

State of Arizona
Senate
Fiftieth Legislature
First Regular Session
2011

SENATE BILL 1623

AN ACT

AMENDING SECTIONS 5-104, 5-104.02, 5-113 AND 5-230, ARIZONA REVISED STATUTES;
AMENDING LAWS 2009, CHAPTER 1, SECTION 9; MAKING APPROPRIATIONS; RELATING TO
REGULATION BUDGET RECONCILIATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 5-104, Arizona Revised Statutes, is amended to
3 read:

4 5-104. Racing commission; director; department; powers and
5 duties

6 A. The commission shall:

7 1. Issue racing dates.

8 2. Prepare and adopt such complete rules to govern the racing meetings
9 as may be required to protect and promote the safety and welfare of the
10 animals participating in such racing meetings, to protect and promote public
11 health, safety and the proper conduct of racing and pari-mutuel wagering and
12 any other matter pertaining to the proper conduct of racing within this
13 state.

14 3. Conduct hearings on applications for permits and approve permits
15 and shall conduct such rehearings on licensing and regulatory decisions made
16 by the director as required pursuant to rules adopted by the commission.

17 4. Conduct all reviews of applications to construct capital
18 improvements at racetracks as provided in this chapter.

19 5. Adopt rules governing the proper and humane methods for the
20 disposition and transportation of dogs by breeders, kennels or others.

21 B. The director shall license personnel and shall regulate and
22 supervise all racing meetings held and pari-mutuel wagering conducted in this
23 state and cause the various places where racing meetings are held and
24 wagering is conducted to be visited and inspected on a regular basis. The
25 director may delegate to stewards such of the director's powers and duties as
26 are necessary to fully carry out and effectuate the purposes of this chapter.
27 The director shall exercise immediate supervision over the department of
28 racing. The director is subject to ongoing supervision by the commission,
29 and the commission may approve or reject decisions of the director in
30 accordance with rules established by the commission.

31 C. The commission or the department is authorized to allow stewards,
32 with the written approval of the director, to require a jockey, apprentice
33 jockey, sulky driver, groom, horseshoer, outrider, trainer, assistant
34 trainer, exercise rider, pony rider, starter, assistant starter, jockey's
35 agent, veterinarian, assistant veterinarian, cool-out, lead-out, paddock
36 employee, security or maintenance worker, official or individual licensed in
37 an occupational category whose role requires direct hands-on contact with
38 horses or greyhounds, while on the grounds of a permittee, to submit to a
39 test if the stewards have reason to believe the licensee is under the
40 influence of or unlawfully in possession of any prohibited substance
41 regulated by title 13, chapter 34.

42 D. The department shall employ the services of the office of
43 administrative hearings to conduct hearings on matters requested to be heard
44 by the director or the commission for the department except for those
45 rehearings that are required by the terms of this chapter to be conducted by

1 the commission. Any person adversely affected by a decision of a steward or
2 by any other decision of the department may request a hearing on such
3 decision. The decision of the administrative law judge becomes the decision
4 of the director unless rejected or modified by the director within thirty
5 days. The commission may hear any appeal of a decision of the director in
6 accordance with title 41, chapter 6, article 10.

7 E. The department may visit and investigate the offices, tracks or
8 places of business of any permittee and place in those offices, tracks or
9 places of business expert accountants and such other persons as it deems
10 necessary for the purpose of ascertaining that the permittee or any licensee
11 is in compliance with the rules adopted pursuant to this article.

