

# **BOARD OF MANUFACTURED HOUSING**

**July 25, 2019**



**Arizona Department of Housing**

# AGENDA



**AMENDED A G E N D A**  
BOARD OF MANUFACTURED HOUSING  
Arizona Department of Housing

Date: **Thursday, July 25, 2019; 1:00 P.M.**

Teleconference

**602-753-1025, Passcode 330208**

**1:00 P.M.**

- I. Call to Order (Interim Chairman)
  - II. Roll Call (Secretary)
  - III. Review and Action on Abbreviated Minutes of April 17, 2019 telephonic meeting
  - IV. Possible Action to Select Chairperson for the Board – review, discussion and possible action
  - V. Waiver of Rule Moratorium – review, discussion and possible action
    - a. Commercial Panelized Construction
    - b. International Building Codes - change from 2009 to 2018
    - c. Update/elimination of existing rules
  - VI. Adjournment
- 

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the general public that the members of the Board of Manufactured Housing will hold a regular meeting open to the public at the Board's office, at 1110 West Washington, Suite 280 (2<sup>nd</sup> Floor), Phoenix, Arizona, and may appear via the teleconference number set forth above. The Board, upon a majority vote of a quorum of the members, may, when necessary, hold an Executive Session to obtain legal advice regarding any of the agenda items, pursuant to A.R.S. § 38-431.03(A)(3).

The agenda is subject to change up to 24 hours prior to the meeting, in which case a new agenda will be prepared and distributed in the same manner as the original agenda. You may also call **602-364-1433** or email [Ayde.Sanchez@azhousing.gov](mailto:Ayde.Sanchez@azhousing.gov) for any changes. Agenda items are noted by number and letter for convenience and reference. The Board may address the agenda items in any order within the time frame indicated, and may set over matters to a later time when necessary. The Board reserves the right to change the order of items on the agenda, except for matters set for a specific time.

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Ayde Sanchez at 602-364-1433 or email [Ayde.Sanchez@azhousing.gov](mailto:Ayde.Sanchez@azhousing.gov). Requests should be made as early as possible to allow time to arrange the accommodation.

**April 17, 2019**  
**ABBREVIATED**  
**MINUTES**



# DRAFT

## ARIZONA BOARD OF MANUFACTURED HOUSING

### ABBREVIATED MINUTES

#### April 17, 2019 TELECONFERENCE BOARD MEETING

#### CALL TO ORDER

Brunetti called the meeting to order at 1:03 pm.

#### ROLL CALL

Board Members present: Jan Doughty, Terry Gleeson, Everette Hoyle, Gregory Johnloz, Cody Pearce, David Roe and Wayne Syrek

Arizona Department of Housing (“Department”) Staff: Director Carol Ditmore (Ditmore); Assistant Deputy Director, Tara Brunetti (Brunetti); Assistant Deputy Director, Reginald Givens (Givens); Assistant Attorney General Valerie Marciano; and Board Secretary, Ayde Sanchez.

No Public Present

#### CHAIRMAN SELECTION

Board member Roe made a motion that Greg Johnloz be elected as Interim Chairman; seconded by Board Member Hoyle; Board voted unanimously to approve the motion.

#### APPROVAL OF JANUARY 16, 2019 BOARD MINUTES

Interim Chairman Johnloz entertained a motion to accept the prior Board Meeting Minutes; Board member Gleeson made motion to accept; motion seconded by Board member Roe; and the Board voted unanimously to accept.

#### EDUCATIONAL GRANT REQUEST

Interim Chairman Johnloz entertained a motion to accept the educational grant requests for the Manufactured Housing Industry of Arizona in the amount of \$2,872.41 and Manufactured Housing Communities of Arizona in the amount of \$2,672.40; Board member Doughty made motion to accept; motion seconded by Board member Gleeson and the Board voted unanimously to accept.

#### FEE SCHEDULE

Givens presented the fee recommendation for the 2020 fiscal year.

Board member Hoyle entertained a motion to keep all fees the same for FY20; motion seconded by Board member Roe and the Board voted unanimously to accept.

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**NEXT BOARD MEETING DATE**

Wednesday, August 28, 2019.

**ADJOURNMENT**

Interim Chairman Johnloz thanked the Board members for their attendance. The meeting adjourned at 1:21p.m.

# HOUSE BILL 2756



As a result of House Bill 2756, the Arizona Department of Housing (ADOH) will need to implement new rules related to commercial closed panel construction. This type of construction will expand the existing factory built building category.

Below is a link to the bill along with a highlight of the specific changes.

<https://apps.azleg.gov/BillStatus/GetDocumentPdf/471884>

41-4001 (7) **"CLOSED CONSTRUCTION" MEANS ANY BUILDING, BUILDING COMPONENT, ASSEMBLY OR SYSTEM MANUFACTURED IN SUCH A MANNER THAT CONCEALED PARTS OR PROCESSES OF MANUFACTURE CANNOT BE INSPECTED BEFORE INSTALLATION AT THE BUILDING SITE WITHOUT DISASSEMBLY, DAMAGE OR DESTRUCTION.**

41-4001 (8) **"COMMERCIAL" MEANS A BUILDING WITH A USE-OCCUPANCY CLASSIFICATION OTHER THAN SINGLE-FAMILY DWELLING.**

41-4001 (17) "Factory-built building": (a) Means a residential or commercial building that is: (i) Either wholly or in substantial part manufactured **USING CLOSED CONSTRUCTION** at an off-site location and transported for installation or completion, or both, on-site. (ii) Constructed in compliance with adopted codes, standards and procedures. (iii) Installed temporarily or permanently. (b) Does not include a manufactured home, recreational vehicle, panelized **COMMERCIAL** building **USING OPEN CONSTRUCTION, PANELIZED RESIDENTIAL BUILDING USING OPEN OR CLOSED CONSTRUCTION** or domestic or light commercial storage building.

