State of Arizona
Senate
Fifty-second Legislature
First Regular Session
2015

CHAPTER 19

SENATE BILL 1480

AN ACT

AMENDING SECTIONS 5-101, 5-101.01, 5-221, 5-224 AND 32-3601, ARIZONA REVISED STATUTES; REPEALING SECTION 32-3604, ARIZONA REVISED STATUTES; AMENDING SECTION 32-3605, ARIZONA REVISED STATUTES; RELATING TO STATE AGENCY CONSOLIDATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 5-101, Arizona Revised Statutes, is amended to read:

5-101. Definitions
In this article, unless the context otherwise requires:
1. "Additional wagering facility" means a facility that is not the enclosure in which authorized racing takes place but that meets the requirements of section 5-111, subsection A and is used by a permittee for handling pari-mutuel wagering.
2. "Advance deposit wagering" means a form of pari-mutuel wagering that allows a person to deposit monies in advance in an account with an advance deposit provider and use the monies to pay for pari-mutuel wagering on live or simulcast racing that the advance deposit pari-mutuel wagering permittee accepts or makes.
3. "Advance deposit wagering provider" means a betting system or multijurisdictional wagering provider that is authorized to conduct advance deposit wagering pursuant to this article.
4. "Applicant" means a person, partnership, association or corporation placing before the department an application for a permit or license.
5. "Association" means a body of persons, corporations, partnerships or associations, united and acting together without a charter from the state for the prosecution of some common enterprise.
6. "Commercial horse racing" means horse racing conducted other than by a county fair association.
8. "Concessionaire" means a person, partnership, association or corporation that offers goods or services for sale to the public, a permittee or a licensee at an enclosure in which authorized racing takes place or an additional wagering facility.
9. "County fair facility" means any place, enclosure or track constructed in accordance with a permit issued by the commission for the purpose of running county fair horse racing dates as well as any commercial dates for horse racing that may be awarded by the commission in reference to the location.
10. "County fair racing association" means an association duly authorized by the board of supervisors to conduct a county fair racing meeting for the benefit of the county.
11. "Dark day simulcast" means a simulcast received on a day when there are no posted races conducted at the enclosure in which authorized racing takes place.
12. "Department" means the Arizona department of racing GAMING.
13. "Desensitized" means that a horse's or dog's legs, upon arrival at the receiving barn, saddling paddock or lockdown kennel do not respond appropriately to tests for feeling administered by an official veterinarian.
14. "Director" means the director of the Arizona department of racing GAMING.
15. "Dog racing" means racing in which greyhound dogs chase a mechanical lure.

16. "Entered" means that a horse or dog has been registered with an authorized racing official as a participant in a specified race and has not been withdrawn prior to presentation of the horse or dog for inspection and testing as provided in section 5-105.

17. "Financial interest" means any direct pecuniary interest.

18. "Firm" means a business unit or enterprise that transacts business.

19. "Handle" means the total amount of money contributed to all pari-mutuel pools by bettors.

20. "Harness racing" means horse racing in which the horses are harnessed to a sulky, carriage or similar vehicle and driven by a driver.

21. "Horse racing" means racing in which horses are mounted and ridden by jockeys. For purposes of county fair racing meetings, "horse racing" means racing in which horses or mules are mounted and ridden by jockeys.

22. "License" means the license issued by the department to each employee or other person participating in any capacity in a racing meeting, including officials and employees of the pari-mutuel department.

23. "Pari-mutuel wagering" means a system of betting that provides for the distribution among the winning patrons of at least the total amount wagered less the amount withheld under state law.

24. "Permit" means a permit for a racing meeting issued under the provisions of this article.

25. "Racing meeting" means a number of days of racing allotted by the commission in one permit.

26. "Simulcast" means the telecast shown within this state of live audio and visual signals of horse, harness or dog races conducted at an out-of-state track or the telecast shown outside this state of live audio and visual signals of horse, harness or dog races originating within this state for the purpose of pari-mutuel wagering.

27. "Source market fee" means the fee that an advance deposit wagering provider pays to a commercial live-racing permittee in the state where the advance deposit wagering customer resides.