12 F. The department shall ESTABLISH AND collect the fees payable for
13 a license LICENSES issued by THE DEPARTMENT. ~~it, as follows:~~

- 14 ~~1. Occupational licenses, up to fifty dollars.~~
- 15 ~~2. Owner, trainer, veterinarian, authorized agent, officials,~~
16 ~~assistant trainer, stable name renewal or kennel name renewal, up to~~
17 ~~seventy-five dollars.~~
- 18 ~~3. Owner-trainer, driver, jockey, jockey agent or apprentice jockey,~~
19 ~~up to one hundred fifty dollars.~~
- 20 ~~4. New stable name or new kennel name, up to five hundred dollars.~~
- 21 ~~5. Duplicate license, up to five dollars.~~
- 22 ~~6. Temporary license, up to fifty dollars.~~
- 23 ~~7. If not licensed pursuant to paragraph 9 of this subsection with a~~
24 ~~combination license, greyhound racing kennels, up to one hundred dollars.~~
- 25 ~~8. If not licensed pursuant to paragraph 9 of this subsection with a~~
26 ~~combination license, farms or other operations where greyhounds are raised~~
27 ~~for the purpose of dog racing, up to one hundred dollars.~~
- 28 ~~9. Any combination of greyhound racing kennels, farms or other~~
29 ~~operations where greyhounds are raised for the purpose of dog racing, up to~~
30 ~~one hundred dollars.~~

31 G. The commission shall establish financial assistance procedures for
32 promoting adoption of racing greyhounds as domestic pets and for promoting
33 adoption of retired racehorses. The provision of financial assistance to
34 nonprofit enterprises for the purpose of promoting adoption of racing
35 greyhounds as domestic pets and for the purpose of promoting adoption of
36 retired racehorses is contingent on a finding by the commission that the
37 program presented by the enterprise is in the best interest of the racing
38 industry and this state. Upon a finding by the commission, the commission is
39 authorized to make grants to nonprofit enterprises whose programs promote
40 adoption of racing greyhounds or adoption of retired racehorses. The
41 commission shall develop an application process. The commission shall
42 require an enterprise to report to the commission on the use of grants under
43 this subsection. Financial assistance for nonprofit enterprises for the
44 purpose of promoting adoption of racing greyhounds as domestic pets under
45 this subsection shall not exceed the amount collected for license fees under

1 subsection F, ~~paragraphs 7, 8 and 9~~ of this section FOR GREYHOUND RACING
2 KENNELS, FARMS OR OTHER OPERATIONS WHERE GREYHOUNDS ARE RAISED FOR THE
3 PURPOSE OF DOG RACING. Financial assistance for nonprofit enterprises that
4 promote adoption of retired racehorses under this subsection shall not exceed
5 the amount of retired racehorse adoption surcharges collected pursuant to
6 this subsection. The commission shall collect a retired racehorse adoption
7 surcharge in addition to each civil penalty assessed in connection with horse
8 or harness racing pursuant to this article. The amount of the retired
9 racehorse adoption surcharge shall be five per cent of the amount collected
10 for each applicable civil penalty.

11 H. A license is valid for the period established by the commission,
12 but not to exceed three years, except for a temporary license issued pursuant
13 to section 5-107.01, subsection F. The licensing period for horse racing
14 shall begin July 1. The licensing period for greyhound racing shall begin
15 February 1.

16 I. Upon application in writing by an objector to any decision of track
17 stewards, made within three days after the official notification to the
18 objector of the decision complained of, the department or administrative law
19 judge shall review the objection. In the case of a suspension of a license
20 by the track stewards, such suspension shall commence at once and run for a
21 period of not more than sixty days. Before the end of this suspension
22 period, filing an application for review is not cause for reinstatement. If
23 at the end of this suspension period the department or administrative law
24 judge has not held a hearing to review the decision of the stewards, the
25 suspended license shall be reinstated until such time as the department or
26 administrative law judge holds a hearing to review the objection. Except as
27 provided in section 41-1092.08, subsection H, a final decision of the
28 commission is subject to judicial review pursuant to title 12, chapter 7,
29 article 6.

30 J. The commission or the director may issue subpoenas for the
31 attendance of witnesses and the production of books, records and documents
32 relevant and material to a particular matter before the commission or
33 department. Such subpoenas shall be served and enforced in accordance with
34 title 41, chapter 6, article 10.

