

Senate Engrossed House Bill  
commerce authority; trade offices

State of Arizona  
House of Representatives  
Fifty-seventh Legislature  
Second Regular Session  
2026

# **CHAPTER 110**

## **HOUSE BILL 2752**

AN ACT

AMENDING SECTIONS 41-1502 AND 41-1504, ARIZONA REVISED STATUTES; RELATING TO THE ARIZONA COMMERCE AUTHORITY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 41-1502, Arizona Revised Statutes, is amended to  
3 read:

4 41-1502. Arizona commerce authority; board of directors;  
5 conduct of office; audit

6 A. The Arizona commerce authority is established. The mission of  
7 the authority is to provide private sector leadership in growing and  
8 diversifying the economy of this state, creating high quality employment  
9 in this state through expansion, attraction and retention of businesses  
10 and marketing this state for the purpose of expansion, attraction and  
11 retention of businesses.

12 B. The authority is governed by a board of directors consisting of:

13 1. The governor, who serves as chairperson.

14 2. The chief executive officer.

15 3. Seventeen private sector business leaders who are chief  
16 executive officers of private, for-profit enterprises. None of these  
17 members may be an elected official of any government entity. These  
18 members must be appointed from geographically diverse areas of this state  
19 and not all from the same county. These members shall serve staggered  
20 three-year terms of office beginning and ending on the third Monday in  
21 January. These members shall be appointed as follows:

22 (a) Nine members who are appointed by the governor.

23 (b) Four members who are appointed by the president of the senate.

24 (c) Four members who are appointed by the speaker of the house of  
25 representatives.

26 4. The following as ex officio members without the power to vote:

27 (a) The president of the senate **OR THE PRESIDENT'S DESIGNEE.**

28 (b) The speaker of the house of representatives **OR THE SPEAKER'S**  
29 **DESIGNEE.**

30 (c) The president of the Arizona board of regents.

31 (d) The president of each state university under the jurisdiction  
32 of the Arizona board of regents.

33 (e) One president of a community college who is appointed by a  
34 statewide organization of community college presidents.

35 (f) The chairperson of the governor's council on small business, or  
36 its successor.

37 (g) The chairperson of the workforce Arizona council established by  
38 executive order pursuant to section 41-5401.

39 (h) One member of the rural business development advisory council  
40 established by section 41-1505 who is appointed by the governor.

41 (i) The president of a statewide organization of incorporated  
42 cities and towns who is appointed by the governor.

43 (j) The president of a statewide organization of county boards of  
44 supervisors who is appointed by the governor.

45 C. For members who are appointed by the governor pursuant to

1 subsection B of this section, before appointment by the governor, a  
2 prospective member of the board of directors shall submit a full set of  
3 fingerprints to the governor for the purpose of obtaining a state and  
4 federal criminal records check pursuant to section 41-1750 and Public Law  
5 92-544. The department of public safety may exchange this fingerprint  
6 data with the federal bureau of investigation.

7 D. The following shall serve as technical advisors to the board to  
8 enhance collaboration among state agencies to meet infrastructure needs  
9 and facilitate growth opportunities throughout this state:

- 10 1. The director of environmental quality.
- 11 2. The state land commissioner.
- 12 3. The director of the department of revenue.
- 13 4. The director of the office of tourism.
- 14 5. The director of the department of transportation.
- 15 6. The director of water resources.
- 16 7. The director of the department of insurance and financial  
17 institutions.
- 18 8. The director of the Arizona-Mexico commission in the governor's  
19 office.
- 20 9. The director of the office of economic opportunity.
- 21 10. An attorney who is appointed jointly by the president of the  
22 senate and the speaker of the house of representatives and who has  
23 experience litigating constitutional cases involving article IX, section 7  
24 of the Arizona Constitution.

25 E. The governor shall appoint a cochairperson of the board of  
26 directors from among the voting members. The board may establish an  
27 executive committee consisting of the chairperson, the cochairperson, the  
28 chief executive officer and additional voting members of the board elected  
29 by the board. The chairperson may appoint subcommittees as necessary.

30 F. The board may request assistance from representatives of other  
31 state agencies to maximize economic development opportunities by  
32 leveraging their access to strategic assets and planning processes.

33 G. Board members serve without compensation but are eligible for  
34 reimbursement of expenses pursuant to section 41-1504, subsection E,  
35 paragraph 1.

36 H. A majority of the voting members, which must include the  
37 chairperson and the chief executive officer, constitute a quorum for the  
38 purpose of an official meeting for conducting business. An affirmative  
39 vote of a majority of the members present at an official meeting is  
40 sufficient for any action to be taken.

