

State of Arizona  
Senate  
Fiftieth Legislature  
First Regular Session  
2011

**CHAPTER 343**  
**SENATE BILL 1230**

AN ACT

AMENDING SECTIONS 5-505, 5-555, 41-126, 41-311, 41-312, 41-313, 41-316, 41-323, 41-328, 41-332, 41-351, 41-353, 41-355, 41-358, 41-364, 41-366, 41-1011, 41-3504, 44-1449, 44-1460.07, 44-1792 AND 44-6552, ARIZONA REVISED STATUTES; REPEALING TITLE 44, CHAPTER 24, ARIZONA REVISED STATUTES; AMENDING LAWS 2008, CHAPTER 291, SECTION 9, AS AMENDED BY LAWS 2010, CHAPTER 313, SECTION 16; RELATING TO THE SECRETARY OF STATE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 5-505, Arizona Revised Statutes, is amended to  
3 read:

4 5-505. Apportionment of revenue

5 A. Not more than eighteen and one-half per cent of the total annual  
6 revenues accruing from the sale of lottery tickets or shares and from all  
7 other sources and not more than ~~fifteen~~ THIRTY-FIVE per cent of the total  
8 annual revenues from the sale of special instant games authorized under  
9 section 5-504, subsection I shall be deposited in the state lottery fund  
10 established by section 5-521 to be expended for the following:

11 1. The payment of costs incurred in the operation and administration  
12 of the lottery, including the expenses of the commission and the costs  
13 resulting from any contract or contracts entered into for consulting or  
14 operational services.

15 2. Independent audits, which shall be performed annually in addition  
16 to the audits required by section 5-524.

17 3. Incentive programs for lottery sales agents and lottery employees.

18 4. Payment of compensation to licensed sales agents necessary to  
19 provide for the adequate availability of tickets or services to prospective  
20 buyers and for the convenience of the public. Except as otherwise provided  
21 in this ~~paragraph~~ SUBSECTION, compensation of licensed sales agents shall be  
22 at least five and one-half per cent but not more than eight per cent of the  
23 price of each ticket or share that a retail sales agent sells in instant  
24 games and online games, less the price of any tickets or shares that are  
25 voided. ~~Compensation of a licensed sales agent who is designated as a~~  
26 ~~charitable organization as defined in section 5-504 shall be twenty per cent~~  
27 ~~of the price of each special instant game authorized under section 5-504,~~  
28 ~~subsection I.~~

29 5. The payment of reasonable fees to redemption agents as authorized  
30 by section 5-519.

31 6. The purchase or lease of lottery equipment, tickets and materials.

32 7. COMPENSATION OF A LICENSED SALES AGENT WHO IS DESIGNATED AS A  
33 CHARITABLE ORGANIZATION AS DEFINED IN SECTION 5-504. COMPENSATION SHALL BE  
34 TWENTY PER CENT OF THE PRICE OF EACH TICKET FROM A SPECIAL INSTANT GAME  
35 AUTHORIZED UNDER SECTION 5-504, SUBSECTION I AND SHALL BE AN OFFSET AGAINST  
36 THE SALE OF THE TICKET.

37 B. Not less than fifty per cent of the total annual revenues accruing  
38 from the sale of lottery tickets or shares shall be deposited in the state  
39 lottery prize fund established by section 5-523 for payment of prizes to the  
40 holders of winning tickets or shares or for other purposes provided for in  
41 section 5-518.

42 C. All other revenues accruing from the sale of lottery tickets or  
43 shares in online games or instant games shall be deposited in the state  
44 lottery fund established by section 5-521 to be used as prescribed by section  
45 5-522.

1 D. Except for monies for prizes expended as provided in section 5-504,  
2 subsection G and section 41-1505.10, monies expended under subsection A of  
3 this section shall be subject to legislative appropriation.

4 Sec. 2. Section 5-555, Arizona Revised Statutes, is amended to read:  
5 5-555. Apportionment of revenue

6 A. Not more than eighteen and one-half per cent of the total annual  
7 revenues accruing from the sale of lottery tickets or shares and from all  
8 other sources and not more than ~~fifteen~~ THIRTY-FIVE per cent of the total  
9 annual revenues from the sale of special instant games authorized under  
10 section 5-554, subsection I shall be deposited in the state lottery fund  
11 established by section 5-571 to be expended for the following:

12 1. The payment of costs incurred in the operation and administration  
13 of the lottery, including the expenses of the commission and the costs  
14 resulting from any contract or contracts entered into for consulting or  
15 operational services.

16 2. Independent audits, which shall be performed annually in addition  
17 to the audits required by section 5-574.

18 3. Incentive programs for lottery sales agents and lottery employees.

19 4. Payment of compensation to licensed sales agents necessary to  
20 provide for the adequate availability of tickets or services to prospective  
21 buyers and for the convenience of the public. Except as otherwise provided  
22 in this ~~paragraph~~ SUBSECTION, compensation of licensed sales agents shall be  
23 at least five and one-half per cent but not more than eight per cent of the  
24 price of each ticket or share that a retail sales agent sells in instant  
25 games and online games, less the price of any tickets or shares that are  
26 voided. ~~Compensation of a licensed sales agent who is designated as a~~  
27 ~~charitable organization as defined in section 5-554 shall be twenty per cent~~  
28 ~~of the price of each special instant game authorized under section 5-554,~~  
29 ~~subsection I.~~

30 5. The payment of reasonable fees to redemption agents as authorized  
31 by section 5-569.

32 6. The purchase or lease of lottery equipment, tickets and materials.

33 7. COMPENSATION OF A LICENSED SALES AGENT WHO IS DESIGNATED AS A  
34 CHARITABLE ORGANIZATION AS DEFINED IN SECTION 5-554. COMPENSATION SHALL BE  
35 TWENTY PER CENT OF THE PRICE OF EACH TICKET FROM A SPECIAL INSTANT GAME  
36 AUTHORIZED UNDER SECTION 5-554, SUBSECTION I AND SHALL BE AN OFFSET AGAINST  
37 THE SALE OF THE TICKET.

38 B. Not less than fifty per cent of the total annual revenues accruing  
39 from the sale of lottery tickets or shares shall be deposited in the state  
40 lottery prize fund established by section 5-573 for payment of prizes to the  
41 holders of winning tickets or shares or for other purposes provided for in  
42 section 5-568.

43 C. All other revenues accruing from the sale of lottery tickets or  
44 shares in online games or instant games shall be deposited in the state  
45 lottery fund established by section 5-571 to be used as prescribed by section  
46 5-572.

1 D. Except for monies for prizes expended as provided in section 5-554,  
2 subsection G and section 41-1505.10, monies expended under subsection A of  
3 this section shall be subject to legislative appropriation.

4 Sec. 3. Section 41-126, Arizona Revised Statutes, is amended to read:  
5 41-126. Fees; expedited services

6 A. The secretary of state shall receive the following fees:

7 1. Making a copy of any document on file in his office, no more than  
8 ten cents for each page or partial page.

9 2. Filing and recording each application to become a notary public and  
10 transmitting a commission for a notary public, no more than twenty-five  
11 dollars.

12 3. Filing an application for registration or renewal of the  
13 registration of a trademark or recording an assignment of a trademark,  
14 fifteen dollars.

15 4. Filing an application for registration or renewal of the  
16 registration of a trade name or recording an assignment of a trade name, no  
17 more than ten dollars.

18 5. Issuing a certificate of registration of a trademark or a trade  
19 name, no more than three dollars.

20 6. Filing, as required by the uniform commercial code:

21 (a) A financing statement, no more than three dollars.

22 (b) An amendment to a financing statement, no more than three dollars.

23 (c) An assignment, no more than three dollars.