35 K. Any member of the commission, the administrative law judge or the
36 director or the director's designee may administer oaths, and such oaths
37 shall be administered to any person who appears before the commission to give
38 testimony or information pertaining to matters before the commission.

39 L. The commission shall adopt rules which require permittees to retain
40 for three months all official race photographs and videotapes. The
41 department shall retain all such photographs and videotapes which are used as
42 evidence in an administrative proceeding until the conclusion of the
43 proceeding and any subsequent judicial proceeding. All photographs and
44 videotapes must be available to the public on request, including photographs

1 and videotapes of races concerning which an objection is made, regardless of
2 whether the objection is allowed or disallowed.

3 M. The director may establish a management review section for the
4 development, implementation and operation of a system of management reports
5 and controls in major areas of department operations, including licensing,
6 work load management and staffing, and enforcement of the provisions of this
7 article and the rules of the commission.

8 N. In cooperation with the department of public safety, the director
9 shall establish a cooperative fingerprint registration system. Each
10 applicant for a license or permit under this article or any other person who
11 has a financial interest in the business or corporation making the
12 application shall submit to fingerprint registration as part of the
13 background investigation conducted pursuant to section 5-108. The
14 cooperative fingerprint registration system shall be maintained in an updated
15 form using information from available law enforcement sources and shall
16 provide current information to the director upon request as to the fitness of
17 each racing permittee and each racing licensee to engage in the racing
18 industry in this state.

19 O. The director shall develop and require department staff to use
20 uniform procedural manuals in the issuance of any license or permit under
21 this article and in the enforcement of this article and the rules adopted
22 under this article.

23 P. The director shall submit an annual report containing such
24 operational and economic performance information as is necessary to evaluate
25 the department's budget request for the forthcoming fiscal year to the
26 governor, the speaker of the house of representatives, the president of the
27 senate and the Arizona state library, archives and public records no later
28 than September 30 each year. The annual report shall be for the preceding
29 fiscal year and contain such performance information as:

30 1. The total state revenues for the previous fiscal year from the
31 overall pari-mutuel handle with an itemization for each dog racing meeting,
32 each horse racing meeting, each harness racing meeting and each additional
33 wagering facility.

34 2. The total state revenues for the previous fiscal year from the
35 regulation of racing, including licensing fees assessed pursuant to
36 subsection F of this section and monetary penalties assessed pursuant to
37 section 5-108.02.

38 3. The amount and use of capital improvement funds pursuant to
39 sections 5-111.02 and 5-111.03 which would otherwise be state revenues.

40 4. The number of licenses and permits issued, renewed, pending and
41 revoked during the previous fiscal year.

42 5. The investigations conducted during the previous fiscal year and
43 any action taken as a result of the investigations.

44 6. The department budget for the immediately preceding three fiscal
45 years, including the number of full-time, part-time, temporary and contract

1 employees, a statement of budget needs for the forthcoming fiscal year and a
2 statement of the minimum staff necessary to accomplish these objectives.

3 7. Revenues generated for this state for the preceding fiscal year by
4 persons holding horse, harness and dog racing permits.

5 8. Recommendations for increasing state revenues from the regulation
6 of the racing industry while maintaining the financial health of the industry
7 and protecting the public interest.

8 Q. The commission may certify animals as Arizona bred or as Arizona
9 stallions. The commission may delegate this authority to a breeders'
10 association it contracts with for these purposes. The commission may
11 authorize the association, racing organization or department to charge and
12 collect a reasonable fee to cover the cost of breeding or ownership
13 certification or transfer of ownership for racing purposes.

14 R. The department has responsibility for the collection and accounting
15 of revenues for the state boxing and mixed martial arts commission including,
16 but not limited to, licensing fees required by section 5-230, the levy of the
17 tax on gross receipts imposed by section 5-104.02 and cash deposited pursuant
18 to section 5-229. All revenues collected pursuant to this subsection, from
19 whatever source, shall be reported and deposited pursuant to section
20 5-104.02, subsection C, **EXCEPT THAT LICENSING FEES REQUIRED BY SECTION 5-230**
21 **SHALL BE DEPOSITED IN THE RACING REGULATION FUND ESTABLISHED BY SECTION**
22 **5-113.** The director shall adopt rules as necessary to accomplish the
23 purposes of this subsection and chapter 2, article 2 of this title.

