  
29 partially consumed in conjunction with a purchased meal from licensed  
30 premises if a cork is inserted flush with the top of the bottle or the bottle  
31 is otherwise securely closed.

32 (b) A person who is in licensed premises that have noncontiguous  
33 portions that are separated by a public or private walkway or driveway and

1 who takes spirituous liquor from one portion of the licensed premises across  
2 the public or private walkway or driveway directly to the other portion of  
3 the licensed premises.

4 (c) A bar, beer and wine bar, liquor store, beer and wine store or  
5 microbrewery licensee who dispenses beer only in a clean container composed  
6 of a material approved by a national sanitation organization with a maximum  
7 capacity that does not exceed one gallon and not for consumption on the  
8 premises if:

9 (i) The licensee or the licensee's employee fills the container at the  
10 tap at the time of sale.

11 (ii) The container is sealed with a plastic adhesive and displays a  
12 government warning label.

13 (iii) The dispensing of that beer is not done through a drive-through  
14 or walk-up service window.

15 The department shall review the effects of this subdivision and submit a  
16 report by July 1, 2015 on the effects of this subdivision to the governor,  
17 the speaker of the house of representatives and the president of the senate.  
18 The department shall provide a copy of this report to the secretary of state.

19 33. For a person who is obviously intoxicated to buy or attempt to buy  
20 spirituous liquor from a licensee or employee of a licensee or to consume  
21 spirituous liquor on licensed premises.

22 34. For a person under twenty-one years of age to drive or be in  
23 physical control of a motor vehicle while there is any spirituous liquor in  
24 the person's body.

25 35. For a person under twenty-one years of age to operate or be in  
26 physical control of a motorized watercraft that is underway while there is  
27 any spirituous liquor in the person's body. For the purposes of this  
28 paragraph, "underway" has the same meaning prescribed in section 5-301.

29 36. For a licensee, manager, employee or controlling person to  
30 purposely induce a voter, by means of alcohol, to vote or abstain from voting  
31 for or against a particular candidate or issue on an election day.

32 37. For a licensee to fail to report an occurrence of an act of  
33 violence to either the department or a law enforcement agency.

1           38. For a licensee to use a vending machine for the purpose of  
2 dispensing spirituous liquor.

3           39. For a licensee to offer for sale a wine carrying a label including  
4 a reference to Arizona or any Arizona city, town or geographic location  
5 unless at least seventy-five ~~per cent~~ PERCENT by volume of the grapes used in  
6 making the wine were grown in Arizona.

7           40. For a retailer to knowingly allow a customer to bring spirituous  
8 liquor onto the licensed premises, except that an on-sale retailer may allow  
9 a wine and food club to bring wine onto the premises for consumption by the  
10 club's members and guests of the club's members in conjunction with meals  
11 purchased at a meeting of the club that is conducted on the premises and that  
12 at least seven members attend. An on-sale retailer who allows wine and food  
13 clubs to bring wine onto its premises under this paragraph shall comply with  
14 all applicable provisions of this title and any rules adopted pursuant to  
15 this title to the same extent as if the on-sale retailer had sold the wine to  
16 the members of the club and their guests. For the purposes of this  
17 paragraph, "wine and food club" means an association that has more than  
18 twenty bona fide members paying at least six dollars per year in dues and  
19 that has been in existence for at least one year.

20           41. For a person under twenty-one years of age to have in the person's  
21 body any spirituous liquor. In a prosecution for a violation of this  
22 paragraph:

23           (a) Pursuant to section 4-249, it is a defense that the spirituous  
24 liquor was consumed in connection with the bona fide practice of a religious  
25 belief or as an integral part of a religious exercise and in a manner not  
26 dangerous to public health or safety.

27           (b) Pursuant to section 4-226, it is a defense that the spirituous  
28 liquor was consumed for a bona fide medicinal purpose and in a manner not  
29 dangerous to public health or safety.

30           42. For an employee of a licensee to accept any gratuity, compensation,  
31 remuneration or consideration of any kind to either:

1 (a) Permit a person who is under twenty-one years of age to enter any  
2 portion of the premises where that person is prohibited from entering  
3 pursuant to paragraph 22 of this section.

4 (b) Sell, furnish, dispose of or give spirituous liquor to a person  
5 who is under twenty-one years of age.

6 43. For a person to purchase, offer for sale or use any device, machine  
7 or process which THAT mixes spirituous liquor with pure oxygen or another gas  
8 to produce a vaporized product for the purpose of consumption by inhalation  
9 or to allow patrons to use any item for the consumption of vaporized  
10 spirituous liquor.

11 44. For a retail licensee or an employee of a retail licensee to sell  
12 spirituous liquor to a person if the retail licensee or employee knows the  
13 person intends to resell the spirituous liquor.

14 45. Except as authorized by paragraph 32, subdivision (c) of this  
15 section, for a person to reuse a bottle or other container authorized for use  
16 by the laws of the United States or any agency of the United States for the  
17 packaging of distilled spirits or for a person to increase the original  
18 contents or a portion of the original contents remaining in a liquor bottle  
19 or other authorized container by adding any substance."

20 Amend title to conform

BOB THORPE

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

**ROLL CALL VOTE**

COMMITTEE ON GOVERNMENT AND HIGHER EDUCATION BILL NO. HB 2178

DATE February 19, 2015 MOTION: Open S/E

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Friese		✓			
Mr. Larkin		✓			
Mr. Lovas		✓			
Mr. Olson		✓			
Mr. Petersen		✓			
Mr. Saldate		✓			
Ms. Townsend		✓			
Mr. Ackerley, Vice-Chairman		✓			
Mr. Thorpe, Chairman		✓			
		9	0	0	0

APPROVED:

*Bob Thorpe*  
BOB THORPE, Chairman  
JOHN C. ACKERLEY, Vice-Chairman

*Mary Reilly*  
COMMITTEE SECRETARY

ATTACHMENT \_\_\_\_\_

Attachment 22



# HOUSE OF REPRESENTATIVES

HB 2179

technical correction; transaction privilege tax

Sponsor: Representative Thorpe

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X Committee on Government & Higher Education

Caucus and COW

House Engrossed

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## OVERVIEW

HB 2179 makes a technical change.

### Summary of the Proposed Strike-Everything Amendment to HB 2179

The strike-everything amendment to HB 2179 makes numerous changes to statutes related to service animals.

## HISTORY

The Americans with Disabilities Act (ADA) was signed into law in 1990 to eliminate discrimination against individuals with disabilities. To be protected by the ADA, a person must have a disability, which is defined as:

- Having a physical or mental impairment that substantially limits one or more major life activities.
- Having a history or record of such an impairment.
- Being perceived by others as having such impairment.

The ADA does not specifically name all of the impairments that are covered.

Under ADA, service animals are defined as dogs that are individually trained to do work or perform tasks for people with disabilities (revised ADA regulations and state law also permit the use of miniature horses). State and local governments, businesses and nonprofit organizations that serve the public must allow service animals to accompany people with disabilities in all areas where the public is normally allowed to go. The ADA requires service animals to be harnessed, leashed or tethered, unless the device would interfere with the service animal's work or the individual's disability prevents the use of one of these devices.

Pursuant to ADA, questions about a person's use of a service animal are limited; staff cannot ask about a person's disability, require medical documentation, require a special identification card or training documentation for the animal, or ask that the animal demonstrate its ability to perform the work or task. Staff is limited to asking:

- Is the dog a service animal required because of a disability?
- What work or task has the dog been trained to perform?

Arizona Revised Statutes (A.R.S.) § 11-1024 outlines the rights of individuals with disabilities in regards to the use of service animals and generally mirrors the requirements of the ADA. The statute prohibits discriminating against individuals with disabilities who use service animals if the work or tasks performed by the animal is directly related to the person's disability. Statute allows for excluding a service animal from a public place if:

## HB 2179

- The animal poses a direct threat to the safety or health of others.
- The animal poses an undue burden.
- The animal fundamentally alters the nature of the:
  - Public place
  - Goods, services or activities provided

The same level of access is provided for service animals in training. Public places are allowed to prohibit pets, as long as the prohibition does not include service animals or grant rights to one person to bring in a pet when pets would otherwise be excluded. Service animal handlers are liable for any damage done by a service animal. Violations of these requirements are a Class 2 misdemeanor.

### PROVISIONS

1. Makes it a petty offense for a person to use an animal with a harness or leash commonly used for service animals, in order to represent that the animal is a specially trained service animal when the animal has not actually been trained. Prescribes a penalty of not more than \$100.
2. Establishes a permitting process within the Arizona Department of Health Services (ADHS) for service animals.
3. Requires ADHS to issue a permit to an applicant for a service animal that is trained to assist individuals with disabilities.
4. Includes a photo of the service animal and the handler on the permit.
5. Establishes an annual renewal requirement for the permit.
6. Requires the application form to include a medical certificate, to be completed by specific healthcare providers, certifying that the applicant has a physical disability.
7. Requires a service animal in a public place to wear a vest that displays the permit.
8. Allows public places that serve food to exclude service animals to comply with health codes (state and local). A person operating a public place that serves food may post a sign to prohibit access of a service animal.
9. Directs ADHS to design signage for public places clarifying whether service animals are permitted or not.
10. Requires ADHS to petition the United States Department of Justice to update the rules relating to ADA to comply with state law.
11. Contains a Legislative Findings section.
12. Makes technical and conforming changes.

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2179

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 11-1024, Arizona Revised Statutes, is amended to  
3 read:

4 11-1024. Service animals; rights of individuals with  
5 disabilities; violation; classification; definitions

6 A. Any person or entity that operates a public place shall not  
7 discriminate against individuals with disabilities who use service animals if  
8 the work or tasks performed by the service animal are directly related to the  
9 individual's disability. Work or tasks include assisting individuals who are  
10 blind or have low vision with navigation and other tasks, alerting  
11 individuals who are deaf or hard of hearing to the presence of people or  
12 sounds, providing nonviolent protection or rescue work, pulling a wheelchair,  
13 assisting an individual during a seizure, alerting individuals to the  
14 presence of allergens, retrieving items such as medicine or the telephone,  
15 providing physical support and assistance with balance and stability to  
16 individuals with mobility disabilities and helping individuals with  
17 psychiatric and neurological disabilities by preventing or interrupting  
18 impulsive or destructive behaviors. The crime deterrent effects of an  
19 animal's presence and the provision of emotional support, well-being, comfort  
20 or companionship do not constitute work or tasks.