28. "Telephone" means any device that a person uses for voice communications in connection with the services of a telephone company.

29. "Undesirable" includes known bookmakers, touts, persons convicted of a violation of any provision of this article or of any law prohibiting bookmaking or any other illegal forms of wagering, or any other person whose presence would, in the opinion of the director, be inimical to the interests of the state.

30. "Week" means seven consecutive days beginning on Monday and ending on Sunday, mountain standard time.

Sec. 2. Section 5-101.01, Arizona Revised Statutes, is amended to read:
5-101.01. Division of racing; director; qualifications; term; deputy director; conflict of interest

A. There is established an Arizona Division of Racing within the department of Gaming.

B. The governor shall appoint a director of the department pursuant to section 38-211. The director serves at the pleasure of the governor and shall administer the division. To be eligible for appointment as director, a person must have a minimum of five years of experience in business and administration and shall not have a financial interest in a racetrack or in the racing industry in this state during his appointment. The governor may appoint an acting director if there is a vacancy in the office.

C. The commission may establish the position of deputy director of the department.

D. The positions of director and deputy director, if applicable, are exempt from title 41, chapter 4, articles 5 and 6. Persons holding the positions of director and deputy director, if applicable, are eligible to receive compensation pursuant to section 38-611.

E. The provisions of title 38, chapter 3, article 8, relating to conflict of interest, apply to the director and all other employees of the department.

F. Neither the director, any employee of the department nor any member of the immediate family of the director or other employee of the department may:
   1. Have any pecuniary interest in a racetrack in this state or in any kennel, stable, compound or farm licensed under this chapter.
   2. Wager money at a racetrack enclosure or additional wagering facility in this state or wager money on the results of any race held at a racetrack enclosure in this state.
   3. Hold more than a five percent interest in any entity doing business with a racetrack in this state.
   4. Have any interest, whether direct or indirect, in a license issued pursuant to this chapter or in a licensee, facility or entity that is involved in any way with pari-mutuel wagering. For the purposes of this paragraph, "interest" includes employment.

G. Failure to comply with subsection F of this section is grounds for dismissal.

H. For the purposes of subsection F of this section, "immediate family" means a spouse or children who regularly reside in the household of the director or other employee of the department.

Sec. 3. Section 5-221, Arizona Revised Statutes, is amended to read:

5-221. Definitions

In this article, unless the context otherwise requires:

1. "Boxing" means the act of attack and defense with the fists, using padded gloves, that is practiced as a sport. Where applicable, boxing includes kickboxing.
2. "Commission" means the Arizona state boxing and mixed martial arts commission.

3. "Contest" means any boxing or mixed martial arts bout, event, contest, match or exhibition between two persons.

4. "Department" means the Arizona department of racing GAMING.

5. "Director" means the director of the Arizona department of racing GAMING.

6. "Executive director" means the executive director of the commission.

7. "Kickboxing" means a form of boxing, including muay thai pursuant to rules and regulations of the United States muay thai association or another muay thai sanctioning body that is approved by the commission, in which blows are delivered with any part of the arm below the shoulder, including the hand, and any part of the leg below the hip, including the foot.

8. "Mixed martial arts" means any form of competition or contest, other than boxing or kickboxing, in which blows are delivered and in which the competitors use any combination of tactics including boxing, wrestling, striking, kicking, martial arts and submission techniques.

9. "Professional" means any person who competes for any money prize or a prize that exceeds the value of thirty-five dollars or teaches or pursues or assists in the practice of boxing or mixed martial arts as a means of obtaining a livelihood or pecuniary gain.

10. "Tough man contest" means any boxing match consisting of one minute rounds, between two or more persons who use their hands, wearing padded gloves that weigh at least twelve ounces, or their feet, or both, in any manner. Tough man contest does not include kickboxing or any recognized martial arts competition.

Sec. 4. Section 5-224, Arizona Revised Statutes, is amended to read:

5-224. Division of boxing and mixed martial arts regulation; powers and duties

A. A division of boxing and mixed martial arts regulation is established in the Arizona department of racing to provide staff support for the Arizona state boxing and mixed martial arts commission. Subject to title 41, chapter 4, article 4, the director of the department shall appoint an executive director to perform the duties prescribed in this article. The resources for the Arizona state boxing and mixed martial arts commission shall come from monies appropriated to the department of racing from the racing regulation fund established by section 5-113.01 or from other sources prescribed in section 5-225, subsection D.