24 S. The commission may obtain the services of the office of
25 administrative hearings on any matter which the commission is empowered to
26 hear.

27 T. The department may adopt rules pursuant to title 41, chapter 6 to
28 carry out the purposes of this article, ensure the safety and integrity of
29 racing in this state and protect the public interest.

30 Sec. 2. Section 5-104.02, Arizona Revised Statutes, is amended to
31 read:

32 **5-104.02. Levy of tax on gross receipts; disposition;**
33 **verification and financial audit; definition**

34 A. Any person who promotes a boxing contest in this state pursuant to
35 chapter 2, article 2 of this title shall comply with rules of the director
36 adopted pursuant to section 5-104 and shall within ten days after the contest
37 pay to the department four per cent of the gross receipts, after the
38 deduction of city, state and federal taxes, of such match or exhibition.

39 B. The department shall verify the gross receipts of a contest. The
40 director may require a person or corporation licensed under chapter 2,
41 article 2 of this title to supply a certified financial audit to the
42 department. The director shall adopt rules that require each person or
43 corporation licensed under chapter 2, article 2 of this title to select a
44 certified public accountant to conduct the financial audit. The financial
45 statements prepared pursuant to this section shall be prepared in accordance

1 with generally accepted accounting principles and shall include any
2 additional schedules the director may require. A person subject to a
3 financial audit under this section shall afford reasonable and needed
4 facilities and make returns and exhibits to the department in the form and at
5 the time prescribed by the director.

6 C. At the end of each month the director shall report to the
7 department of administration the total amount received under chapter 2,
8 article 2 of this title from all sources, including license fees, and shall
9 deposit ~~+~~ THAT AMOUNT, EXCLUDING LICENSE FEES, pursuant to sections 35-146
10 and 35-147, in the state general fund.

11 D. A promoter may issue complimentary tickets that are exempt from
12 taxation pursuant to this title. If a promoter issues complimentary tickets,
13 the exemption from taxation applies to two per cent of the total number of
14 tickets issued for the event or seventy-five tickets, whichever is greater.

15 E. ~~As used in~~ FOR THE PURPOSES OF this section, "gross receipts" means
16 all receipts from the face value of tickets sold.

17 Sec. 3. Section 5-113, Arizona Revised Statutes, is amended to read:

18 5-113. Disposition of revenues and monies; funds; committee

19 A. THE RACING REGULATION FUND IS ESTABLISHED. All revenues derived
20 from permittees, permits and licenses as provided by this article AND SECTION
21 5-230, EXCEPT REVENUES DERIVED PURSUANT TO SECTION 5-111, shall be deposited,
22 pursuant to sections 35-146 and 35-147, in the ~~state-general~~ RACING
23 REGULATION fund. REVENUES DERIVED PURSUANT TO SECTION 5-111 SHALL BE
24 DEPOSITED, PURSUANT TO SECTIONS 35-146 AND 35-147, IN THE STATE GENERAL FUND.
25 THE DEPARTMENT SHALL ADMINISTER THE RACING REGULATION FUND. MONIES IN THE
26 RACING REGULATION FUND ARE SUBJECT TO LEGISLATIVE APPROPRIATION TO THE
27 DEPARTMENT TO BE USED BY THE DEPARTMENT TO SUPPORT THE MISSION OF THE
28 DEPARTMENT. THE RACING REGULATION FUND IS EXEMPT FROM THE PROVISIONS OF
29 SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

30 B. The Arizona county fairs racing betterment fund is established
31 under the jurisdiction of the department. The department shall distribute
32 monies from the fund to the county fair association or county fair racing
33 association of each county conducting a county fair racing meeting in such
34 proportion as the department deems necessary for the promotion and betterment
35 of county fair racing meetings. All expenditures from the fund shall be made
36 upon claims approved by the department. In order to be eligible for
37 distributions from the fund, a county fair association must provide the
38 department with an annual certification in the form required by the
39 department supporting expenditures made from the fund. Balances remaining in
40 the fund at the end of a fiscal year do not revert to the state general fund.

