

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

**COMMITTEE ON COMMERCE**

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

**Convened** 9:37 a.m.

**Recessed**

**Reconvened**

**Adjourned** 1:37 p.m.

**Members Present**

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

**Members Absent**

None

**Request to Speak**

Report – Attachment 1, 2

**Presentations**

**Name**

None

**Organization**

**Attachments (Handouts)**

**Committee Action**

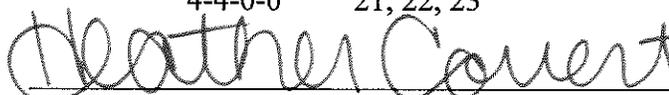
**Bill**

**Action**

**Vote**

**Attachments (Summaries,  
Amendments, Roll Call)**

SB1030	DP	8-0-0-0	3, 4
SB1141	DPA	8-0-0-0	5, 6, 7
SB1162	DPA	5-3-0-0	8, 9, 10
SB1241	DPA S/E	5-3-0-0	11, 12, 13
SB1343	DPA	5-3-0-0	14, 15, 16, 17
SB1344	DPA S/E	5-3-0-0	18, 19, 20
SB1372	Failed	4-4-0-0	21, 22, 23



Heather Covert, Chairman Assistant

March 19, 2015

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

# Information Registered on the Request to Speak System

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*House Commerce (3/18/2015)*

## **SB1141, county procedures; technical correction (NOW: corporations; purposes; directors and officers)**

### **Testified in support:**

Scott DeWald, representing self

## **SB1241, AHCCCS; contractors; providers**

### **Testified in support:**

Chianne Hower, AZ RESTAURANT AND HOSPITALITY ASSN; Michelle Ahlmer, AZ RETAILERS ASSN; Farrell Quinlan, State Director, NATIONAL FEDERATION OF INDEPENDENT BUSINESS; Sal DiCiccio, representing self; Timothy Lawless, representing self

### **Testified as opposed:**

Ken Strobeck, LEAGUE OF ARIZONA CITIES & TOWNS; Stacey Champion, representing self

### **Support:**

Trish Hart, AZ FOOD MARKETING ALLIANCE; John Mangum, Arizona Food Marketing Alliance; Joseph Galli Jr, MARKET FREEDOM ALLIANCE; Elisha Dorfsmith, representing self; Courtney Gilstrap LeVinus, Arizona Multihousing Association; Jeff Sandquist, NAIOP; Amanda Gray, Arizona Petroleum Marketers Association; Scot Mussi, Arizona Free Enterprise Club; Tom Farley, Arizona Association Of Realtors; Robert Mayer, representing self

### **Oppose:**

Robert Bulechek, representing self; Susan Waites, representing self; Sandy Bahr, Sierra Club - Grand Canyon Chapter; Alicia Klassen, representing self; Alisa McMahon, representing self; Michael Fiflis, representing self; Adriana Marinez, City Of Tucson ; Marge Zylla, TEMPE, CITY OF; Rachel Aja, City Of Peoria; Dale Volz, representing self; Amanda Ormond, PRINCPAL, THE ORMOND GROUP, representing self; Edward Burgess, representing self; Scott Butler, MESA, CITY OF

### **All Comments:**

Trish Hart, AZ FOOD MARKETING ALLIANCE: Support Petersen strike everything amendment; John Mangum, Arizona Food Marketing Alliance: Support Petersen strike everything amendment; Joseph Galli Jr, MARKET FREEDOM ALLIANCE: We support the strike all amendment.; Ken Strobeck, LEAGUE OF ARIZONA CITIES & TOWNS: Energy conservation and sustainability matters should be decided at the local level, depending on community preferences.; Robert Bulechek, Self: I oppose the proposed strike everything amendment to prohibit energy measuring and reporting. Measuring and reporting perform an important public benefit that saves consumers money and increase efficiency, benefiting Arizona's economy.; Elisha Dorfsmith, Self: Promoting and fostering sustainability is a good thing. Education campaigns are a good thing. On the other hand, bans, mandates and taxes

trample individual liberty and have unintended consequences. This bill protects individuals. Please vote yes.; Susan Waites, Self: This is a bad bill. Why does AzLeg come down like Soviet Politbureau to nix what municipalities can decide for themselves. Also a job killer. Energy monitoring creates jobs, saves consumers money. Reject this.; Chianne Hewer, AZ RESTAURANT AND HOSPITALITY ASSN: On behalf of the Arizona Restaurant Association, we are in support of the S/E amendment determining issues of auxiliary containers as a matter of statewide concern. Multi-operator restaurant owners need uniform parameters to operate efficiently.; Michelle Ahlmer, AZ RETAILERS ASSN: Support the S/E; Farrell Quinlan, NATIONAL FEDERATION OF INDEPENDENT BUSINESS: NFIB supports the Petersen striker.; Sandy Bahr, Sierra Club - Grand Canyon Chapter: We are strongly opposed to this strike-everything amendment. It would hinder efforts to provide consumers good information on energy use and also interfere with local efforts to reduce waste.; Alicia Klassen, Self: Local control is a concept that is sacred to many legislators, so shouldn't local control apply to all bills? As a Tempe resident I support my city's effort to curb plastic waste, so I am shocked that the SE amendment would take away local control.; Alisa McMahon, Self: I oppose attempts to prohibit measuring and reporting of energy usage and consumption, including benchmarking and efficiency audits. I oppose attempts to interfere with regulation of "auxiliary containers." I oppose last minute amendments.; Michael Fiflis, Self: I oppose a) attempts to prohibit measuring & reporting of energy usage & consumption, including benchmarking & efficiency audits and b) attempts to interfere with regulation of "auxiliary containers." This is usurpation of local control.; Jeff Sandquist, NAIOP: NAIOP supports the strike everything amendment to SB 1241.; Dale Volz, Self: If local communities choose to ban the use of plastic shopping bags, it is there prerogative to do so. Don't meddle.; Amanda Ormond, Self: As a home rule state the Arizona Legislature should not prohibit what individual cities can do. Please vote against the strike-all amendment to SB1241; Amanda Gray, Arizona Petroleum Marketers Association: APMA supports the strike everything amendment to this bill.; Sal DiCiccio, Self: Shane Wikfors representing Phoenix Councilman Sal DiCiccio; Tom Farley, Arizona Association Of Realtors: The association supports the Petersen strike everything amendment.; Stacey Champion, Self: This bill does not make dollar sense or common sense for our state. Our state should not control local governments.; Timothy Lawless, Self: NAIOP-AZ is in favor of the striker; Edward Burgess, Self: Local jurisdictions know best what works for themselves and should be able to keep local control over issues like energy. This bill imposes a government ban on a measure that help cities and towns could to help control rising energy costs.; Robert Mayer, Self: Support S/E amendment.

## **SB1372, landlord tenant act; guest removal**

### **Testified as opposed:**

ellen katz, William E. Morris Institute For Justice

### **Neutral:**

Courtney Gilstrap LeVinus, Arizona Multihousing Association

### **All Comments:**

ellen katz, William E. Morris Institute For Justice: This bill started out to address a very rare situation and now has adverse impacts on all tenants.