41-4001 (29) **"OPEN CONSTRUCTION" MEANS ANY BUILDING, BUILDING COMPONENT, ASSEMBLY OR SYSTEM MANUFACTURED IN SUCH A MANNER THAT ALL PORTIONS CAN BE READILY INSPECTED AT THE BUILDING SITE WITHOUT DISASSEMBLY, DAMAGE OR DESTRUCTION.**

41-4001 (34) **"RESIDENTIAL" MEANS A BUILDING WITH A USE-OCCUPANCY CLASSIFICATION OF A SINGLE-FAMILY DWELLING OR AS GOVERNED BY THE INTERNATIONAL RESIDENTIAL CODE.**

State of Arizona  
House of Representatives  
Fifty-fourth Legislature  
First Regular Session  
2019

**CHAPTER 272**  
**HOUSE BILL 2756**

AN ACT

AMENDING SECTIONS 28-1095 AND 35-113, ARIZONA REVISED STATUTES; AMENDING TITLE 35, CHAPTER 1, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 35-121.01; AMENDING SECTION 41-4001, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 12, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-1733; AMENDING TITLE 43, CHAPTER 3, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 43-312; AMENDING SECTION 43-1147, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2013, CHAPTER 236, SECTION 10; AMENDING SECTION 43-1147, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2018, CHAPTER 106, SECTION 1; APPROPRIATING MONIES; RELATING TO REVENUE 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 28-1095, Arizona Revised Statutes, is amended to  
3 read:  
4 28-1095. Vehicle length; exceptions; permits; rules;  
5 definitions  
6 A. A vehicle, including any load on the vehicle, shall not exceed a  
7 length of forty feet extreme overall dimension, including front and rear  
8 bumpers. This subsection does not apply to any of the following:  
9 1. A semitrailer when used in combination with a truck or a truck  
10 tractor.  
11 2. A truck that is equipped with a conveyor bed, that is used  
12 solely as a fiber and forage module mover and that does not exceed  
13 forty-eight feet in length.  
14 3. An articulated bus or articulated trolley coach that does not  
15 exceed a length of sixty feet.  
16 4. A bus that is not articulated and that does not exceed a length  
17 of forty-five feet.  
18 5. A recreational vehicle, a power unit, a farm vehicle, a horse  
19 trailer or wheeled equipment as defined in section 28-2153 if used in  
20 combination with two units and if the combination does not exceed  
21 sixty-five feet in length.  
22 6. A recreational vehicle as defined in section 41-4001, paragraph  
23 ~~30~~ 33, subdivision (b) that does not exceed a length of forty-five feet.  
24 B. A vehicle transporter may draw only one semitrailer. A  
25 combination of vehicles, excluding a vehicle transporter and the  
26 semitrailer it draws, that is coupled together shall not consist of more  
27 than two units, except that a truck or a truck tractor and semitrailer may  
28 draw either one trailer or a forklift.  
29 C. The following restrictions apply:  
30 1. The length of a semitrailer operating in a truck  
31 tractor-semitrailer combination or a truck tractor-semitrailer-forklift  
32 combination shall not exceed fifty-seven feet six inches.  
33 2. The length of a semitrailer or trailer operating in a truck  
34 tractor-semitrailer-trailer combination shall not exceed twenty-eight feet  
35 six inches.  
36 3. The length of a trailer operating in a truck-trailer combination  
37 shall not exceed twenty-eight feet six inches.  
38 4. If the length of a semitrailer is more than fifty-three feet,  
39 the overall length of a truck tractor-semitrailer combination shall not  
40 exceed sixty-five feet on all highways, except for the national intercity  
41 truck route network designated by the United States secretary of  
42 transportation as required by the surface transportation assistance act of  
43 1982 or on a system of highways that is designated by a local authority.  
44 In designating the streets, the local authority shall consider any  
45 reasonable restriction including such safety restrictions as structural

1 hazards and street width and any other safety factors identified by the  
2 local authority as a hazard to the motoring public.

3 5. A vehicle transporter and the semitrailer it draws shall not  
4 exceed a length of eighty feet with a front overhang of not more than four  
5 feet and a rear overhang of not more than six feet.

6 6. A truck-semitrailer combination shall not exceed an overall  
7 length of sixty-five feet.

8 D. Subsection B and subsection C, paragraphs 1 through 6 of this  
9 section do not apply to damaged, disabled or abandoned vehicles or  
10 combinations of vehicles while being towed by a tow truck in compliance  
11 with section 28-1108.

12 E. Notwithstanding subsections B and C of this section, extensions  
13 of not more than three feet beyond the foremost part and six feet beyond  
14 the rear bed or body of a vehicle or combination of vehicles used to  
15 transport manufactured vehicles or fiber and forage shall not be included  
16 in measuring the length of the vehicle or combination of vehicles when  
17 loaded.

18 F. Pursuant to a permit issued pursuant to section 28-1103, a truck  
19 or a truck tractor-semitrailer may draw not more than two additional  
20 trailers or semitrailers. The department shall adopt rules governing the  
21 movement and safety of a combination of vehicles under this subsection and  
22 authorizing the issuance in advance of prepaid permits. The rules shall  
23 include the adoption of minimum speeds on grades, lighting, signing,  
24 identification and braking requirements and any other rules the department  
25 deems necessary. The permit issued pursuant to this subsection is limited  
26 to the following highways:

27 1. An interstate highway that connects with two states if both  
28 states allow such combinations of trailers or semitrailers and if the  
29 interstate highway does not exceed forty miles between the connecting  
30 states.

31 2. A state route or highway that is located within four miles of  
32 and extends to the border of this state and an adjacent state that allows  
33 such combinations of trailers or semitrailers.

34 3. A state route or highway that extends at least ten miles through  
35 an Indian reservation, that does not cross the Colorado river and that is  
36 located within twenty miles of and extends to the border of this state and  
37 an adjacent state that allows such combinations of trailers or  
38 semitrailers.

39 G. Notwithstanding subsections B and C of this section:

40 1. A motor vehicle may draw one ~~single-axle~~ SINGLE-AXLE tow dolly  
41 on which a motor vehicle may be transported. A person shall secure the  
42 raised end of any motor vehicle being transported pursuant to this  
43 paragraph to the tow dolly by two separate chains, cables or equivalent  
44 devices adequate to prevent shifting or separation of the drawn vehicle  
45 and the tow dolly.

