

Commerce Committee

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COMMERCE COMMITTEE

LEGISLATION ENACTED

racetracks; ejection; exclusion; process (S.B. 1144) – Chapter 197

[SEE THE WATER & AGRICULTURE COMMITTEE.](#)

Israel boycott divestments (S.B. 1167) – Chapter 94

Limits the prohibition on public contracts with companies that are boycotting goods and services from Israel to contracts of \$100,000 or more with companies that engage in for-profit activity and have at least 10 full-time employees.

uniform receivership act; commercial property (S.B. 1216) – Chapter 278

Establishes the Uniform Commercial Real Estate Receivership Act, which applies to a receivership for an interest in commercial real property and any personal property related to or used in operating the real property. A *receiver* is a person appointed by the superior court to be the court's agent and, at the court's discretion, to take possession of and manage *receivership property* which is the property of an owner.

Allows a court to appoint a receiver: 1) before judgment, to protect a party that demonstrates an apparent right, title or interest to qualifying real property involved in the judgment; 2) after judgment, to carry the judgment into effect and to preserve nonexempt real property pending appeal or when an appeal has been returned unsatisfied; 3) in an action in which a receiver for real property may be appointed on equitable grounds; and 4) during any time allowed for redemption, to preserve real property sold in an execution or foreclosure sale and to secure entitled rents. The court may appoint a receiver for mortgaged property if the owner or mortgagor agreed to the appointment of a receiver or if another specified condition is met.

Provides for the use or transfer of receivership property by a receiver. Prescribes the powers and duties of a receiver, the responsibilities of an owner and the powers of a court for receiverships.

Outlines: 1) the process of notice of receivership appointment and disqualification from appointment; 2) the removal and replacement of a receiver; 3) requirements for court order notice and the opportunity for a hearing; 4) requirements relating to alternative bond securities; and 5) the adoption and implementation of executory contracts.

beneficiary deeds; separate property; nonlapse (S.B. 1218) – Chapter 19

Declares an interest in real property conveyed by a beneficiary deed as the separate property of the named grantee beneficiary and not community property. The deed is void if there are no grantee beneficiaries who survive the owner and the deed does not provide otherwise.

vital records; death certificates (S.B. 1245) – Chapter 172

[SEE THE HEALTH & HUMAN SERVICES COMMITTEE.](#)

purchaser dwelling actions; notice; complaints (S.B. 1271) – Chapter 60

[SEE THE JUDICIARY COMMITTEE.](#)

mechanics' liens; notice (NOW: mechanics liens; notice; applicability) (S.B. 1304) – Chapter 187

Increases, from 20 percent to 30 percent over estimated costs, the threshold at which a preliminary 20-day notice must be updated and provided to specified persons by a subcontractor during the contracting of construction projects. Applies to construction projects first commenced beginning January 1, 2020.

barbers; cosmetologists; licensure; reciprocity; apprenticeships (S.B. 1328) – Chapter 109

Entitles a person to receive a cosmetologist license if the person submits evidence to the Board of Cosmetology (Board) that they have completed an apprenticeship program in cosmetology that includes at least 250 hours of infection protection and law review instruction. The Board must approve a cosmetologist as a mentor based on the cosmetologist's compliance with cosmetology regulations.

Extends barber licensure reciprocity to authorized out-of-state and out-of-country applicants, if certain criteria are met. An applicant for a barber license who holds a cosmetologist or hairstylist license must complete a 350-hour, rather than 750-hour, study of barbering techniques to receive the new license.

real estate appraisal (S.B. 1333) – Chapter 22

Requires the Superintendent of the Department of Financial Institutions (Superintendent) to investigate potential law or order violations and discipline, suspend, terminate or deny a registration renewal for an appraisal management company that has violated a law or order and report violations to the Federal Financial Institutions Examination Council's Appraisal Subcommittee.

Allows the Superintendent to deny an application for an initial issuance or renewal of an appraisal management company registration if the applicant has been convicted of a felony.

fireworks; retail sales; enforcement (S.B. 1348) – Chapter 260

Precludes a county with more than 500,000 persons or a municipality within that county from prohibiting: 1) the sale of permissible consumer fireworks from April 25 through May 6 and five days before the first day of Diwali through the third day of Diwali; and 2) the use of permissible consumer fireworks from May 4 through May 6 and on the second and third days of

Diwali. Beginning January 1, 2021, a county, in unincorporated areas, or a municipality may prohibit the sale and use of fireworks during the timeframe surrounding Diwali.