## **SB1030, microbreweries; multiple licenses; production; sales**

### **Testified in support:**

Rob Fullmer, ARIZONA CRAFT BREWERS GUILD; Jon Lane, representing self; Leah Huss, representing self; Don Isaacson, ARIZONA WINE & SPIRITS WHOLESALERS ASSOCIATION; Julie Meeker, representing self; Camila Alarcon, ARIZONA CRAFT BREWERS GUILD

### **Support:**

Michael Marquess, representing self; Joseph Galli Jr, MARKET FREEDOM ALLIANCE; Erin Reed, representing self; Robert Medler, TUCSON METROPOLITAN CHAMBER OF COMMERCE; Chianne Hower, AZ RESTAURANT AND HOSPITALITY ASSN; Susie Stevens, ALLIANCE BEVERAGE DISTRIBUTING; Cheyenne Walsh, ARIZONA WINE & SPIRITS WHOLESALERS ASSOCIATION; Gregory Harris, Southern Wine And Spirits Of Arizona; Jim Norton, YOUNG'S MARKET CO SOUTHWEST LLC

### **Neutral:**

Pearlette Ramos, Arizona Department Of Liquor Licenses And Control

### **All Comments:**

Jon Lane, Self: Growth; Michael Marquess, Self: Mother Road Brewing Co. supports the free market and removal of growth barriers to Arizona's craft breweries. Please vote yes on SB1030. Thank you.; Erin Reed, Self: Pass this and promote AZ businesses and growth.; Chianne Hower, AZ RESTAURANT AND HOSPITALITY ASSN: The Arizona Restaurant Association supports this bill and the industry compromise on microbrewery legislation.

## **SB1343, unemployment insurance; reimbursable employers (NOW: unemployment insurance; reimbursable employers)**

### **Testified as neutral:**

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

## **SB1344, organization of county; private property**

### **Testified in support:**

Sal DiCiccio, representing self

### **Testified as neutral:**

Barry Aarons, representing self

### **Testified as opposed:**

Ken Strobeck, LEAGUE OF ARIZONA CITIES & TOWNS

### **Support:**

Jared Taylor, representing self; Emilena Turley, Council Member, representing self

## **Oppose:**

George Diaz, Principal, BUCKEYE, TOWN OF; Paul Jepson, City Of Maricopa

## **All Comments:**

George Diaz, BUCKEYE, TOWN OF: Opposed to the strike-everything amendment. Buckeye establishes principles before session that authorize our position on bills during session. The s/e's language would drastically slow our ability to take positions on bills.; Jared Taylor, Self: It's important to keep alignment with Councils and the representatives at the Capitol. Jared Taylor, Gilbert Town Council; Emilena Turley, Council Member, Self: Every council member should have a voice at the capitol. If the lobbyist's fiduciary duty is not to the council, then as an elected official, I have no representation. Is it not reasonable to have representation as an elected official?; Sal DiCiccio, Self: Shane Wikfors representing Phoenix Councilman Sal DiCiccio

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HOUSE OF REPRESENTATIVES

Please PRINT Clearly

*testified*

Committee on Commerce Bill Number SB 1141  
 Date 3-18-15  Support  Oppose  Neutral  
 Name Scott DeWald Need to Speak?  Yes  No  
 Representing self (practicing lawyer) Are you a registered lobbyist? No  
 Complete Address 201 E. Washington Phoenix 85004  
 E-mail Address sdewald@LRRLAW.COM Phone Number 602.262.5333  
 Comments: The bill contains pro-business improvements to Arizona's corporation laws.

\*\*\*FIVE-MINUTE SPEAKING LIMIT\*\*\*

Attachment 2

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HOUSE OF REPRESENTATIVES

Please PRINT Clearly

Committee on Commerce Bill Number SB 1141 strike-everything  
 Date 3/18/15  Support  Oppose  Neutral  
 Name Jeff Gray Need to Speak?  Yes  No  
 Representing City of Phoenix Are you a registered lobbyist? Y  
 Complete Address 121 E. Buchanan St, Phoenix AZ  
 E-mail Address jeff.gray@cityofphoenix.gov Phone Number (602) 263-0040  
 Comments: \_\_\_\_\_

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HOUSE OF REPRESENTATIVES

Please PRINT Clearly

Committee on Commerce Bill Number SB1241  
 Date March 18, 2015  Support  Oppose  Neutral  
 Name Shane Wikfors Need to Speak?  Yes  No  
 Representing Phoenix Councilman Sal DiCiccio Are you a registered lobbyist? N  
 Complete Address 200 W. Washington St. Phoenix 85003  
 E-mail Address gapshane@gmail.com Phone Number 4803323440  
 Comments: \_\_\_\_\_

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Committee on Commerce Bill Number 1241  
 Date 3-18-15  Support  Oppose  Neutral  
 Name John Mangum Need to Speak?  Yes  No  
 Representing Arizona Food Marketing Alliance Are you a registered lobbyist? yes  
 Complete Address 318 W. Roosevelt St.  
 E-mail Address \_\_\_\_\_ Phone Number \_\_\_\_\_  
 Comments: \_\_\_\_\_

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Please PRINT Clearly

Committee on Commerce Bill Number 1241

Date 3-18-15  Support  Oppose  Neutral

Name Trish Hart Need to Speak?  Yes  No

Representing Arizona Food Marketing Are you a registered lobbyist? Yes

Complete Address 318 W. Roosevelt St.

E-mail Address \_\_\_\_\_ Phone Number \_\_\_\_\_

Comments: \_\_\_\_\_

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HOUSE OF REPRESENTATIVES

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Committee on Commerce Bill Number 1241 - Striker

Date 5/18/15  Support  Oppose  Neutral

Name JEFF SANDQUIST Need to Speak?  Yes  No <sup>If Necessary</sup>

Representing NAIDPAZ Are you a registered lobbyist? Yes

Complete Address 111 W MONROE, SUITE 1111

E-mail Address jsandquist@veridus.com Phone Number (602) 300-5019

Comments: NAIOP supports the strike-everything amendment

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HOUSE OF REPRESENTATIVES

*Testified*

Please PRINT Clearly

Committee on COMMERCE Bill Number SB 1241 - STRIKER  
 Date 5/18/15  Support  Oppose  Neutral  
 Name TIM LAWLESS Need to Speak?  Yes  No  
 Representing ARIZONA CHAPTER NAJOP Are you a registered lobbyist? YES  
 Complete Address 1702 E. HIGHLAND AVE, SUITE 401  
 E-mail Address TAWLESS@NAJOP-AZ.ORG Phone Number 480-748-8844  
 Comments: NAJOP-AZ SUPPORTS THE STRIKE-EVERYTHING AMENDMENT

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Committee on Commerce Bill Number SB 1030  
 Date 3-18-15  Support  Oppose  Neutral  
 Name Billie McGovern Need to Speak?  Yes  No  
 Representing Prescott Brewing Company Are you a registered lobbyist? NO  
 Complete Address 3801 E Park View Dr  
 E-mail Address ~~billie@prescott~~ billie.p@prescottbrewing.com Phone Number 602-733-0781  
 Comments: \_\_\_\_\_

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Committee on Commerce Bill Number SB 1030  
 Date 3/18/15  Support  Oppose  Neutral  
 Name GEORGE HANCOCK Need to Speak?  Yes  No  
 Representing AZ BREWERS GUILD Are you a registered lobbyist? No  
 Complete Address 3002 E WASHINGTON ST, PHX, AZ 85034  
 E-mail Address george@phoenixbrew.com Phone Number \_\_\_\_\_  
 Comments: \_\_\_\_\_