41 I. The board shall keep and maintain a complete and accurate record  
42 of all of its proceedings. Public access to the board's records is  
43 subject to section 41-1504, subsection M. The public portion of board  
44 meetings shall be recorded. These recordings shall be posted on the  
45 authority's website within three business days after the meeting and shall

1 remain on the website pursuant to section 38-431.01, subsection K.

2 J. The board ~~of directors~~, executive committee, subcommittees and  
3 advisory councils are subject to title 38, chapter 3, article 3.1,  
4 relating to public meetings, except as follows:

5 1. In addition to section 38-431.03, the board, executive committee  
6 and subcommittees may meet in executive session for discussion about  
7 potential business development opportunities and strategies that, if made  
8 public, could potentially harm the applicant's, the potential applicant's  
9 or this state's competitive position.

10 2. Social and travel events related to the expansion, attraction  
11 and retention of businesses are not public meetings if no legal action  
12 involving a final vote or decision is taken.

13 3. Activities and events held in public for the purpose of  
14 announcing the expansion, attraction and retention of projects are not  
15 public meetings.

16 K. The board and the officers and employees of the authority are  
17 subject to title 38, chapter 3, article 8, relating to conflicts of  
18 interest.

19 L. The board of directors shall adopt written policies, procedures  
20 and guidelines for standards of conduct, including a gift policy, for  
21 members of the board and for officers and employees of the authority.

22 M. The compensation of all officers and employees is considered a  
23 public record pursuant to title 39, chapter 1.

24 N. The authority shall operate on the state fiscal year. The board  
25 shall cause an annual audit to be conducted on or before October 31 of  
26 each of the authority's public funds established by this chapter by an  
27 independent certified public accountant. The board shall immediately file  
28 a certified copy of the audit with the auditor general. The auditor  
29 general may make such further audits and examinations as necessary and may  
30 take appropriate action relating to the audit or examination pursuant to  
31 chapter 7, article 10.1 of this title. If the auditor general takes no  
32 further action within thirty days after the audit is filed, the audit is  
33 considered to be sufficient.

34 O. All state agencies shall cooperate with the authority and make  
35 available data pertaining to the functions of the authority as requested  
36 by the authority.

37 P. The authority may not have more than one hundred full-time  
38 employees, excluding any full-time employees that are funded with monies  
39 other than state monies.

40 Sec. 2. Section 41-1504, Arizona Revised Statutes, is amended to  
41 read:

42 41-1504. Powers and duties; e-verify requirement

43 A. The board ~~of directors~~, on behalf of the authority, may:

- 44 1. Adopt and use a corporate seal.  
45 2. Sue and be sued.

1           3. Enter into contracts as necessary to carry out the purposes and  
2 requirements of this chapter, including intergovernmental agreements  
3 pursuant to title 11, chapter 7, article 3 and interagency service  
4 agreements as provided by section 35-148.

5           4. Lease real property and improvements to real property for the  
6 purposes of the authority. Leases by the authority are exempt from  
7 chapter 4, article 7 of this title, relating to management of state  
8 properties.

9           5. Employ or retain legal counsel and other consultants as  
10 necessary to carry out the purposes of the authority.

11           6. Develop and use written policies, procedures and guidelines for  
12 the terms and conditions of employing officers and employees of the  
13 authority and may include background checks of appropriate personnel.

14           B. The board ~~of directors~~, on behalf of the authority, shall:

15           1. Develop comprehensive long-range strategic economic plans for  
16 this state and submit the plans to the governor.

17           2. Annually update a strategic economic plan for submission to the  
18 governor.

19           3. Accept gifts, grants and loans and enter into contracts and  
20 other transactions with any federal or state agency, municipality, private  
21 organization or other source.

22           C. The authority shall:

23           1. Assess and collect fees for processing applications and  
24 administering incentives. The board shall adopt the manner of computing  
25 the amount of each fee to be assessed. Within thirty days after proposing  
26 fees for adoption, the chief executive officer shall submit a schedule of  
27 the fees for review by the joint legislative budget committee. It is the  
28 intent of the legislature that a fee shall not exceed one percent of the  
29 amount of the incentive.

30           2. Determine and collect registry fees for the administration of  
31 the allocation of federal tax exempt industrial development bonds and  
32 student loan bonds authorized by the authority. Such monies collected by  
33 the authority shall be deposited, pursuant to sections 35-146 and 35-147,  
34 in an application fees fund. Monies in the fund shall be used, subject to  
35 annual appropriation by the legislature, by the authority to administer  
36 the allocations provided in this paragraph and are exempt from the  
37 provisions of section 35-190 relating to the lapsing of appropriations.

