

COMMITTEE ON COMMERCE

Representative Michele Reagan, Chairman
 Representative Laurin Hendrix, Vice-Chairman
 Diana Clay O'Dell, Legislative Research Analyst
 Brooke Olguin, Assistant Research Analyst



* Strike-Everything Amendment
 [E] Emergency Clause
 [P 105] Proposition 105 Clause
 [P 108] Proposition 108 Clause
 [LIV] Line Item Veto

| Bill | Chapter | Short Title | Page |
|---------|---------|--|-------|
| HB 2091 | 76 | charitable organizations; solicitations; disclosures | 13 |
| HB 2173 | 99 | notification; complaint; registrar of contractors | 13 |
| HB 2199 | 42 | *corporations and LLC omnibus..... | 13 |
| HB 2301 | 81 | domestic microbreweries; production cap | 13 |
| HB 2306 | 137 | *authorized presence; licensees | 13 |
| HB 2435 | 48 | amendments; self-storage units..... | 13-14 |
| HB 2441 | 50 | liquor licenses; public recreation area | 14 |
| HB 2572 | 122 | *sports authority districts..... | 14-15 |
| SB 1102 | 4 | [E] eligibility determinations; AHCCCS | 34 |
| | | <i>(See Committee on Health and Human Services)</i> | |
| SB 1266 | 67 | workers' compensation; drugs and alcohol..... | 16 |
| SB 1322 | 3 | [E] unemployment insurance; benefits | 35 |
| | | <i>(See Committee on Health and Human Services)</i> | |
| SB 1407 | 30 | health spa contracts; military members | 16 |

HB 2091 – Chapter 76 – charitable organizations; solicitations; disclosures

Effective January 1, 2010, requires an item donation location to post the name of the charity or company who owns the collection site as well as who will benefit from the donations received at the location.

HB 2173 – Chapter 99 – notification; complaint; registrar of contractors

Conforms Title 12 (Courts and Civil Proceedings) of the Arizona Revised Statutes to Title 32, Chapter 10, relating to new-home construction and the permissible timeframe to file a complaint with the ROC.

- Stipulates the contractor's license number be placed on advertising that includes broadcast, published, internet or billboard advertising.
- Specifies contract information be at least 10-point type, thus allowing larger type.
- Eliminates the term *wrongful* act as it relates to a construction citation, but maintains the citation for a *fraudulent* act.

HB 2199 – Chapter 42 – *corporations and LLC omnibus

Makes changes to statutes to conform the regulations for corporations, nonprofits and LLCs. Clarifies publication, notification and filing duties.

- Requires a report be filed annually for every electric cooperative nonprofit membership corporation and nonprofit electric generation and transmission cooperative corporation.
- Stipulates the 120 day reservation for an LLC name is nonrenewable.
- Clarifies an LLC can only conduct business as a statutorily defined *insurer* if the LLC is a title insurance agent or pure captive insurer.

HB 2301 – Chapter 81 – domestic microbreweries; production cap

Doubles, from 620,000 to 1,240,000, the amount of gallons of beer a domestic microbrewery is allowed to produce in one calendar year.

HB 2306 – Chapter 137 – *authorized presence; licensees

Clarifies when an individual must provide documentation of citizenship or work authorization to obtain a business license.

- Exempts an individual who has affirmatively established citizenship or non-expiring work authorization from providing subsequent documentation of that status upon renewal or reinstatement of a license.
- Requires only an individual who has a limited form of authorization that has expired to provide documentation of citizenship or alien status upon seeking license renewal or reinstatement.

HB 2435 – Chapter 48 – amendments; self-storage units

Makes changes to statute relating to the proper procedures for dealing with unpaid rent on self storage units.

- Redefines *leased space* to include an individual storage space or multiple spaces.
- Defines *verified mail* as any method of mailing that is offered by USPS and that provides evidence of mailing, and stipulates notices are required to be delivered by verified rather than by certified mail.
- Requires a second notice of default be sent to the occupant by first class mail.

- Eliminates the publication requirement for notices indicating the specifics relating to the sale of property in a delinquent leased space.
- Confirms a sale as commercially reasonable if there are five or more bidders who are unrelated to the operator.

HB 2441 – Chapter 50 – liquor licenses; public recreation area

Clarifies that consuming beer or wine in a public recreation area at a group event is not unlawful when a special permit has been obtained.

HB 2572 – Chapter 122 – *sports authority districts

Allows the county BOS in any county with a population of more than 500,000 but less than 2 million to form a Sports Authority District and seek voter approval for taxing and bonding authority for the purpose of financing stadiums, a multipurpose facility and youth sports facilities.