A county, in unincorporated areas of the county, or a municipality may prohibit the use of fireworks within a one-mile radius of certain municipal or mountain lands under certain conditions. A fire marshal working for a local government may seize, remove or cause to be removed fireworks for sale in violation of firework regulation in the fire marshal's jurisdiction. If a person has fireworks confiscated more than two times in a five-year period, they may not sell fireworks for the succeeding three years. The local government may impose a fine on an individual in violation of fireworks regulation that covers the cost of enforcement by the fire marshal.

Includes *adult snappers*, which are paper wrapped or plastic tubes that do not contain a fuse, produce a single report and meet the requirements of a fuseless firecracker, in *permissible consumer fireworks* allowed in a county with more than 500,000 persons.

registrar of contractors omnibus (S.B. 1397) – Chapter 145

Outlines eligibility requirements for an award from the Residential Contractors' Recovery Fund (Fund) and limits awards from the Fund to residential real properties. In order for a claimant to be eligible for an award from the Fund, the contractor whose actions damaged the claimant must have been appropriately licensed at a specified time. A claim for administrative payment from the Fund or a complaint of a licensee violating contractor rules must be submitted within two years. Repeals the arbitration process relating to written complaints with the Registrar of Contractors (ROC).

Allows, rather than requires, the ROC to suspend a license if the licensed entity meets one of three specified criteria. Certain applicants or licensees who are obtaining, renewing or maintaining a license must attest to compliance with Workers' Compensation statutes and to being in good standing with the Arizona Corporation Commission.

Requires the ROC-maintained list of persons who have been convicted of contracting without a license to include a person's related business names. Allows, rather than requires, the ROC to impose a civil penalty of up to \$1,000 on a contractor for contracting without a license. If a contractor who is not properly licensed bids on a project of \$1,000 or more, the ROC may not issue a license to that contractor for one year after the bid date.

Changes, from 90 days to 180 days after actual discovery of an offense, the time period within which the ROC must issue a citation for contractor rule violation. Allows, rather than requires, the ROC to adopt rules relating to civil penalties for failing to comply with a cease and desist order. The rules must give due consideration to the gravity of the violation and any history of previous violations. Allows, rather than requires, the ROC to deem a licensee's failure to answer the service of a citation within 10 days an admission of the licensee's execution of the act or acts charged in the complaint. The ROC may determine that the failure to answer the service of a citation within 10 days is attributable to excusable neglect.

A *qualifying party* is a person who is responsible for a licensee's actions and conduct performed under the license and who either has an ownership interest in the license or is regularly employed by the licensee. The licensee's qualifying party is responsible for any violation of contractor rules by the licensee. Requires a licensee applying for exemption from a qualifying

party to show the ROC that the person held a valid and active license for the past five years and did not commit a violation that would be considered grounds for suspension or revocation of the contractor's license.

Requires a contractor to timely submit a billing or estimate for any work performed or materials supplied during a billing cycle, rather than only the preceding billing cycle. The billing or estimate for a progress payment on a construction project must be submitted on a 30-day billing cycle, unless the construction contract specifically identifies a different billing cycle.

cosmetology; licensing exceptions (S.B. 1401) – Chapter 96

Exempts a person not practicing aesthetics or cosmetology who dries, styles, arranges, dresses, curls, hot irons, shampoos or conditions hair and completes an approved sanitation, infection protection and law review class from cosmetology regulation. The person must post a sign notifying the public that the services are not regulated by the Board of Cosmetology.

video service providers; license (S.B. 1528) – Chapter 319

Increases the timeframe in which a local government must issue a video service license from 30 days to 45 days after an applicant files an application. Delays the timeframe in which a complaint for a violation of license fee obligations must be filed, from between four months and two years, to between six months and three years after a written demand is made.

Removes the prohibition on a local government auditing the business books and records of a video service provider in a period that ends more than three years before the date the audit notice is received. A local government may assess a video service provider additional license fees in response to an audit at any time within four years after the date on which the fees were originally required to be paid.

~~contracts; licensure requirements; waiver; applicability (NOW: contracts; licensure requirements; exemption) (H.B. 2146)~~ – Chapter 285

[SEE THE JUDICIARY COMMITTEE.](#)

regulatory sandbox program; amendments (H.B. 2177) – Chapter 45

Expands the Regulatory Sandbox Program (RSP) to grant an RSP participant limited access to the Arizona market to temporarily test an innovation, rather than an innovative financial product or service, without a license or statutory authorization. RSP participants may request an increase in the consumer testing cap and are exempt from certain Arizona Corporation Commission rules and Arizona laws that regulate innovative financial products or services. For transactions involving a money transmitter or related innovation, only a consumer's physical presence, rather than residence, in Arizona may be required.