41 C. The county fairs livestock and agriculture promotion fund is
42 established under the control of the governor and shall be used for the
43 purpose of promoting the livestock and agricultural resources of the state
44 and for the purpose of conducting an annual Arizona national livestock fair
45 by the Arizona exposition and state fair board to further promote livestock

1 resources. The direct expenses less receipts of the livestock fair shall be
2 paid from this fund, but such payment shall not exceed thirty per cent of the
3 receipts of the fund for the preceding fiscal year. Balances remaining in
4 the fund at the end of a fiscal year do not revert to the state general fund.
5 All expenditures from the fund shall be made upon claims approved by the
6 governor, as recommended by the livestock and agriculture committee, for the
7 promotion and betterment of the livestock and agricultural resources of this
8 state. The livestock and agriculture committee is established and shall be
9 composed of the following members, at least three of whom are from counties
10 that have a population of less than five hundred thousand persons, appointed
11 by the governor:

- 12 1. Three members representing county fairs.
- 13 2. One member representing Arizona livestock fairs.
- 14 3. One member representing the university of Arizona college of
15 agriculture.
- 16 4. One member representing the livestock industry.
- 17 5. One member representing the farming industry.
- 18 6. One member representing the governor's office.
- 19 7. One member representing the Arizona state fair conducted by the
20 Arizona exposition and state fair board.
- 21 8. One member representing the general public.

22 D. The governor shall appoint a chairman from the members. Terms of
23 members shall be four years.

24 E. Members of the committee are not eligible to receive compensation
25 but are eligible to receive reimbursement for expenses pursuant to title 38,
26 chapter 4, article 2.

27 F. The Arizona breeders' award fund is established under the
28 jurisdiction of the department. The department shall distribute monies from
29 the fund to the breeder, or the breeder's heirs, devisees or successors, of
30 every winning horse or greyhound foaled or whelped in this state, as defined
31 by section 5-114, in a manner and in an amount established by rules of the
32 commission to protect the integrity of the racing industry and promote,
33 improve and advance the quality of race horse and greyhound breeding within
34 this state. The department may contract with a breeders' association to
35 provide data, statistics and other information necessary to enable the
36 department to carry out the purposes of this subsection. Persons who are not
37 eligible to be licensed under section 5-107.01 or persons who have been
38 refused licenses under section 5-108 are not eligible to participate in the
39 Arizona greyhound breeders' award fund. Balances remaining in the fund at
40 the end of a fiscal year do not revert to the state general fund. For the
41 purposes of this subsection, "breeder" means the owner or lessee of the dam
42 of the animal at the time the animal was foaled or whelped.

43 G. The Arizona stallion award fund is established under the
44 jurisdiction of the department to promote, improve and advance the quality of
45 stallions in this state. The department shall distribute monies from the

1 fund to the owner or lessee, or the owner's or lessee's heirs, devisees or
2 successors, of every Arizona stallion whose certified Arizona bred offspring,
3 as prescribed in section 5-114, finishes first, second or third in an
4 eligible race in this state. The department may contract with a breeders'
5 association to provide data, statistics and other information necessary to
6 enable the department to carry out the purposes of this subsection. Balances
7 remaining in the fund at the end of a fiscal year do not revert to the state
8 general fund. The commission shall adopt rules pursuant to title 41, chapter
9 6 to carry out the purposes of this subsection. The rules shall prescribe at
10 a minimum:

11 1. The manner and procedure for distribution from the fund, including
12 eligibility requirements for owners and lessees.