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*festivals*

Committee on Commerce Bill Number 1030  
 Date 3-18-15  Support  Oppose  Neutral  
 Name DON ISAACSON Need to Speak?  Yes  No  
 Representing Az Wine & Spirits Wholesale Are you a registered lobbyist? Yes  
 Complete Address 3101 N. Central, Ste 740  
 E-mail Address don@iwlawfirm.com Phone Number 602-274-2200  
 Comments: \_\_\_\_\_

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HOUSE OF REPRESENTATIVES

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Committee on COMMERCE Bill Number SB1030

Date 3-18-15  Support  Oppose  Neutral

Name JOHN COCCA Need to Speak?  Yes  No

Representing DEPT. OF LIQUOR Are you a registered lobbyist? YES

Complete Address 800 W. WASHINGTON PHX AZ 85004

E-mail Address JOHN.COCCA@AZLIQUOR.GOV Phone Number 602-542-9000

Comments: \_\_\_\_\_

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Committee on Commerce Bill Number 1030

Date 3/18/15  Support  Oppose  Neutral

Name Jim Scussel Need to Speak?  Yes  No

Representing Four Peaks Brewing Are you a registered lobbyist? No <sup>IF necessary</sup>

Complete Address 1350 E Calle De Arco, Tempe AZ 85284

E-mail Address jin@fourpeaks.com Phone Number 480-250-8257

Comments: Support AZ Craft Beer!

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HOUSE OF REPRESENTATIVES

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Committee on Commerce Bill Number SB 1030

Date 3-18-15  Support  Oppose  Neutral

Name Neal Farrell Need to Speak?  Yes  No *if needed*

Representing Peoria Artisan Brewery Are you a registered lobbyist? N

Complete Address 107 W. Honeysuckle ST Litchfield Park AZ 85340

E-mail Address neal@peoriaartisanbrewing.com Phone Number 623 695-2934

Comments: \_\_\_\_\_

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HOUSE OF REPRESENTATIVES

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Committee on Commerce Bill Number SB 1030

Date 3/18/14  Support  Oppose  Neutral

Name Randy Schmitz Need to Speak?  Yes  No *if necessary*

Representing Four Peaks Brewing Co. Are you a registered lobbyist? \_\_\_\_\_

Complete Address 6417 E Cholla ST.

E-mail Address Randy@fourpeaks.com Phone Number 480-250-9360

Comments: \_\_\_\_\_

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HOUSE OF REPRESENTATIVES

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Committee on Commerce Bill Number SB 1030

Date 3/18/15  Support  Oppose  Neutral

Name Andy Ingvan Need to Speak?  Yes  No

Representing 4 Peaks Brewery Are you a registered lobbyist? NO

Complete Address 527 W. VISTA AVE PHX, AZ 85021

E-mail Address andy@4peaks.com Phone Number 480-250-7257

Comments: YES ON SB1030!!

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HOUSE OF REPRESENTATIVES

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Committee on Commerce Bill Number SB 10-30

Date 3-18-15  Support  Oppose  Neutral

Name Ken Wilson Need to Speak?  Yes  No

Representing Lumberyard Brewing Co. Are you a registered lobbyist? NO

Complete Address 9248 W. 28th St. Phx AZ 85028

E-mail Address AZDrinks@gmail Phone Number 602 751-6887

Comments: SB1030 is great for local AZ businesses. Great for job growth.

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Committee on Commerce Bill Number SB 1030  
 Date 3/18/15  Support  Oppose  Neutral  
 Name Jonathan S. Lane Need to Speak?  Yes  No  
 Representing O.H.S.O. Brewery Are you a registered lobbyist? No  
 Complete Address 1225 East Medlock #203  
 E-mail Address jon@ohsobrewery.com Phone Number 480 459 8286  
 Comments: Speak if needed

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Committee on Commerce Bill Number SB 1030  
 Date 3/18/15  Support  Oppose  Neutral  
 Name ALEXANDER PHILLIPS Need to Speak?  Yes  No  
 Representing GRAND CANYON BREWING CO Are you a registered lobbyist? No  
 Complete Address ALEX@GRANDCANYONBREWINGCO.COM  
 E-mail Address 233 US Historic Rt 66 Phone Number 602-820-2337  
 Comments: \_\_\_\_\_

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Committee on Commerce Bill Number SB1030  
 Date 3/18/2015  Support  Oppose  Neutral  
 Name Jimmie McBride Need to Speak?  Yes  No  
 Representing Brewers Guild Are you a registered lobbyist? NO  
 Complete Address 2507 S Dorsey Ln  
 E-mail Address Jimmie@motherbunchbrew.com Phone Number 602-885-7837  
 Comments: \_\_\_\_\_

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Committee on COMMERCE Bill Number 1030  
 Date 3/18/2015  Support  Oppose  Neutral  
 Name AUDRA YAMAMOTO Need to Speak?  Yes  No  
 Representing GRANITE MOUNTAIN BREWING Are you a registered lobbyist? No  
 Complete Address 123 N. CORTEZ ST, PRESCOTT AZ 86301  
 E-mail Address AUDRA@GRANITEMOUNTAINBREWING.COM Phone Number 928.925.5994  
 Comments: WE SUPPORT THE ARIZONA CRAFT BEER INDUSTRY.

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HOUSE OF REPRESENTATIVES

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Committee on Commerce Bill Number SB1038  
 Date 3-18-15  Support  Oppose  Neutral  
 Name Alec Lauren Golzio Need to Speak?  Yes  No  
 Representing Az Brewers Guild Are you a registered lobbyist?       
 Complete Address 7261 E. Norland St., Mesa, Az 85207  
 E-mail Address golziofam@msn.com Phone Number 480-3264348  
 Comments: \_\_\_\_\_

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HOUSE OF REPRESENTATIVES

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*Tested*

Committee on Commerce Bill Number 1030  
 Date 3/18/15  Support  Oppose  Neutral  
 Name Steve Barclay Need to Speak?  Yes  No  
 Representing Beer & Wine Distributors Are you a registered lobbyist? Yes  
of AZ  
 Complete Address 40 N. Central Ave # 1400 Phoenix AZ  
 E-mail Address steve@barclaylegal.com Phone Number 6026928298  
 Comments: \_\_\_\_\_

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*testified*

Committee on Commerce Bill Number SB1030

Date 3/18/15  Support  Oppose  Neutral

Name Camila Alarcon Need to Speak?  Yes  No

Representing Arizona Craft Brewers Guild Are you a registered lobbyist? Yes

Complete Address Gammage + Burnham, 2 N Central, Phoenix

E-mail Address Calarcon@gblaw.com Phone Number 602 256 4417

Comments: \_\_\_\_\_

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HOUSE OF REPRESENTATIVES

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*testified*

Committee on Commerce Bill Number SB 1344

Date March 18, 2015  Support  Oppose  Neutral

Name Shane Wikfors Need to Speak?  Yes  No

Representing Phx Councilman Sal DiCiccio Are you a registered lobbyist? N

Complete Address 200 W Washington Phx 85003

E-mail Address gopshane@gmail.com Phone Number 480 332 3440

Comments: \_\_\_\_\_

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HOUSE OF REPRESENTATIVES

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*testimony*

Committee on Commerce Bill Number SB 1344

Date 2/18/2015  Support  Oppose  Neutral  
*striker*

Name Barry M. Aaron Need to Speak?  Yes  No

Representing self Are you a registered lobbyist? yes

Complete Address 4315 N. 12th St Ste 200 Phoenix 85014

E-mail Address aaron1231@aol.com Phone Number 482 315 0155

Comments: \_\_\_\_\_

\*\*\*FIVE-MINUTE SPEAKING LIMIT\*\*\*



# HOUSE OF REPRESENTATIVES

SB 1030

microbreweries; multiple licenses; production; sales  
Sponsors: Senators Ward, Ableser, Barto, et al.