The Attorney General has the sole authority to enforce the state regulatory laws applicable to RSP participants, and agreements the Attorney General enters into with regulators must advance the purpose of the RSP.

milk manufacturing license; exemption (H.B. 2178) – Chapter 44

SEE THE WATER & AGRICULTURE COMMITTEE.

video service providers (H.B. 2179) – Chapter 163

Grants the powers, duties and responsibilities of a cable operator to a video service provider (VSP) and classifies violations for tampering with video service instruments or networks. A VSP is exempt from prohibited network security activities that monitor or interact with a subscriber's internet or other network connection or service, or a computer. A person making telephone solicitations for a VSP is exempt from certain telephone solicitation regulations.

A county Board of Supervisors may authorize a VSP to construct a system within the right-of-way of any road, highway or easement and a political subdivision must allow a VSP to install, operate and maintain microcell equipment in public highways in the service area licensed by the political subdivision.

A city, town or special taxing district may not levy a transaction privilege, sales, use or other similar tax on the charges for the leasing or renting of space to make attachments to utility poles by specified entities.

Grants the Department of Economic Security (DES), in response to a child support subpoena, access to the names and addresses of child support obligors or obligees and their employers appearing in VSP customer records. Requires DES to provide a copy of the annual report on the status of homelessness to the Secretary of State.

~~registrar of contractors; licensing; exemption~~ (NOW: licensing; exemption; registrar of contractors) (H.B. 2181) – Chapter 140

Exempts cable television, satellite television and telecommunications providers from Registrar of Contractors licensure requirements if the work is limited to installing low-voltage cable, telephone services, internet services and data service. In determining licensure exemptions based on project cost, the total value of a sales contract or transaction does not include an otherwise qualifying electrical fixture or appliance with internal batteries that do not exceed 12 volts in a single, series or parallel configuration.

funeral director interns (H.B. 2188) – Chapter 90

Requires an applicant for licensure as a funeral director to have held an active license as an intern, rather than as an embalmer, for at least one year and to have assisted in arranging and directing at least 25 funerals. Expands the definition of an *intern* to include a licensed person engaged in arranging and directing funerals when under the supervision of a licensed funeral director.

cable licensing; video service providers (H.B. 2229) – Chapter 76

Laws 2018, Chapter 331 established uniform regulation of video service providers (VSPs) for cities, towns and counties under Title 9, Arizona Revised Statutes, relating to Cities and Towns.

H.B. 2229 transfers county powers, duties and responsibilities relating to VSPs to Title 11, Arizona Revised Statutes, relating to Counties, and removes *county* from the definition of *local government* within Title 9, Arizona Revised Statutes. Increases the time allowed for a county to issue a license from 30 days to 45 days after a VSP license application is filed and allows a county to levy excise taxes, rather than transaction privilege taxes, on a VSP.

Requires the Office of Administrative Hearings (OAH) to receive complaints against a county and to adopt rules to administer hearings related to VSPs. Rules adopted by OAH must apply uniformly to hearings involving local governments and counties. The Director of OAH must provide a copy of OAH annual reports to the Secretary of State.

liquor omnibus (H.B. 2281) – Chapter 136

Establishes a *joint premises permit* that allows adjacent and contiguous on-sale spirituous liquor licensees to operate a joint premises and outlines requirements and security measures for the operation of a joint premises.

Allows a liquor licensee, employee of a licensee or other person to use a biometric identity verification device (device) authorized by the Department of Liquor Licenses and Control (DLLC) to determine the age of a person attempting to purchase liquor or enter a licensed premises serving liquor. A device must be able to instantly reference a person's identity and age against specified records and verify the identity and age through an electronic scan of a biometric of the person.

Raises the cap on new bar, liquor store or beer and wine bar licenses the Director of the DLLC (Director) may issue in a county per year for each license revoked or reverted in that county. The revocation, suspension or refusal to renew a license for unpaid taxes, penalties or interest of \$250 or more that is delinquent for more than 120 days is considered a contested case with the Arizona Department of Revenue and outlines an appeals process.

Outlines retail, direct shipment and farm winery licensee liquor delivery requirements and acceptable delivery time periods. Allows a craft distiller licensee to hold a farm winery license and subjects the holder to all licensure requirements for both licenses. Removes the 1,000 gallon per calendar year cap on farm winery licensees and craft distiller licensees who produce distilled spirits for the primary purpose of making wine. Excludes the production and storage space of a farm winery from the licensed farm winery premises and allows the DLLC or a peace officer to inspect the spaces. Excludes the production and storage space of a craft distiller from the licensed craft distiller premises public area and allows the DLLC or a peace officer to inspect the spaces.