38           3. Determine and collect security deposits for the allocation, for  
39 the extension of allocations and for the difference between allocations  
40 and principal amounts of federal tax exempt industrial development bonds  
41 and student loan bonds authorized by the authority. Security deposits  
42 forfeited to the authority shall be deposited in the state general fund.

43           4. ~~At the direction of the board~~ SUBJECT TO LEGISLATIVE  
44 APPROPRIATION FOR THAT SPECIFIC PURPOSE, establish and supervise the  
45 operations of full-time or part-time offices in other states and foreign

1 countries for the purpose of expanding direct investment and export trade  
2 opportunities for businesses and industries in this state. ~~if~~, ANY SUCH  
3 LEGISLATIVE APPROPRIATION SHALL BE based on THE objective  
4 research, ~~PREPARED BY~~ the authority PURSUANT TO THIS PARAGRAPH, TO  
5 ~~determines~~ DETERMINE that the effort would be beneficial to the economy of  
6 this state. ON OR BEFORE DECEMBER 1 OF EACH YEAR, THE AUTHORITY SHALL  
7 SUBMIT TO THE JOINT LEGISLATIVE BUDGET COMMITTEE A REPORT ON THE  
8 ACTIVITIES OF EACH TRADE OFFICE OPERATED BY THE AUTHORITY DURING THE PRIOR  
9 FISCAL YEAR AND OBJECTIVE RESEARCH THAT IDENTIFIES POTENTIAL OFFICES, IF  
10 ANY, IN OTHER STATES AND FOREIGN COUNTRIES FOR THE PURPOSE OF EXPANDING  
11 DIRECT INVESTMENT AND EXPORT TRADE OPPORTUNITIES FOR BUSINESSES AND  
12 INDUSTRIES IN THIS STATE.

13 5. Establish a program by which entrepreneurs become aware of  
14 permits, licenses or other authorizations needed to establish, expand or  
15 operate in this state.

16 6. Post on its website on an annual basis a report that contains at  
17 least the following information, ~~and~~ submit a copy to the governor, the  
18 president of the senate and the speaker of the house of representatives:

19 (a) The cumulative progress made toward its goals for direct job  
20 creation, capital investment and higher average wages and the estimated  
21 number of indirect jobs and induced jobs created as a result of the work  
22 and the programs of the authority.

23 (b) To the extent not prohibited by law, information on each  
24 incentive application approved by the authority in the fiscal year,  
25 including the amount of the incentive approved or awarded and the  
26 applicant's activity that is projected or has been achieved, whichever is  
27 applicable, to qualify for the incentive.

28 (c) Rural economic development outreach and impact data.

29 (d) Small business outreach and impact data.

30 7. Develop and implement written policies and procedures relating  
31 to the administration of grants from the Arizona competes fund established  
32 by section 41-1545.01, including the following elements:

33 (a) Procedures for documenting grantee selection and due diligence.

34 (b) Procedures for verification of information submitted by  
35 grantees.

36 (c) Procedures for evaluating requests to amend grant terms and for  
37 documenting decisions relating to those requests.

38 8. Notwithstanding any other law, on request of the office of  
39 economic opportunity, disclose to the office of economic opportunity  
40 applicant information for incentives administered, in whole or in part, by  
41 the authority. Any confidentiality requirements provided by law  
42 applicable to the information disclosed pursuant to this paragraph apply  
43 to the office of economic opportunity.

44 9. On or before December 31 of each year, compile the data  
45 collected pursuant to subsection F of this section and submit a report to

1 the governor, the president of the senate, the speaker of the house of  
2 representatives and the secretary of state.

3 D. The authority, through the chief executive officer, may:

4 1. Contract and incur obligations reasonably necessary or desirable  
5 within the general scope of the authority's activities and operations to  
6 enable the authority to adequately perform its duties.

7 2. Use monies, facilities or services to provide matching  
8 contributions under federal or other programs that further the objectives  
9 and programs of the authority.

10 3. Accept gifts, grants, matching monies or direct payments from  
11 public or private agencies or private persons and enterprises for the  
12 conduct of programs that are consistent with the general purposes and  
13 objectives of this chapter.

14 4. Assess business fees for promotional services provided to  
15 businesses that export products and services from this state. The fees  
16 shall not exceed the actual costs of the services provided.