B. The commission shall obtain from a physician licensed to practice in this state rules and standards for the physical examination of boxers and referees. A schedule of fees to be paid physicians by the promoter or matchmaker for the examination shall be set by the commission.

C. The commission may adopt and issue rules pursuant to title 41, chapter 6 to carry out the purposes of this chapter.
D. The commission shall hold regular meetings at least quarterly and in addition may hold special meetings. Except as provided in section 5-223, subsection B, all meetings of the commission shall be open to the public and reasonable notice of the meetings shall be given pursuant to title 38, chapter 3, article 3.1.

E. The commission shall:
1. Make and maintain a record of the acts of the division, including the issuance, denial, renewal, suspension or revocation of licenses.
2. Keep records of the commission open to public inspection at all reasonable times.
3. Assist the director in the development of rules to be implemented pursuant to section 5-104, subsection T-U.
4. Conform to the rules adopted pursuant to section 5-104, subsection T-U.

F. The commission may enter into intergovernmental agreements with Indian tribes, tribal councils or tribal organizations to provide for the regulation of boxing and mixed martial arts contests on Indian reservations. Nothing in this chapter shall be construed to diminish the authority of the department of gaming.

Sec. 5. Heading change
A. The chapter heading of title 6, chapter 1, Arizona Revised Statutes, is changed from "STATE BANKING DEPARTMENT" to "DEPARTMENT OF FINANCIAL INSTITUTIONS".
B. The article heading of title 6, chapter 1, article 2, Arizona Revised Statutes, is changed from "STATE BANKING DEPARTMENT" to "DEPARTMENT OF FINANCIAL INSTITUTIONS".
C. The chapter heading of title 32, chapter 36, Arizona Revised Statutes, is changed from "STATE BOARD OF APPRAISAL" to "REAL ESTATE APPRAISAL".

Sec. 6. Section 32-3601, Arizona Revised Statutes, is amended to read:

32-3601. Definitions
In this chapter, unless the context otherwise requires:
1. "Appraisal" or "real estate appraisal" means a statement that is independently and impartially prepared by an individual setting forth an opinion as to the market value of real property as of a specific date and supported by the presentation and analysis of relevant market information.
2. "Appraisal assignment" means an engagement for which a real estate appraiser is employed or retained to act, or would be perceived by third parties or the public in acting, as a disinterested third party in rendering an unbiased analysis, opinion or conclusion relating to the nature, quality, value or utility of specified interests in or aspects of identified real estate.
4. "Appraisal report" means any communication, written or oral, of an appraisal.
5. "Appraisal review" means the act of reviewing or the report that
follows a review of an appraisal assignment or appraisal report in which a
real estate appraiser forms an opinion as to the adequacy and appropriateness
of the report being reviewed.

6. "Appraisal standards board" means the appraisal standards board
appointed by the board of trustees of the appraisal foundation to develop,
interpret and amend the uniform standards of professional appraisal practice.

7. "Appraisal subcommittee" means the subcommittee of the federal
financial institutions examination council created pursuant to 12 United
States Code section 3310 and chapter 34A, as amended.

8. "Appraiser qualifications board" means the appraiser qualifications
board that is appointed by the board of trustees of the appraisal foundation
to establish the minimum education, experience and examination requirements
for real estate appraisers.

9. "Board" means the state board of appraisal.

10. "Complex one to four residential units" means property that is
atypical for the marketplace. Atypical factors may include architectural
style, age of improvements, size of improvements, size of lot, neighborhood
land use, potential environmental hazard liability, leasehold interests,
limited readily available comparable sales data or other unusual factors.

11. "Course approval" means the act of the board SUPERINTENDENT
reviewing course materials to form an opinion as to the adequacy and
appropriateness of the course for licensing pursuant to section 32-3613,
certification pursuant to section 32-3614 and continuing education as
prescribed in section 32-3625 in accordance with the appraiser qualifications
board and this chapter.