1           2. A truck or a truck tractor may draw a trailer or semitrailer  
2 that does not exceed a length of fifty-seven feet only on an interstate  
3 highway or on a highway that is within ten miles of an interstate highway  
4 if the trailer or semitrailer is manufactured in this state and is  
5 traveling with or without a load from its place of manufacture to be  
6 delivered for use outside this state.

7           3. A recreational vehicle may pull two units if all of the  
8 following conditions are met:

9           (a) The middle unit is equipped with a fifth wheel and brakes. The  
10 middle unit may be a farm vehicle or a horse trailer and shall have a  
11 weight equal to or greater than the rear unit.

12           (b) If the rear unit has a gross weight of three thousand pounds or  
13 more, it is equipped with brakes.

14           (c) The total combined gross weight of the towed units does not  
15 exceed the manufacturer's stated gross vehicle weight of the towing unit.

16           4. A vehicle transporter may transport cargo or general freight on  
17 a backhaul in compliance with section 28-1100.

18           H. For the purposes of this section:

19           1. "Backhaul" means the return trip of a vehicle transporter  
20 carrying cargo or general freight over all or part of the same route.

21           2. "Farm vehicle" has the same meaning prescribed in section  
22 28-2514.

23           3. "Recreational vehicle" means a motor vehicle that is designed  
24 and customarily used for private pleasure, including vehicles commonly  
25 called motor homes, pickup trucks with campers and pickup trucks with a  
26 fifth wheel trailing device.

27           Sec. 2. Section 35-113, Arizona Revised Statutes, is amended to  
28 read:

29           35-113. Submission of budget estimates

30           The administrative head of each budget unit, not later than  
31 September 1 of each year or at a later date not to exceed thirty days  
32 after September 1 if approved by the director of the governor's office of  
33 strategic planning and budgeting, shall submit to the governor, with five  
34 copies, estimates of the financial requirements and of receipts, including  
35 appropriated and nonappropriated monies in no less detail than the state  
36 general fund, of the budget unit for the next fiscal year. **THE ESTIMATES  
37 SHALL INCLUDE A DETAILED ESTIMATE OF THE COST TO THE BUDGET UNIT IN THE  
38 NEXT FISCAL YEAR ATTRIBUTABLE TO A COUNTY'S, CITY'S OR TOWN'S  
39 ESTABLISHMENT OF A MINIMUM WAGE IF THAT MINIMUM WAGE EXCEEDS THE MINIMUM  
40 WAGE ESTABLISHED BY THIS STATE PURSUANT TO SECTION 23-363.** The estimates  
41 shall be on the forms and in the manner prescribed by the governor with  
42 explanatory data that may be required, together with additional  
43 information the head of the budget unit desires to submit. The estimates  
44 submitted shall bear the approval of the administrative head of the budget  
45 unit.



1           3. "Alteration" means the replacement, addition, modification or  
2 removal of any equipment or installation after the sale by a manufacturer  
3 to a dealer or distributor but before the sale by a dealer to a purchaser,  
4 which may affect compliance with the standards, construction, fire safety,  
5 occupancy, plumbing or heat-producing or electrical system. Alteration  
6 does not mean the repair or replacement of a component or appliance  
7 requiring plug-in to an electrical receptacle if the replaced item is of  
8 the same configuration and rating as the component or appliance being  
9 repaired or replaced. Alteration also does not mean the addition of an  
10 appliance requiring plug-in to an electrical receptacle if such appliance  
11 is not provided with the unit by the manufacturer and the rating of the  
12 appliance does not exceed the rating of the receptacle to which such  
13 appliance is connected.

14           4. "Board" means the board of manufactured housing.

15           5. "Broker" means any person who acts as an agent for the sale or  
16 exchange of a used manufactured home or mobile home except as exempted in  
17 section 41-4028.

18           6. "Certificate" means a numbered or serialized label or seal that  
19 is issued by the director as certification of compliance with this  
20 chapter.

21           7. "CLOSED CONSTRUCTION" MEANS ANY BUILDING, BUILDING COMPONENT,  
22 ASSEMBLY OR SYSTEM MANUFACTURED IN SUCH A MANNER THAT CONCEALED PARTS OR  
23 PROCESSES OF MANUFACTURE CANNOT BE INSPECTED BEFORE INSTALLATION AT THE  
24 BUILDING SITE WITHOUT DISASSEMBLY, DAMAGE OR DESTRUCTION.

25           8. "COMMERCIAL" MEANS A BUILDING WITH A USE-OCCUPANCY  
26 CLASSIFICATION OTHER THAN SINGLE-FAMILY DWELLING.

27           ~~7.~~ 9. "Component" means any part, material or appliance that is  
28 built-in as an integral part of the unit during the manufacturing process.

29           ~~8.~~ 10. "Consumer" means either a purchaser or seller of a unit  
30 regulated by this chapter who utilizes the services of a person licensed  
31 by the department.

32           ~~9.~~ 11. "Consummation of sale" means that a purchaser has received  
33 all goods and services that the dealer or broker agreed to provide at the  
34 time the contract was entered into, the transfer of title or the filing of  
35 an affidavit of affixture, if applicable, to the sale. Consummation of  
36 sale does not include warranties.

37           ~~10.~~ 12. "Dealer" means any person who sells, exchanges, buys,  
38 offers or attempts to negotiate or acts as an agent for the sale or  
39 exchange of factory-built buildings, manufactured homes or mobile homes  
40 except as exempted in section 41-4028. A lease or rental agreement by  
41 which the user acquired ownership of the unit with or without additional  
42 remuneration is considered a sale under this chapter.

43           ~~11.~~ 13. "Defect" means any defect in the performance,  
44 construction, components or material of a unit that renders the unit or  
45 any part of the unit unfit for the ordinary use for which it was intended.