24 (d) A continuation statement, no more than three dollars.

25 (e) A statement of release, no more than two dollars.

26 (f) A termination statement, no more than two dollars.

27 7. Issuing a certificate as provided in section 44-3146 naming a  
28 particular debtor, no more than six dollars.

29 8. Making a copy of a filed financing statement, no more than fifty  
30 cents per page.

31 9. Certifying a copy of a writing specified in paragraphs 6, 7 and 8  
32 of this subsection, no more than three dollars.

33 10. Filing, recording or certifying any other document not specified in  
34 this section, no more than three dollars.

35 11. Filing the oath and bond of notary public, eighteen dollars.

36 12. Issuing a certificate as to official capacity of a notary public  
37 and affixing a seal to the certificate, eighteen dollars.

38 B. The secretary of state shall provide for and establish an expedited  
39 service for the processing of requests, applications, filings and searches as  
40 follows:

41 1. The expedited processing shall be a priority ~~same-day service~~  
42 effected in a fast and efficient manner.

43 2. A fee shall be charged for expedited services. This fee shall not  
44 exceed twenty-five dollars per service and shall be in addition to any other  
45 fees provided by law, including those set forth in subsection A of this  
46 section.

1 C. The secretary of state shall adopt rules necessary to carry out  
2 subsection B of this section.

3 Sec. 4. Section 41-311, Arizona Revised Statutes, is amended to read:

4 41-311. Definitions

5 In this article, unless the context otherwise requires:

6 1. "Acknowledgment" means a notarial act in which a notary certifies  
7 that a signer, whose identity is proven by satisfactory evidence, appeared  
8 before the notary and acknowledged that the signer signed the document.

9 2. "Commission" means to authorize to perform notarial acts and the  
10 written authority to perform those acts.

11 3. "Copy certification" means a notarial act in which the notary  
12 certifies that the notary has made a photocopy of an original document that  
13 is neither a public record nor publicly recordable.

14 ~~4. "Identity is personally known" means familiarity with an individual~~  
15 ~~resulting from interactions with that person over a sufficient time to~~  
16 ~~eliminate reasonable doubt that the individual has the identity claimed.~~

17 ~~5.~~ 4. "Incomplete document" means a document that has not been signed  
18 where a signature line is provided or where other obvious blanks appear in  
19 the document or that lacks a notarial certificate.

20 ~~6.~~ 5. "Jurat" means a notarial act in which the notary certifies that  
21 a signer, whose identity is proven by satisfactory evidence, has made in the  
22 notary's presence a voluntary signature and has taken an oath or affirmation  
23 vouching for the truthfulness of the signed document.

24 ~~7.~~ 6. "Notarial act" or "notarization" means any act that a notary is  
25 authorized to perform under section 41-313.

26 ~~8.~~ 7. "Notarial certificate" or "certificate" means the part of or  
27 attachment to a notarized document for completion by the notary that bears  
28 the notary's signature and seal and states the **VENUE, DATE AND** facts that are  
29 attested by the notary in a particular notarization.

30 ~~9.~~ 8. "Notary public" or "notary" means any person commissioned to  
31 perform notarial acts under this article.

32 ~~10.~~ 9. "Oath" or "affirmation" means a notarial act or part of a  
33 notarial act in which a person made a vow in the presence of the notary under  
34 penalty of perjury, with reference made to a supreme being in the case of an  
35 oath.

36 **10. "PERSONAL KNOWLEDGE" MEANS FAMILIARITY WITH AN INDIVIDUAL RESULTING**  
37 **FROM INTERACTIONS WITH THAT INDIVIDUAL OVER A SUFFICIENT TIME TO ELIMINATE**  
38 **REASONABLE DOUBT THAT THE INDIVIDUAL HAS THE IDENTITY CLAIMED.**

39 11. "Satisfactory evidence of identity" means:

40 (a) Proof of identity is evidenced by one of the following:

41 (i) An unexpired driver license that is issued by a state or territory  
42 of the United States.

43 (ii) An unexpired passport that is issued by the United States  
44 department of state.

45 (iii) An unexpired identification card that is issued by any branch of  
46 the United States armed forces.

1 (iv) Any other unexpired identification card that is issued by the  
2 United States government or a state or tribal government, that contains the  
3 individual's photograph, signature and physical description and that contains  
4 the individual's height, weight, color of hair and color of eyes.

5 (v) The oath or affirmation of a credible person who is personally  
6 known to the notary and who personally knows the individual.

7 (vi) The oath or affirmation of a credible person who personally knows  
8 the individual and who provides satisfactory evidence of identity pursuant to  
9 item (i), (ii), (iii) or (iv) of this subdivision.

10 (vii) Personal knowledge of the individual by the notary.

11 (b) In addition to ~~the provisions of~~ subdivision (a), for the purposes  
12 of a real estate conveyance or financing, ~~that~~ proof of identity may be  
13 evidenced by one of the following:

14 (i) A valid unexpired passport that is issued by the United States  
15 government.

16 (ii) A valid unexpired passport that is issued by a national  
17 government other than the United States government and that is accompanied by  
18 a valid unexpired visa or other documentation that is issued by the United  
19 States government and that is necessary to establish an individual's legal  
20 presence in the United States.

21 (iii) Any other valid unexpired identification that is deemed  
22 acceptable by the United States department of homeland security to establish  
23 an individual's legal presence in the United States and that is accompanied  
24 with supporting documents as required by the United States department of  
25 homeland security.

26 **12. "VENUE" MEANS THIS STATE AND COUNTY WHERE A NOTARIAL ACT OCCURS.**

27 Sec. 5. Section 41-312, Arizona Revised Statutes, is amended to read:  
28 **41-312. Appointment; term; oath and bond; training courses; fee**

29 A. The secretary of state may appoint notaries public in each county  
30 to hold office for four years who shall have jurisdiction in the county in  
31 which they reside and in which they are appointed. Acknowledgments of  
32 documents may be taken and executed and oaths may be administered by a notary  
33 public in any county of the state although the commission is issued to the  
34 notary public in and for another county.

35 B. The secretary of state shall give notice of the appointment to the  
36 person appointed who shall take, within twenty days after receiving such  
37 notice, the oath prescribed by law and give a bond, with sureties approved by  
38 the state, in an amount prescribed by the secretary of state and file it with  
39 the secretary of state. On filing the official oath and bond, the secretary  
40 of state shall deliver the commission to such person.

41 C. A notary public is a public officer commissioned by this state and  
42 the following apply without regard to whether the notary public's employer or  
43 any other person has paid the fees and costs for the commissioning of the  
44 notary public, including costs for the official seal and journals:

45 1. A notary public's official seal and commission and any journal that  
46 contains only public record entries remain the property of the notary public.

1           2. A notary public may perform notarizations outside the workplace of  
2 the notary's employer except during those times normally designated as the  
3 notary public's hours of duty for that employer. All fees received by a  
4 notary public for notarial services provided while not on duty remain the  
5 property of the notary public.

6           3. An employer of a notary public shall not limit the notary public's  
7 services to customers or other persons designated by the employer.

8           D. A notary public shall continue to serve until the notary public's  
9 commission expires, the notary public resigns the commission, the notary  
10 public dies or the secretary of state revokes the commission. An employer  
11 may not cancel the notary bond or notary commission of any notary public who  
12 is an employee and who leaves that employment.

13           E. A notary public shall comply with all of the following:

14           1. Be at least eighteen years of age.

15           2. Be a citizen or a legal permanent resident of the United States.

16           3. Be a resident of this state for income tax purposes and claim the  
17 individual's residence in this state as the individual's primary residence on  
18 state and federal tax returns.