21 B. It is not discriminatory to exclude a service animal from a public  
22 place if one or more of the following apply:

23 1. The animal poses a direct threat to the health or safety of others.

24 2. The animal fundamentally alters the nature of the public place or  
25 the goods, services or activities provided.

26 3. The animal poses an undue burden.

27 C. Public places may maintain a general no pets policy if it is not  
28 used to exclude service animals and if it does not grant rights to any person  
29 to bring the person's pet into a public place that otherwise does not permit

Adopted  # of Verbals \_\_\_\_\_  
Failed \_\_\_\_\_ Withdrawn \_\_\_\_\_  
Not Offered \_\_\_\_\_ Analysts | Attachment 24

1 pets. PUBLIC PLACES THAT SERVE FOOD MAY EXCLUDE SERVICE ANIMALS TO COMPLY  
2 WITH STATE AND LOCAL HEALTH CODES.

3 D. A service animal handler is liable for any damage done to a public  
4 place by the service animal or service animal in training.

5 E. Any trainer or individual with a disability may take an animal  
6 being trained as a service animal to a public place for purposes of training  
7 it to the same extent as provided in subsections A, B and C of this section.

8 F. A zoo or wild animal park may prohibit a service animal, including  
9 a dog guide or service dog, from any area of the zoo or wild animal park  
10 where the service animal may come into direct contact with the animals  
11 contained in the zoo or wild animal park. Service animals shall not be  
12 excluded from public walkways or sidewalks or from any area that allows for  
13 physical barriers between the service animals, dog guides or service dogs and  
14 the animals in the zoo or wild animal park. Any zoo or wild animal park that  
15 prohibits dog guides and service dogs shall provide without cost adequate  
16 facilities for the temporary confinement of dog guides and service dogs. The  
17 facilities shall be adequate to accommodate the anticipated attendance of  
18 legally blind, OR deaf PERSONS or persons with physical disabilities, shall  
19 be in an area not accessible to the general public, shall provide water for  
20 the dog guides and service dogs and shall otherwise be safe, clean and  
21 comfortable. The zoo or wild animal park on request by a legally blind  
22 person who is required to leave that person's dog guide or service dog  
23 pursuant to this subsection shall provide a sighted escort if the legally  
24 blind person is unaccompanied by a sighted person.

25 G. The driver of a vehicle approaching a legally blind pedestrian who  
26 is carrying a cane that is predominately white or metallic in color, who is  
27 using a service animal or who is assisted by a sighted person shall yield the  
28 right-of-way and take reasonable precautions to avoid injury to the  
29 pedestrian and the service animal. The pedestrian has the same rights as any  
30 other person whether or not the pedestrian is carrying the cane, using a  
31 service animal or being assisted by a sighted person. Drivers shall take the  
32 same precautions with respect to pedestrians who have a disability other than  
33 blindness and their service animals. A driver who violates this subsection  
34 is liable for damages for any injury caused to the pedestrian or the service  
35 animal.

1 H. A SERVICE ANIMAL IN A PUBLIC PLACE SHALL WEAR A VEST THAT DISPLAYS  
2 A PERMIT ISSUED BY THE DEPARTMENT OF HEALTH SERVICES PURSUANT TO SECTION  
3 36-4001.

4 I. A PERSON IS GUILTY OF A PETTY OFFENSE AND IS SUBJECT TO A CIVIL  
5 PENALTY OF NOT MORE THAN ONE HUNDRED DOLLARS IF BOTH OF THE FOLLOWING APPLY:

6 1. THE PERSON USES AN ANIMAL WITH A HARNESS OR LEASH THAT A PERSON  
7 WITH A DISABILITY COMMONLY USES FOR A SERVICE ANIMAL IN ORDER TO REPRESENT  
8 THAT THE ANIMAL IS A SPECIALLY TRAINED SERVICE ANIMAL.

9 2. TRAINING HAS NOT ACTUALLY BEEN PROVIDED TO THE ANIMAL.

10 J. ANY PERSON OR ENTITY THAT OPERATES A PUBLIC PLACE THAT SERVES FOOD  
11 MAY POST A SIGN DESIGNED PURSUANT TO SECTION 36-4001 THAT PROHIBITS THE  
12 ACCESS OF A SERVICE ANIMAL.

13 ~~H.~~ K. Any person or entity that violates subsections A through G of  
14 this section is guilty of a class 2 misdemeanor.

15 ~~I.~~ L. This section is not intended to affect any civil remedies  
16 available for a violation of this section.

17 ~~J.~~ M. For the purposes of this section:

18 1. "Direct threat to the health or safety of others" means that a  
19 significant risk to the health or safety of others exists and cannot be  
20 eliminated by modification of policies, practices or procedures or by the  
21 provision of auxiliary aids or services.

22 2. "Discriminate" means discriminatory actions prescribed in section  
23 41-1492.02 and includes:

24 (a) Refusing to permit an individual with a disability to enter a  
25 public place with a service animal or interfering with the individual's right  
26 to enter or use the public place.

27 (b) Failing to provide an individual with a disability the same  
28 services and access to the same areas of the premises as afforded to others.

29 (c) Attempting to impose a charge, fee or deposit because an  
30 individual with a disability is accompanied by a service animal.

31 (d) Requiring an individual with a disability to disclose disability  
32 related information. However, a public accommodation may ask if the animal  
33 is a service animal being used because of a disability.

34 (e) Requiring provision of identification for the service animal.

35 3. "Individual with a disability" means an individual who has a  
36 physical or mental impairment that substantially limits one or more of the  
37 major life activities of the individual.



1           E. FOR THE PURPOSES OF THIS SECTION, "INDIVIDUAL WITH A DISABILITY",  
2 "PUBLIC PLACE" AND "SERVICE ANIMAL" HAVE THE SAME MEANINGS PRESCRIBED IN  
3 SECTION 11-1024.

4           Sec. 3. Findings

5           The legislature finds that the Americans with disabilities act of 1990  
6 may endanger the health and safety of the public, place an undue burden on  
7 businesses and others and conflict with state and local health codes. State  
8 and local health codes shall supersede the Americans with disabilities act of  
9 1990."

10 Amend title to conform

BOB THORPE

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PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2179

(Reference to the Thorpe 5-page s/e amendment dated 2/17/2015)

1 Page 5, between lines 9 and 10, insert:

2 "Sec. 4. Severability

3 If a provision of this act or its application to any person or  
4 circumstance is held invalid, the invalidity does not affect other provisions  
5 or applications of the act that can be given effect without the invalid  
6 provision or application, and to this end the provisions of this act are  
7 severable."

8 Amend title to conform

BOB THORPE

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2/18/15  
10:38 AM  
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Adopted <input checked="" type="checkbox"/>	# of Verbals _____
Failed _____	Withdrawn _____
Not Offered _____	Analysts Initials _____

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

**ROLL CALL VOTE**

COMMITTEE ON GOVERNMENT AND HIGHER EDUCATION BILL NO. 2179

DATE February 19, 2015 MOTION: ~~DPA SE~~  
**FAILED**

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Friese			✓		
Mr. Larkin			✓		
Mr. Lovas			✓		
Mr. Olson					✓
Mr. Petersen			✓		
Mr. Saldate			✓		
Ms. Townsend			✓		
Mr. Ackerley, Vice-Chairman			✓		
Mr. Thorpe, Chairman			✓		
		0	8	0	1

APPROVED:

Bob Thorpe  
 BOB THORPE, Chairman  
 JOHN C. ACKERLEY, Vice-Chairman

Mary Reilly  
 COMMITTEE SECRETARY

ATTACHMENT \_\_\_\_\_



# HOUSE OF REPRESENTATIVES

HB 2261

university admissions; CTE; fine arts

Sponsors: Representatives Bowers: Barton, Finchem

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X Committee on Government & Higher Education

Caucus and COW

House Engrossed

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## OVERVIEW

HB 2261 requires the Arizona Board of Regents (ABOR) to accept career and technical education credits in place of fine arts credits required for university admission.

## HISTORY

ABOR is a governing board that oversees Arizona's public universities: Arizona State University, Northern Arizona University and the University of Arizona. Arizona Revised Statutes (A.R.S.) § 15-1626 stipulates that one of ABOR's statutory duties is to establish qualification requirements for admissions to a public university. Statute also requires that a set of requirements be established for guaranteed acceptance of Arizona residents to a state university. These qualifications must be equally accessible to students who have attended public schools, private schools, charter schools or have been homeschooled. Statute also provides procedures to be taken when considering the qualifications of honorably discharged veterans.

Arizona residents may be eligible for guaranteed admission to a state university based on certain criteria, one of which includes showing a basic competency in the subjects:

- English
- Mathematics
- Laboratory Science
- Foreign Language
- Social Science
- Fine Arts

Students who do not qualify for guaranteed admission are allowed to be one credit short in two of the previously listed basic competency subjects. In this case, admission is decided on by the university. (ABOR 2-121)

## PROVISIONS

1. Requires ABOR to accept credits in career and technical education, in lieu of fine arts credits, for university admissions requirements.

Attachment 27

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

**ROLL CALL VOTE**

COMMITTEE ON GOVERNMENT AND HIGHER EDUCATION BILL NO. HB 2261

DATE February 19, 2015 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Friese		✓			
Mr. Larkin		✓			
Mr. Lovas		✓			
Mr. Olson		✓			
Mr. Petersen		✓			
Mr. Saldate		✓			
Ms. Townsend		✓			
Mr. Ackerley, Vice-Chairman		✓			
Mr. Thorpe, Chairman		✓			
		9	0	0	0

*Meg Reilly*

COMMITTEE SECRETARY

APPROVED:

*Bob Thorpe*  
 \_\_\_\_\_  
 BOB THORPE, Chairman  
 JOHN C. ACKERLEY, Vice-Chairman

ATTACHMENT \_\_\_\_\_

DATE: February 19, 2015

TO: Members of the Arizona House Government and Higher Education Committee

FROM: Catherine "Rusty" Foley, Executive Director, Arizona Citizens for the Arts

RE: HB2261

Mr. Chairman and members of the committee, thank you for the opportunity to submit comments on House Bill 2261 on behalf of the 90 Arizona arts organization members of Arizona Citizens for the Arts, and our network of 5,000 arts and culture supporters statewide.