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X Committee on Commerce

Caucus and COW

House Engrossed

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## OVERVIEW

SB 1030 increases the aggregate cap on the annual production of beer by microbreweries, limits their allowable number of retail licenses and grandfathers existing microbreweries.

## HISTORY

The Arizona Department of Liquor Licenses and Control (DLLC) licenses, investigates and regulates the production, distribution and sale of alcoholic beverages in the state of Arizona through the 3-tier alcohol distribution system: producer; wholesaler/distributor; retailer. This system requires the producer to sell to a distributor who must then sell to the retailer. One exception is that Arizona permits a microbrewery to act simultaneously as both a producer and retailer, with no requirement to sell to a distributor [*azliquor.gov*].

DLLC issues 19 different license types, commonly referred to by a series number. A.R.S. § 4-205.08 outlines the requirements for a *microbrewery license* (series 03). A microbrewery licensee produces between 5,000 gallons and 1,240,000 gallons of beer annually and may sell beer for consumption on or off the premises. A microbrewery may own an unlimited number of retail licenses and is authorized to sell and deliver up to 93,000 gallons of beer directly to other licensed retailers annually. If the amount of beer produced or manufactured by a microbrewery exceeds the annual limit, that microbrewery must apply for and receive a *producer's license*.

Statute authorizes multiple liquor licenses to be held at one location (*stacking*), including for a microbrewery. A.R.S. § 4-243.09 allows a microbrewery (series 03) and farm winery (series 13) to be located on the same parcel of land, in separate buildings, with different ownership. The two licenses are *stacked* only by proximity, not by ownership or operation at the same location; however, they may share a tasting room.

An in-state *producer* (series 01) license allows for the production of all spirituous liquor on-premises, and the producer may sell to Arizona-licensed wholesalers only. The producer may hold a retail license for sales of produced beer for a location either on or adjacent to its production facility.

## PROVISIONS

1. Increases the allowable annual production limits for a microbrewery from 1,240,000 gallons per location to 6,200,000 gallons of beer in the aggregate.
2. Directs the microbrewery that exceeds the statutory limits on production of beer, to surrender its license and all associated control and privileges in order to receive a producer's license. Further, requires the licensee to relinquish all remote retail licenses.

**SB 1030**

3. Permits a licensed microbrewery to sell beer produced or manufactured by other microbrewers for consumption on-premises, limited to 20% of the licensee's annual sales of beer at the premises. If the other microbrewery has an established relationship with one or more wholesalers, the beer must be purchased through the wholesaler.
4. Allows a microbrewery with retail operations to sell spirituous liquor products to seven retail licensees that hold a *bar* (06), *beer and wine bar* (07), or *restaurant* license (12).
5. States that a microbrewery that annually produces or manufactures more than 1,240,000 gallons of beer cannot: a) apply for/receive any retail license for a remote location; b) sell or deliver beer to retail locations except those on or adjacent to the microbrewery.
6. Prohibits a microbrewery that is otherwise a distiller, vintner, brewer, blender or other producer of spirituous liquor in any jurisdiction from holding a remote retail license.
7. Contains session law that grandfathers the following, unless the license becomes inactive for more than six months:
  - a. A microbrewery licensee who also holds or has applied for more than seven allowable retail licenses before the effective date of this legislation.
  - b. A person holding any interest in a microbrewery by the effective date of this legislation and who also holds interest in any retail licenses.
  - c. A person holding an interest in a microbrewery and any in-state or out-of-state producer's license.
8. Grandfathers those holding an interest in a microbrewery and also holding an on-sale retail license for a remote location by January 1, 2016, and subsequently becomes a producer by January 1, 2019.
9. Grandfathers those holding a microbrewery license and either an in-state or out-of-state producer's license (or controlling interest).
10. Contains a severability clause.





# HOUSE OF REPRESENTATIVES

SB 1141

corporations; purposes; directors and officers

Sponsor: Senator Worsley

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X Committee on Commerce

Caucus and COW

House Engrossed

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## OVERVIEW

SB 1141 establishes the Arizona Business Entities Competitive Omnibus Act that entitles all corporations formed under Title 10 to pursue any purpose, including a *nonmonetary* purpose or to create any private or public benefit.

## HISTORY

The Arizona Corporation Commission (Commission), Corporations Division (Division), approves filings for all Articles of Incorporation and Articles of Organization for businesses, grants authority to foreign corporations to transact business in Arizona and revokes the corporate charters of corporations that do not comply with state law. The Division collects from each corporation an annual report that reflects its current status, business, and financial condition and provides public access to the reports. According to the Commission, 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.

[Arizona Corporation Commission – [azcc.gov/Divisions](http://azcc.gov/Divisions)]

Arizona Revised Statutes (A.R.S.), Title 10, establishes the regulations, powers and duties for various corporations and associations, including the boards of directors, officers and shareholders, articles of incorporation, any bylaws and amendments, annual reports and other related matters. The *Articles of Incorporation* include the corporate name, the number of shares authorized for issue, a brief statement of the character of the business, and specific identifying information, including names/addresses of directors and their signatures, among other permissible and optional information. The *Articles of Disclosure* disclose specific information about all directors, officers, trustees, incorporators and controlling persons, including any crimes or court judgments, decrees or permanent orders of any state or federal court, bankruptcies, receiverships and former names/addresses during the course of the prior seven year period.

Laws 2013, Chapter 165, established *benefit corporations* or *B corporations* with a purpose that creates a general public benefit and a positive impact on society and the environment. The fiduciary duty requires consideration of non-financial interests when making decisions. Further, benefit corporations must file annual reports that detail their social and environmental performance using recognized third party industry standards.

## PROVISIONS

1. Stipulates that any corporation formed under Title 10 has the power of a *benefit corporation* and a director may consider any interests in determining what is in the best interest of the corporation.

Fifty-second Legislature  
First Regular Session

March 17, 2015

Attachment 5

2. Extends to all corporations, the power to take any action to pursue any purpose, including a *nonmonetary* purpose or to create any private or public benefit.
3. States that any person acting on behalf of a corporation as an officer or director who knew or should have known that a person did not have valid authority to act, is liable for all the debts and liability incurred by the act.