1           ~~12.~~ 14. "Department" means the Arizona department of housing.  
2           ~~13.~~ 15. "Director" means the director of the department.  
3           ~~14.~~ 16. "Earnest monies" means all monies given by a purchaser or  
4 a financial institution to a dealer or broker before consummation of the  
5 sale.  
6           ~~15.~~ 17. "Factory-built building":  
7           (a) Means a residential or commercial building that is:  
8           (i) Either wholly or in substantial part manufactured USING CLOSED  
9 CONSTRUCTION at an off-site location and transported for installation or  
10 completion, or both, on-site.  
11           (ii) Constructed in compliance with adopted codes, standards and  
12 procedures.  
13           (iii) Installed temporarily or permanently.  
14           (b) Does not include a manufactured home, recreational vehicle,  
15 panelized COMMERCIAL building USING OPEN CONSTRUCTION, PANELIZED  
16 RESIDENTIAL BUILDING USING OPEN OR CLOSED CONSTRUCTION or domestic or  
17 light commercial storage building.  
18           ~~16.~~ 18. "HUD" means the United States department of housing and  
19 urban development.  
20           ~~17.~~ 19. "Imminent safety hazard" means an imminent and  
21 unreasonable risk of death or severe personal injury.  
22           ~~18.~~ 20. "Installation" means:  
23           (a) Connecting new or used mobile homes, manufactured homes or  
24 factory-built buildings to on-site utility terminals or repairing these  
25 utility connections.  
26           (b) Placing new or used mobile homes, manufactured homes, accessory  
27 structures or factory-built buildings on foundation systems or repairing  
28 these foundation systems.  
29           (c) Providing ground anchoring for new or used mobile homes or  
30 manufactured homes or repairing the ground anchoring.  
31           ~~19.~~ 21. "Installer" means any person who engages in the business  
32 of performing installations of manufactured homes, mobile homes or  
33 residential single family factory-built buildings.  
34           ~~20.~~ 22. "Installer of accessory structures" means any person who  
35 engages in the business of installing accessory structures.  
36           ~~21.~~ 23. "Listing agreement" means a document that contains the  
37 name and address of the seller, the year, manufacturer and serial number  
38 of the listed unit, the beginning and ending dates of the time period that  
39 the agreement is in force, the name of the lender and lien amount, if  
40 applicable, the price the seller is requesting for the unit, the  
41 commission to be paid to the licensee and the signatures of the sellers  
42 and the licensee who obtains the listing.  
43           ~~22.~~ 24. "Local enforcement agency" means a zoning or building  
44 department of a city, town or county or its agents.

1           ~~23.~~ 25. "Manufactured home" means a structure built in accordance  
2 with the act.

3           ~~24.~~ 26. "Manufacturer" means any person engaged in manufacturing,  
4 assembling or reconstructing any unit regulated by this chapter.

5           ~~25.~~ 27. "Mobile home" means a structure built before June 15,  
6 1976, on a permanent chassis, capable of being transported in one or more  
7 sections and designed to be used with or without a permanent foundation as  
8 a dwelling when connected to on-site utilities. Mobile home does not  
9 include recreational vehicles and factory-built buildings.

10          ~~26.~~ 28. "Office" means the office of manufactured housing within  
11 the department.

12          29. "OPEN CONSTRUCTION" MEANS ANY BUILDING, BUILDING COMPONENT,  
13 ASSEMBLY OR SYSTEM MANUFACTURED IN SUCH A MANNER THAT ALL PORTIONS CAN BE  
14 READILY INSPECTED AT THE BUILDING SITE WITHOUT DISASSEMBLY, DAMAGE OR  
15 DESTRUCTION.

16          ~~27.~~ 30. "Purchaser" means a person purchasing a unit in good faith  
17 from a licensed dealer or broker for purposes other than resale.

18          ~~28.~~ 31. "Qualifying party" means a person who is an owner,  
19 employee, corporate officer or partner of the licensed business and who  
20 has active and direct supervision of and responsibility for all operations  
21 of that licensed business.

22          ~~29.~~ 32. "Reconstruction" means construction work performed for the  
23 purpose of restoration or modification of a unit by changing or adding  
24 structural components or electrical, plumbing or heat or air producing  
25 systems.

26          ~~30.~~ 33. "Recreational vehicle" means a vehicular type unit that  
27 is:

28           (a) A portable camping trailer mounted on wheels and constructed  
29 with collapsible partial sidewalls that fold for towing by another vehicle  
30 and unfold for camping.

31           (b) A motor home designed to provide temporary living quarters for  
32 recreational, camping or travel use and built on or permanently attached  
33 to a self-propelled motor vehicle chassis or on a chassis cab or van that  
34 is an integral part of the completed vehicle.

35           (c) A park trailer built on a single chassis, mounted on wheels and  
36 designed to be connected to utilities necessary for operation of installed  
37 fixtures and appliances and has a gross trailer area of not less than  
38 three hundred twenty square feet and not more than four hundred square  
39 feet when it is set up, except that it does not include fifth wheel  
40 trailers.

41           (d) A travel trailer mounted on wheels, designed to provide  
42 temporary living quarters for recreational, camping or travel use, of a  
43 size or weight that may or may not require special highway movement  
44 permits when towed by a motorized vehicle and has a trailer area of less  
45 than three hundred twenty square feet. This subdivision includes fifth

1 wheel trailers. If a unit requires a size or weight permit, it shall be  
2 manufactured to the standards for park trailers in a 119.5 of the American  
3 national standards institute code.

4 (e) A portable truck camper constructed to provide temporary living  
5 quarters for recreational, travel or camping use and consisting of a roof,  
6 floor and sides designed to be loaded onto and unloaded from the bed of a  
7 pickup truck.

8 34. "RESIDENTIAL" MEANS A BUILDING WITH A USE-OCCUPANCY  
9 CLASSIFICATION OF A SINGLE-FAMILY DWELLING OR AS GOVERNED BY THE  
10 INTERNATIONAL RESIDENTIAL CODE.

11 ~~31.~~ 35. "Salesperson" means any person who, for a salary,  
12 commission or compensation of any kind, is employed by or acts on behalf  
13 of any dealer or broker of manufactured homes, mobile homes or  
14 factory-built buildings to sell, exchange, buy, offer or attempt to  
15 negotiate or act as an agent for the sale or exchange of an interest in a  
16 manufactured home, mobile home or factory-built building.