Our concerns about HB2261 should in no way be construed as a lack of appreciation for the value and importance of career and technical education and the need for it to be an integral part of education opportunities in Arizona.

We are opposed HB2261 for three major reasons:

- First and foremost, we believe there are other, effective alternatives available at the local school district level to insure the admission of Career Technical Education students to our state's universities without diminishing the value of fine arts education. And quite simply, we believe the solutions to facilitating the full university admission status for CTE students should be developed at the local level and among local partners and without a mandate from the legislature.
- Second, the value of fine arts education has been well-proven for ALL students, and clearly contributes to success in a university education.
- Third, the solution offered in HB 2261 will specifically act as a disincentive to offer fine arts education in our high schools at a time when arts education is already under stress in our schools.

With respect to our first point: there are local solutions in place today, and more in the making.

As potential models, we can look to a large school district – the Scottsdale Unified School District – and on a smaller scale – Catalina Foothills High School – which offer Fine Arts credit for a number of CTE classes in communications and media technologies. Additionally, a preliminary review of course offerings across the state also shows Canyon del Oro High school in the Amphitheater Unified School District, Gilbert Union High School District and Tempe Union High School District also provide Fine Arts credit for CTE courses.

Clearly more can be done. A consortium of 13 of the 14 Joint Technical Education Districts in Arizona are working to allow a number of CTE classes to fulfill math and science credits. We believe the same can be done for a number of Fine Arts classes – just as school districts like Scottsdale and others already are doing. And we would look forward to helping facilitate such an effort.

It is also important to note that Arizona’s requirements for high school graduation already provide great flexibility. Seven full credits are available to local districts to use as they determine – for general electives, CTE classes or Fine Arts. With good planning and guidance, students should be able to complete a CTE program and a fine arts credit without one impeding the other.

Secondly, Fine Arts has long been recognized among educators as a “core academic subject” on a footing with reading, math, science and other disciplines.

More and more studies also are quantitatively linking arts to brain development that leads to enhanced skills in reading, language development and mathematics - not to mention the value of other skills like self-discipline and creative analysis that come from participation in the arts and support learning in other areas.

The Arizona Board of Regents has included a Fine Arts credit as one of the admission requirements that, based on evidence, contribute to successful completion of a four-year university program.

According to ABOR statistics, students admitted with a deficiency in Fine Arts – that is without the credit – failed to complete their freshman year at a rate of 22%. This is on par with the figures for deficiencies in other core areas. So, our question is: Why would we do anything to risk increased student failure by weakening admission standards?

On our final point - our goal at Arizona Citizens for the Arts is to work toward the day when every Arizona student goes to a school which provides quality arts education taught by a certified “highly qualified” teacher. But there are challenges.

Yet, a third of Arizona students already attend schools without an arts program that meets state standards, and almost every week we hear of another school that is “riffing” of arts teachers because of the need to cut budgets.

CTE and arts education should not be pitted against each other. Both are valuable and necessary to our education system. But the solutions offered in HB2261 will do exactly that by creating a further disincentive to offer arts education.

We believe the challenge of facilitating the admission of CTE students to our state universities is a serious one. But it is one that can and should be addressed by local school districts and the JTEDs who already are seeking solutions. We believe arts can be a part of those solutions, and we stand ready to encourage arts educators to participate in a process that would result in more CTE classes satisfying the Fine Arts requirement.

Thank you, Mr. Chairman.



# HOUSE OF REPRESENTATIVES

HB 2265

lieutenant governor; duties; ballot  
Sponsor: Representative Mesnard

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DP Committee on Elections  
X Committee on Government and Higher Education  
Caucus and COW  
House Engrossed

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## OVERVIEW

HB 2265 creates the office of Lieutenant Governor and appoints that person to be director of the Arizona Department of Administration (ADOA).

## HISTORY

The Arizona Constitution Article 5, Section 6 designates the Secretary of State (SOS) as the successor of the Governor in event of death, resignation, removal from office or permanent disability. If the SOS fails to qualify as Governor, the Attorney General, State Treasurer or the Superintendent of Public Instruction, in the order named, succeed to the office of Governor.

According to the National Lieutenant Governors Association, 45 states have a lieutenant governor. Of these, 30 states require a joint election of the Governor and Lieutenant Governor. Arizona is one of five states that does not have a position of Lieutenant Governor. Of the other four states, two designate the SOS and two designate the President of the Senate to succeed the Governor.

In 2010, the Legislature referred Proposition 111 to the ballot. Proposition 111 would have constitutionally renamed the SOS as the Lieutenant Governor. The Lieutenant Governor would have run separately from the Governor in the primary election; each winner of their respective primaries from the same political party would then have run jointly on the ticket for Governor. Proposition 111 was not passed by the voters.

## PROVISIONS

1. Directs a candidate for Governor to submit to the SOS at least 60 days before the general election the name of the person who will run with them as a candidate for Lieutenant Governor.
  - a. Specifies that the candidate for Lieutenant Governor's name will appear on the general election ballot along with the candidate for Governor's name.
2. Designates the Lieutenant Governor the director of ADOA.
3. Directs Legislative Council to prepare conforming legislation.
4. Contains a conditional enactment upon voter approval and passage of the accompanying House Concurrent Resolution 2024.
5. Makes technical and conforming changes.

Attachment 30

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

**ROLL CALL VOTE**

COMMITTEE ON GOVERNMENT AND HIGHER EDUCATION BILL NO. HB 2265

DATE February 19, 2015 MOTION: dp

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Friese		✓			
Mr. Larkin		✓			
Mr. Lovas			✓		
Mr. Olson	✗		✓		
Mr. Petersen		✓			
Mr. Saldate		✓			
Ms. Townsend		✓			
Mr. Ackerley, Vice-Chairman		✓			
Mr. Thorpe, Chairman		✓			
		7	2	0	0

APPROVED:

Bob Thorpe  
BOB THORPE, Chairman  
JOHN C. ACKERLEY, Vice-Chairman

Mary Reilly  
COMMITTEE SECRETARY

ATTACHMENT \_\_\_\_\_



# HOUSE OF REPRESENTATIVES

HB 2442

community college expenditure limits; recalculation

Sponsor: Representative Olson

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X Committee on Government & Higher Education

Caucus and COW

House Engrossed

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## OVERVIEW

HB 2442 requires the Economic Estimates Commission (Commission) to recalculate the expenditure limits for each community college district after the October full-time equivalent student enrollment (FTSE) report is produced by the Office of the Auditor General (OAG).

## HISTORY

Arizona Revised Statutes § 15-1466.01 establishes the process by which FTSE is calculated in the Arizona community college system. Basic actual FTSE is calculated by adding the total number of full-time equivalent students enrolled as of 45 days after classes begin for both the fall and spring semesters, and dividing the sum by two. Additional formulas exist to calculate student enrollment in short-term, skill center and open entry, open exit courses. The sum of all four FTSE counts is the basis for determining the amount of state aid a community college district will receive. The OAG is required to audit the FTSE reported by each community college district and submit a report of its findings by October 15 of each year.

The Commission is responsible for estimating personal income and the percent change in per capita personal income in Arizona for each fiscal year (FY). The Commission calculates the maximum amount expected to be available for legislative appropriations from state tax revenues and the required appropriation to or transfer from the budget stabilization fund for each FY. The Commission is also responsible for calculating the expenditure limits for counties, cities and towns, community colleges and the aggregate expenditure limitation for all school districts (Arizona Department of Revenue).

The Commission calculates the expenditure limitation for a community college district by adjusting the district's expenditures of local revenues in FY 1980 for changes in student population and inflation (OAG).

## PROVISIONS

1. Requires the Commission, after the close of each FY, to recalculate the expenditure limitation for each community college district by December 1, using the OAG's October FTSE report.
2. Makes technical and conforming changes.

Adopted  # of Verbals \_\_\_\_\_  
Failed \_\_\_\_\_ Withdrawn \_\_\_\_\_  
Not Offered \_\_\_\_\_ Analysts Initials \_\_\_\_\_

PROPOSED

REPRESENTATIVES AMENDMENTS TO H.B. 2442

(Reference to printed bill)

1 Page 1, between lines 1 and 2, insert:

2 "Section 1. Section 17-266, Arizona Revised Statutes, is amended to  
3 read:

4 17-266. Construction by employees or force account

5 Notwithstanding sections 41-2535 and 41-2572, the commission may build,  
6 alter, repair, improve or demolish a structure or other improvement by  
7 employees or force account if the project cost does not exceed thirty-five  
8 thousand dollars. This exemption does not apply to an office or residence  
9 building or to storage facilities for equipment and supplies. ~~In fiscal year~~  
10 ~~1986-1987, and~~ Each fiscal year thereafter, the maximum project cost for  
11 which construction by employees or force account is authorized shall be  
12 adjusted by the annual percentage change in the GDP price deflator as defined  
13 in section 41-563, ~~subsection E.~~"

14 Page 4, lines 18 and 29, strike "section 15-1466.01" insert "SUBSECTION E OF THIS  
15 SECTION"

16 Page 5, strike line 20; line 21, strike "DECEMBER 1, RECALCULATE" insert:

17 "5. USE THE NUMBER REPORTED BY THE JOINT LEGISLATIVE BUDGET COMMITTEE  
18 IN CALUCULATING"

19 Line 22, after "TO" strike remainder of line; strike line 23, insert "SUBSECTION  
20 E OF THIS SECTION."

21 Renumber to conform

22 Page 7, between lines 32 and 33, insert:

23 "E. TO DETERMINE THE STUDENT POPULATION FOR THE PURPOSES OF  
24 CALCULATING THE EXPENDITURE LIMITATION OF COMMUNITY COLLEGE DISTRICTS UNDER  
25 SUBSECTION B OF THIS SECTION, EACH COMMUNITY COLLEGE DISTRICT SHALL REPORT TO  
26 THE JOINT LEGISLATIVE BUDGET COMMITTEE THE NUMBER OF FULL-TIME EQUIVALENT  
7 STUDENTS CALCULATED PURSUANT TO SECTION 15-1466.01. THE JOINT LEGISLATIVE  
28 BUDGET COMMITTEE SHALL EVALUATE THE ACCURACY AND VALIDITY OF THE ASSUMPTIONS,

1 DATA AND CALCULATIONS USED AND REPORT TO THE DISTRICT AND TO THE COMMISSION  
2 AN APPROVED OR REVISED NUMBER OF FULL-TIME EQUIVALENT STUDENTS. THE  
3 COMMISSION SHALL USE THE NUMBER REPORTED BY THE JOINT LEGISLATIVE BUDGET  
4 COMMITTEE IN CALCULATING THE COMMUNITY COLLEGE DISTRICT EXPENDITURE  
5 LIMITATION UNDER SUBSECTION B OF THIS SECTION."

