State of Arizona
House of Representatives
Fifty-sixth Legislature
First Regular Session
2023

HOUSE BILL 2759

AN ACT

AMENDING TITLE 10, CHAPTER 25, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDED SECTION 10-3203.01; AMENDING SECTION 12-722, ARIZONA REVISED STATUTES; RELATING TO NONPROFIT CORPORATIONS.

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

Section 1. Title 10, chapter 25, article 1, Arizona Revised Statutes, is amended by adding section 10-3203.01, to read:

10-3203.01. Incorporation prohibited

NOTWITHSTANDING ANY OTHER LAW, THE COMMISSION MAY NOT INCORPORATE A CORPORATION UNDER THIS CHAPTER IF AN OFFICER, DIRECTOR OR TRUSTEE OF THE CORPORATION HAS BEEN CONVICTED OF ANY OF THE FOLLOWING OFFENSES:

1. SMUGGLING.
2. PARTICIPATING IN OR ASSISTING A HUMAN SMUGGLING ORGANIZATION.
3. UNLAWFULLY OBTAINING LABOR OR SERVICES.
4. SEX TRAFFICKING.
5. TRAFFICKING OF PERSONS FOR FORCED LABOR OR SERVICES.
6. CHILD SEX TRAFFICKING.
7. ANY FEDERAL IMMIGRATION OFFENSE.

Sec. 2. Section 12-722, Arizona Revised Statutes, is amended to read:

12-722. Trafficking of persons; civil liability; applicability; remedies; joint and several liability; definitions

A. A person who engages in OR FACILITATES the trafficking of a person or who intentionally or knowingly benefits from participating in OR FACILITATING a venture that traffics another person is liable to the person trafficked for damages that arise from the trafficking of that person by the person or venture.

B. It is not a defense to liability under this section that the person was acquitted or has not been prosecuted for or convicted of an offense included in title 13 or has been convicted of a different offense, or of a different type or class of offense, for the conduct that is alleged to give rise to liability under this section.

C. This section applies to any legal entity that is governed by title 10 or 29.

D. Notwithstanding titles 10 and 29, if a legal entity is found responsible pursuant to this section, a shareholder, member or partner of that entity is jointly and severally liable with the entity to the person trafficked for damages that arise from the trafficking of that person if the person demonstrates that the shareholder, member or partner caused the entity to be used to traffic that person for the direct personal benefit of the shareholder, member or partner.

E. A claimant who prevails under this section:

1. Shall be awarded actual damages, including damages for mental anguish even if an injury other than mental anguish is not shown, court costs and reasonable attorney fees.

2. In addition to an award under paragraph 1 of this subsection, may recover exemplary damages.
F. The rights and remedies provided in this section supplement any other rights and remedies provided by law, including common law rights.

G. A person who engages in OR FACILITATES the trafficking of a person or who intentionally or knowingly benefits from participating in OR FACILITATING a venture that traffics another person and is found responsible under this section or other law for any amount of damages arising from the trafficking is jointly liable with any other person found to be liable for the entire amount of damages arising from the trafficking.

H. For the purposes of this section:
   1. "Person" has the same meaning prescribed in section 13-105.
   2. "Traffics another person" or "trafficking of a person" means conduct that constitutes an offense under section 13-1306, 13-1307, 13-1308, 13-3206 or 13-3212.