17 ~~32.~~ 36. "Seller" means a natural person who enters into a listing  
18 agreement with a licensed dealer or broker for the purpose of resale.

19 ~~33.~~ 37. "Site development" means the development of an area for  
20 the installation of the unit's or units' locations, parking, surface  
21 drainage, driveways, on-site utility terminals and property lines at a  
22 proposed construction site or area.

23 ~~34.~~ 38. "Statutory agent" means a person who is on file with the  
24 corporation commission as the statutory agent.

25 ~~35.~~ 39. "Title transfer" means a true copy of the application for  
26 title transfer that is stamped or validated by the appropriate government  
27 agency.

28 ~~36.~~ 40. "Unit" means a manufactured home, mobile home,  
29 factory-built building or accessory structures.

30 ~~37.~~ 41. "Used unit" means any unit that is regulated by this  
31 chapter and that has been sold, bargained, exchanged or given away from a  
32 purchaser who first acquired the unit that was titled in the name of such  
33 purchaser.

34 ~~38.~~ 42. "Workmanship" means a minimum standard of construction or  
35 installation reflecting a journeyman quality of the work of the various  
36 trades.

37 Sec. 5. Title 41, chapter 12, article 2, Arizona Revised Statutes,  
38 is amended by adding section 41-1733, to read:

39 41-1733. Public safety interoperability fund

40 THE PUBLIC SAFETY INTEROPERABILITY FUND IS ESTABLISHED CONSISTING OF  
41 MONIES APPROPRIATED TO THE FUND BY THE LEGISLATURE. THE DEPARTMENT SHALL  
42 ADMINISTER THE FUND. THE FUND IS SUBJECT TO LEGISLATIVE APPROPRIATION.  
43 MONIES IN THE FUND MAY BE USED ONLY FOR INTEROPERABLE COMMUNICATION  
44 SYSTEMS.

1           Sec. 6. Title 43, chapter 3, article 1, Arizona Revised Statutes,  
2 is amended by adding section 43-312, to read:

3           43-312. Information return of sales; nonresident real estate  
4                                   transactions; escrow agents; reports

5           A. A PERSON LICENSED UNDER SECTION 6-813 TO CONDUCT ESCROW BUSINESS  
6 FOR THE PURCHASE AND SALE OF REAL PROPERTY LOCATED IN THIS STATE SHALL  
7 FILE AN INFORMATION RETURN OF SALES OF REAL PROPERTY LOCATED IN THIS STATE  
8 THAT ARE REPORTED PURSUANT TO FEDERAL REPORTING REQUIREMENTS UNDER SECTION  
9 6045(e) OF THE INTERNAL REVENUE CODE. THE PERSON SHALL FILE THE  
10 INFORMATION RETURN REQUIRED BY THIS SUBSECTION:

11           1. ON OR BEFORE THE THIRTY-FIRST DAY OF MARCH WITH RESPECT TO SALES  
12 OF REAL PROPERTY LOCATED IN THIS STATE THAT ARE CLOSED ON OR BEFORE  
13 DECEMBER 31 OF THE PRECEDING CALENDAR YEAR.

14           2. USING THE SAME FORM AND FORMAT OF THE RETURN FILED WITH THE  
15 INTERNAL REVENUE SERVICE UNDER SECTION 6045(e) OF THE INTERNAL REVENUE  
16 CODE.

17           B. ON OR BEFORE JUNE 30, 2020, THE DEPARTMENT SHALL REPORT TO THE  
18 JOINT LEGISLATIVE BUDGET COMMITTEE AND THE GOVERNOR'S OFFICE OF STRATEGIC  
19 PLANNING AND BUDGETING ON THE ESTIMATED AMOUNT OF CAPITAL GAINS TAX PAID  
20 BY NONRESIDENTS OF THIS STATE ON REAL ESTATE TRANSACTIONS IN THIS STATE  
21 FROM THE MOST RECENT YEAR BEFORE TAX YEAR 2019 BASED ON AVAILABLE DATA  
22 FROM THE INTERNAL REVENUE SERVICE. ON OR BEFORE JUNE 30 OF EACH YEAR, THE  
23 DEPARTMENT SHALL ESTIMATE AND REPORT TO THE JOINT LEGISLATIVE BUDGET  
24 COMMITTEE AND THE GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING ON  
25 THE AMOUNT OF REVENUE COLLECTED FROM THE SALE OF REAL ESTATE BY  
26 NONRESIDENTS THAT IS ATTRIBUTED TO THE INFORMATION RETURN PRESCRIBED BY  
27 THIS SECTION IN THE PRIOR TAX YEAR.

28           Sec. 7. Section 43-1147, Arizona Revised Statutes, as amended by  
29 Laws 2013, chapter 236, section 10, is amended to read:

30           43-1147. Situs of sales of other than tangible personal  
31                                   property; definitions

32           A. Except as provided by subsection B of this section, sales, other  
33 than sales of tangible personal property, are in this state if either of  
34 the following applies:

35           1. The income producing activity is performed in this state.

36           2. The income producing activity is performed both in and outside  
37 this state and a greater proportion of the income producing activity is  
38 performed in this state than in any other state, based on costs of  
39 performance.

40           B. For taxable years beginning from and after December 31, 2013, a  
41 multistate service provider may elect to treat sales from services as  
42 being in this state based on a combination of income producing activity  
43 sales and market sales. If the election under this subsection is made  
44 pursuant to subsection C of this section, the sales of services that are

1 in this state shall be determined for taxable years beginning from and  
2 after:

3 1. December 31, 2013 through December 31, 2014 by the sum of the  
4 following:

5 (a) Eighty-five ~~per cent~~ PERCENT of the market sales.

6 (b) Fifteen ~~per cent~~ PERCENT of the income producing activity  
7 sales.

8 2. December 31, 2014 through December 31, 2015 by the sum of the  
9 following:

10 (a) Ninety ~~per cent~~ PERCENT of the market sales.

11 (b) Ten ~~per cent~~ PERCENT of the income producing activity sales.