19           4. Except as provided in section 41-330, subsection A, paragraph 2,  
20 never have been convicted of a felony.

21           5. Keep as a reference a manual that is approved by the secretary of  
22 state and that describes the duties, authority and ethical responsibilities  
23 of notaries public.

24           6. BE ABLE TO READ AND WRITE ENGLISH.

25           F. An applicant for appointment and commission as a notary public  
26 shall complete an application form prescribed by the secretary of state.  
27 Except for the applicant's name and business address, all information on the  
28 application is confidential and may not be disclosed to any person other than  
29 the applicant, the applicant's personal representative or an employee or  
30 officer of the federal, state or local government who is acting in an  
31 official capacity. The secretary of state shall use the information  
32 contained on the application only for carrying out the purposes of this  
33 article.

34           G. This state or any of its political subdivisions may pay the fees  
35 and costs for the commissioning of a notary public who is an employee of this  
36 state or any of its political subdivisions and who performs notarial services  
37 in the course of the notary public's employment or for the convenience of  
38 public employees.

39           H. The secretary of state may require that applicants ~~attend~~ AND  
40 ~~SUSPENDED NOTARIES PRESENT PROOF OF ATTENDANCE AT~~ a notary training course  
41 before receiving their commissions OR BEFORE REINSTATEMENT OF A SUSPENDED  
42 COMMISSION. ~~and Notaries~~ ANY APPLICANT WHO IS REQUIRED TO attend a notary  
43 training course MUST COMPLETE THE TRAINING within ninety days before renewing  
44 their commissions. The secretary of state may assess a fee prescribed by the  
45 secretary of state for administering notary training courses. The secretary

1 of state shall deposit the fees collected in the notary education fund  
2 established by section 41-332.

3 Sec. 6. Section 41-313, Arizona Revised Statutes, is amended to read:  
4 41-313. Duties

5 A. Notaries public shall perform the following notarial acts, when  
6 requested:

7 1. Take acknowledgments and give certificates of the acknowledgments  
8 endorsed on or attached to the instrument.

9 2. Administer oaths and affirmations.

10 3. Perform jurats.

11 4. Perform copy certification.

12 B. NOTARIES PUBLIC SHALL PERFORM THE NOTARIAL ACTS PRESCRIBED IN  
13 SUBSECTION A OF THIS SECTION ONLY IF:

14 1. THE SIGNER IS IN THE PRESENCE OF THE NOTARY AT THE TIME OF  
15 NOTARIZATION.

16 2. THE SIGNER SIGNS IN A LANGUAGE THAT THE NOTARY UNDERSTANDS.

17 3. SUBJECT TO SUBSECTION D, THE SIGNER COMMUNICATES DIRECTLY WITH THE  
18 NOTARY IN A LANGUAGE THEY BOTH UNDERSTAND OR INDIRECTLY THROUGH A TRANSLATOR  
19 WHO IS PHYSICALLY PRESENT WITH THE SIGNER AND NOTARY AT THE TIME OF THE  
20 NOTARIZATION AND COMMUNICATES DIRECTLY WITH THE SIGNER AND THE NOTARY IN  
21 LANGUAGES THE TRANSLATOR UNDERSTANDS.

22 4. THE NOTARIAL CERTIFICATE IS WORDED AND COMPLETED USING ONLY  
23 LETTERS, CHARACTERS AND A LANGUAGE THAT ARE READ, WRITTEN AND UNDERSTOOD BY  
24 THE NOTARY PUBLIC.

25 C. IF A NOTARY ATTACHES A NOTARIAL CERTIFICATE TO A DOCUMENT USING A  
26 SEPARATE SHEET OF PAPER, THE ATTACHMENT MUST CONTAIN A DESCRIPTION OF THE  
27 DOCUMENT THAT INCLUDES AT A MINIMUM THE TITLE OR TYPE OF DOCUMENT, THE  
28 DOCUMENT DATE, THE NUMBER OF PAGES OF THE DOCUMENT AND ANY ADDITIONAL SIGNERS  
29 OTHER THAN THOSE NAMED IN THE NOTARIAL CERTIFICATE.

30 D. A NOTARY MAY PERFORM A NOTARIAL ACT ON A DOCUMENT THAT IS A  
31 TRANSLATION OF A DOCUMENT THAT IS IN A LANGUAGE THAT THE NOTARY DOES NOT  
32 UNDERSTAND ONLY IF THE PERSON PERFORMING THE TRANSLATION SIGNS AN AFFIDAVIT  
33 CONTAINING AN OATH OR AFFIRMATION THAT THE TRANSLATION IS ACCURATE AND  
34 COMPLETE. THE NOTARIZED TRANSLATION AND AFFIDAVIT SHALL BE ATTACHED TO THE  
35 DOCUMENT AND SHALL CONTAIN ALL OF THE ELEMENTS DESCRIBED IN SUBSECTION C.

36 ~~B.~~ E. Notaries public shall:

37 1. Keep, maintain and protect as a public record a journal of all  
38 official acts performed by the notary as described in section 41-319.

39 2. Provide and keep the official seal that is imprinted in dark ink  
40 with the words "notary public", the name of the county in which the notary is  
41 commissioned, the name of the notary as it appears on the notarial  
42 application, the great seal of the state of Arizona and the expiration date  
43 of the notarial commission.

44 3. Authenticate with the official seal all official acts on every  
45 certificate or acknowledgment signed and sealed by the notary.



1           4. Respond to any requests for information and comply with any  
2 investigations that are initiated by the secretary of state or the attorney  
3 general.

4           Sec. 7. Section 41-316, Arizona Revised Statutes, is amended to read:  
5 41-316. Fees

6           A. The secretary of state shall establish fees that notaries public  
7 may charge for notarial acts. These fees shall be established by rules  
8 adopted pursuant to chapter 6 of this title.

9           B. Notaries public may be paid an amount up to the amount authorized  
10 for mileage expenses and per diem subsistence for state employees as  
11 prescribed by title 38, chapter 4, article 2.

12           C. A notary shall not ADVERTISE OR charge or receive a fee for  
13 performing a notarial act except as specifically authorized by rule.

14           Sec. 8. Section 41-323, Arizona Revised Statutes, is amended to read:  
15 41-323. Change of address; lost journal or seal; civil penalty

16           A. Within thirty days after the change of a notary's mailing, BUSINESS  
17 or residential address, the notary shall deliver to the secretary of state,  
18 by certified mail or other means providing a receipt, a signed notice of the  
19 change that provides both the old and new addresses.

20           B. Within ten days after the loss or theft of an official journal or  
21 seal, the notary shall deliver to the secretary of state, by certified mail  
22 or other means providing a receipt, a signed notice of the loss or  
23 theft. The notary also shall inform the appropriate law enforcement agency  
24 in the case of theft.

25           C. If a notary fails to comply with subsection A or B, the notary has  
26 failed to fully and faithfully discharge the duties of a notary and the  
27 secretary of state may impose a civil penalty of twenty-five dollars against  
28 the notary. The notary shall pay any civil penalty imposed by the secretary  
29 of state pursuant to this subsection ~~prior to~~ BEFORE the renewal of the  
30 notary's commission.

31           Sec. 9. Section 41-328, Arizona Revised Statutes, is amended to read:  
32 41-328. Prohibited conduct; incomplete documents; signatures of  
33 relatives

34           A. A notary public shall not perform a jurat on a document that is  
35 incomplete. If a notary public is presented with a document that the notary  
36 knows from experience to be incomplete or if the document on its face is  
37 incomplete, the notary public shall refuse to perform the jurat.

38           B. A notary public is an impartial witness and shall not notarize the  
39 notary's own signature or the signatures of any person who is related TO THE  
40 NOTARY by marriage or adoption.