6 Reletter to conform

7 Amend title to conform

JUSTIN OLSON

2442-p1-olson  
2/17/15  
6:51 PM  
H:laa

2442jo1 \*  
02/16/2015  
4:03 PM  
C: dmt

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

**ROLL CALL VOTE**

COMMITTEE ON GOVERNMENT AND HIGHER EDUCATION BILL NO. HB 2442

DATE February 19, 2015 MOTION: dpa

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Friese			✓		
Mr. Larkin			✓		
Mr. Lovas		✓			
Mr. Olson		✓			
Mr. Petersen		✓			
Mr. Saldate				✓	
Ms. Townsend		✓			
Mr. Ackerley, Vice-Chairman		✓			
Mr. Thorpe, Chairman		✓			
		6	2	1	0

APPROVED:

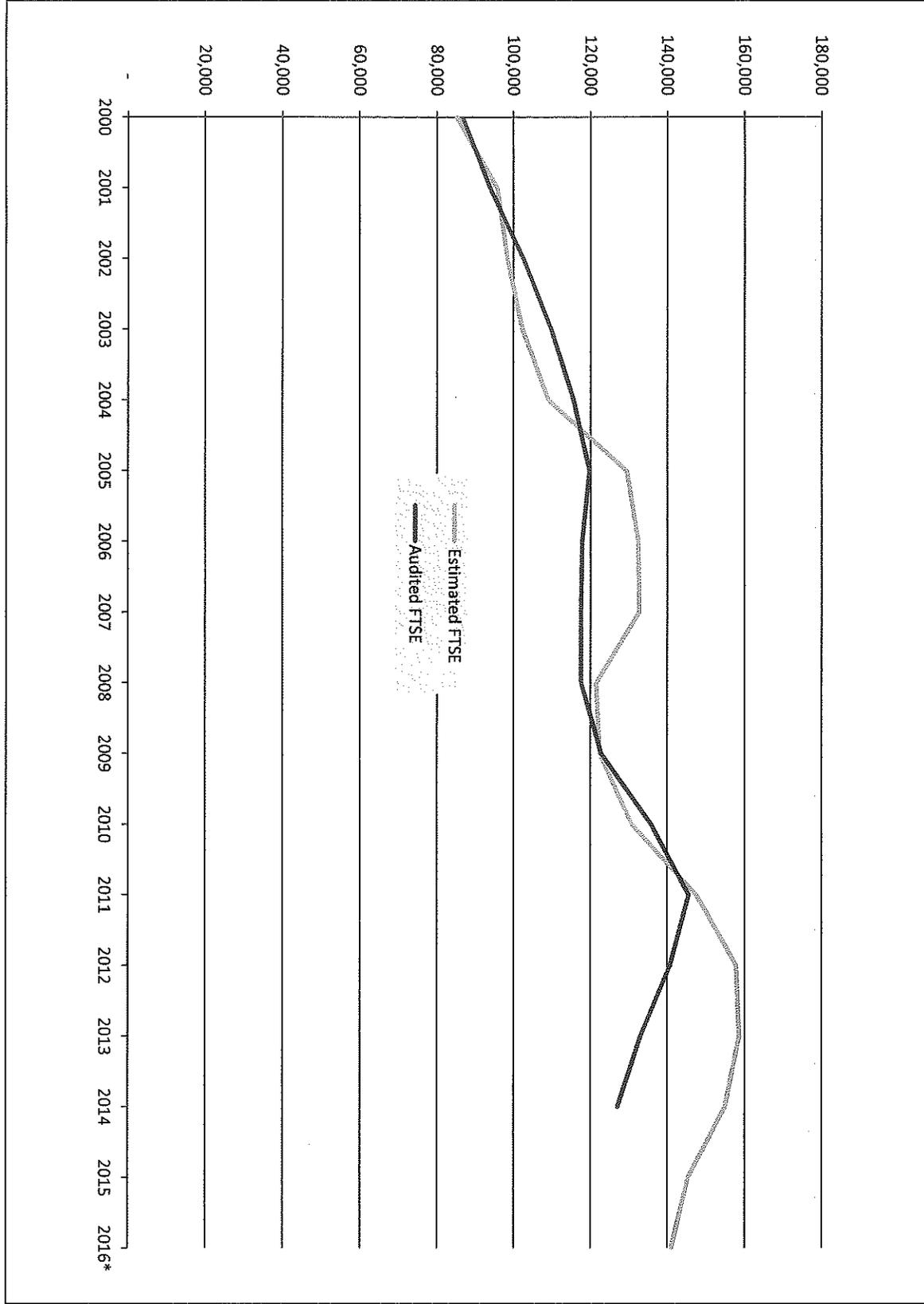
Bob Thorpe  
BOB THORPE, Chairman  
JOHN C. ACKERLEY, Vice-Chairman

Mary Rully  
COMMITTEE SECRETARY

ATTACHMENT ✓ 3

2442

### ALL Actual Enrollment compared to Estimated Enrollment





# HOUSE OF REPRESENTATIVES

HB 2484

income; licensing; patents; repeal

Sponsor: Representative Shope

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X Committee on Government & Higher Education

Caucus and COW

House Engrossed

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## OVERVIEW

HB 2484 strikes the requirement that Arizona State University (ASU) distribute income derived from licensing and patents on specified drugs.

## HISTORY

Arizona Revised Statutes (A.R.S.) § 15-647 requires ASU to distribute the gross or net income and other revenues derived from licensing and patents, including anticancer, antiviral, antifungal or antimicrobial drug discoveries or inventions. These revenues include up-front payments, royalties and any other revenue attributable to commercialization. ASU is required to detail this distribution in an audited annual report that specifies all expenditures. The report must be distributed to the President of the Arizona Board of Regents, the governor, the President of the Senate, the Speaker of the House of Representatives, the Secretary of State and the Department of Library, Archives and Public Records.

## PROVISIONS

1. Repeals A.R.S § 15-647: Distribution of licensing and patent income; Arizona State University; report.

Attachment 36

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

**ROLL CALL VOTE**

COMMITTEE ON GOVERNMENT AND HIGHER EDUCATION BILL NO. HB 2484

DATE February 19, 2015 MOTION: dp

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Friese		✓			
Mr. Larkin		✓			
Mr. Lovas		✓			
Mr. Olson		✓			
Mr. Petersen		✓			
Mr. Saldate		✓			
Ms. Townsend		✓			
Mr. Ackerley, Vice-Chairman		✓			
Mr. Thorpe, Chairman		✓			
		9	0	0	0

APPROVED:

Bob Thorpe  
BOB THORPE, Chairman  
JOHN C. ACKERLEY, Vice-Chairman

Mary Kelly  
COMMITTEE SECRETARY

ATTACHMENT \_\_\_\_\_



# HOUSE OF REPRESENTATIVES

HB 2570

municipalities; vegetation requirements; prohibition  
Sponsor: Representative Mitchell

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X Committee on Government & Higher Education

Caucus and COW

House Engrossed

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## OVERVIEW

HB 2570 prohibits municipalities from placing specific restrictions on property owners regarding the installation or removal of vegetation.

## HISTORY

Arizona Revised Statutes (A.R.S.) Title 3, Chapter 1, Article 1 establishes the Arizona Department of Agriculture (ADA) as three divisions: animal services, plant services and environmental services. The environmental services division governs the protection of native plants.

A.R.S. § 3-904 allows for destruction of protected native plants if the following apply:

- The land is privately owned.
- The protected native plants are not transported or offered for sale.
- The owner notifies the ADA of the destruction at least:
  - 20 days before the plants are destroyed on properties less than one acre.
  - 30 days before the plants are destroyed on properties between one to forty acres.
  - 60 days before the plants are destroyed on properties forty acres or more.
- The protected plants are destroyed within a year of the date of destruction given on the notice.

## PROVISIONS

1. Prohibits municipalities from adopting any ordinance, stipulation or legal requirements that require a property owner to:
  - a. Salvage plants, trees or other vegetation species if the property owner files a notice of intent to clear land with the ADA pursuant to A.R.S. § 3-904.
  - b. Install a specific type or size of plant, tree, or vegetation species.
  - c. Install landscaping that exceeds density recommendations of either:
    - i. A registered landscape architect, or
    - ii. Drought-tolerant standards adopted by a statewide association of landscape contractors.

Attachment 38

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

**ROLL CALL VOTE**

COMMITTEE ON GOVERNMENT AND HIGHER EDUCATION BILL NO. HB 2570

DATE February 19, 2015 MOTION: dp

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Friese			✓		
Mr. Larkin	✓	✓	✓		
Mr. Lovas		✓			✗
Mr. Olson		✓			
Mr. Petersen	✓	✓			
Mr. Saldate			✓		
Ms. Townsend		✓			
Mr. Ackerley, Vice-Chairman	✗	✓			
Mr. Thorpe, Chairman		✓			
		6	3	0	0

APPROVED:

Bob Thorpe  
BOB THORPE, Chairman  
JOHN C. ACKERLEY, Vice-Chairman

Max Rully  
COMMITTEE SECRETARY

ATTACHMENT \_\_\_\_\_



# HOUSE OF REPRESENTATIVES

HB 2587

state agencies; credit cards

Sponsors: Representatives Finchem, Borrelli, Cobb, et al.