12 3. December 31, 2015 through December 31, 2016 by the sum of the  
13 following:

14 (a) Ninety-five ~~per cent~~ PERCENT of the market sales.

15 (b) Five ~~per cent~~ PERCENT of the income producing activity sales.

16 4. December 31, 2016 by one hundred ~~per cent~~ PERCENT of the market  
17 sales.

18 C. A multistate service provider may elect to treat sales from  
19 services as being in this state under subsection B of this section as  
20 follows:

21 1. The election must be made on the taxpayer's timely filed  
22 original income tax return. The election is:

23 (a) Effective retroactively for the full taxable year of the income  
24 tax return on which the election is made.

25 (b) Binding on the taxpayer for at least five consecutive taxable  
26 years, regardless of whether the taxpayer no longer meets the percentage  
27 threshold of a multistate service provider during that time period, except  
28 as provided by paragraph 2 of this subsection. To continue with the  
29 election after ~~the~~ five consecutive taxable years, the taxpayer must meet  
30 the qualifications to be considered a multistate service provider and  
31 renew the election for another five consecutive taxable years.

32 2. During the election period, the election may be terminated as  
33 follows:

34 (a) Without the permission of the department on the acquisition or  
35 merger of the taxpayer.

36 (b) With the permission of the department before the expiration of  
37 five consecutive taxable years.

38 D. For a multistate service provider under subsection E, paragraph  
39 3, subdivision (b) of this section, an election under subsection B of this  
40 section is limited to the treatment of sales for educational services.  
41 FOR A MULTISTATE SERVICE PROVIDER UNDER SUBSECTION E, PARAGRAPH 3,  
42 SUBDIVISION (c) OF THIS SECTION, AN ELECTION UNDER SUBSECTION B OF THIS  
43 SECTION IS LIMITED TO THE TREATMENT OF SALES FOR SUPPORT SERVICES, THE  
44 PAYMENT FOR WHICH IS A PERCENTAGE OF THE SALES FOR EDUCATIONAL SERVICES  
45 GENERATED BY A REGIONALLY ACCREDITED INSTITUTION OF HIGHER EDUCATION.

- 1 E. For the purposes of this section:
- 2 1. "Income producing activity sales" means the total sales from
- 3 services that are sales in this state under subsection A of this section.
- 4 2. "Market sales" means the total sales from services for which the
- 5 purchaser received the benefit of the service in this state.
- 6 3. "Multistate service provider" means ~~either~~ ANY OF THE FOLLOWING:
- 7 (a) A taxpayer that derives more than ~~eighty-five percent~~ PERCENT
- 8 of its sales from services provided to purchasers who receive the benefit
- 9 of the service outside this state in the taxable year of election, and
- 10 includes all taxpayers required to file a combined report pursuant to
- 11 section 43-942 and all members of an affiliated group included in a
- 12 consolidated return pursuant to section 43-947. In calculating the
- 13 eighty-five ~~percent~~ PERCENT, sales to students receiving educational
- 14 services at campuses physically located in this state shall be excluded
- 15 from the calculation.
- 16 (b) A taxpayer that is a regionally accredited institution of
- 17 higher education with at least one university campus in this state that
- 18 has more than two thousand students residing on the campus, and includes
- 19 all taxpayers required to file a combined report pursuant to section
- 20 43-942 and all members of an affiliated group included in a consolidated
- 21 return pursuant to section 43-947.
- 22 (c) A TAXPAYER THAT HAS MORE THAN TWO THOUSAND EMPLOYEES IN THIS
- 23 STATE AND THAT DERIVES MORE THAN EIGHTY-FIVE PERCENT OF ITS SALES FROM
- 24 SUPPORT SERVICES PROVIDED TO A REGIONALLY ACCREDITED INSTITUTION OF HIGHER
- 25 EDUCATION, AND INCLUDES ALL TAXPAYERS REQUIRED TO FILE A COMBINED REPORT
- 26 PURSUANT TO SECTION 43-942 AND ALL MEMBERS OF AN AFFILIATED GROUP INCLUDED
- 27 IN A CONSOLIDATED RETURN PURSUANT TO SECTION 43-947.
- 28 4. "Received the benefit of the service in this state" means the
- 29 services are received by the purchaser in this state. If the state where
- 30 the services are received cannot be readily determined, the services are
- 31 considered to be received at the home of the customer or, in the case of a
- 32 business, the office of the customer from which the services were ordered
- 33 in the regular course of the customer's trade or business. If the
- 34 ordering location cannot be determined, the services are considered to be
- 35 received at the home or office of the customer to which the services were
- 36 billed. IN THE CASE OF A MULTISTATE SERVICE PROVIDER UNDER PARAGRAPH 3,
- 37 SUBDIVISION (c) OF THIS SUBSECTION, THE BENEFIT OF SUPPORT SERVICES SHALL
- 38 BE DEEMED RECEIVED AT THE BILLING ADDRESS OF THE STUDENT TO WHICH THE
- 39 SERVICES RELATE.
- 40 5. "Sales for educational services" means tuition and fees required
- 41 for enrollment and fees required for courses of instruction, transcripts
- 42 and graduation.



1 the qualifications to be considered a multistate service provider and  
2 renew the election for another five consecutive taxable years.

3 2. During the election period, the election may be terminated as  
4 follows:

5 (a) Without the permission of the department on the acquisition or  
6 merger of the taxpayer.

7 (b) With the permission of the department before the expiration of  
8 five consecutive taxable years.

9 D. For a multistate service provider under subsection E, paragraph  
10 3, subdivision (b) of this section, an election under subsection B of this  
11 section is limited to the treatment of sales for educational services.  
12 FOR A MULTISTATE SERVICE PROVIDER UNDER SUBSECTION E, PARAGRAPH 3,  
13 SUBDIVISION (c) OF THIS SECTION, AN ELECTION UNDER SUBSECTION B OF THIS  
14 SECTION IS LIMITED TO THE TREATMENT OF SALES FOR SUPPORT SERVICES, THE  
15 PAYMENT FOR WHICH IS A PERCENTAGE OF THE SALES FOR EDUCATIONAL SERVICES  
16 GENERATED BY A REGIONALLY ACCREDITED INSTITUTION OF HIGHER EDUCATION.