41           C. SUBJECT TO SECTION 41-320, A NOTARY PUBLIC SHALL NOT PERFORM A  
42 NOTARIZATION ON A DOCUMENT IF THE NOTARY IS AN OFFICER OF ANY NAMED PARTY, IF  
43 THE NOTARY IS A PARTY TO THE DOCUMENT OR IF THE NOTARY WILL RECEIVE ANY  
44 DIRECT MATERIAL BENEFIT FROM THE TRANSACTION THAT IS EVIDENCED BY THE  
45 NOTARIZED DOCUMENT THAT EXCEEDS IN VALUE THE FEES PRESCRIBED PURSUANT TO  
46 SECTION 41-316.

1           Sec. 10. Section 41-332, Arizona Revised Statutes, is amended to read:  
2           41-332. Notary education fund

3           The notary education fund is established consisting of monies deposited  
4 pursuant to ~~section~~ **SECTIONS 41-312 AND 41-353**. The secretary of state shall  
5 administer the fund. Monies in the fund are subject to legislative  
6 appropriation.

7           Sec. 11. Section 41-351, Arizona Revised Statutes, is amended to read:  
8           41-351. Definitions

9           In this article, unless the context otherwise requires:

10          1. "Approved time stamp provider" means a person or organization  
11 recognized by the secretary of state as capable of reliably providing time  
12 stamp services on notary service electronic documents.

13          2. "Electronic" means relating to technology having electrical,  
14 digital, magnetic, wireless, optical, electromagnetic or similar  
15 capabilities.

16          3. "Electronic acknowledgment" means a notarial act in which an  
17 electronic notary electronically certifies that the signer, whose identity is  
18 proven by satisfactory evidence, either:

19           (a) Appeared before the electronic notary and acknowledged that the  
20 signer executed the instrument.

21           (b) Provided secure electronic acknowledgment that the signer executed  
22 the electronic instrument presented to the electronic notary.

23          4. "Electronic commission" means the written authority to perform  
24 electronic notarization acts.

25          5. "Electronic document" means any record created, generated, sent,  
26 communicated, received or stored by electronic means.

27          6. "Electronic jurat" means an electronic notarial act in which the  
28 electronic notary certifies that a signer, whose identity is proven by  
29 satisfactory evidence, has made in the electronic notary's presence a  
30 voluntary electronic signature or mark and has taken an oath or affirmation  
31 vouching for the truthfulness of the signed electronic document.

32          7. "Electronic notary public" or "electronic notary" means any person  
33 commissioned to perform notarial acts under this article.

34          8. "Electronic notary token" means the electronic attachment to a  
35 notarized electronic document that is attached by the electronic notary and  
36 that contains the notary's electronic signature. The electronic notary token  
37 is linked to the electronic document to which it relates in a manner so that  
38 if the document is changed the electronic notary token is invalidated.

39          9. "Electronic signature" means an electronic method or process that  
40 through the application of a security procedure allows a determination that  
41 the electronic signature at the time it was executed was all of the  
42 following:

43           (a) Unique to the person using it.

44           (b) Capable of verification.

45           (c) Under the sole control of the person using it.

1 (d) Linked to the electronic document to which it relates in a manner  
2 so that if the document is changed the electronic signature is invalidated.

3 10. "Notary service electronic certificate" means the materials and  
4 methods issued by an electronic notary to a prospective signer so that signer  
5 may create a notary service electronic signature.

6 11. "Notary service electronic signature" means an act completed by a  
7 signer using a properly issued notary service electronic certificate to sign  
8 an electronic document.

9 12. "Oath" or "affirmation" means an act in which a person makes a vow  
10 in the presence of the electronic notary under penalty of perjury, with  
11 reference made to a supreme being in the case of an oath.

12 13. "Personal knowledge ~~of identity~~" means familiarity with an  
13 individual resulting from interactions with that individual over a sufficient  
14 time to eliminate reasonable doubt that the individual has the identity  
15 claimed.

16 14. "Satisfactory evidence of identity" means:

17 (a) Proof of identity is evidenced by one of the following:

18 (i) An unexpired driver license that is issued by a state or territory  
19 of the United States.

20 (ii) An unexpired passport that is issued by the United States  
21 department of state.

22 (iii) An unexpired identification card that is issued by any branch of  
23 the United States armed forces.

24 (iv) Any other unexpired identification card that is issued by the  
25 United States government or a state or tribal government, that contains the  
26 individual's photograph, signature and physical description and that contains  
27 the individual's height, weight, color of hair and color of eyes.

28 (v) The oath or affirmation of a credible person who is personally  
29 known to the electronic notary and who personally knows the individual  
30 signer.

31 (vi) The oath or affirmation of a credible person who personally knows  
32 the individual and who provides satisfactory evidence of identity pursuant to  
33 item (i), (ii), (iii) or (iv) of this subdivision.

34 (vii) Personal knowledge of the individual signer by the electronic  
35 notary.

36 (b) In addition to ~~the provisions of paragraph 14,~~ subdivision (a) of  
37 this ~~section~~ PARAGRAPH, for the purposes of a real estate conveyance or  
38 financing, ~~that~~ proof of identity may be evidenced by one of the following:

39 (i) A valid unexpired passport that is issued by the United States  
40 government.

41 (ii) A valid unexpired passport that is issued by a national  
42 government other than the United States government and that is accompanied by  
43 a valid unexpired visa or other documentation that is issued by the United  
44 States government and that is necessary to establish an individual's legal  
45 presence in the United States.

1 (iii) Any other valid unexpired identification that is deemed  
2 acceptable by the United States department of homeland security to establish  
3 an individual's legal presence in the United States and that is accompanied  
4 with supporting documents as required by the United States department of  
5 homeland security.

6 15. "Time stamp token" means a secure electronic method to affix a  
7 statement of the time and date that the document was recognized as a valid  
8 notary service electronic document by an approved time stamp provider. A  
9 time stamp token is attached by an approved time stamp provider to the  
10 document in a way that if the document changes the time stamp token is  
11 invalidated.

12 Sec. 12. Section 41-353, Arizona Revised Statutes, is amended to read:  
13 41-353. Appointment; term; bond; duties; fees; training courses

14 A. The secretary of state may appoint electronic notaries public to  
15 hold office for four years.

16 B. The secretary of state shall prescribe the application form for an  
17 electronic notary. Applicants shall submit the application to the secretary  
18 of state with a filing fee, a bond and a bond filing fee as prescribed by  
19 rule by the secretary of state.

20 C. The materials and methods for creating notary service electronic  
21 certificates and any other encryption based technologies used by an  
22 electronic notary shall have a maximum useful life of two years and shall not  
23 exceed the life of the electronic notary commission.

24 D. An electronic notary public is a public officer commissioned by  
25 this state and the following apply without regard to whether the electronic  
26 notary public's employer or any other person has paid the fees and costs for  
27 the commissioning of the electronic notary public, including costs for the  
28 materials and methods employed with the electronic notary token and the  
29 materials and methods for creating notary service electronic certificates and  
30 journals:

31 1. All of the following remain the property of the electronic notary:

32 (a) The materials and methods employed with and solely for the  
33 electronic notary token.

34 (b) The materials and methods used solely for creating notary service  
35 electronic certificates.

36 (c) Any journals containing only public information record entries.

37 2. Notwithstanding paragraph 1 of this subsection, an electronic  
38 notary does not gain ownership or presumptive access rights to any of an  
39 employer's assets or resources that are used or are usable for a purpose  
40 other than electronic notarial acts.

41 3. An electronic notary may perform electronic notarizations outside  
42 the workplace of the electronic notary's employer except during those times  
43 normally designated as the electronic notary's hours of duty for that  
44 employer. All fees received by an electronic notary for electronic notarial  
45 services provided while not on duty remain the property of the electronic  
46 notary.