*Shareholders and Meetings*

4. Permits action by the shareholders without a meeting upon written consent by the minimum required number of votes necessary to authorize or take action. Current law requires the action to be taken by all of the shareholders entitled to vote on the action.
5. Specifies the action must be signed by the minimum number of votes needed to authorize or take action. Current law requires the signature of all shareholders entitled to vote.
6. Permits the written consent described below to include *electronic transmissions*, and must be included in the minutes of the meeting or filed with the corporate records. Directs the format to be in either hard copy or electronically, depending on the medium used.
7. Dictates that actions taken by shareholders without a meeting must be taken by all shareholders and evidenced by *written consent* (includes electronic transmission) of all shareholders as follows:
  - a. The election of directors or the removal of one or more directors.
  - b. The Articles of Incorporation require all shareholders to take action.
  - c. The corporation is an issuing public corporation, unless otherwise noted in the corporation articles or bylaws.
  - d. The corporation was formed before the effective date of this legislation, unless the articles or bylaws are otherwise amended.
8. Authorizes shareholders' meetings to include remote communication by shareholders.
9. Allows shareholders not physically present, but participating remotely, to be deemed present in person and to vote at the meeting through remote communication. Outlines necessary provisions to implement such meetings.
10. Permits appointment of a proxy by means of signing an appointment form or through electronic transmission, if there is a specific date on the transmission confirming the sender.
11. Strikes archaic language and conforms provisions for remote communication.
12. Makes the shareholder agreement effective for the duration of the corporation's existence, unless provided otherwise. Current law makes the agreement valid for 10 years.

*Directors*

13. States that the consents and signatures may be either in writing or by electronic transmission, must be included in the minutes of the meeting and filed with the corporate records.
14. Requires the filings to be in electronic or hard copy form, depending on the format used.
15. Prohibits any person from bringing an action against a corporation, its officers or directors for decisions that relate to the following:
  - a. To pursue or create a nonmonetary purpose, even if not in the articles of incorporation.

**SB 1141**

- b. To consider the effects of a nonmonetary purpose, even if not in the articles of incorporation.
  - c. Allows an enforcement proceeding against the corporation, its officers or directors only as outlined.
16. Stipulates that a corporation, its officers and directors are not liable for monetary damages pertaining to decisions involving a nonmonetary purpose, whether or not the purpose is included in the articles of incorporation.
  17. Defines *nonmonetary purpose* to mean any purpose other than to benefit the economic or financial interests of the shareholders of the corporation.
  18. Ensures that upon delivery of the articles of dissolution, the corporation is not required to file any additional final reports if the Commission files the dissolution within 180 days.
  19. Directs the corporation to file all required annual reports if it subsequently files articles of revocation of dissolution.

*Foreign Corporations*

20. Modifies statutory language to clarify amendments to a foreign corporation's corporate name, period of duration, state or country of incorporation.
21. Requires amendment of the foreign corporation's application for authority if a statement was inaccurate when it was made.

*Records and Reports*

*Foreign Corporations and Limited Liability Corporations*

22. Outlines the liability provisions for persons who authorize or sign documents with respect to a corporation and deliver for filing with the Commission, knowing that information is materially false or misleading.
23. States that an action for liability must be commenced within two years after discovering the false statement or within the amount of time a reasonable person would have discovered it, but not later than six years after the report, certificate, notice or other document was filed or received by the Commission. Outlines exceptions.
24. Confirms that serving as a statutory agent does not constitute a certification of truth or accuracy of information for purposes of a report, certificate, notice or other document.

*Miscellaneous*

25. Decreases, from seven to the prior five years, the amount of time in which the certificate of disclosure must state pertinent information about the corporation officers and directors and whether they have been convicted of certain crimes.
26. Modifies the statutory provision regarding actions before incorporation and the resulting liability.
27. Defines pertinent terms.

PROPOSED

Attachment 6

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1141

(Reference to Senate engrossed bill)

1 Page 28, between lines 15 and 16, insert:

2 "C. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE STANDARDS OF  
3 CONDUCT AND PRESUMPTIONS PRESCRIBED IN CHAPTER 8 OF THIS TITLE APPLY TO  
4 DIRECTORS OF BENEFIT CORPORATIONS."

5 Reletter to conform

6 Line 16, strike "and"

7 Line 17, strike "in"; strike "section 10-2401, SUBSECTION C".

8 Line 23, after the period strike remainder of line; strike lines 24 and 25

9 Between lines 31 and 32, insert:

10 "Sec. 24. Section 10-2432, Arizona Revised Statutes, is amended to  
11 read:

12 10-2432. Standard of conduct for officers

13 A. Each officer of a benefit corporation shall consider the interests  
14 and factors described in section 10-2431, subsection A, in the manner  
15 provided in that subsection, if both of the following apply:

16 1. The officer has discretion to act with respect to a matter.

17 2. It reasonably appears to the officer that the matter may have a  
18 material effect on the general public benefit or specific public benefit  
19 identified in the articles of incorporation of the benefit corporation.

20 B. The consideration of interests and factors in the manner described  
21 in subsection A of this section does not constitute a violation of section  
22 10-842.

23 C. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE STANDARDS OF  
24 CONDUCT AND PRESUMPTIONS PRESCRIBED IN CHAPTER 8 OF THIS TITLE APPLY TO  
25 OFFICERS OF BENEFIT CORPORATIONS.

26 ~~C.~~ D. Except as provided in the articles of incorporation or bylaws,  
27 an officer is not personally liable for monetary damages for ~~either of the~~  
28 ~~following:~~

29 1. ~~An action or inaction as an officer in the course of performing the~~  
30 ~~duties of an officer under subsection A of this section if the officer~~

1       ~~performed the duties of the position in compliance with section 10-842 and~~  
2       ~~this section.~~

3           ~~2.~~ failure of the benefit corporation to pursue or create general  
4       public benefit or a specific public benefit.

5           ~~D.~~ E. An officer does not have a duty to a person that is a  
6       beneficiary of the general public benefit purpose or the specific public  
7       benefit purpose of a benefit corporation arising from the status of the  
8       person as a beneficiary.

9           ~~E.~~ F. An officer who makes a business judgment in good faith fulfills  
10      the duty under this section if all of the following apply:

11           1. The officer is not interested in the subject of the business  
12      judgment.

13           2. The officer is informed with respect to the subject of the business  
14      judgment to the extent the officer reasonably believes to be appropriate  
15      under the circumstances.

16           3. The officer rationally believes that the business judgment is in  
17      the best interests of the benefit corporation."

18      Renumber to conform

19      Amend title to conform

JAY LAWRENCE

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# HOUSE OF REPRESENTATIVES

SB 1162

home-based business; licensing moratorium  
Sponsor: Senator Farnsworth D

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X Committee on Commerce  
Caucus and COW  
House Engrossed

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## OVERVIEW

SB 1162 establishes a licensing moratorium during a state of emergency or a state of war emergency declared by the Governor.

## HISTORY

Arizona Revised Statutes (A.R.S.) § 26-301 defines a *state of emergency* as the duly proclaimed existence of conditions of disaster or of extreme peril to the safety of persons or property within the state caused by air pollution, fire, flood or floodwater, storm, epidemic, riot, earthquake or other causes, except those resulting in a state of war emergency. A *state of war emergency* is defined as the condition that exists immediately whenever the United States is attacked or when this state receives a warning from the federal government indicating that an attack is imminent.

A.R.S. § 26-303 authorizes the Governor to proclaim a state of emergency if the proper circumstances are met. The Governor is also allowed certain powers during a state of war emergency.

## PROVISIONS

1. Prohibits an agency from requiring a home-based business to have a valid license while a state of emergency or a state of war emergency is in effect.
2. Defines *agency* as any Arizona agency, department, board or commission or any of its subdivisions that issues a license for the purpose of operating an in-state business or to an individual who provides services that require a license.
3. States that the Arizona Corporation Commission is not included in the definition of *agency*.
4. Defines a *license* as any permit, certificate, approval, registration, charter or similar form of authorization required by law and issued by an *agency* to operate a business in this state or to an individual who provides services that require a license.