17 E. For the purposes of this section:

18 1. "Income-producing activity sales" means the total sales from  
19 services that are sales in this state under subsection A of this section.

20 2. "Market sales" means the total sales from services for which the  
21 purchaser received the benefit of the service in this state.

22 3. "Multistate service provider" means ~~either~~ ANY OF THE FOLLOWING:

23 (a) A taxpayer that derives more than eighty-five percent of its  
24 sales from services or sales from intangibles provided to purchasers who  
25 receive the benefit of the service outside this state in the taxable year  
26 of election, and includes all taxpayers required to file a combined report  
27 pursuant to section 43-942 and all members of an affiliated group included  
28 in a consolidated return pursuant to section 43-947. In calculating the  
29 eighty-five percent, sales to students receiving educational services at  
30 campuses physically located in this state shall be excluded from the  
31 calculation. For the purposes of this subdivision, "sales from  
32 intangibles" means sales derived from credit and charge card receivables,  
33 including fees, merchant discounts, interchanges, interest and related  
34 revenue.

35 (b) A taxpayer that is a regionally accredited institution of  
36 higher education with at least one university campus in this state that  
37 has more than two thousand students residing on the campus, and includes  
38 all taxpayers required to file a combined report pursuant to section  
39 43-942 and all members of an affiliated group included in a consolidated  
40 return pursuant to section 43-947.

41 (c) A TAXPAYER THAT HAS MORE THAN TWO THOUSAND EMPLOYEES IN THIS  
42 STATE AND THAT DERIVES MORE THAN EIGHTY-FIVE PERCENT OF ITS SALES FROM  
43 SUPPORT SERVICES PROVIDED TO A REGIONALLY ACCREDITED INSTITUTION OF HIGHER  
44 EDUCATION, AND INCLUDES ALL TAXPAYERS REQUIRED TO FILE A COMBINED REPORT

1 PURSUANT TO SECTION 43-942 AND ALL MEMBERS OF AN AFFILIATED GROUP INCLUDED  
2 IN A CONSOLIDATED RETURN PURSUANT TO SECTION 43-947.

3 4. "Received the benefit of the service in this state" means the  
4 services are received by the purchaser in this state. If the state where  
5 the services are received cannot be readily determined, the services are  
6 considered to be received at the home of the customer or, in the case of a  
7 business, the office of the customer from which the services were ordered  
8 in the regular course of the customer's trade or business. If the  
9 ordering location cannot be determined, the services are considered to be  
10 received at the home or office of the customer to which the services were  
11 billed. IN THE CASE OF A MULTISTATE SERVICE PROVIDER UNDER PARAGRAPH 3,  
12 SUBDIVISION (c) OF THIS SUBSECTION, THE BENEFIT OF SUPPORT SERVICES SHALL  
13 BE DEEMED RECEIVED AT THE BILLING ADDRESS OF THE STUDENT TO WHICH THE  
14 SERVICES RELATE.

15 5. "Sales for educational services" means tuition and fees required  
16 for enrollment and fees required for courses of instruction, transcripts  
17 and graduation.

18 Sec. 9. Department of gaming; regulatory assessment;  
19 pari-mutuel pool

20 Notwithstanding any other law, in fiscal year 2019-2020, the  
21 department of gaming shall establish and collect a regulatory assessment  
22 from each commercial racing permittee, payable from amounts deducted from  
23 pari-mutuel pools by the permittee, in addition to the amounts the  
24 permittee is authorized to deduct pursuant to section 5-111, subsection B,  
25 Arizona Revised Statutes, from amounts wagered on live and simulcast races  
26 from in-state and out-of-state wagering handled by the permittee, in the  
27 amount of 0.5 percent of the amounts wagered.

28 Sec. 10. Department of insurance; fee and assessment  
29 adjustment suspension

30 Notwithstanding section 20-167, subsection E, Arizona Revised  
31 Statutes, and section 20-466, subsection J, Arizona Revised Statutes, the  
32 director of insurance may not revise fees or assessments in fiscal year  
33 2019-2020 for the purpose of meeting the requirement to recover at least  
34 ninety-five percent but not more than one hundred ten percent of the  
35 department of insurance's appropriated budget.

36 Sec. 11. Agricultural fees; continuation; intent; rulemaking  
37 exemption

38 A. Notwithstanding any other law, the director of the Arizona  
39 department of agriculture, with the assistance of the department of  
40 agriculture advisory council, may continue, increase or lower existing  
41 fees from fiscal years 2017-2018 and 2018-2019 in fiscal year 2019-2020  
42 for services provided in fiscal year 2019-2020.

1 B. The legislature intends that the additional revenue generated by  
2 the fees prescribed in subsection A of this section not exceed \$218,000 to  
3 the state general fund, \$113,000 to the pesticide trust fund established  
4 by section 3-350, Arizona Revised Statutes, and \$26,000 to the dangerous  
5 plants, pests and diseases trust fund established by section 3-214.01,  
6 Arizona Revised Statutes, in fiscal year 2019-2020.

7 C. The Arizona department of agriculture is exempt from the  
8 rulemaking requirements of title 41, chapter 6, Arizona Revised Statutes,  
9 until July 1, 2020 for the purpose of establishing fees pursuant to this  
10 section.

11 Sec. 12. County fiscal obligations; report

12 A. Notwithstanding any other law, for fiscal year 2019-2020, a  
13 county with a population of less than two hundred fifty thousand persons  
14 according to the 2010 United States decennial census may meet any county  
15 fiscal obligation from any source of county revenue designated by the  
16 county, including monies of any countywide special taxing jurisdiction of  
17 which the board of supervisors serves as the board of directors. Under  
18 the authority provided in this subsection, a county may not use more than  
19 \$1,250,000 for purposes other than the purposes of the revenue source.