1           A. Electronic notaries public shall perform the following electronic  
2 notarial acts when requested:

- 3           1. Take electronic acknowledgments.
- 4           2. Administer oaths and affirmations relating to electronic documents  
5 and electronic notarial acts.
- 6           3. Perform jurats relating to electronic documents and electronic  
7 notarial acts.

8           ~~4. Educate notary service electronic signature certificate applicants  
9 about the responsibilities and consequences of the use of the certificate.~~

10           ~~5. Administer an oath or affirmation that the notary service  
11 electronic signature certificate applicant understands the responsibilities  
12 and consequences of using a notary service electronic signature certificate  
13 to sign a notary service electronic document and that the electronic  
14 signature certificate has the same legal force and effect as any notarial act  
15 made before a notary public pursuant to article 2 of this chapter.~~

16           ~~6. Register the notary service electronic signature certificate  
17 applicant for the issuance of a notary service electronic signature  
18 certificate that has a maximum useful life of two years.~~

19           B. NOTARIES PUBLIC SHALL PERFORM THE NOTARIAL ACTS PRESCRIBED IN  
20 SUBSECTION A OF THIS SECTION ONLY IF:

- 21           1. THE SIGNER IS IN THE PRESENCE OF THE NOTARY AT THE TIME OF  
22 NOTARIZATION.
- 23           2. THE SIGNER SIGNS IN A LANGUAGE THAT THE NOTARY UNDERSTANDS.
- 24           3. SUBJECT TO SUBSECTION D, THE SIGNER COMMUNICATES DIRECTLY WITH THE  
25 NOTARY IN A LANGUAGE THEY BOTH UNDERSTAND OR INDIRECTLY THROUGH A TRANSLATOR  
26 WHO IS PHYSICALLY PRESENT WITH THE SIGNER AND NOTARY AT THE TIME OF THE  
27 NOTARIZATION AND COMMUNICATES DIRECTLY WITH THE SIGNER AND THE NOTARY IN  
28 LANGUAGES THE TRANSLATOR UNDERSTANDS.
- 29           4. THE NOTARIAL CERTIFICATE IS WORDED AND COMPLETED USING ONLY  
30 LETTERS, CHARACTERS AND A LANGUAGE THAT ARE READ, WRITTEN AND UNDERSTOOD BY  
31 THE NOTARY PUBLIC.

32           C. IF A NOTARY ATTACHES A NOTARIAL CERTIFICATE TO A DOCUMENT USING A  
33 SEPARATE SHEET OF PAPER, THE ATTACHMENT MUST CONTAIN A DESCRIPTION OF THE  
34 DOCUMENT THAT INCLUDES AT A MINIMUM THE TITLE OR TYPE OF DOCUMENT, THE  
35 DOCUMENT DATE, THE NUMBER OF PAGES OF THE DOCUMENT AND ANY ADDITIONAL SIGNERS  
36 OTHER THAN THOSE NAMED IN THE NOTARIAL CERTIFICATE.

37           D. A NOTARY MAY PERFORM A NOTARIAL ACT ON A DOCUMENT THAT IS A  
38 TRANSLATION OF A DOCUMENT THAT IS IN A LANGUAGE THAT THE NOTARY DOES NOT  
39 UNDERSTAND ONLY IF THE PERSON PERFORMING THE TRANSLATION SIGNS AN AFFIDAVIT  
40 CONTAINING AN OATH OR AFFIRMATION THAT THE TRANSLATION IS ACCURATE AND  
41 COMPLETE. THE NOTARIZED TRANSLATION AND AFFIDAVIT SHALL BE ATTACHED TO THE  
42 DOCUMENT AND SHALL CONTAIN ALL OF THE ELEMENTS DESCRIBED IN SUBSECTION C.

43           ~~B.~~ E. A notarized electronic document that is completed in the  
44 presence of an electronic notary consists of the following:

- 45           1. A complete electronic document.
- 46           2. A signature or mark that is affixed to the document by the signer.

1           3. A time and date statement that is contained within the electronic  
2 notary token.

3           4. An electronic notary token that is affixed by the electronic notary  
4 to the document.

5           ~~E~~. F. On completion of the notarized electronic document, any change  
6 to any of the elements prescribed in subsection ~~B~~ E of this section  
7 invalidates the notarized electronic document.

8           ~~D~~. G. An electronic notary public shall:

9           1. Keep, maintain and protect as a public record a journal of all  
10 official acts performed by the notary as prescribed in section 41-361 and in  
11 the form prescribed by the secretary of state.

12           2. Provide and keep the materials and processes to create an  
13 electronic notary token as approved by the secretary of state.

14           3. Authenticate with the electronic notary token all official acts and  
15 affix the date of the expiration of the notary's commission as an electronic  
16 notary on every document that the electronic notary electronically signs.

17           4. Respond to any requests for information and comply with any  
18 investigations that are initiated by the secretary of state or the office of  
19 the attorney general.

20           Sec. 14. Section 41-358, Arizona Revised Statutes, is amended to read:

21           41-358. Fees; rules

22           A. Electronic notaries public may receive fees for the following  
23 services:

24           1. Acknowledgments.

25           2. Oaths and affirmations.

26           3. Jurats.

27           4. Issuance of notary service electronic certificates.

28           B. The secretary of state shall determine by rule fees for services.

29           C. A NOTARY SHALL NOT ADVERTISE, CHARGE OR RECEIVE A FEE FOR  
30 PERFORMING AN ELECTRONIC NOTARIAL ACT EXCEPT AS SPECIFICALLY AUTHORIZED BY  
31 RULE.

32           Sec. 15. Section 41-364, Arizona Revised Statutes, is amended to read:

33           41-364. Change of address; lost or stolen electronic journal or  
34 seal; civil penalty

35           A. Within thirty days after the change of an electronic notary's  
36 mailing, BUSINESS, residential or electronic address, the electronic notary  
37 shall deliver to the secretary of state, by certified mail or other means  
38 providing a receipt, a signed notice of the change that provides both the old  
39 and new addresses.

40           B. Within ten days after the loss or theft of an official journal or  
41 any materials or processes used in creating an electronic notary token or  
42 registering notary service electronic certificate applicants, the electronic  
43 notary shall deliver to the secretary of state, by certified mail or other  
44 means providing a receipt, a signed notice of the loss or theft. The  
45 electronic notary also shall inform the appropriate law enforcement agency in  
46 the case of theft.

1 C. If an electronic notary fails to comply with subsection A or B, the  
2 electronic notary has failed to fully and faithfully discharge the duties of  
3 an electronic notary and the secretary of state may impose against the  
4 electronic notary a civil penalty in an amount the secretary of state  
5 prescribes by rule. The electronic notary shall pay any civil penalty  
6 imposed by the secretary of state pursuant to this subsection before the  
7 renewal of the notary's commission.

8 Sec. 16. Section 41-366, Arizona Revised Statutes, is amended to read:

9 41-366. Prohibited conduct; incomplete documents; signatures of  
10 relatives

11 A. An electronic notary public shall not perform an electronic jurat  
12 on a document that is incomplete. If an electronic notary public is  
13 presented with a document that the electronic notary knows from experience to  
14 be incomplete or if the document on its face is incomplete, the electronic  
15 notary public shall refuse to perform the jurat.

16 B. An electronic notary public is an impartial witness and shall not  
17 notarize the notary's own signature or the signatures of any person who is  
18 related TO THE ELECTRONIC NOTARY by marriage or adoption.