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X Committee on Government & Higher Education

Caucus and COW

House Engrossed

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## OVERVIEW

HB 2587 requires the State Treasurer (Treasurer) to contract for electronic payment processing for all state agencies that accept credit cards for payment.

## HISTORY

The duties of the Treasurer are outlined in Arizona Revised Statutes § 41-172. Primarily, the Treasurer's Office:

- Manages a balance of more than \$13 billion in fixed income and equity investments in 25 different investment pools. (State Treasurer's Office)
  - These investments are comprised of state taxes, fees and other revenues; local government investment deposits; and state land trust endowment funds.
- Directs the state's banking services.

According to the Treasurer's Office, as part of the servicing bank contract, the Treasurer also contracts for merchant card services. The contract term for the merchant card processing service is the same as the overall servicing bank contract. County and municipal governments can also take advantage of the card acceptance discount rates contracted for by the Treasurer's Office for their own merchant card servicing.

## PROVISIONS

1. Requires the Treasurer to issue a request for proposals on or before January 1, 2017 for electronic payment processing for all state agencies that accept credit cards for payment. The Treasurer must award two contracts to two separate entities.
2. Prohibits a state agency from entering into a new contract or renewing an existing contract for electronic payment processing, upon expiration of any existing contract.
3. Exempts the selection of the authorized agent(s) for electronic payment processing from the Arizona Procurement Code (APC), but requires the selection process to be substantially similar to the APC.
4. States that any convenience fee charged for the use of an electronic payment is charged pursuant to the payment processing contractor's rules.
5. Makes technical and conforming changes.

Attachment 40

Adopted  # of Verbals \_\_\_\_\_  
Failed \_\_\_\_\_ Withdrawn \_\_\_\_\_  
Not Offered \_\_\_\_\_ Analysts Initials \_\_\_\_\_

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2587

(Reference to printed bill)

1 Page 5, line 9, strike "CONTRACTOR'S" insert "NETWORK'S"

2 Page 6, line 2, strike "NOT MORE THAN TWO AUTHORIZED AGENTS" insert "AN AUTHORIZED  
3 AGENT"

4 Between lines 13 and 14, insert:

5 "Sec. 3. Heading change

6 The article heading of title 35, chapter 2, article 7, Arizona Revised  
7 Statutes, is changed from "CREDIT CARD PAYMENTS BY GOVERNMENTAL ENTITIES" to  
8 "CREDIT CARD TRANSACTIONS".

9 Sec. 4. Title 35, chapter 2, article 7, Arizona Revised Statutes, is  
10 amended by adding section 35-391.01, to read:

11 35-391.01. Acceptance of credit cards; fees; definitions

12 A. ON A MAJORITY VOTE OF THE GOVERNING BODY, A LOCAL GOVERNMENT MAY  
13 ACCEPT CREDIT CARDS FOR THE PAYMENT OF ANY AMOUNT DUE TO THE LOCAL  
14 GOVERNMENT.

15 B. A LOCAL GOVERNMENT THAT ACCEPTS CREDIT CARDS MAY ENTER INTO AN  
16 AGREEMENT WITH ONE OR MORE FINANCIAL INSTITUTIONS OR OTHER SERVICE PROVIDERS  
17 FOR PROCESSING OF CREDIT CARDS. THE AGREEMENT SHALL PROVIDE FOR THE FEES  
18 CHARGED AND THE MEANS BY WHICH THE FEES SHALL BE PAID. A LOCAL GOVERNMENT  
19 MAY ALSO USE THE CONTRACT OR CONTRACTS THAT THE STATE TREASURER HAS  
20 NEGOTIATED FOR ELECTRONIC PROCESSING OF TRANSACTIONS PURSUANT TO SECTION  
21 35-315 ON WRITTEN NOTICE TO THE STATE TREASURER.

22 C. A LOCAL GOVERNMENT THAT ACCEPTS CREDIT CARDS MAY NOT RECEIVE AND  
23 RETAIN, DIRECTLY OR INDIRECTLY, ANY CONVENIENCE FEE, SURCHARGE OR OTHER FEE  
24 IN EXCESS OF THE PAYMENT FOR THE AMOUNT DUE TO THE LOCAL GOVERNMENT. A  
25 FINANCIAL INSTITUTION OR SERVICE PROVIDER MAY NOT PAY, REFUND, REBATE OR  
26 RETURN, DIRECTLY OR INDIRECTLY, TO A LOCAL GOVERNMENT FOR FINAL RETENTION ANY  
27 PORTION OF A CONVENIENCE FEE, SURCHARGE OR OTHER FEE PAID IN CONNECTION WITH  
28 A CREDIT CARD TRANSACTION.

1           D. NOTWITHSTANDING SUBSECTION C OF THIS SECTION, A LOCAL GOVERNMENT  
2 THAT ACCEPTS CREDIT CARDS MAY CHARGE A CONVENIENCE FEE OR SURCHARGE ON THE  
3 CARDHOLDER MAKING A PAYMENT BY CREDIT CARD IN AN AMOUNT TO WHOLLY OR  
4 PARTIALLY OFFSET, BUT NOT EXCEED, THE AMOUNT OF ANY DISCOUNT OR PROCESSING  
5 FEE INCURRED BY THE LOCAL GOVERNMENT. THE CONVENIENCE FEE OR SURCHARGE IS  
6 NONREFUNDABLE.

7           E. FOR THE PURPOSES OF THIS SECTION:

8           1. "CREDIT CARD" HAS THE SAME MEANING PRESCRIBED IN SECTION 35-101.

9           2. "LOCAL GOVERNMENT" MEANS A CITY, TOWN, COUNTY OR COMMUNITY  
10 COLLEGE."

11 Renumber to conform

12 Page 6, line 18, strike "two contracts to two" insert "a contract to one or more"

13 Amend title to conform

BOB THORPE

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2/16/15

4:27 PM

H:ajs

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02/11/2015

03:13 PM

C: ns

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

**ROLL CALL VOTE**

COMMITTEE ON GOVERNMENT AND HIGHER EDUCATION BILL NO. HB 2587

DATE February 19, 2015 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Friese		✓			
Mr. Larkin		✓			
Mr. Lovas		✓			
Mr. Olson					✓
Mr. Petersen		✓			
Mr. Saldate		✓			
Ms. Townsend		✓			
Mr. Ackerley, Vice-Chairman		✓			
Mr. Thorpe, Chairman		✓			
		8	0	0	1

*Mary Reilly*

COMMITTEE SECRETARY

APPROVED:

*Bob Thorpe*  
BOB THORPE, Chairman  
JOHN C. ACKERLEY, Vice-Chairman

ATTACHMENT \_\_\_\_\_

Attachment 42



# HOUSE OF REPRESENTATIVES

HB 2588

certificates of necessity; political subdivisions

Sponsor: Representative Stevens

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X Committee on Government & Higher Education

Caucus and COW

House Engrossed

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## OVERVIEW

HB 2588 outlines a process for municipalities and fire districts within Maricopa County in partnership with current ambulance service providers to manage emergency medical services (EMS) by issuance of a certificate of necessity (CON) for local community-integrated paramedicine.

## HISTORY

Laws 1973, Chapter 158 established the Arizona Department of Health Services (DHS). Within DHS is the Bureau of Emergency Medical Services and Trauma System (Bureau) which is responsible for coordinating, establishing and administering a statewide system of EMS, trauma care and a trauma registry. The Bureau's mission is to protect the health and safety of people requiring EMS; promote improvements in Arizona's EMS and trauma system through research and education of the public and EMS providers; and provide courteous, professional and responsible service to the public and EMS providers.

The director of DHS (Director) is statutorily required to adopt rules to regulate the operation of ambulances and ambulance services in this state. The rules create mandates for DHS including the responsibility to regulate ambulance operating and response times, ensure adequate service, issue, amend, transfer, suspend or revoke CONs and require ambulance services to file an annual financial report with DHS no later than 180 days after completion of its annual accounting period (Arizona Revised Statutes § 36-2232).

Ambulance services in this state are regulated through a CON system. A CON is issued by DHS to an ambulance service provider and describes the service area, level of service, type of service, hours of operation, effective date, expiration date and legal name and address of the ambulance service. An initial CON is valid for one year and renewals are valid for three years. Currently, there are approximately 87 CONs within Arizona.

According to DHS, *community paramedicine* is a paradigm shift in which paramedics function outside of their emergency response and transport roles and transition into a community health role, including primary care and prevention.

## PROVISIONS

1. Asserts that in a county with a population of 3,000,000 or more, to manage the needs in EMS for local community-integrated paramedicine that provides for timely, sustainable and reliable access, all of the following apply:
  - a. The Director must issue a CON for ambulance service for local community-integrated paramedicine to either of the following:
    - i. A municipality or fire district.

- ii. A municipality or fire district that has an intergovernmental agreement under an automatic aid system of fire department response with a contiguous municipality or fire district or any portion of that municipality or fire district that is located in another county.
    - b. The CON must be issued without a hearing within 30 days after receiving a written request.
    - c. All of the following must be included in the written request:
      - i. A description of the local community-integrated paramedicine model or mobile health care service.
      - ii. The service area requested, which may include any contiguous service areas outside the county.
      - iii. The level of ambulance service.
      - iv. The type of ambulance service.
      - v. The proposed effective date of the ambulance service.
      - vi. The legal name and address of the ambulance service.
      - vii. The response times of the ambulance service.
      - viii. The name of the ambulance service's authorized representative.
      - ix. The response times of the ambulance service.
      - x. The name of the ambulance service's authorized representative.
      - xi. A request for a certificate of registration to operate an ambulance.
      - xii. A description of the collection of real-time on-scene clinical data and informational exchange system method or electronic patient care record that will be electronically submitted to DHS and to other health care providers.
      - xiii. A copy of the DHS-approved or proposed contract with the municipality or fire district with a certificated ambulance service for ambulance transport in response to the 911 emergency telephone system, for all or part of the service area by another certificated ambulance service, if any.
      - xiv. A list of health care facilities, networks, systems or organizations, which include contractors under Arizona Health Care Cost Containment System, for use within the service area that affect the delivery of cost-effective health care and the continuity of care for the patient.
2. Stipulates that the Director's established uniform rates and charges for ambulance service in the service area are the general rates and charges for the ambulance service's requested CON.
3. Requires the service area granted under this Act to be described pursuant to statute by one or any combination of the following:
  - a. Metes and bounds.
  - b. A municipality or political subdivision not limited to a specific date.
  - c. A municipality or political subdivision as of a specific date that does not include annexation.
4. Requires the holder of a CON granted pursuant to this Act to submit an annual report on or before January 31<sup>st</sup> of each year to the Director that includes:
  - a. Any changes to the information required to be submitted.
  - b. A description of the categories and volume in ambulance transport to emergency rooms.
  - c. Transport to alternative destinations and treatment with no transport and referral outcomes in community-integrated paramedicine and ambulance service.