13 2. Subject to availability of monies in the fund, the amount to be
14 awarded.

15 3. The requirements for a stallion registered with the jockey club,
16 Lexington, Kentucky or with the American quarter horse association, Amarillo,
17 Texas to be certified as an Arizona stallion.

18 4. The types and requirements of races for which an award may be made.

19 H. The greyhound and retired racehorse adoption fund is established.
20 The department shall administer the fund and maintain separate accounts for
21 greyhound adoptions and retired racehorse adoptions. All revenues derived
22 from license fees collected from dog breeders, racing kennels and other
23 operations **WHERE GREYHOUNDS ARE RAISED FOR THE PURPOSE OF DOG RACING** pursuant
24 to section 5-104, subsection F, ~~paragraphs 7, 8 and 9~~ shall be deposited,
25 pursuant to sections 35-146 and 35-147, in the greyhound adoption account of
26 the fund. All revenues derived from retired racehorse adoption surcharges
27 collected pursuant to section 5-104, subsection G shall be deposited,
28 pursuant to sections 35-146 and 35-147, in the retired racehorse adoption
29 account of the fund. The department shall distribute monies from the fund to
30 provide financial assistance to nonprofit enterprises approved by the
31 commission to promote the adoption of former racing greyhounds as domestic
32 pets and to promote the adoption of retired racehorses pursuant to section
33 5-104, subsection G in a manner and in an amount established by rules of the
34 commission. Balances remaining in the fund at the end of a fiscal year do
35 not revert to the state general fund.

36 I. The county fair racing fund is established. The department shall
37 administer the fund. Monies in the fund are continuously appropriated. The
38 department shall use fund monies for the administration of county fair
39 racing. Any monies remaining unexpended in the fund at the end of the fiscal
40 year in excess of seventy-five thousand dollars shall revert to the state
41 general fund.

42 J. The agricultural consulting and training fund is established. The
43 Arizona department of agriculture shall administer the fund. Monies in the
44 fund are continuously appropriated. The Arizona department of agriculture
45 shall use monies in the fund for the agricultural consulting and training

1 program established by section 3-109.01. Balances remaining in the fund at
2 the end of a fiscal year do not revert to the state general fund.

3 Sec. 4. Section 5-230, Arizona Revised Statutes, is amended to read:

4 5-230. License fees; expiration; renewal

5 A. The commission may establish and issue annual licenses **AND MAY**
6 **ESTABLISH AND COLLECT FEES FOR THOSE LICENSES.** ~~, subject to the collection~~
7 ~~of advance fees by the department, provided that the fees do not exceed the~~
8 ~~following amounts:~~

9 ~~1. Promoters, two hundred dollars.~~

10 ~~2. Matchmakers, one hundred dollars.~~

11 ~~3. Managers, fifty dollars.~~

12 ~~4. Judges, referees, announcers and ringside physicians, twenty-five~~
13 ~~dollars.~~

14 ~~5. Timekeepers, boxers, boxers' trainers and boxers' seconds, ten~~
15 ~~dollars.~~

16 ~~6. For a corporation filing for a license to participate in the~~
17 ~~holding of any boxing contest, four hundred dollars.~~

18 ~~7. Officer, director or other person affiliated with a corporation,~~
19 ~~fifty dollars.~~

20 B. A license expires December 31 at midnight in the year of its
21 issuance and may be renewed on filing an application for renewal of a license
22 with the commission and payment of the license fee prescribed in subsection
23 A. The application for renewal of a license shall be on a form provided by
24 the commission. There is a thirty day grace period during which a license
25 may be renewed if a late filing penalty fee equal to the license fee is
26 submitted with the regular license fee. A licensee that files late shall not
27 conduct any activity regulated by this chapter until the commission has
28 renewed the license. If the licensee fails to apply to the commission within
29 the thirty day grace period the licensee must apply for a new license
30 pursuant to subsection A.