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1162

(Reference to Senate engrossed bill)

1 Page 1, line 8, after "BUSINESS" insert "IN THIS STATE"

2 Line 12, after "LAW" insert "BEFORE THE HOME-BASED BUSINESS ENGAGES IN ANY  
3 FURTHER CONDUCT OF BUSINESS"

4 Between lines 12 and 13, insert:

5 "B. THIS SECTION DOES NOT EXEMPT ANY HOME-BASED BUSINESS FROM ANY  
6 OTHER APPLICABLE LAW AND ORDINANCE.

7 Reletter to conform

8 Between lines 18 and 19, insert:

9 "2. "HOME-BASED BUSINESS" MEANS ANY BUSINESS FOR THE LIMITED  
10 MANUFACTURE, PROVISION OR SALE OF GOODS OR SERVICES THAT IS OWNED AND  
11 OPERATED BY THE OWNER OR TENANT OF THE RESIDENTIAL PROPERTY."

12 Renumber to conform

13 Amend title to conform

WARREN H. PETERSEN

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Attachment 9

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# HOUSE OF REPRESENTATIVES

SB 1241

AHCCCS; contractors; providers

Sponsor: Senator Barto

X Committee on Commerce

Caucus and COW

House Engrossed

## OVERVIEW

SB 1241 provides guidance to the Director of the Arizona Healthcare Cost Containment System with regard to allowable contracting decisions by service providers and the agency.

## Summary of the Strike-Everything Amendment to SB 1241

### HISTORY

Arizona Revised Statutes (A.R.S.) Title 9, governs Arizona cities and towns. The chapters of this title establish requirements for: formation; forms of government; officers; general powers; public utilities; convention centers; ordinances and codes; elections and voters; police and fire departments; townsites; development rights; and residential rental inspection programs.

A.R.S. Title 11, governs Arizona counties. A County Board of Supervisors (Board) is authorized to supervise the official conduct of all county officers and officers of all districts and other subdivisions of the county charged with assessing, collecting, safekeeping, managing or disbursing public revenues. The Board is also required to lay out, maintain, control and manage public roads within the county and levy such tax for that purpose as authorized by law. A Board is also responsible for filling by appointment all vacancies that occur in county or precinct offices.

### PROVISIONS

1. Prohibits a city, town or county from the doing the following:
  - a. Requiring an owner, operator or tenant of a business, commercial building or multifamily housing property (Business) to measure or report energy usage and consumption, including energy consumption benchmarking and building facility energy efficiency audits.
  - b. Imposing a tax, fee, assessment, charge or return deposit on a Business.
  - c. Regulating the sale, use or disposition of auxiliary containers by a Business.
2. Asserts that regulations relating to measuring and reporting energy use and consumption and the sale, use and disposition of *auxiliary containers* are a matter of statewide concern, and that Businesses are not subject to these regulations by a city, town or county.
3. States the legislature's finding that small businesses are sensitive to the costs/expenses incurred by regulations by cities, towns and counties, and that inconsistent regulation by these entities hinders small businesses from benefiting from free and open competition.
4. Stipulates that the aforementioned provisions do not prevent a city, town or county from continuing a residential recycling and waste reduction program or ensuring that discarded auxiliary containers are properly disposed of.
5. Defines *auxiliary container*.

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1241

(Reference to Senate engrossed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Title 9, chapter 4, article 8, Arizona Revised Statutes,  
3 is amended by adding section 9-500.34, to read:

4 9-500.34. Prohibition on requirement of energy measuring and  
5 reporting; prohibition on regulation of auxiliary  
6 containers; state preemption; legislative findings;  
7 definition

8 A. A CITY OR TOWN MAY NOT:

9 1. REQUIRE AN OWNER, OPERATOR OR TENANT OF A BUSINESS, COMMERCIAL  
10 BUILDING OR MULTIFAMILY HOUSING PROPERTY TO MEASURE AND REPORT ENERGY USAGE  
11 AND CONSUMPTION, INCLUDING ENERGY CONSUMPTION BENCHMARKING AND BUILDING  
12 FACILITY ENERGY EFFICIENCY AUDITS.

13 2. IMPOSE A TAX, FEE, ASSESSMENT, CHARGE OR RETURN DEPOSIT ON AN  
14 OWNER, OPERATOR OR TENANT OF A BUSINESS, COMMERCIAL BUILDING OR MULTIFAMILY  
15 HOUSING PROPERTY FOR AUXILIARY CONTAINERS.

16 3. REGULATE THE SALE, USE OR DISPOSITION OF AUXILIARY CONTAINERS BY AN  
17 OWNER, OPERATOR OR TENANT OF A BUSINESS, COMMERCIAL BUILDING OR MULTIFAMILY  
18 HOUSING PROPERTY.

19 B. THE REGULATION OF AN OWNER, OPERATOR OR TENANT OF A BUSINESS,  
20 COMMERCIAL BUILDING OR MULTIFAMILY HOUSING PROPERTY RELATING TO MEASURING AND  
21 REPORTING ENERGY USE AND CONSUMPTION AND THE SALE, USE AND DISPOSITION OF  
22 AUXILIARY CONTAINERS IS A MATTER OF STATEWIDE CONCERN. THE REGULATION OF  
23 MEASURING AND REPORTING ENERGY USE AND CONSUMPTION BY AN OWNER, OPERATOR OR  
24 TENANT OF A BUSINESS, COMMERCIAL BUILDING OR MULTIFAMILY HOUSING PROPERTY AND  
25 THE SALE, USE OR DISPOSITION OF AUXILIARY CONTAINERS BY AN OWNER, OPERATOR OR  
26 TENANT OF A BUSINESS, COMMERCIAL BUILDING OR MULTIFAMILY HOUSING PROPERTY  
27 PURSUANT TO THIS SECTION ARE NOT SUBJECT TO FURTHER REGULATION BY A CITY OR  
28 TOWN.

Attachment 12

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1 C. THE LEGISLATURE FINDS THAT SMALL BUSINESSES ARE PARTICULARLY  
2 SENSITIVE TO COSTS AND EXPENSES INCURRED IN COMPLYING WITH REGULATORY ACTIONS  
3 OF A CITY OR TOWN. THE LEGISLATURE FURTHER FINDS THAT INCONSISTENT REGULATION  
4 BY CITIES AND TOWNS HINDERS A SMALL BUSINESS FROM BENEFITING FROM FREE AND  
5 OPEN COMPETITION.

6 D. THIS SECTION DOES NOT PREVENT A CITY OR TOWN FROM CONTINUING A  
7 RESIDENTIAL RECYCLING AND WASTE REDUCTION PROGRAM AS AUTHORIZED BY SECTION  
8 9-500.07 OR ENSURING THAT DISCARDED AUXILIARY CONTAINERS DEFINED AS SOLID  
9 WASTE PURSUANT TO SECTION 49-701.01 ARE DISPOSED OF PROPERLY.

10 E. FOR THE PURPOSES OF THIS SECTION, "AUXILIARY CONTAINER" INCLUDES  
11 REUSABLE BAGS, DISPOSABLE BAGS, BOXES, BEVERAGE CANS, BOTTLES, CUPS AND  
12 CONTAINERS THAT ARE MADE OUT OF CLOTH, PLASTIC, EXTRUDED POLYSTYRENE, GLASS,  
13 ALUMINUM, CARDBOARD OR OTHER SIMILAR MATERIALS AND THAT ARE USED FOR  
14 TRANSPORTING MERCHANDISE OR FOOD TO OR FROM A BUSINESS OR MULTIFAMILY HOUSING  
15 PROPERTY.