12. "Federal financial institutions examination council" means
that agency of the federal government created pursuant to 12 United States
Code chapters 34 and 34A, as amended.

13. "Federally related transaction" means any real estate related
financial transaction that a federal financial institution's regulatory
agency or the resolution trust corporation engages in, contracts for or
regulates and that requires an appraisal.

14. "Property tax agent" means an individual who is designated by
a person or is an employee of an entity designated as an agent pursuant to
section 42-16001, who acts on behalf of a person who owns, controls or
possesses property valued by a county assessor and who receives a fee for the
analysis of any matter relating to the review of the valuation of the
person's property before the assessor. Property tax agent does not include a
person who is admitted to practice law in this state, an employee of the
person owning, controlling or possessing the property or an employee of an
entity designated pursuant to section 42-16001, if the employee is performing
a secretarial, clerical or administrative support function.

15. "Real estate" means an identified parcel or tract of land,
including improvements, if any.
16. "Real estate related financial transaction" means any transaction involving the sale of, lease of, purchase of, investment in or exchange of real property, including interests in property or the financing of property, the refinancing of real property or interests in real property and the use of real property or interests in property as security for a loan or investment including mortgage-backed securities.

17. "Real property" means one or more defined interests, benefits and rights inherent in the ownership of real estate.

18. "Registered trainee appraiser" means a person who meets both of the following requirements:
   (a) Is registered with the board SUPERINTENDENT and meets the appraiser qualifications board's qualifications for trainee appraisers to perform appraisal services only under the direct supervision of a certified appraiser who has met the minimum criteria to be a supervisory appraiser.
   (b) Accepts assignments only from the registered trainee appraiser's supervisory appraiser.

19. "Review appraiser" means a person who engages in the activity of reviewing and evaluating the appraisal work of others from the perspective of an appraiser, generally for compensation as a separate skill. This includes the function of reviewing an appraisal report or a file memorandum setting forth the results of the review process.

20. "Standards of professional appraisal practice" means the uniform standards of professional appraisal practice adopted by the board SUPERINTENDENT.

21. "State licensed or state certified appraiser" means a person who develops and communicates appraisals and who holds a current, valid license or certificate issued under this chapter.

22. "SUPERINTENDENT" MEANS THE SUPERINTENDENT OF FINANCIAL INSTITUTIONS.

23. "Supervisory appraiser" means a state certified appraiser who has a supervisory appraiser designation and who:
   (a) Has been in good standing for the last three years in the jurisdiction in which the registered trainee appraiser practices.
   (b) Has not been disciplined in a manner that affects the supervisory appraiser's eligibility to engage in appraisal practice in any jurisdiction in the last three years.
   (c) Directly supervises registered trainee appraisers by doing the following:
      (i) Accepting responsibility for an appraisal by signing and certifying that the appraisal complies with the uniform standards of professional appraisal practice.
      (ii) Reviewing and signing all registered trainee appraiser reports.
      (iii) Personally inspecting each appraised property with the registered trainee appraiser.

24. "Value" means the monetary relationship between properties and those who buy, sell or use those properties.
Sec. 7. Repeal
Section 32-3604, Arizona Revised Statutes, is repealed.