19 C. SUBJECT TO SECTION 41-362, A NOTARY PUBLIC SHALL NOT PERFORM A  
20 NOTARIZATION ON A DOCUMENT IF THE NOTARY IS AN OFFICER OF ANY NAMED PARTY, IF  
21 THE NOTARY IS A PARTY TO THE DOCUMENT OR IF THE NOTARY WILL RECEIVE ANY  
22 DIRECT MATERIAL BENEFIT FROM THE TRANSACTION THAT IS EVIDENCED BY THE  
23 NOTARIZED DOCUMENT THAT EXCEEDS IN VALUE THE FEES PRESCRIBED IN SECTION  
24 41-358.

25 Sec. 17. Section 41-1011, Arizona Revised Statutes, is amended to  
26 read:

27 41-1011. Publication and distribution of code and register;  
28 online databases

29 A. The secretary of state is responsible for the publication and  
30 distribution of the code and the register.

31 B. The secretary of state shall prescribe a uniform numbering system,  
32 form and style for all rules filed with and published by that office. The  
33 secretary of state shall reject rules if they are not in compliance with the  
34 prescribed numbering system, form and style.

35 C. The secretary of state shall prepare, arrange and correlate all  
36 rules and other text as necessary for the publication of the code and the  
37 register. The secretary of state may not alter the sense, meaning or effect  
38 of any rule but may renumber rules and parts of rules, rearrange rules,  
39 change reference numbers to agree with renumbered rules and parts of rules,  
40 substitute the proper rule number for "the preceding rule" and similar terms,  
41 delete figures if they are merely a repetition of written words, change  
42 capitalization for the purpose of uniformity and correct manifest clerical or  
43 typographical errors. With the consent of the attorney general the secretary  
44 of state may remove from the code a provision of a rule that a court of final  
45 appeal declares unconstitutional or otherwise invalid and a rule made by an



1 agency that is abolished if the rule is not transferred to a successor  
2 agency.

3 ~~D. On or before December 31, 2013, the secretary of state shall~~  
4 ~~establish an online database of rules that is searchable by agency, date,~~  
5 ~~topic, rule number, type of business for compliance and type of activity for~~  
6 ~~compliance.~~

7 ~~E. On or before December 31, 2014, the secretary of state shall~~  
8 ~~establish an online database of codes, ordinances and business license~~  
9 ~~requirements for each agency that is searchable by agency, date, topic,~~  
10 ~~ordinance number, type of business for compliance and type of activity for~~  
11 ~~compliance. The secretary of state shall link the county information to the~~  
12 ~~searchable database prescribed in subsection D. Each county shall supply~~  
13 ~~information to the secretary of state in a manner and format prescribed by~~  
14 ~~the secretary of state.~~

15 ~~F. On or before December 31, 2015, the secretary of state shall~~  
16 ~~establish an online database of codes, ordinances and business license~~  
17 ~~requirements for each city and town that is searchable by city or town, date,~~  
18 ~~topic, ordinance or code number, type of business for compliance and type of~~  
19 ~~activity for compliance. The secretary of state shall link the city or town~~  
20 ~~information to the searchable database prescribed in subsection D. Each city~~  
21 ~~or town shall supply information to the secretary of state in a manner and~~  
22 ~~format prescribed by the secretary of state.~~

23 Sec. 18. Section 41-3504, Arizona Revised Statutes, is amended to  
24 read:

25 41-3504. Powers and duties of the agency; violation;  
26 classification

27 A. For budget units, the agency shall:

28 1. Develop, implement and maintain a coordinated statewide plan for  
29 information technology. This includes:

30 (a) Adopting statewide technical, coordination and security standards  
31 for information technology.

32 (b) Serving as statewide coordinator for information technology  
33 resources.

34 (c) Developing a statewide disaster recovery plan.

35 (d) Developing a list of approved agency projects by priority  
36 category.

37 (e) Developing a detailed list of information technology assets owned,  
38 leased or employed by this state.

39 (f) Evaluating and either approving or disapproving budget unit  
40 information technology plans. Budget units shall submit information  
41 technology plans that include quality assurance plans and disaster recovery  
42 plans to the agency each year on or before September 1. The legislative and  
43 judicial departments of state government shall submit information technology  
44 plans for information purposes.

45 (g) Evaluating specific information technology projects relating to  
46 the approved budget unit and statewide information technology plans. The

1 agency shall approve or reject projects with total costs of at least  
2 twenty-five thousand dollars but not more than one million dollars and may  
3 establish conditional approval criteria including procurement purchase  
4 authority. If the total project costs exceed one million dollars the agency  
5 shall evaluate the project and make recommendations to the committee.  
6 Beginning on June 1, 1998, as part of a budget request for an information  
7 technology project that has total costs of at least twenty-five thousand  
8 dollars, a budget unit shall indicate the status of review by the agency.  
9 Projects shall not be artificially divided to avoid review by the agency.

10 2. Require that budget units incorporate life cycle analysis  
11 prescribed by section 41-2553 into the information technology planning,  
12 budgeting and procurement processes.

13 3. Require that budget units demonstrate expertise to carry out  
14 information technology plans, either by employing staff or contracting for  
15 outside services.

16 4. Monitor information technology projects that the agency considers  
17 to be major or critical, including expenditure and activity reports and  
18 periodic review.

19 5. Temporarily suspend the expenditure of monies if the agency  
20 determines that the information technology project is at risk of failing to  
21 achieve its intended results or does not comply with the requirements of this  
22 section.

23 6. Continuously study emergent technology and evaluate its impact on  
24 this state's system.

25 7. Advise each budget unit as necessary and report to the committee on  
26 an annual basis.

27 8. Provide to budget units, information technology consulting services  
28 it deems necessary, either directly or by procuring outside consulting  
29 services.

30 9. Maintain all otherwise confidential information received from a  
31 budget unit pursuant to this section as confidential.

32 10. Provide staff support to the committee.

33 11. Subject to section 35-149, accept, spend and account for grants,  
34 monies and direct payments from public or private sources and other grants of  
35 monies or property for the conduct of programs that it deems consistent with  
36 the overall purposes and objectives of the agency.

37 12. Adopt rules it deems necessary or desirable to further the  
38 objectives and programs of the agency.

39 13. Formulate policies, plans and programs to effectuate the purposes  
40 of the agency.

41 14. Advise and make recommendations to the governor and the legislature  
42 on all matters concerning its objectives.

43 15. Contract and enter into interagency and intergovernmental  
44 agreements pursuant to title 11, chapter 7, article 3 with any public or  
45 private party.

46 16. Have an official seal that shall be judicially noticed.

1           17. ON OR BEFORE DECEMBER 31, 2015, ESTABLISH AN INTERACTIVE ONLINE  
2 DIRECTORY OF CODES, RULES, ORDINANCES, IF AVAILABLE ELECTRONICALLY, AND  
3 STATUTES TO ASSIST INDIVIDUALS AND BUSINESSES WITH REGULATORY REQUIREMENTS  
4 AND OBLIGATIONS. AS PROVIDED IN THIS PARAGRAPH, COUNTIES, MUNICIPALITIES AND  
5 BUDGET UNITS SHALL SUBMIT INFORMATION IN A MANNER AND FORMAT PRESCRIBED BY  
6 THE AGENCY.

7           B. The agency shall advise the judicial and legislative branches of  
8 state government concerning information technology.

9           C. The agency may examine all books, papers, records and documents in  
10 the office of any budget unit and may require any state officer of the budget  
11 unit to furnish information or statements necessary to carry out the  
12 provisions of this chapter.

13           D. The director, any member of the director's staff or any employee  
14 who knowingly divulges or makes known in any manner not permitted by law any  
15 particulars of any confidential record, document or information is guilty of  
16 a class 5 felony.