20 B. On or before October 1, 2019, all counties with a population of  
21 less than two hundred fifty thousand persons according to the 2010 United  
22 States decennial census shall report to the director of the joint  
23 legislative budget committee whether the county used a revenue source for  
24 purposes other than the purposes of the revenue source to meet a county  
25 fiscal obligation pursuant to subsection A of this section and, if so, the  
26 specific source and amount of revenues that the county intends to use in  
27 fiscal year 2019-2020.

28 Sec. 13. Legislative intent

29 The legislature intends that in fiscal year 2019-2020 the fee  
30 prescribed in section 42-5041, subsection B, Arizona Revised Statutes, be  
31 assessed and collected pursuant to the following guidelines:

32 1. The total amount of fees for all counties, cities, towns,  
33 councils of governments and regional transportation authorities may not  
34 exceed \$20,755,835 in any fiscal year.

35 2. The share of fees assessed to all counties pursuant to paragraph  
36 1 of this section shall be in proportion to the aggregate amount of monies  
37 distributed to counties for the fiscal year two years preceding the  
38 current fiscal year pursuant to sections 42-5029, 42-6103, 42-6107,  
39 42-6108, 42-6108.01, 42-6109, 42-6109.01, 42-6110, 42-6111 and 42-6112,  
40 Arizona Revised Statutes, as a percentage of aggregate distributions to  
41 all counties, cities, towns, councils of governments and regional  
42 transportation authorities located in a county with a population of more  
43 than four hundred thousand persons for the fiscal year two years preceding  
44 the current fiscal year pursuant to sections 42-5029, 42-6001, 42-6103,

1 42-6105, 42-6106, 42-6107, 42-6108, 42-6108.01, 42-6109, 42-6109.01,  
2 42-6110, 42-6111, 42-6112 and 43-206, Arizona Revised Statutes.

3 3. The share of fees assessed to all cities and towns pursuant to  
4 paragraph 1 of this section shall be in proportion to the aggregate amount  
5 of monies distributed to cities and towns for the fiscal year two years  
6 preceding the current fiscal year pursuant to sections 42-5029, 42-6001  
7 and 43-206, Arizona Revised Statutes, as a percentage of aggregate  
8 distributions to all counties, cities, towns, councils of governments and  
9 regional transportation authorities located in a county with a population  
10 of more than four hundred thousand persons for the fiscal year two years  
11 preceding the current fiscal year pursuant to sections 42-5029, 42-6001,  
12 42-6103, 42-6105, 42-6106, 42-6107, 42-6108, 42-6108.01, 42-6109,  
13 42-6109.01, 42-6110, 42-6111, 42-6112 and 43-206, Arizona Revised  
14 Statutes.

15 4. The share of fees assessed to all councils of governments  
16 pursuant to paragraph 1 of this section shall be in proportion to the  
17 aggregate amount of monies distributed to all councils of governments for  
18 the fiscal year two years preceding the current fiscal year pursuant to  
19 section 42-6105, Arizona Revised Statutes, as a percentage of aggregate  
20 distributions to all counties, cities, towns, councils of governments and  
21 regional transportation authorities located in a county with a population  
22 of more than four hundred thousand persons for the fiscal year two years  
23 preceding the current fiscal year pursuant to sections 42-5029, 42-6001,  
24 42-6103, 42-6105, 42-6106, 42-6107, 42-6108, 42-6108.01, 42-6109,  
25 42-6109.01, 42-6110, 42-6111, 42-6112 and 43-206, Arizona Revised  
26 Statutes.

27 5. The share of fees assessed to all regional transportation  
28 authorities located in a county with a population of more than four  
29 hundred thousand persons pursuant to paragraph 1 of this section shall be  
30 in proportion to the aggregate amount of monies distributed to all  
31 regional transportation authorities located in a county with a population  
32 of more than four hundred thousand persons for the fiscal year two years  
33 preceding the current fiscal year pursuant to section 42-6106, Arizona  
34 Revised Statutes, as a percentage of aggregate distributions to all  
35 counties, cities, towns, councils of governments and regional  
36 transportation authorities located in a county with a population of more  
37 than four hundred thousand persons for the fiscal year two years preceding  
38 the current fiscal year pursuant to sections 42-5029, 42-6001, 42-6103,  
39 42-6105, 42-6106, 42-6107, 42-6108, 42-6108.01, 42-6109, 42-6109.01,  
40 42-6110, 42-6111, 42-6112 and 43-206, Arizona Revised Statutes.

41 6. Except as provided by sections 42-5033 and 42-5033.01, Arizona  
42 Revised Statutes, the population of a county as determined by the most  
43 recent United States decennial census plus any revision to the decennial  
44 census certified by the United States census bureau shall be used as the  
45 basis for apportioning monies pursuant to paragraph 2 of this section.

1           7. Except as provided by sections 42-5033 and 42-5033.01, Arizona  
2 Revised Statutes, the population of a city or town as determined by the  
3 most recent United States decennial census plus any revision to the  
4 decennial census certified by the United States census bureau shall be  
5 used as the basis for apportioning monies pursuant to paragraph 3 of this  
6 section.

7           Sec. 14. Retroactivity

8           Section 43-1147, Arizona Revised Statutes, as amended by Laws 2013,  
9 chapter 236, section 10 and this act, applies retroactively to from and  
10 after December 31, 2018.

11           Sec. 15. Effective date

12           Section 43-1147, Arizona Revised Statutes, as amended by Laws 2018,  
13 chapter 106, section 1 and this act, is effective from and after December  
14 31, 2019.

APPROVED BY THE GOVERNOR MAY 31, 2019.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 31, 2019.

**2019**  
**BOARD MEETING**  
**SCHEDULE**



# 2019 OMH BOARD MEETING SCHEDULE



All meetings are tentatively scheduled the 3<sup>rd</sup> Wednesday of each calendar quarter, beginning at 1:00 p.m.

*Date and time is subject to change at the discretion of the Chairman of the Board.*

- **January 16, 2019**
- **April 17, 2019 (Teleconference)**
  - ~~**July 17, 2019**~~

**Rescheduled to July 25, 2019**  
**(Teleconference)**

- **August 28, 2019**
- **October 16, 2019**