Sec. 8. Section 32-3605, Arizona Revised Statutes, is amended to read:
32-3605. Superintendent; duties; powers; immunity
A. The board SUPERINTENDENT shall adopt rules in aid or in furtherance of this chapter.
B. The state board of appraisal SUPERINTENDENT shall:
   1. In prescribing standards of professional appraisal practice, adopt standards that at a minimum are equal to the standards prescribed by the appraisal standards board.
   2. In prescribing criteria for certification, adopt criteria that at a minimum are equal to the minimum criteria for certification adopted by the appraiser qualifications board.
   3. In prescribing criteria for licensing and registration, adopt criteria that at a minimum are equal to the minimum criteria for licensing and registration adopted by the appraiser qualifications board.
   4. Further define by rule with respect to state licensed or state certified appraisers appropriate and reasonable educational experience, appraisal experience and equivalent experience that meets the statutory requirement of this chapter.
   5. Adopt the national examination as approved by the appraiser qualifications board for state certified appraisers.
   6. Adopt the national examination as approved by the appraiser qualifications board for state licensed appraisers.
   7. Establish administrative procedures for approving or disapproving applications for registration, licensure and certification and issuing licenses and certificates, including registration certificates.
   8. Define by rule, with respect to state licensed and certified appraisers, the continuing education requirements for the renewal of licenses or certificates that satisfy the statutory requirements provided in this chapter.
   9. Periodically review the requirements for the development and communication of appraisals provided in this chapter and adopt rules explaining and interpreting the requirements.
   10. Define and explain by rule each stage and step associated with the administrative procedures for the disciplinary process pursuant to this chapter, including:
       (a) Prescribing minimum criteria for accepting a complaint against a registered trainee appraiser or a licensed or certified appraiser. The board SUPERINTENDENT may not consider a complaint for administrative action if the complaint either:
           (i) Relates to an appraisal that was completed more than five years before the complaint was submitted to the board SUPERINTENDENT or more than two years after final disposition of any judicial proceeding in which the appraisal was an issue, whichever period of time is greater.
(ii) Is filed against a person who is a member or staff person of the board or a board-appointed committee DEPARTMENT OF FINANCIAL INSTITUTIONS and the person is a licensed or certified appraiser and the complaint is against the person's license or certificate and relates to the person's performance of board or committee duties. This item does not apply to a contract investigator who is under contract with the board DEPARTMENT for the performance of an appraisal review as defined by the uniform standards of professional appraisal practice. This item does not remove the requirement that the board member STAFF PERSON is subject to the ethics rules section of the uniform standards of professional appraisal practice.

(b) Defining the process and procedures used in investigating the allegations of the complaint. The board SUPERINTENDENT shall consolidate complaints that are filed within a six-month period of time if the complaints are against the same appraiser, relate to the same appraisal and property and are filed by an entity that is subject to the mandatory reporting provisions of the Dodd-Frank Wall Street reform and consumer protection act (P.L. 111-203; 124 Stat. 1376). Complaints that are consolidated pursuant to this subdivision must be considered and adjudicated as one complaint.

(c) Defining the process and procedures used in hearings on the complaint, including a description of the rights of the board SUPERINTENDENT and any person who is alleged to have committed the violation.

(d) Establishing criteria to be used in determining the appropriate actions for violations.

11. Communicate information that is useful to the public and appraisers relating to actions for violations.

12. Issue decrees of censure, fix periods and terms of probation and suspend and revoke licenses and certificates pursuant to the disciplinary proceedings provided for in section 32-3631.

13. At least monthly transmit to the appraisal subcommittee a roster listing individuals who have received a state certificate or license in accordance with this chapter.

14. Report on the disposition of any matter referred by the appraisal subcommittee or any other federal agency or instrumentality or federally recognized entity reporting any action of a state licensed or state certified appraiser that is contrary to this chapter.

15. Make a determination and finding if there exists a scarcity of state certified or state licensed appraisers to perform appraisals in connection with federally related transactions in this state and issue resident temporary licenses and certificates pursuant to section 32-3626.

16. Transmit the national registry fee collected pursuant to section 32-3607 to the appraisal subcommittee.

17. Establish the fees in accordance with section 32-3607.

18. Perform such other functions and duties as may be necessary to carry out this chapter.
C. Subject to title 41, chapter 4, article 4, the board may employ an executive director and other personnel and designate their duties. The executive director shall serve at the pleasure of the board.

D. The executive director shall not change or amend actions of the board.

E. C. The board SUPERINTENDENT may accept and spend federal monies and grants, gifts, contributions and devises from any public or private source to assist in carrying out the purposes of this chapter. These monies do not revert to the state general fund at the end of the fiscal year.

F. D. The board may impose a civil penalty pursuant to section 32-3632.

Sec. 9. Behavioral health services; transfer; succession; Arizona health care cost containment system administration

A. From and after June 30, 2016, the provision of behavioral health services under the division of behavioral health services in the department of health services is transferred to and shall be administered by the Arizona health care cost containment system administration. From and after June 30, 2016, the Arizona health care cost containment system administration succeeds to the authority, powers, duties and responsibilities of the division of behavioral health services. This transfer does not include the Arizona state hospital.