**HB 2588**

5. Allows a certificated ambulance service provider to establish additional rates and charges to third-party payers, in addition to other rates and charges authorized by DHS, including payments for treatments at home or on-scene treatments with a referral for the patient's health care plan, referral services and outcomes for community-integrated paramedicine services and mobile health services.
  - a. Does not include additional rates or charges for ambulance transport to emergency departments or inter-facility transports between health care facilities.
6. Makes conforming changes.

PROPOSED  
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2588  
(Reference to printed bill)

- 1 Page 1, line 6, strike "NOTWITHSTANDING SECTIONS 36-2233 AND 36-2234,"
- 2 Line 8, after "SERVICES" insert "THROUGH A PUBLIC-PRIVATE PARTNERSHIP OR
- 3 AGREEMENT"
- 4 Line 11, after "FOR" insert "911 PUBLIC DISPATCH AND"
- 5 Line 18, after the period insert "A CERTIFICATE OF NECESSITY ISSUED PURSUANT TO
- 6 THIS SECTION IS IN EFFECT ONLY FOR THE DURATION OF THE PUBLIC-PRIVATE
- 7 PARTNERSHIP AGREEMENT BETWEEN A CITY, TOWN OR FIRE DISTRICT AND A
- 8 CERTIFICATED AMBULANCE SERVICE FOR LOCAL COMMUNITY-INTEGRATED PARAMEDICINE."
- 9 Line 20, after "LOCAL" insert "AMBULANCE SERVICE"; after "MODEL" insert
- 10 ", INCLUDING MEDICAL DIRECTION."
- 11 Strike lines 21 and 25
- 12 Reletter to conform
- 13 Line 30, strike "NAME OF" insert "CONTACT INFORMATION FOR"
- 14 Line 38, after "DISTRICT" insert "THAT IS IN A PUBLIC-PRIVATE PARTNERSHIP"
- 15 Page 4, lines 35 and 36, strike "AND MOBILE HEALTH SERVICES"
- 16 Amend title to conform

BOB THORPE

2588bt  
02/18/2015  
09:55 AM  
C: mjh

Adopted  # of Verbals \_\_\_\_\_  
Failed \_\_\_\_\_ Withdrawn \_\_\_\_\_  
Not Offered \_\_\_\_\_ Analysts Initials \_\_\_\_\_

Attachment 44

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

**ROLL CALL VOTE**

COMMITTEE ON GOVERNMENT AND HIGHER EDUCATION BILL NO. HB 2588

DATE February 19, 2015 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Friese		✓			
Mr. Larkin		✓			
Mr. Lovas		✓			
Mr. Olson		✓			
Mr. Petersen		✓			
Mr. Saldate		✓			
Ms. Townsend		✓			
Mr. Ackerley, Vice-Chairman		✓			
Mr. Thorpe, Chairman		✓			
		9	0	0	0

APPROVED:

Bob Thorpe  
 BOB THORPE, Chairman  
 JOHN C. ACKERLEY, Vice-Chairman

Max Rully  
 COMMITTEE SECRETARY

ATTACHMENT \_\_\_\_\_



# HOUSE OF REPRESENTATIVES

## HB 2619

sports authority district; tourism; board

Sponsors: Representatives Leach, Andrade, Cardenas, Steele, Wheeler, et al.

X Committee on Government & Higher Education

Caucus and COW

House Engrossed

### OVERVIEW

HB 2619 makes numerous changes to the existing statutory authorization for a Sports Authority District (District) in Pima County, including expanding the scope of the District to include tourism, changing the membership of the Sports Authority Board and removing the ability of the District to issue revenue bonds.

### HISTORY

Laws 2009, Chapter 122 created Arizona Revised Statutes (A.R.S.) Title 5, Chapter 9, providing for the formation and operation of a District in any county with a population greater than 500,000 but less than 2 million (currently applicable to Pima County). The county board of supervisors serves as the board of directors for the District (District Board).

Statute authorizes the District Board to call for an election to establish a Sports Authority (Authority) within the District. Once approved by the voters, the Authority would be created per statutory guidelines. Upon voter approval, the District would be able to issue revenue bonds for the purpose of financing the construction, renovation, expansion or repair of Cactus League baseball stadiums, youth sports facilities and multipurpose facilities. Additionally, an excise tax would be levied on:

- Car rentals at 0.35%
- Hotels/motels at 0.45%
- Restaurants and bars at 0.25%
- Amusements and sporting events at 0.35%
- Retail activities at 0.15%

When Laws 2009, Chapter 122 was enacted, there were two Major League Baseball (MLB) franchises playing in Tucson. Currently there are none. Under the original statute, upon establishment of the District, the election to authorize the Authority was required to be held within the next eight general election dates. No election has been called to establish an Authority.

### PROVISIONS

#### *General Formation*

1. Expands the current District and Authority statutes to include "tourism."
2. Modifies the specific ballot question language related to use of tax revenues by outlining the following distribution formula:
  - a. 50% to a duly-recognized regional destination marketing organization (DMO) for:

Fifty-second Legislature  
First Regular Session

Analyst Initials *[Signature]*  
February 17, 2015

**HB 2619**

- i. Sponsoring market-wide events
    - ii. Marketing the destination.
  - b. 25% for airport service retention and expansion to the destination.
  - c. 25% for assisting in operational expenses of county youth and amateur sports facilities.
3. Deletes ballot language that would authorize the District to issue revenue bonds to finance stadium, youth sport facility and multipurpose facility construction, renovation, expansion or repair.

*District Authority Board*

4. Removes language authorizing the Board to approve issuance of revenue bonds.
5. Requires members of the Authority Board to be appointed within 30 days of formation of the District. Members must reside in the District.
6. Allows each member of the District Board to appoint one person to the Authority Board who meets the following membership criteria:
  - a. A representative of a duly-recognized regional destination marketing organization in the District.
  - b. One person selected from a list of nominees submitted by each of the following (total of four appointments):
    - i. The largest industry organization or trade association representing hotel, motel and lodging businesses in the District.
    - ii. The largest industry organization or trade association representing restaurant businesses in the District.
    - iii. The largest industry organization or trade association representing car rental businesses in the District.
    - iv. The largest chamber of commerce in the District.
7. Allows the county administrator to appoint two members to the Authority Board.
8. Deletes previous Authority Board membership criteria and order of appointments.

*Authority Operations*

9. Requires the Authority Board to submit a plan for the operation of the Authority.
  - a. The Authority must collaborate with the DMO and the county on the use of District monies.
  - b. Both the DMO and the county must submit a proposed annual plan and budget to the Authority Board for review and comment.
10. Adds the following duties to the Authority Board:
  - a. Complete all financial reports, including tax returns.
  - b. Report to the District Board at least annually on all projects, including results of projects, financed by the Authority.
11. Removes the following duties from the Authority Board:
  - a. Promote MLB spring training.
  - b. Acquire, construct, lease, finance, lease-purchase or obtain facilities for MLB spring training.
  - c. Issue revenue bonds.

*Repeal of Existing Laws*

12. Repeals the following sections related to facilities:
  - a. A.R.S. § 5-1106: MLB facilities; local financial participation
  - b. A.R.S. § 5-1107: youth sports and recreation; local financial participation
13. Repeals A.R.S. § 5-1139, which placed a conditional reduction on specific taxes levied for the District if certain conditions related to execution of exclusive site contracts with at least two MLB franchises were not met.
14. Repeals A.R.S. Title 5, Chapter 9, Article 3, related to revenue bonds to be issued for the District.
15. Repeals Laws 2009, Chapter 122, § 4 related to election dates and process for the original Authority.
16. Extends the conditional repeal currently in place for A.R.S. Title 5, Chapter 9, making it effective an election to establish the District is not held before November 30, 2018. Requires the Secretary of State to make notification on the status of the election, instead of the clerk of the board of supervisors.

*Miscellaneous*

17. Makes numerous technical and conforming changes.

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

**ROLL CALL VOTE**

COMMITTEE ON GOVERNMENT AND HIGHER EDUCATION BILL NO. HB 2619

DATE February 19, 2015 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Friese		✓			
Mr. Larkin		✓			
Mr. Lovas		✓			
Mr. Olson	✗		✓		
Mr. Petersen			✓		
Mr. Saldate		✓			
Ms. Townsend					✓
Mr. Ackerley, Vice-Chairman		✓			
Mr. Thorpe, Chairman		✓			
		6	2	0	1

APPROVED:

Bob Thorpe  
 BOB THORPE, Chairman  
 JOHN C. ACKERLEY, Vice-Chairman

Mary Reilly  
 COMMITTEE SECRETARY

ATTACHMENT \_\_\_\_\_



# HOUSE OF REPRESENTATIVES

HB 2646

rulemaking; approval of governor; factors

Sponsor: Representative Olson

X Committee on Government & Higher Education

Caucus and COW

House Engrossed

## OVERVIEW

HB 2646 prohibits any agency from conducting rulemaking without prior written approval from the Governor.