17           Sec. 19. Section 44-1449, Arizona Revised Statutes, is amended to  
18 read:

19           44-1449. Classification of goods or services

20           A single application for registration of a mark may include ~~any or~~ all  
21 goods and services ~~upon~~ ON which the mark is actually being used ~~comprised in~~  
22 ~~a single class, but in no event shall a single application include goods or~~  
23 ~~services upon which the mark is being used which fall within different~~  
24 ~~classes of goods or services~~ IN ONE OR MULTIPLE CLASSES. The following  
25 general classes of goods and services are established for convenience of  
26 administration of this article, but not to limit or extend the applicant's or  
27 registrant's rights:

28           1. Chemical products used in industry, science, photography,  
29 agriculture, horticulture or forestry; artificial and synthetic resins;  
30 plastics for industrial use in the form of powders, liquids or pastes;  
31 natural and artificial manures; fire extinguishing compositions; tempering  
32 substances and chemical preparations for soldering; chemical substances for  
33 preserving foodstuffs; tanning substances; adhesive substances used in  
34 industry.

35           2. Paints, varnishes and lacquers; preservatives against rust and  
36 against deterioration of wood; coloring matters and dyestuffs; mordants;  
37 natural resins; metals in foil and powder form for painters and decorators.

38           3. Bleaching preparations and other substances for laundry use;  
39 cleaning, polishing, scouring and abrasive preparations; soaps; perfumery,  
40 essential oils, cosmetics and hair lotions; dentifrices.

41           4. Industrial oils and greases except oils and fats and essential  
42 oils; lubricants; dust laying and absorbing compositions; fuels, including  
43 motor spirit and illuminants; candles, tapers, night-lights and wicks.

44           5. Pharmaceutical, veterinary and sanitary substances; infants' and  
45 invalids' food; plasters and material for bandaging; material for stopping

- 1 teeth, dental wax and disinfectants; preparations for killing weeds and  
2 destroying vermin.
- 3 6. Unwrought and partly wrought common metals and the metals' alloys;  
4 anchors, anvils, bells and rolled and cast building materials; rails and  
5 other metallic materials for railway tracks; chains, except driving chains  
6 for vehicles; nonelectric cables and wires; locksmiths' work; metallic pipes  
7 and tubes; safes and cash boxes; steel balls; horseshoes; nails and screws;  
8 other goods in nonprecious metal that are not included in other classes;  
9 ores.
- 10 7. Machines and machine tools; motors, except motors for land  
11 vehicles; machine couplings and belting, except couplings and belting for  
12 land vehicles; large size agricultural implements; incubators.
- 13 8. Hand tools and instruments; cutlery, forks and spoons; side arms.
- 14 9. Scientific, nautical, surveying and electrical apparatus and  
15 instruments, including wireless apparatus and instruments; photographic,  
16 cinematographic, optical, weighing, measuring, signaling, checking,  
17 supervision, life-saving and teaching apparatus and instruments; coin or  
18 counterfreed apparatus; talking machines; cash registers; calculating  
19 machines; fire extinguishing apparatus.
- 20 10. Surgical, medical, dental and veterinary instruments and apparatus,  
21 including artificial limbs, eyes and teeth.
- 22 11. Installations for lighting, heating, steam generating, cooking,  
23 refrigerating, drying, ventilating, water supply and sanitary purposes.
- 24 12. Vehicles; apparatus for locomotion by land, air or water.
- 25 13. Firearms; ammunition and projectiles; explosive substances;  
26 fireworks.
- 27 14. Precious metals and the metals' alloys; goods in precious metals or  
28 coated with precious metals, except cutlery, forks and spoons; jewelry and  
29 precious stones; horological and other chronometric instruments.
- 30 15. Musical instruments except talking machines and wireless apparatus.
- 31 16. Paper and paper articles and cardboard and cardboard articles;  
32 printed matters, newspapers and periodicals and books; bookbinding material;  
33 photographs; stationery and stationery adhesive materials; artists'  
34 materials; paintbrushes; typewriters and office requisites, except furniture;  
35 instructional and teaching material, except instructional and teaching  
36 apparatus; playing cards; printers' type and cliches or stereotype.
- 37 17. Gutta percha, India rubber, balata and substitutes and articles  
38 made from these substances and not included in other classes; plastics in the  
39 form of sheets, blocks and rods for use in manufacturing; materials for  
40 packing, stopping or insulating; asbestos, mica and asbestos or mica  
41 products; nonmetallic hose pipes.
- 42 18. Leather, imitations of leather and articles made from leather and  
43 imitations of leather that are not included in other classes; skins and  
44 hides; trunks and traveling bags; umbrellas, parasols and walking sticks;  
45 whips, harnesses and saddlery.

- 1           19. Building materials, natural and artificial stone, cement, lime,  
2 mortar, plaster and gravel; pipes of earthenware or cement; roadmaking  
3 materials; asphalt, pitch and bitumen; portable buildings; stone monuments;  
4 chimney pots.
- 5           20. Furniture, mirrors and picture frames; articles of wood, cork,  
6 reeds, cane, wicker, horn, bone, ivory, whalebone, shell, amber,  
7 mother-of-pearl, meerschaum or celluloid, substitutes for all of these  
8 materials, or of plastics and that are not included in other classes.
- 9           21. Small domestic utensils and containers, except utensils and  
10 containers of precious metals or utensils and containers coated with precious  
11 metals; combs and sponges; brushes, except paintbrushes; brushmaking  
12 materials; instruments and material for cleaning purposes and steel wool;  
13 unworked or semiworked glass, except glass used in building; glassware,  
14 porcelain and earthenware that is not included in other classes.
- 15           22. Ropes, string, nets, tents, awnings, tarpaulins, sails and sacks;  
16 padding and stuffing materials, including hair, kapok, feathers and seaweed;  
17 raw, fibrous textile materials.
- 18           23. Yarns and threads.
- 19           24. Tissues that are piece goods; bed and table covers; textile  
20 articles that are not included in other classes.
- 21           25. Clothing, including boots, shoes and slippers.
- 22           26. Lace, embroidery, ribands and braid; buttons, press buttons, hooks,  
23 eyes, pins and needles; artificial flowers.
- 24           27. Carpets, rugs, mats and matting; linoleums and other materials for  
25 covering existing floors; nontextile wall hangings.
- 26           28. Games and playthings; gymnastic and sporting articles, except  
27 gymnastic and sporting clothes; ornaments and decorations for Christmas  
28 trees.
- 29           29. Meats, fish, poultry and game; meat extracts; preserved, dried and  
30 cooked fruits and vegetables; jellies and jams; eggs, milk and other dairy  
31 products; edible oils and fats; preserves and pickles.
- 32           30. Coffee, tea, cocoa, sugar, rice, tapioca, sago and coffee  
33 substitutes; flour and preparations made from cereals; bread, biscuits,  
34 cakes, pastry and confectionery; ices; honey and treacle; yeast and baking  
35 powder; salt, mustard, pepper, vinegar, sauces and spices.
- 36           31. Agricultural, horticultural and forestry products and grains that  
37 are not included in other classes; living animals; fresh fruits and  
38 vegetables; seeds; live plants and flowers; foodstuffs for animals; malt.
- 39           32. Beer, ale and porter; mineral waters, aerated waters and other  
40 nonalcoholic drinks; syrups and other preparations for making beverages.
- 41           33. Wines, spirits and liqueurs.
- 42           34. Raw or manufactured tobacco; smokers' articles; matches.
- 43           35. Computers and computer software.
- 44           36. Advertising and business.
- 45           37. Insurance and financial.
- 46           38. Construction and repair.

- 1 39. Communication.
- 2 40. Transportation and storage.
- 3 41. Material treatment.
- 4 42. Education and entertainment.
- 5 43. Miscellaneous.