A person who is at least 18 years old and who knowingly hosts, rather than knowingly allows, a gathering of two or more persons under the legal drinking age is guilty of a class 1 misdemeanor. Removes immediate family members from the persons excluded from the number of underage persons present.

Establishes a pilot program for spirituous liquor licensees at regional shopping centers that allows the Director to issue up to 10 extensions of premises to retail licensees at regional shopping centers. An issued extension allows patrons to consume spirituous liquor throughout a designated pedestrian area in a regional shopping center.

landlord tenant; partial payment; assistance (H.B. 2358) – Chapter 289

Specifies that a landlord's acceptance of a housing assistance payment does not constitute an acceptance of a partial payment of rent or waive the landlord's right to terminate the rental agreement for any breach by the tenant.

~~sentencing; repetitive offenders~~ (NOW: tourism; sporting event; promotion; marketing) (H.B. 2361) – Chapter 165

Requires the Arizona Office of Tourism to contract with a promotion and marketing vendor to promote and market a special sporting event. Establishes a Procurement Evaluation Committee to evaluate and recommend a promotion and marketing vendor.

~~technical correction; boating rules~~ (NOW: real estate; licenses; applications) (H.B. 2371) – Chapter 101

Requires an application for licensure as a real estate, cemetery or membership camping broker or salesperson to include any derivative of the applicant's name or nickname the applicant uses for advertising purposes.

property disclosure affidavit; adjudication claim (H.B. 2443) – Chapter 103

Requires the affidavit of disclosure for the sale of five or fewer parcels of land in an unincorporated area of a county to include prescribed language stating whether a property or the water used on a property is the subject of a statement of claimant for the use of water in a general adjudication of water rights.

real estate licensure; exceptions; rentals (H.B. 2451) – Chapter 129

Applies an exemption from Arizona Department of Real Estate licensure to a person who, on behalf of another, accepts reservations or monies for occupancies of less than 31 days in any dwelling unit, rather than only a dwelling unit in a common interest development.

occupational regulations; licenses; communications; notice (H.B. 2463) – Chapter 34

Requires each state agency to post on its website and print on certain communications a notice that includes prescribed language stating that an agency must limit occupational regulations to regulations necessary to fulfill a public health, safety or welfare concern and outlining an individual's right to petition or challenge the occupational regulation.

real property disclosure; solar; disposal (H.B. 2485) – Chapter 131

[SEE THE NATURAL RESOURCES & ENERGY COMMITTEE.](#)

~~public lands; management department; committee~~ (NOW: racing commission; simulcasting; wagering facilities) (H.B. 2547) – Chapter 293

[SEE THE NATURAL RESOURCES & ENERGY COMMITTEE.](#)

state lottery; prizewinner confidentiality (H.B. 2552) – Chapter 105

Allows a lottery prizewinner of \$100,000 or more to request that their name be kept confidential. If confidentiality is requested, the prizewinner's name is not subject to open access of public records.

occupational licensing; reciprocity (H.B. 2569) – Chapter 55

Requires an occupational or professional license or certificate to be issued to a person who establishes residence in Arizona if the person is licensed or certified in that discipline and at that practice level in another state and meets all other criteria. The issued license or certificate is valid only in Arizona and does not make the license holder eligible to be part of an interstate compact. Subjects a reciprocally-licensed or certified person to the regulating entity's jurisdiction and allows a regulating entity to continue to administer an examination on Arizona law as part of its application requirement. Outlines exceptions to out-of-state reciprocity.

Removes the option for a regulating entity to require a military spouse who has been licensed or certified for fewer than five years to practice under direct supervision.

timeshares; disclosures (H.B. 2639) – Chapter 245

Requires a timeshare purchase agreement to be in writing and signed by the purchaser. The developer must give the purchaser a copy of the agreement when it is signed. The purchaser may rescind a purchase agreement without cause within 7 days, rather than 10 days, after the timeshare purchase agreement is signed. The denial of a purchaser's rescission without good faith legal basis is an unlawful practice subject to investigation and legal action.

Requires a purchase agreement to contain a primary separate disclosure document with outlined information. Before entering into a purchase agreement, the seller of a timeshare must provide a purchaser with a secondary separate disclosure document that outlines the purchaser's actual and potential liabilities under the purchase agreement as prescribed. A purchaser must separately initial each disclosure in the primary separate disclosure document, sign the secondary separate disclosure document and verify that they have read and understand the information in each disclosure. A contract is rendered void if there are blank spaces in the purchase agreement or the separate disclosure documents.