Formation of District

- Permits the Pima County BOS to form a sports authority (Authority) district that encompasses the entire county and serve as the BOD for the Authority. The BOD will serve without compensation.
- Requires the BOD to call an election for the establishment of the Authority and appoint some of the members to a Governing Board. The District is a separate corporate and political body independent of the state and county with all rights and powers of a municipal corporation except to acquire property by eminent domain.
- Prohibits members of the BOD from having any financial interest in property owned by the District or contracts entered into by the District.

Establishment of the Authority

- Requires the BOD to call an election to establish the Authority on receipt of the plan from the Authority Board. The election must be called within 90 days at a November general election within the next five years.
- Requires approval of three ballot questions for authorization: 1) to form a new Authority; 2) to levy and collect excise taxes on retail activities, vehicle rentals, lodging, restaurants and bars and professional sporting events; and, 3) to issue bonds to finance the construction, renovation, expansion or repair of Cactus League baseball stadiums, youth sports and multipurpose facilities.

Excise Tax

- Mandates DOR to collect an excise tax 90 days after voter approval, which is in addition to any state or local transaction privilege or excise tax. The excise tax rate will be imposed on taxable activities as follows: car rentals at .35 percent; hotels/motels at .45 percent; restaurants and bars at .25 percent; amusements and sporting events at .35 percent; retail activities at .15 percent. Directs the State Treasurer to transmit the revenues collected to the Authority.
- Contains a conditional enactment that requires at least two Major League Baseball franchises to enter into 10-year binding contracts within six years after the District is established. If this does not occur, then the tax rates are reduced by 50 percent and the revenues must be used exclusively for youth and amateur sports. If this happens and subsequently two franchises do enter into 10-year contracts, then the tax is reinstated to the full amount.

Bonding

- Allows the Authority to issue tax-free bonds for the purpose of financing capital costs or improvements. The bonds do not constitute a debt of state or local governments.
- Establishes procedures for the issuance and sale of bonds, including authorized investments and accountability.

Authority Board (Board)

- Prescribes the process for appointment of Members to the Board within 30 days after the Authority is formed. All members must reside in the Authority.
- Prohibits Board members from holding or running for any elected office, whether elected or appointed and further prescribes limitations regarding acceptance of gifts and stipulates members are subject to existing conflict of interest statutes.
- Requires the Board to submit a plan for the operation of a sports authority and outlines specifics. Prescribes additional mandatory administrative and other duties to promote Major League Baseball spring training within the District.
- Directs any facility to comply with local zoning requirements.
- Specifies powers and duties of the executive director of the Authority and authorizes hiring outside consultants.

Authority Funding

- Outlines permissible use of funding to acquire and retain or attract Major League Baseball spring training and associated purposes and operations as outlined.
- Prohibits monies from being used to facilitate the relocation of a spring training team from one in-state location to another, unless a team from out-of-state will take over the vacated facility.
- Permits the Authority to require financial participation from other public or private entities as outlined and requires the Authority to consider renovations of existing facilities before planning any new construction.

Youth Sports and Recreation

- Directs the Authority to spend at least 10 percent of its general fund revenues for the purpose of promoting youth sports and recreation and prescribes requirements.
- The amount spent will be measured at the end of every 10th fiscal year.

Audits and Reports

- Requires an annual audit of the Authority's funds each year and a certified copy to be filed with the OAG and further authorizes the OAG to conduct further audits and examinations as necessary. Mandates quarterly reports to the Governor, Legislature and JLBC.
- Beginning in 2011, and at least every five years thereafter, the OAG is required to conduct a performance audit of the Authority, paid for by the Authority.

Miscellaneous

- Defines pertinent terms and provides session law requiring the new Authority to assume all of the contracts and legally binding obligations of the existing Authority.
- Contains a conditional repeal of the act if the election to establish the district, levy taxes and issue bonds fails.

SB 1266 – Chapter 67 – workers’ compensation; drugs and alcohol

Removes statutory language ruled unconstitutional by the Arizona Supreme Court relating to workers’ compensation and the related workplace injury or death that results from drug or alcohol use.

- Strikes language that prohibits an employee from receiving workers’ compensation benefits if the employee’s injury or death is due to the use of alcohol or any controlled substance and is a substantial contributing cause of the injury or death.
- Removes language prohibiting payment of workers’ compensation benefits to an employee who fails to pass or refuses to take a drug test or alcohol impairment test within 24 hours of the employer receiving notice of the injury, unless the employee proves one of the outlined statutory factors.
- Deletes language that specifies if the employer was aware of and permitted the employee’s use of alcohol or any controlled substance, the stated provisions relating to the workplace injury or death are void.
- Eliminates language requiring the employer to file a written certification with the Industrial Commission if the employer establishes a testing policy.

SB 1407– Chapter 30 – health spa contracts; military members

Allows active duty military members deployed out of state to cancel health spa memberships at any point during the contract term.