16 Sec. 2. Title 11, chapter 2, article 4, Arizona Revised Statutes, is  
17 amended by adding section 11-269.13, to read:

18 11-269.13. Prohibition on requirement of energy measuring and  
19 reporting; prohibition on regulation of auxiliary  
20 containers; state preemption; legislative findings;  
21 definition

22 A. A COUNTY MAY NOT:

23 1. REQUIRE AN OWNER, OPERATOR OR TENANT OF A BUSINESS, COMMERCIAL  
24 BUILDING OR MULTIFAMILY HOUSING PROPERTY TO MEASURE AND REPORT ENERGY USAGE  
25 AND CONSUMPTION, INCLUDING ENERGY CONSUMPTION BENCHMARKING AND BUILDING  
26 FACILITY ENERGY EFFICIENCY AUDITS.

27 2. IMPOSE A TAX, FEE, ASSESSMENT, CHARGE OR RETURN DEPOSIT ON AN  
28 OWNER, OPERATOR OR TENANT OF A BUSINESS, COMMERCIAL BUILDING OR MULTIFAMILY  
29 HOUSING PROPERTY FOR AUXILIARY CONTAINERS.

30 3. REGULATE THE SALE, USE OR DISPOSITION OF AUXILIARY CONTAINERS BY AN  
31 OWNER, OPERATOR OR TENANT OF A BUSINESS, COMMERCIAL BUILDING OR MULTIFAMILY  
32 HOUSING PROPERTY.

33 B. THE REGULATION OF AN OWNER, OPERATOR OR TENANT OF A BUSINESS,  
34 COMMERCIAL BUILDING OR MULTIFAMILY HOUSING PROPERTY RELATING TO MEASURING AND  
35 REPORTING ENERGY USE AND CONSUMPTION AND THE SALE, USE AND DISPOSITION OF  
36 AUXILIARY CONTAINERS IS A MATTER OF STATEWIDE CONCERN. THE REGULATION OF  
37 MEASURING AND REPORTING ENERGY USE AND CONSUMPTION BY AN OWNER, OPERATOR OR  
38 TENANT OF A BUSINESS, COMMERCIAL BUILDING OR MULTIFAMILY HOUSING PROPERTY AND

House Amendments to S.B. 1241

1 THE SALE, USE OR DISPOSITION OF AUXILIARY CONTAINERS BY AN OWNER, OPERATOR OR  
2 TENANT OF A BUSINESS, COMMERCIAL BUILDING OR MULTIFAMILY HOUSING PROPERTY  
3 PURSUANT TO THIS SECTION ARE NOT SUBJECT TO FURTHER REGULATION BY A COUNTY.

4 C. THE LEGISLATURE FINDS THAT SMALL BUSINESSES ARE PARTICULARLY  
5 SENSITIVE TO COSTS AND EXPENSES INCURRED IN COMPLYING WITH REGULATORY ACTIONS  
6 OF A COUNTY. THE LEGISLATURE FURTHER FINDS THAT INCONSISTENT REGULATION BY  
7 COUNTIES HINDERS A SMALL BUSINESS FROM BENEFITING FROM FREE AND OPEN  
8 COMPETITION.

9 D. THIS SECTION DOES NOT PREVENT A COUNTY FROM CONTINUING A  
10 RESIDENTIAL RECYCLING AND WASTE REDUCTION PROGRAM AS AUTHORIZED BY SECTION  
11 11-269 OR ENSURING THAT DISCARDED AUXILIARY CONTAINERS DEFINED AS SOLID WASTE  
12 PURSUANT TO SECTION 49-701.01 ARE DISPOSED OF PROPERLY.

13 E. FOR THE PURPOSES OF THIS SECTION, "AUXILIARY CONTAINER" INCLUDES  
14 REUSABLE BAGS, DISPOSABLE BAGS, BOXES, BEVERAGE CANS, BOTTLES, CUPS AND  
15 CONTAINERS THAT ARE MADE OUT OF CLOTH, PLASTIC, EXTRUDED POLYSTYRENE, GLASS,  
16 ALUMINUM, CARDBOARD OR OTHER SIMILAR MATERIALS AND THAT ARE USED FOR  
17 TRANSPORTING MERCHANDISE OR FOOD TO OR FROM A BUSINESS OR MULTIFAMILY HOUSING  
18 PROPERTY."

19 Amend title to conform

WARREN H. PETERSEN

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Folder #5

From: Melissa Taylor  
Sent: Thursday, August 01, 2013 10:46 AM  
To: Gail Griffin; Ken Behringer  
Subject: UI employment breakdown

Kathy Ber sent the following information on the nonprofit breakdown (total impact for employers with 1-5 employees is approximately \$240,000 – 243 non-profits; or about \$500,000 for 410 employers if you apply the bill for up to 10 employees) :

The tables are broken down as follows:

Table 1: Rated Employers

Table 2: Reimbursable Employers

Table 3: Total for Rated and Reimbursable Employers

Please let me know if I may be of any further assistance or if you have any questions on the data reported.

Table 1:

Rated		
No. of Employees	No. of Employers	Total Taxes Paid for 2012
0	7	\$5,631.48
1	28	\$6,804.33
2-5	188	\$125,540.20
6-10	159	\$242,278.02
>10	371	\$4,729,859.13
<b>TOTAL:</b>	<b>753</b>	<b>\$5,110,113.16</b>

Table 2:

Reimbursable		
No. of Employees	No. of Employers	Total Taxes Paid for 2012
0	15	\$89,910.94
1	0	\$0.00
2-5	5	\$8,891.37
6-10	8	\$21,920.27
>10	199	\$7,409,275.69
<b>TOTAL:</b>	<b>227</b>	<b>\$7,529,998.27</b>

Table 3:

Total Employers		
No. of Employees	No. of Employers	Total Taxes Paid for 2012
0	22	\$95,542.42
1	28	\$6804.33
2-5	193	\$134,431.57
6-10	167	\$264,198.29
>10	570	\$12,139,134.82
<b>TOTAL:</b>	<b>980</b>	<b>\$12,640,111.43</b>



# HOUSE OF REPRESENTATIVES

SB 1343

unemployment insurance; reimbursable employers

Sponsor: Senator Griffin

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X Committee on Commerce

Caucus and COW

House Engrossed

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## OVERVIEW

SB 1343 prescribes steps in the process for a small business base period employer whose employee voluntarily leaves and then subsequently files for unemployment benefits.

## HISTORY

Arizona's Unemployment Insurance (UI) program is administered by the Department of Economic Security (DES) in partnership with the U.S. Department of Labor (DOL), and seeks to provide economic security for workers when they become unemployed through no fault of their own. The state pays benefits to eligible employees from the Unemployment Insurance Trust Fund (Trust Fund).

Arizona employers are required to pay both a state and a federal unemployment excise tax. The state unemployment insurance tax, referred to as SUTA (after the State Unemployment Tax Act), is collected by the DES UI Tax Section. SUTA taxes are used for the payment of unemployment insurance benefits, allowing eligible individuals to receive unemployment insurance benefits while seeking new employment. The Federal Unemployment Tax, called FUTA (after the Federal Unemployment Tax Act), is collected by the Internal Revenue Service and provides the monies that are appropriated by Congress back to the states, through DOL, to cover administrative costs.