~~department of agriculture; application review~~ (NOW: commerce authority; application review)
[\(H.B. 2646\)](#) – Chapter 295 E

An emergency measure effective June 7, 2019, that allows an applicant for funding from the federal Rural E-Connectivity Pilot Program to request the Arizona Commerce Authority (ACA) to review the application for accuracy. The ACA may not deny a request for application review.

~~vacation rentals; short-term rentals; regulation~~ ([H.B. 2672](#)) – Chapter 240

Prohibits an online lodging operator from renting out a lodging accommodation without a transaction privilege tax (TPT) license and prohibits a vacation or short-term rental from being used for nonresidential purposes. A local government may require the owner of a vacation or short-term rental to provide the local government with the owner's contact information before offering a rental for rent. If an owner provides contact information, a local government must make a reasonable attempt to notify the owner of a citation within seven business days. Establishes civil penalties for a verified violation of state law or local ordinance relating to vacation or short-term rental uses and outlines what constitutes a *verified violation* and when it is appropriate to waive or lower a penalty. If multiple verified violations arise out of the same response to an incident at a vacation or short-term rental, those verified violations are considered one verified violation for the purposes of assessing civil penalties.

If there is a legitimate business need relating to enforcing specified laws, regulations and ordinances, a local government tax official may redisclose certain confidential TPT license information relating to a vacation or short-term rental property owner or online lodging operator to nonelected local government officials.

~~property; products; services; sandbox~~ ([H.B. 2673](#)) – Chapter 9

Requires the Chief Executive Officer of the Arizona Commerce Authority (CEO) to establish a Property Technology Sandbox Program (PTSP) that allows a person to obtain limited access to the Arizona market to test innovative property products or services without licensure or other authorization. Establishes PTSP application procedures and requires CEO approval for an applicant to be deemed a PTSP participant. A PTSP participant has 24 months after the date of approval to test the innovation described in the PTSP participant's application. The PTSP terminates on July 1, 2029.

Outlines disclosure, recordkeeping and reporting requirements for PTSP participants. Grants the CEO discretion over PTSP participants and outlines exit requirements and extension procedures.

~~condominiums; terminations; appraisals~~ (NOW: condominiums; appraisals; termination)
[\(H.B. 2687\)](#) – Chapter 233

Requires the board of directors of a unit owners association (board) to convene a meeting at least 30 days before the recording of a condominium termination agreement. At the meeting to terminate the agreement, an entity that purports to have at least 80 percent of the votes in a unit owners association must produce outlined documents. Outlines board meeting and appraisal

arbitration requirements and includes additional amounts in a unit owner's respective interests. A condominium termination agreement that is recorded without full compliance with termination agreement meeting regulations is invalid.

American viticultural area; designation ([H.C.R. 2014](#))

[SEE THE WATER & AGRICULTURE COMMITTEE.](#)

trade agreement; ratification; urging Congress ([S.M. 1002](#))

Urges the U.S. Congress to ratify the recently negotiated United States-Mexico-Canada Agreement to ensure continuity in trade among the three North American economic partners.

LEGISLATION VETOED

technical registration board; endorsement registration ([H.B. 2037](#)) – VETOED

Requires the Arizona Board of Technical Registration (AZBTR) or the Executive Director of the AZBTR to grant registration or certification by endorsement for an AZBTR-regulated profession or occupation, if an applicant holds a valid registration or certification in good standing that is issued by another state or U.S. territory that has substantially equivalent or greater requirements than Arizona's and demonstrates active practice for at least five years in that state and in the profession where registration or certification is sought. Requires the AZBTR to exempt an applicant from examinations if certain requirements are met.

The Governor indicates in his [veto message](#) that H.B. 2037 is no longer necessary following the signing of [H.B. 2569](#) relating to occupational and professional licenses and certificates.

state liquor board; membership ([H.B. 2473](#)) – VETOED

Requires one of the five members of the State Liquor Board (Board) who are not financially interested in liquor business to be appointed after an association representing cities and towns forwards at least three nominees to the Governor who are current or former elected municipal officials.

The Governor indicates in his [veto message](#) that H.B. 2473 adds an extra step to the nomination of one of the seven seats on the Board, resulting in inconsistencies in the selection process.

~~racetrack; handle; breeders' award fund~~ (NOW: breeders' award fund; racing; handle) ([H.B. 2576](#)) – VETOED

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