## Summary of Proposed Strike-Everything Amendment to HB 2646

## HISTORY

The process of formulation and finalization of state rules is called rulemaking; it is governed by Arizona Revised Statutes (A.R.S.) Title 41, Chapter 6, Article 3. A.R.S. § 41-1001 defines a *rule* as an agency statement of general applicability that implements, interprets or prescribes law or policy, or describes the procedure or practice requirements of an agency. A.R.S. § 41-1003 requires agencies to make rules of practice for formal procedures available to the public. For purposes of rulemaking, A.R.S. § 41-1001 defines an *agency* as including:

- Boards
- Commissions
- Departments
- Officers
- State administrative units

The Legislature, Courts and the Governor are excluded.

The rulemaking process includes specific public notice provisions, opportunities for stakeholder comment and final review by the Governor’s Regulatory Review Council. A.R.S. Title 41, Chapter 6, Article 3 also provides for expedited and emergency rulemaking authorities in certain situations.

On January 5, 2015, the Governor signed Executive Order 2015-01 (EO), which prohibits agencies from conducting rulemaking without prior approval of the Governor’s Office and requires agencies seeking rulemaking approval to identify specific criteria as justification for the request. The EO applies to all agencies except:

- Agencies headed by a single elected official.
- The Corporation Commission.
- Any state agency whose agency head is not appointed by the Governor.

Excluded agencies are strongly encouraged to voluntarily comply with the EO. Specific reporting requirements are outlined in the EO, which also requires each agency to provide the Governor’s Office with an evaluation of the agency’s existing rules by September 1, 2015. The report must include an analysis of licensing time frames and options for consolidation of multiple permits or licenses into one general permit. The EO expires on December 31, 2015.

## PROVISIONS

Fifty-second Legislature  
First Regular Session

Attachment 48

Analyst Initials [Signature]  
February 16, 2015

**HB 2646**

1. Prohibits an agency from conducting formal or informal rulemaking without prior written approval from the Governor.
2. Requires agencies seeking approval for rulemaking to specify one or more of these factors as justification:
  - a. Fulfilling an objective related to:
    - i. Job creation.
    - ii. Economic development.
    - iii. Economic expansion.
  - b. Reducing or lessening a regulatory burden, while achieving the same objective.
  - c. Preventing a significant threat to public health, peace or safety.
  - d. Avoiding the violation of a federal law or court order that would result in sanctions.
  - e. Complying with a federal statutory or regulatory requirement, if compliance is linked to a condition for receiving federal monies or participating in a federal program.
  - f. Complying with state law.
  - g. Making rules that are exempt from the current rulemaking process. (A.R.S. 41-1005)
  - h. Addressing waste, fraud or abuse within an agency or addressing actions against an agency that constitute waste, fraud or abuse.
3. Excludes the following from the definition of an *agency*:
  - a. The Corporation Commission.
  - b. Any agency headed by a single elected state official.
  - c. Any agency whose administrative head is not appointed by the Governor.
4. Makes technical and conforming changes.

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2646

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 41-1022, Arizona Revised Statutes, is amended to  
3 read:

4 41-1022. Rulemaking; approval of governor; notice of proposed  
5 rulemaking, amendment or repeal; contents of notice

6 A. AN AGENCY MAY NOT CONDUCT ANY FORMAL OR INFORMAL RULEMAKING WITHOUT  
7 THE PRIOR WRITTEN APPROVAL OF THE GOVERNOR. WHEN SEEKING APPROVAL TO CONDUCT  
8 RULEMAKING, AN AGENCY SHALL SPECIFY ONE OR MORE OF THE FOLLOWING FACTORS AS  
9 JUSTIFICATION FOR THE RULEMAKING:

10 1. TO FULFILL AN OBJECTIVE RELATED TO JOB CREATION, ECONOMIC  
11 DEVELOPMENT OR ECONOMIC EXPANSION IN THIS STATE.

12 2. TO REDUCE OR AMELIORATE A REGULATORY BURDEN WHILE ACHIEVING THE  
13 SAME REGULATORY OBJECTIVE.

14 3. TO PREVENT A SIGNIFICANT THREAT TO THE PUBLIC HEALTH, PEACE OR  
15 SAFETY.

16 4. TO AVOID VIOLATING A COURT ORDER OR FEDERAL LAW THAT WOULD RESULT  
17 IN SANCTIONS BY A COURT OR THE FEDERAL GOVERNMENT AGAINST AN AGENCY FOR  
18 FAILURE TO CONDUCT THE RULEMAKING ACTION.

19 5. TO COMPLY WITH A FEDERAL STATUTORY OR REGULATORY REQUIREMENT IF THE  
20 COMPLIANCE IS RELATED TO A CONDITION FOR THE RECEIPT OF FEDERAL MONIES OR  
21 PARTICIPATION IN ANY FEDERAL PROGRAM.

22 6. TO COMPLY WITH A STATE STATUTE OR SESSION LAW, INCLUDING ANY ACTION  
23 NECESSARY TO IMPLEMENT THE STATE BUDGET, AS DETERMINED BY THE DIRECTOR OF THE  
24 GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING.

25 7. TO CONDUCT RULEMAKING THAT IS EXEMPT PURSUANT TO SECTION 41-1005.

26 8. TO ADDRESS MATTERS PERTAINING TO THE CONTROL, MITIGATION OR  
27 ERADICATION OF WASTE, FRAUD OR ABUSE WITHIN AN AGENCY OR WASTEFUL, FRAUDULENT  
28 OR ABUSIVE ACTIVITIES PERPETRATED AGAINST AN AGENCY.

29 ~~A.~~ B. Before ~~rule-making~~ RULEMAKING, amendment or repeal, the AN  
30 agency shall file a notice of the proposed action with the secretary of  
31 state. The notice shall include:

32 1. The preamble.

33 2. The exact wording of the rule.

34 ~~B.~~ C. The secretary of state shall include in the next edition of the  
5 register the information in the notice under subsection ~~A-~~ B of this section.

Adopted  # of Verbals \_\_\_\_\_  
Failed \_\_\_\_\_ Withdrawn \_\_\_\_\_ Attachment 49  
Not Offered \_\_\_\_\_ Analysts Inuuis \_\_\_\_\_

1           ~~G.~~ D. At the same time the agency files a notice of the proposed rule  
2 making with the secretary of state, the agency shall notify by ~~regular~~ FIRST  
3 CLASS mail, telefacsimile or electronic mail each person who has made a  
4 timely request to the agency for notification of the proposed ~~rule-making~~  
5 RULEMAKING and ~~to~~ each person who has requested notification of all proposed  
6 ~~rule-makings~~ RULEMAKINGS. An agency may provide the notification prescribed  
7 in this subsection in a periodic agency newsletter. An agency may purge its  
8 list of persons requesting notification of proposed ~~rule-makings~~ RULEMAKINGS  
9 once each year.

10           ~~D.~~ E. Before commencing any proceedings for ~~rule-making~~ RULEMAKING,  
11 amendment or repeal, an agency shall allow at least thirty days to elapse  
12 after the publication date of the register in which the notice of the  
13 proposed ~~rule-making~~ RULEMAKING, amendment or repeal is contained.

14           ~~E.~~ F. If, as a result of public comments or internal review, an  
15 agency determines that a proposed rule requires substantial change pursuant  
16 to section 41-1025, the agency shall issue a supplemental notice containing  
17 the changes in the proposed rule. The agency shall provide for additional  
18 public comment pursuant to section 41-1023.

19           G. FOR THE PURPOSES OF SUBSECTION A OF THIS SECTION, "AGENCY" DOES  
20 NOT INCLUDE:

- 21           1. THE CORPORATION COMMISSION.
- 22           2. ANY AGENCY THAT IS HEADED BY A SINGLE ELECTED STATE OFFICIAL.
- 23           3. ANY AGENCY WHOSE ADMINISTRATIVE HEAD IS NOT APPOINTED BY THE  
24 GOVERNOR."

25 Amend title to conform

JUSTIN OLSON

2646jo  
02/16/2015  
10:52 AM  
C: meb

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

**ROLL CALL VOTE**

COMMITTEE ON GOVERNMENT AND HIGHER EDUCATION BILL NO. HB 2646

DATE February 19, 2015 MOTION: Apw SE

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Friese			✓		
Mr. Larkin			✓		
Mr. Lovas		✓			
Mr. Olson		✓			
Mr. Petersen		✓			
Mr. Saldate			✓		
Ms. Townsend		✓			
Mr. Ackerley, Vice-Chairman					✓
Mr. Thorpe, Chairman		✓			
		5	3	0	1

APPROVED:

Bob Thorpe  
BOB THORPE, Chairman  
JOHN C. ACKERLEY, Vice-Chairman

Mary Cully  
COMMITTEE SECRETARY

ATTACHMENT \_\_\_\_\_



# HOUSE OF REPRESENTATIVES

HB 2647

information technology; Title 18

Sponsor: Representative Stevens

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X Committee on Government & Higher Education

Caucus and COW

House Engrossed

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## OVERVIEW

HB 2647 establishes a separate Arizona Revised Statutes (A.R.S.) Title governing information technology (IT) in state and local governments and prescribes new requirements for use of state computers, purchasing of software, electronic filing and data encryption.

## HISTORY

A.R.S. Title 41, Chapter 32, Article 1 outlines government IT as it relates to state budget units (Unit). Statute defines a *Unit* as a department, commission, board, institution or other Arizona agency receiving, expending or disbursing state funds or incurring obligations of the state. The Arizona Board of Regents (ABOR) is included as a Unit, but universities under ABOR, the community college districts and the legislative and judicial branches are excluded. This section defines *IT* as all computerized and auxiliary automated information processing, telecommunications and related technology, including hardware, software, equipment, projects and vendor support and related services.

The Arizona Department of Administration (ADOA) is responsible for developing, implementing and maintaining a coordinated statewide IT plan. One requirement of the plan is to include statewide technical, coordination and security standards for IT. A.R.S. § 41-3507 establishes a Statewide Information Security and Privacy Office (Office) within ADOA to serve as the strategic planning, facilitation and coordination office for IT security in Arizona. The Office is required to develop, maintain and ensure compliance by each Unit with a coordinated statewide assurance plan for information security and privacy. The Office is also required to:

- Conduct information security and privacy protection compliance reviews with each Unit.
- Identify information security and privacy protection risks in each Unit and direct agencies to adopt risk mitigation strategies, methods and procedures to lessen risks.
- Monitor and report compliance of each Unit with state information security and privacy protection policies, standards and procedures.
- Coordinate statewide information security and privacy protection awareness and training programs.
- Develop strategies to protect Arizona's IT infrastructure and the data that is stored on or transmitted by, such infrastructure.