B. This act does not alter the effect of any actions or impair the valid obligations of the division of behavioral health services taken before July 1, 2016.

C. Administrative rules and orders that were adopted by the division of behavioral health services continue in effect until superseded by administrative action by the Arizona health care cost containment system administration. Until administrative action is taken by the Arizona health care cost containment system administration, any reference to the division of behavioral health services in the division's rules and orders is considered to refer to the Arizona health care cost containment system administration.

D. All administrative matters, contracts and judicial and quasi-judicial actions, whether completed, pending or in process, of the division of behavioral health services on July 1, 2016 are transferred to and retain the same status with the Arizona health care cost containment system administration.

E. All certificates, licenses, registrations, permits and other indicia of qualification and authority that were issued by the division of behavioral health services retain their validity for the duration of their terms of validity as provided by law.

F. All tangible and intangible property and assets, all data and investigative findings and all appropriated monies that remain unexpended and unencumbered on July 1, 2016 of the division of behavioral health services are transferred to the Arizona health care cost containment system administration.
Sec. 10. **Arizona department of racing; succession; department of gaming**
A. The department of gaming succeeds to the authority, powers, duties and responsibilities of the Arizona department of racing.
B. The Arizona racing commission has no authority over the duties and responsibilities of the department of gaming.
C. This act does not alter the effect of any actions or impair the valid obligations of the Arizona department of racing taken before the succession prescribed in subsection A of this section.
D. Administrative rules and orders that were adopted by the Arizona department of racing continue in effect until superseded by administrative action by the department of gaming. Until administrative action is taken by the department of gaming, any reference to the Arizona department of racing in the Arizona department of racing's rules and orders is considered to refer to the department of gaming.
E. All administrative matters, contracts and judicial and quasi-judicial actions, whether completed, pending or in process, of the Arizona department of racing are transferred to and retain the same status with the department of gaming.
F. All certificates, licenses, registrations, permits and other indicia of qualification and authority that were issued by the Arizona department of racing remain valid for the duration of their terms as provided by law.
G. All tangible and intangible property and assets, all data and investigative findings and all appropriated monies that are unexpended and unencumbered of the Arizona department of racing are transferred to the department of gaming.
H. All personnel under the state personnel system who are employed by the Arizona department of racing are transferred to comparable positions and pay classifications in the department of gaming.

Sec. 11. **State board of appraisal; succession; department of financial institutions**
A. The department of financial institutions succeeds to the authority, powers, duties and responsibilities of the state board of appraisal.
B. This act does not alter the effect of any actions or impair the valid obligations of the state board of appraisal taken before the succession prescribed in subsection A of this section.
C. Administrative rules and orders that were adopted by the state board of appraisal continue in effect until superseded by administrative action by the department of financial institutions. Until administrative action is taken by the department of financial institutions, any reference to the state board of appraisal in the board's rules and orders is considered to refer to the department of financial institutions.
D. All administrative matters, contracts and judicial and quasi-judicial actions, whether completed, pending or in process, of the
state board of appraisal are transferred to and retain the same status with
the department of financial institutions.

E. All certificates, licenses, registrations, permits and other
indicia of qualification and authority that were issued by the state board of
appraisal retain their validity for the duration of their terms of validity
as provided by law.

F. All tangible and intangible property and assets, all data and
investigative findings and all appropriated monies that are unexpended and
unencumbered of the state board of appraisal are transferred to the
department of financial institutions.

G. All personnel under the state personnel system who are employed by
the state board of appraisal are transferred to comparable positions and pay
classifications in the department of financial institutions.

Sec. 12. Conforming changes
The legislative council staff shall prepare proposed legislation
conforming the Arizona Revised Statutes to the provisions of this act for
consideration by the legislature.

Sec. 13. Effective date
Sections 5-101, 5-101.01, 5-221, 5-224, 32-3601 and 32-3605, Arizona
Revised Statutes, as amended by this act, section 32-3604, Arizona Revised
Statutes, as repealed by this act, and sections 10 and 11 of this act are
effective on the later of:


2. The effective date of this act.

APPROVED BY THE GOVERNOR MARCH 12, 2015.