17 5. Establish and maintain one or more accounts in banks or other  
18 depositories, for public or private monies of the authority, from which  
19 operational activities, including payroll, vendor and grant payments, may  
20 be conducted. Individual funds that are established by law under the  
21 jurisdiction of the authority may be maintained in separate accounts in  
22 banks or other depositories, but shall not be commingled with any other  
23 monies or funds of the authority.

24 E. The chief executive officer shall:

25 1. Hire employees and prescribe the terms and conditions of their  
26 employment as necessary to carry out the purposes of the authority. The  
27 board of directors shall adopt written policies, procedures and  
28 guidelines, similar to those adopted by the department of administration,  
29 regarding officer and employee compensation, observed holidays, leave and  
30 reimbursement of travel expenses and health and accident insurance. The  
31 officers and employees of the authority are exempt from any laws  
32 regulating state employment, including:

33 (a) Chapter 4, articles 5 and 6 of this title, relating to state  
34 service.

35 (b) Title 38, chapter 4, article 1 and chapter 5, article 2,  
36 relating to state personnel compensation, leave and retirement.

37 (c) Title 38, chapter 4, article 2, relating to reimbursement of  
38 state employee expenses.

39 (d) Title 38, chapter 4, article 4, relating to health and accident  
40 insurance.

41 2. Maintain three full-time employees to serve as advocates for  
42 small and rural businesses on economic development and regulatory matters  
43 before cities, towns, counties or state agencies. Two of the full-time  
44 employees shall be dedicated to small business growth, support and

1 regulation, one of whom shall serve as a small business ombudsman. One of  
2 the full-time employees shall be dedicated to rural economic development.

3 3. On a quarterly basis, provide public record data in a manner  
4 prescribed by the department of administration related to the authority's  
5 revenues and expenditures for inclusion in the comprehensive database of  
6 receipts and expenditures of state monies pursuant to section 41-725.

7 F. On or before September 30 of each year, each city, town and  
8 county in this state shall submit to the authority the city's, town's or  
9 county's statistics for the preceding fiscal year that include all of the  
10 following:

11 1. The average time from the submission of an initial building  
12 permit application to a certificate of occupancy.

13 2. The average time from the submission of a zoning application to  
14 zoning approval.

15 3. The average time from the submission of a final plat to the  
16 recordation of the final plat.

17 4. Any other statistics as determined by the authority or the  
18 municipality time frames advisory committee established by section 41-1527  
19 relating to municipal and county support for economic development  
20 projects.

21 G. In addition to any other requirement, in order to qualify for  
22 any grant, loan, reimbursement, tax incentive or other economic  
23 development incentive pursuant to this chapter, an applicant that is an  
24 employer must register with and participate in the e-verify program in  
25 compliance with section 23-214. The authority shall require verification  
26 of compliance with this subsection as part of any application process.

27 H. Notwithstanding any other law, the authority is subject to  
28 chapter 3.1, article 1 of this title, relating to risk management.

29 I. The authority is exempt from title 18, chapter 1, articles 1 and  
30 2, relating to statewide information technology. The authority shall  
31 adopt policies, procedures and guidelines regarding information  
32 technology.

33 J. The authority is exempt from state general accounting and  
34 finance practices and rules adopted pursuant to chapter 4, article 3 of  
35 this title, but the board shall adopt written accounting practices,  
36 systems and procedures for the economic and efficient operation of the  
37 authority. The authority shall adopt policies pursuant to this subsection  
38 that prohibit using state monies as defined in section 35-321 to provide  
39 business executives lodging, alcoholic beverages, personal transportation  
40 or tickets to entertainment events for the purposes of attracting  
41 businesses to this state.

42 K. The authority is exempt from section 41-712, relating to the  
43 installation and maintenance of telecommunication systems.

44 L. The authority may lease or purchase motor vehicles for use by  
45 employees to conduct business activities. The authority is exempt from

1 section 28-472, relating to the state motor vehicle fleet, and title 38,  
2 chapter 3, article 10, relating to vehicle usage and markings.

3 M. Any tangible or intangible record submitted to or compiled by  
4 the board or the authority in connection with its work, including the  
5 award of monies, is subject to title 39, chapter 1, unless an applicant  
6 shows, or the board or authority determines, that specific information  
7 meets either of the following:

8 1. If made public, the information would divulge the applicant's or  
9 potential applicant's trade secrets, as defined in section 44-401.

10 2. If made public, the information could potentially harm the  
11 applicant's, the potential applicant's or this state's competitive  
12 position relating to potential business development opportunities and  
13 strategies.

14 N. The authority is exempt from chapter 25, article 1 of this  
15 title, relating to government competition with private enterprise.

APPROVED BY THE GOVERNOR JUNE 4, 2026.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 5, 2026.