6 Sec. 20. Section 44-1460.07, Arizona Revised Statutes, is amended to  
7 read:

8 44-1460.07. Trade name registration cancellation; release for  
9 use

- 10 A. The secretary of state shall cancel a trade name registration if:
- 11 1. The secretary of state receives a voluntary request for
  - 12 cancellation from the registrant or the assignee of record.
  - 13 2. The registration is not renewed in accordance with this article.
  - 14 3. A court of competent jurisdiction orders the cancellation on any
  - 15 grounds.
  - 16 4. The registration was obtained fraudulently by containing false or
  - 17 misleading information.

18 B. THE SECRETARY OF STATE MAY RELEASE A TRADE NAME FOR USE PURSUANT TO  
19 THIS ARTICLE SIX MONTHS AFTER THE TRADE NAME'S CORPORATE OWNER HAS BEEN  
20 ADMINISTRATIVELY DISSOLVED.

21 Sec. 21. Section 44-1792, Arizona Revised Statutes, is amended to  
22 read:

23 44-1792. Exemption

24 This article does not apply to:

- 25 1. Any private club owned and operated by its members, any facility
- 26 owned or operated by the state of Arizona or any of its political
- 27 subdivisions, any health spa operated by a fraternal or benevolent society
- 28 organized under title 10, chapter 19, article 3 or a nonprofit corporation
- 29 organized under title 10, chapters 24 through 40, or any health care
- 30 institution licensed pursuant to title 36, chapter 4.

- 31 2. Any health spa ~~which by January 15 of every even numbered year~~
- 32 ~~files a declaration, executed under penalty of perjury by the owner or~~
- 33 ~~manager of the health spa, with the secretary of state which states that the~~
- 34 ~~health spa~~ THAT does not require or in the ordinary course of business
- 35 receive prepayment for services. For the purposes of this paragraph, payment
- 36 for health spa services received within the thirty-one days in which the
- 37 services are to be rendered does not constitute prepayment. A health spa
- 38 ~~which has filed a declaration under this paragraph and which~~ THAT intends to
- 39 begin requiring or receiving prepayment for health spa services shall comply
- 40 with this article.

41 Sec. 22. Section 44-6552, Arizona Revised Statutes, is amended to  
42 read:

43 44-6552. Charitable organizations; registration; late  
44 registration penalty

- 45 A. Except as provided in subsection E of this section and section
- 46 44-6553, before soliciting its first contribution, whether through a

1 contracted fund raiser or otherwise, a charitable organization shall file a  
2 registration statement with the secretary of state in a format prescribed and  
3 adopted by the secretary of state by rule.

4 B. A charitable organization must file an annual registration  
5 statement between September 1 and September 30 of each year following the  
6 calendar year in which the charitable organization files its initial  
7 registration statement with the secretary of state in a format that is  
8 prescribed and adopted by the secretary of state by rule. **IN THE**  
9 **REGISTRATION STATEMENT FILED WITH THE SECRETARY OF STATE'S OFFICE, A**  
10 **CHARITABLE ORGANIZATION MAY INDICATE WHETHER THEY PARTICIPATE AS A LICENSED**  
11 **SALES AGENT PURSUANT TO SECTION 5-504.**

12 C. If the internal revenue service determines that a person is a  
13 charitable organization exempt from federal income taxes pursuant to section  
14 501(c)(3) of the internal revenue code, at the time of its initial  
15 registration under this section, the organization shall submit to the  
16 secretary of state a copy of the internal revenue service's written  
17 determination that it is exempt from taxes.

18 D. The secretary of state shall file and preserve all information  
19 required to be filed with the secretary of state pursuant to this section for  
20 five years from the date of filing, after which the information may be  
21 destroyed. This information is public information and is open to public  
22 inspection.

23 E. If a charitable organization is delinquent in filing its annual  
24 registration statement, the secretary may assess a late registration penalty  
25 of twenty-five dollars when the charitable organization files its  
26 registration statement.

27 F. Instead of filing any financial disclosure information prescribed  
28 by the secretary of state pursuant to this section, a tax exempt organization  
29 pursuant to section 501(c)(3) of the internal revenue code may either:

30 1. File with the secretary of state a copy of the organization's  
31 annual information return for the preceding fiscal year as defined in the  
32 internal revenue code and applicable regulations.

33 2. Provide the secretary of state with the address on the internet  
34 where the organization's annual information return is available.

35 G. Any charitable organization that is a bona fide and duly  
36 constituted religious institution and any other entity that is an integral  
37 part of a religious institution shall file the registration statement  
38 prescribed in this section but is not required to file any financial  
39 disclosure information prescribed by the secretary of state pursuant to this  
40 section if all of the following apply:

41 1. The religious institution or entity is a tax exempt institution or  
42 entity pursuant to the internal revenue code.

43 2. No part of the religious institution's or entity's net income  
44 inures to the direct benefit of any individual.

45 3. The religious institution or entity only solicits monies from the  
46 institution's or entity's membership, congregation or previous donors and the

1 institution's or entity's conduct and fees charged for services are primarily  
2 supported and paid through government grants or contracts.

3 H. The secretary of state may deny an application for registration of  
4 the name of a charitable organization if:

5 1. The name might mislead the public or is not readily distinguishable  
6 from one or more names that are currently registered under this article.

7 2. The name is the same as or deceptively similar to:

8 (a) An existing corporate name or a corporate name reserved pursuant  
9 to title 10, chapter 4, 18 or 27.

10 (b) The name of a limited partnership organized under the laws of this  
11 state or licensed or registered as a foreign limited liability company,  
12 authorized to transact business in the state or a name that is registered  
13 pursuant to chapter 10, article 3 or 3.1 of this title.

14 I. The secretary of state may deny an application for registration or  
15 may revoke the registration of a charitable organization for any of the  
16 following reasons:

17 1. Substantial and material misstatement or omission in the submitted  
18 application.

19 2. Conviction of a felony substantially related to solicitation by any  
20 employee, member, officer or director who has any solicitation  
21 responsibilities on behalf of the organization or any other person holding  
22 any proprietary or beneficial interest in the charitable organization, unless  
23 the civil rights have been restored.

24 3. An order or judgment by a court in any jurisdiction that the  
25 charitable organization has engaged in deceptive, fraudulent or unlawful  
26 business practices that substantially relate to solicitation.

27 4. The violation of any provision of this article.

28 5. The return of a check issued to the order of the secretary of state  
29 due to insufficient funds or any other reason for nonpayment.

30 J. If the secretary of state denies an application, the secretary of  
31 state shall notify the applicant within ten days after receiving the  
32 application and shall state the reasons for the denial.

33 Sec. 23. Effective date

34 Section 5-555, Arizona Revised Statutes, as amended by this act is  
35 effective from and after June 30, 2012.

36 Sec. 24. Repeal

37 Title 44, chapter 24, Arizona Revised Statutes, is repealed.

38 Sec. 25. Laws 2008, chapter 291, section 9, as amended by Laws 2010,  
39 chapter 313, section 16, is amended to read:

40 Sec. 9. Delayed implementation; professional employer  
41 organization registration; retroactivity

42 A. Notwithstanding any other law, the secretary of state shall not  
43 implement title 23, chapter 3, article 4, Arizona Revised Statutes, relating  
44 to professional employer organization registration, or any rules adopted  
45 pursuant to title 23, chapter 3, article 4, Arizona Revised Statutes, until  
46 July 1, ~~2012~~ 2013.



S.B. 1230

1           B. This section is effective retroactively to from and after February  
2 29, 2008.

APPROVED BY THE GOVERNOR APRIL 29, 2011.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 29, 2011.