31 Sec. 5. Laws 2009, chapter 1, section 9 is amended to read:

32 Sec. 9. Appropriations; purpose

33 A. **IF THE TRANSFER FROM THE ARIZONA PROPERTY AND CASUALTY INSURANCE**
34 **GUARANTY FUND TO THE STATE GENERAL FUND OCCURS PURSUANT TO LAWS 2009, FIRST**
35 **SPECIAL SESSION, CHAPTER 1, SECTION 4, AS AMENDED BY LAWS 2009, CHAPTER 1,**
36 **SECTION 3,** the sum of \$4,659,666 is appropriated from the state general fund
37 to the Arizona property and casualty insurance guaranty fund established by
38 section 20-662, Arizona Revised Statutes, in each of fiscal years 2011-2012,
39 2012-2013 and 2013-2014.

40 B. **IF THE TRANSFER FROM THE LIFE AND DISABILITY INSURANCE GUARANTY**
41 **FUND TO THE STATE GENERAL FUND OCCURS PURSUANT TO LAWS 2009, FIRST SPECIAL**
42 **SESSION, CHAPTER 1, SECTION 4, AS AMENDED BY LAWS 2009, CHAPTER 1, SECTION 3,**
43 the sum of \$5,204,466 is appropriated from the state general fund to the life
44 and disability insurance guaranty fund established by section 20-683, Arizona
45 Revised Statutes, in each of fiscal years 2011-2012, 2012-2013 and 2013-2014.

1 C. It is the intent of the legislature to acknowledge that the
2 exclusive purpose of the two guaranty funds is to pay claims of policy
3 holders and claimants of insolvent insurers.

4 Sec. 6. Department of insurance; fee and assessment adjustment
5 suspension

6 Notwithstanding section 20-167, subsection F, Arizona Revised Statutes,
7 and section 20-466, subsection J, Arizona Revised Statutes, the director of
8 insurance shall not revise fees or assessments in fiscal year 2011-2012 for
9 the purpose of meeting the requirement to recover at least ninety-five per
10 cent but not more than one hundred ten per cent of the department of
11 insurance's appropriated budget.

12 Sec. 7. Registrar of contractors; residential contractors'
13 recovery fund; contracted services, equipment and
14 operational costs; fiscal year 2011-2012

15 Notwithstanding section 32-1134, subsection A, paragraph 5, Arizona
16 Revised Statutes, the registrar of contractors shall employ or contract with
17 individuals and procure equipment and operational support, to be paid from or
18 purchased with monies in the residential contractors' recovery fund, but not
19 to exceed in fiscal year 2011-2012 fourteen per cent of the total amount
20 deposited in the fund in fiscal year 2010-2011, as may be necessary to
21 monitor, process or oppose claims filed by injured persons that may result in
22 collection from the fund.

23 Sec. 8. Office of administrative hearings; prompt hearings

24 Notwithstanding section 41-1092.05, subsection A, Arizona Revised
25 Statutes, for fiscal year 2011-2012, the office of administrative hearings
26 shall hold hearings for appealable agency actions and contested cases as soon
27 as reasonably possible after a notice of appeal is filed or a request for a
28 hearing is made.

29 Sec. 9. Racing and boxing fees; increases; exemption from rule
30 making

31 A. It is the intent of the legislature that fees be in amounts
32 sufficient to support the mission of the department of racing and that the
33 additional revenue generated by any fee increases pursuant to sections 5-104
34 and 5-230, Arizona Revised Statutes, as amended by this act, shall not exceed
35 \$1,042,000 in fiscal year 2011-2012 and \$2,062,000 beginning in fiscal year
36 2012-2013.

37 B. The Arizona department of racing is exempt from the rule making
38 requirements of title 41, chapter 6, Arizona Revised Statutes, for the
39 purpose of establishing fees pursuant to sections 5-104 and 5-230, Arizona
40 Revised Statutes, as amended by this act, until July 1, 2012.