The amount an Arizona employer must pay for SUTA is partially dependent on an employer's *experience rating*. Companies that have had few layoffs have better experience ratings and pay less into the Trust Fund, while employers that have had more layoffs in recent years have poorer experience ratings and pay more into the Trust Fund. Certain nonprofit organizations, state and local governments and Indian tribes can elect to make payments in lieu of paying taxes, which are a reimbursement to the Trust Fund equal to the employer's proportionate share of benefits paid to its former employees.

## PROVISIONS

1. Stipulates that benefits paid or payable to a claimant are not attributable to service with an employer if that employer has only one employee and is a base period employer from which that employee voluntarily left his or her job.
2. Asserts that the employer is not required to reimburse the benefits upon providing DES with information showing the employee voluntarily terminated the employment, within 10 days after receiving notice from DES that the individual has filed a claim for benefits.
3. Makes technical and conforming changes.

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1343

(Reference to Senate engrossed bill)

- 1 Page 6, line 25, after "EMPLOYMENT" insert "WITHOUT GOOD CAUSE ATTRIBUTABLE TO THE  
2 WORK"
- 3 Line 28, after "TERMINATION" insert "WITHOUT GOOD CAUSE ATTRIBUTABLE TO THE  
4 WORK"; after "TEN" insert "BUSINESS"
- 5 Page 8, after line 44, insert:  
6 "Sec. 3. Conditional enactment; notice  
7 A. Section 23-750, Arizona Revised Statutes, as amended by this act,  
8 does not become effective unless the United States department of labor finds  
9 these changes to be in conformity with the requirements of the federal  
10 unemployment insurance tax act and notifies the Arizona department of  
11 economic security on or before December 31, 2015.  
12 B. The Arizona department of economic security shall notify in writing  
13 the director of the Arizona legislative council of the date on which the  
14 condition is met or if the condition is not met."  
15 Amend title to conform

WARREN H. PETERSEN

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Attachment 16

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# HOUSE OF REPRESENTATIVES

SB 1344

organization of county; private property

Sponsor: Senator Griffin

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X Committee on Commerce

Caucus and COW

House Engrossed

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## OVERVIEW

SB 1344 permits the county officers to arrange for purchasing, acquiring and disposing of both real and personal property.

## Summary of the Proposed Strike-everything amendment to SB 1344

The strike-everything amendment to SB 1344 provides direction to contract lobbyists and any lobbyists employed by cities and towns during their public testimony before the Legislature and asserts their fiduciary duty to the associated governing body.

## HISTORY

Arizona Revised Statutes (A.R.S.) § 41-1233.01 requires a person who is registered as a designated lobbyist, lobbyist for compensation, authorized lobbyist, designated public lobbyist or authorized public lobbyist to disclose that fact to any legislator the person is lobbying for the first time or any public official or employee of a public body that the person is lobbying for the procurement of materials, services or construction.

## PROVISIONS

1. States that lobbyists, designated or authorized public lobbyists who are employees or contracted by a city or town, have a fiduciary duty to the governing body of that city or town.
2. Requires such lobbyists to disclose to the Legislature during their public testimony about whether any member of the governing body they represent opposes the stated position.

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1344

(Reference to Senate engrossed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Title 41, chapter 7, article 8.1, Arizona Revised  
3 Statutes, is amended by adding section 41-1234, to read:

4 41-1234. City or town lobbyists; fiduciary duty; disclosure

5 A LOBBYIST, A DESIGNATED PUBLIC LOBBYIST OR AN AUTHORIZED PUBLIC  
6 LOBBYIST WHO IS EMPLOYED BY OR HAS A CONTRACT WITH A CITY OR TOWN:

7 1. OWES A FIDUCIARY DUTY TO THE GOVERNING BODY OF THAT CITY OR TOWN.

8 2. SHALL DISCLOSE TO THE LEGISLATURE DURING LEGISLATIVE TESTIMONY  
9 WHETHER ANY MEMBER OF THE GOVERNING BODY OF THAT CITY OR TOWN OPPOSES THE  
10 POSITION PRESENTED BY THE LOBBYIST, DESIGNATED PUBLIC LOBBYIST OR AUTHORIZED  
11 PUBLIC LOBBYIST."

12 Amend title to conform

WARREN H. PETERSEN

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Attachment 19

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# HOUSE OF REPRESENTATIVES

SB 1372

landlord tenant act; guest removal  
Sponsor: Senator Griffin

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X Committee on Commerce

Caucus and COW

House Engrossed

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## OVERVIEW

SB 1372 authorizes a landlord to take action to remove or otherwise terminate the stay of a tenant's guest.

## HISTORY

Arizona Revised Statutes Title 33, Chapter 10, establishes the Arizona Residential Landlord and Tenant Act (Act). The Act serves the purposes of simplifying, clarifying, modernizing and revising laws pertaining to the rental of dwelling units and the rights and obligations of landlord and tenant. The Act does not apply to commercial or industrial properties, mobile home park communities, recreational vehicle long-term tenants or hotel and motel occupants.

The Act outlines detailed landlord and tenant obligations, including: restrictions on security deposits and methods for providing notices to tenants; prohibited provisions in rental agreements; tenant obligations regarding rent and compliance with rules; liability for guests; and remedies for noncompliance by either the landlord or the tenant. The Act also provides for enforcement in court by the landlord or the tenant.

## PROVISIONS

1. Allows a landlord to take action to remove or otherwise terminate the stay of a tenant's guest after written notice to the tenant, as permitted by the terms of the rental agreement.
2. Includes that a landlord may take action to remove a tenant's guest without terminating the rental agreement of the tenant.
3. Stipulates that a person who stays on the premises after the landlord or tenant has denied permission to do so is not a tenant and that such a person's presence does not constitute residency.

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1372

(Reference to Senate engrossed bill)

1 Page 1, line 4, after "notice" insert "; criminal violation"

2 Between lines 4 and 5, insert:

3 "A. A PERSON WHO IS A GUEST OF A TENANT, WHO IS NOT NAMED ON A WRITTEN  
4 LEASE AND WHO REMAINS ON THE PREMISES WITHOUT THE PERMISSION OF THE TENANT OR  
5 THE LANDLORD IS NOT A LAWFUL TENANT AND THAT PERSON'S PRESENCE IN OR ON THE  
6 PREMISES DOES NOT CONSTITUTE RESIDENCY OR TENANCY."

7 Line 5, before "A" insert "B."

8 Line 10, after the period, strike remainder of line; strike lines 11 and 12,  
9 insert:

10 "C. A PERSON WHO KNOWINGLY REMAINS ON THE PREMISES WITHOUT THE  
11 PERMISSION OF THE TENANT OR THE LANDLORD IS GUILTY OF CRIMINAL TRESPASS IN  
12 THE THIRD DEGREE AS PRESCRIBED BY SECTION 13-1502 AND SHALL BE REMOVED BY A  
14 LAW ENFORCEMENT OFFICER AT THE REQUEST OF THE TENANT OR THE LANDLORD WHO IS  
ENTITLED TO POSSESSION OF THE PREMISES."

15 Amend title to conform

WARREN H. PETERSEN

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3/17/15  
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1372gg1.doc  
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Attachment 22

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