## PROVISIONS

### *Transfer and Renumber of IT Statutes*

1. Transfers the following existing sections of law into A.R.S. Title 18:

Attachment 51

Fifty-second Legislature  
First Regular Session

Analyst Initials [Signature]  
February 17, 2015

- a. A.R.S. Title 41, Chapter 32, related to Government Information Technology, including statutes related to:
  - i. The Information Technology Authorization Committee
  - ii. Alternative access to IT
- b. A.R.S. Title 41, Chapter 39, related to information obtained and disseminated by state or local governments
- c. A.R.S. Title 41, Chapter 46, related to government reporting of information
- d. A.R.S. Title 41, Chapter 51, related to authorization of electronic third party service providers
- e. A.R.S. § 41-127, related to the Data Processing Acquisition Fund
- f. A.R.S. § 41-132, related to electronic and digital signatures
- g. A.R.S. § 41-134, related to electronic database procedures
- h. A.R.S. § 38-542, related to the filing of public officer disclosure statements
- i. A.R.S. Title 44, Chapter 30, related to spyware
- j. A.R.S. Title 44, Chapter 29, related to internet representation
- k. A.R.S. § 44-7501, related to notification of security breach or compromised information

*Software Development and Purchasing*

2. Requires ADOA to evaluate all IT software development for Units.
3. Requires Units to:
  - a. Make software suitable for other Units developed by a third party or in-house, available to ADOA.
  - b. Purchase commercial off-the-shelf software from a retail provider.
  - c. Contract with an independent third party for all new software development.
4. Prohibits Units from developing new software in-house or modifying current software unless the software was developed before 2005.

*Use of State Computers*

5. Requires Units to provide a notice on all state computers (owned or leased) and outlines the contents of the notice.
6. Requires the user of a state computer to accept terms and conditions outlined in the notice prior to logging into the system.

*Government Websites*

7. Requires public bodies operating a website to use the second-level domain name “.gov” for their website.
  - a. *Public body* is defined in A.R.S. 38-431

*Data Encryption and Validity*

8. Requires all Units to encrypt data if the information is stored or sent over a network, intranet or the internet. Resources that store, process or transmit sensitive data must be encrypted.
9. Requires ADOA to adopt a minimum encryption standard and outlines requirements of the standard.
10. Requires Units to purchase new IT systems that meet the minimum encryption standard adopted by ADOA.
  - a. Units must establish a plan to upgrade systems to meet the encryption standard.
  - b. The plan must be submitted to ADOA.

## HB 2647

- c. Outlines requirements of the plan.
- 11. Exempts hardware and software that is not more than 10 years old from the encryption requirements.
- 12. Mandates ADOA use any acquired or produced data set to ensure validity of data retained by the state.
- 13. Restricts the construction, population of or editing of these data sets to ADOA.
- 14. Requires ADOA to maintain and upgrade data sets and provide interface for the state.
- 15. States that ADOA must maintain a current copy of the United States Postal Service Address Information System Carrier Route Product, for purposes of address verification by Units.
- 16. Requires ADOA to upgrade and provide the interface used by the state and local governments.

### *Electronic Filing*

#### Campaign Finance

- 17. Allows the Secretary of State (SOS) to develop an electronic filing system for campaign finance statements, designations and reports required by law, subject to legislative appropriation.
- 18. Allows any political subdivision to opt into the system and prescribes the process for opt in.
- 19. Requires the system to comply with current formats as required by law.
- 20. Requires the SOS to issue state licenses to applicants, upon approval from the agency that received the application and subject to legislative appropriation.

#### Agency-Issued Licenses

- 21. Directs the SOS to establish and maintain an electronic database of all agency-issued licenses. The database must be electronically searchable by the public.
- 22. Outlines specific information that must be sent to the SOS from the agency upon approval of an applicant and issuance of the license by the SOS for purposes of inclusion in the database:
  - a. The licensee's name and contact information
  - b. Status of the license
  - c. Education and training of the licensee
- 23. Defines *agency* and *license*.

### *Internet Representation*

- 24. Modifies the current offense of illegal internet representation by clarifying that the offense must be committed with the intent to commit fraud or theft.
  - a. Current law prescribes a Class 5 felony for the use of email or a website to solicit personal information while falsely representing oneself as an online business, without the business's permission.
- 25. Increases the amount that can be recovered by the Attorney General, internet provider or website owner for a violation to actual damages or \$2,500 per violation, whichever is greater.

**HB 2647**

26. Allows recovery of damages by any person who is adversely affected by a violation in the amount of \$5,000 or actual damages, whichever is greater. Also allows the person to bring an action to enjoin further violations.
27. Requires all actions to obtain civil relief be brought within three years of:
  - a. Discovery of the violation, or
  - b. When the violation should have been discovered using reasonable diligence, whichever is earlier.

*Miscellaneous*

28. Creates an interface for ADOA to maintain and upgrade related to vital records. Requires ADOA to notify the state Registrar of Vital Records (Registrar) of conflicting data, and requires the Registrar to mitigate data conflict.
29. Repeals A.R.S. Title 12, Chapter 6, related to liability for Year 2000 implementation failures.
30. Contains a Prop 105 clause.
  - a. Relates to conforming changes in Early Childhood Development Program.
31. Makes numerous technical and conforming changes.

PROPOSED  
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2647  
(Reference to printed bill)

- 1 Page 1, strike lines 2 through 44
- 2 Page 2, strike lines 1 through 19
- 3 Renumber to conform
- 4 Page 9, line 41, after "VERIFICATION" insert "ON DEMAND"
- 5 Page 10, line 1, after "notification" insert ": verification"
- 6 Strike lines 7 and 8, insert:
  - 7 "C. THE DEPARTMENT SHALL USE THE VITAL RECORDS DATABASE TO QUARTERLY
  - 8 VERIFY STATE RECORDS TO DETECT FRAUD AND IDENTITY THEFT."
- 9 Page 11, line 14, after the period insert "AGENCY DOES NOT INCLUDE THE CORPORATION
- 10 COMMISSION."
- 11 Page 29, strike lines 35 through 39, insert:
  - 12 "Sec. 34. Conforming legislation
  - 13 The legislative council staff shall prepare proposed legislation
  - 14 conforming the Arizona Revised Statutes to the provisions of this act for
  - 15 consideration in the fifty-second legislature, second regular session."
- 16 Amend title to conform

BOB THORPE

2647bt  
02/17/2015  
04:10 PM  
C: ns

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

Attachment 52

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

**ROLL CALL VOTE**

COMMITTEE ON GOVERNMENT AND HIGHER EDUCATION BILL NO. HB 2647

DATE February 19, 2015 MOTION: Yea

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Friese		✓			
Mr. Larkin		✓			
Mr. Lovas		✓			
Mr. Olson		✓			
Mr. Petersen		✓			
Mr. Saldate		✓			
Ms. Townsend		✓			
Mr. Ackerley, Vice-Chairman		✓			
Mr. Thorpe, Chairman		✓			
		9	0	0	0

APPROVED:

Bob Thorpe  
BOB THORPE, Chairman  
JOHN C. ACKERLEY, Vice-Chairman

May Reilly  
COMMITTEE SECRETARY

ATTACHMENT \_\_\_\_\_



# HOUSE OF REPRESENTATIVES

## HCR 2016

personal property tax; exemption

Sponsors: Representatives Mesnard, Mitchell, Petersen, et al.

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X Committee on Government & Higher Education

Caucus and COW

House Engrossed

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### OVERVIEW

HCR 2016 amends Article IX, § 2 of the Arizona Constitution to provide a tax exemption for the first \$2.4 million of assessed value for qualifying personal property acquired after December 31, 2015.

### HISTORY

The Arizona Constitution provides that all property in Arizona is subject to property taxation unless it is specifically exempted from tax as authorized by the Constitution. Under current Arizona law, the first \$50,000 of full cash value of a taxpayer's personal property used in agriculture or in a trade or business is exempt from tax (Arizona Revised Statutes [A.R.S.] § 42-11127). The amount is adjusted annually for inflation, and is set at \$146,973 for 2015. *Full cash value* is synonymous with market value, which means the estimate of value derived annually by using standard appraisal methods and techniques, unless statute prescribes another method. Pursuant to A.R.S. § 42-11001(6), full cash value shall not be greater than market value regardless of the method prescribed to determine value for property tax purposes. *Personal property* refers to property that is not part of real estate and includes such things as machinery, equipment, and store fixtures.

### PROVISIONS

1. Prohibits the Legislature from levying a tax on the full cash value of the first \$2.4 million of assessed cash value of personal property acquired after December 31, 2015; used for agricultural purposes or in a trade or business.
2. Requires the Legislature to increase the full cash value of the first \$2.4 million in accordance with inflation.
3. States the measure is to be known as the *Small Business Job Creation Act*.
4. Requires the Secretary of State to place the measure on the ballot at the next general election.
5. Makes technical and conforming changes.

Attachment 54

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

**ROLL CALL VOTE**

COMMITTEE ON GOVERNMENT AND HIGHER EDUCATION BILL NO. HCR 2016

DATE February 19, 2015 MOTION: AP

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Friese			✓		
Mr. Larkin					✓
Mr. Lovas		✓			
Mr. Olson		✓			
Mr. Petersen		✓			
Mr. Saldate			✓		
Ms. Townsend		✓			
Mr. Ackerley, Vice-Chairman		✓			
Mr. Thorpe, Chairman		✓			
		6	2	0	1

APPROVED:

*Bob Thorpe*  
 BOB THORPE, Chairman  
 JOHN C. ACKERLEY, Vice-Chairman

*Mary Reilly*  
 COMMITTEE SECRETARY

ATTACHMENT \_\_\_\_\_

Attachment 55