

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1623

(Reference to Senate engrossed bill)

1 Strike everything after the enacting clause and insert:

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

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

6 A. The commission shall:

7 1. Issue racing dates.

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

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

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

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

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

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

12 D. The department shall employ the services of the office of
13 administrative hearings to conduct hearings on matters requested to be heard
14 by the director or the commission for the department except for those
15 rehearings that are required by the terms of this chapter to be conducted by
16 the commission. Any person adversely affected by a decision of a steward or
17 by any other decision of the department may request a hearing on such
18 decision. The decision of the administrative law judge becomes the decision
19 of the director unless rejected or modified by the director within thirty
20 days. The commission may hear any appeal of a decision of the director in
21 accordance with title 41, chapter 6, article 10.

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

27 F. The department shall ESTABLISH AND collect the FOLLOWING LICENSING
28 fees ~~payable for a license issued by it, as follows~~ AND REGULATORY
29 ASSESSMENTS, WHICH SHALL NOT BE REDUCED FOR HARDSHIP TAX CREDITS PURSUANT TO
30 SECTION 5-111, SUBSECTION I OR FOR CAPITAL IMPROVEMENTS PURSUANT TO SECTION
31 5-111.02 OR 5-111.03:

32 ~~1. Occupational licenses, up to fifty dollars.~~

1 ~~2. Owner, trainer, veterinarian, authorized agent, officials,~~
2 ~~assistant trainer, stable name renewal or kennel name renewal, up to~~
3 ~~seventy-five dollars.~~

4 ~~3. Owner-trainer, driver, jockey, jockey agent or apprentice jockey,~~
5 ~~up to one hundred fifty dollars.~~

6 ~~4. New stable name or new kennel name, up to five hundred dollars.~~

7 ~~5. Duplicate license, up to five dollars.~~

8 ~~6. Temporary license, up to fifty dollars.~~

9 ~~7. If not licensed pursuant to paragraph 9 of this subsection with a~~
10 ~~combination license, greyhound racing kennels, up to one hundred dollars.~~

11 ~~8. If not licensed pursuant to paragraph 9 of this subsection with a~~
12 ~~combination license, farms or other operations where greyhounds are raised~~
13 ~~for the purpose of dog racing, up to one hundred dollars.~~

14 ~~9. Any combination of greyhound racing kennels, farms or other~~
15 ~~operations where greyhounds are raised for the purpose of dog racing, up to~~
16 ~~one hundred dollars.~~

17 1. FOR EACH RACING LICENSE ISSUED, A FEE ESTABLISHED BY THE
18 DEPARTMENT.

19 2. FROM THE PURSE ACCOUNTS PROVIDED FOR IN SECTION 5-111, A REGULATORY
20 ASSESSMENT TO PAY FOR RACING ANIMAL MEDICATION TESTING, ANIMAL SAFETY AND
21 WELFARE.

22 3. FROM EACH PERMITTEE, A REGULATORY ASSESSMENT FOR EACH DAY OF DARK
23 DAY SIMULCASTING CONDUCTED IN EXCESS OF THE NUMBER OF LIVE RACING DAYS
24 CONDUCTED BY THE PERMITTEE.

25 4. FROM EACH COMMERCIAL RACING PERMITTEE, A REGULATORY ASSESSMENT
26 PAYABLE FROM AMOUNTS DEDUCTED FROM PARI-MUTUEL POOLS BY THE PERMITTEE, IN
27 ADDITION TO THE AMOUNTS THE PERMITTEE IS AUTHORIZED TO DEDUCT PURSUANT TO
28 SECTION 5-111, SUBSECTION C FROM AMOUNTS WAGERED ON LIVE AND SIMULCAST RACES
29 FROM IN-STATE AND OUT-OF-STATE WAGERING HANDLED BY THE PERMITTEE.

30 G. The commission shall establish financial assistance procedures for
31 promoting adoption of racing greyhounds as domestic pets and for promoting
32 adoption of retired racehorses. The provision of financial assistance to

1 nonprofit enterprises for the purpose of promoting adoption of racing
2 greyhounds as domestic pets and for the purpose of promoting adoption of
3 retired racehorses is contingent on a finding by the commission that the
4 program presented by the enterprise is in the best interest of the racing
5 industry and this state. Upon a finding by the commission, the commission is
6 authorized to make grants to nonprofit enterprises whose programs promote
7 adoption of racing greyhounds or adoption of retired racehorses. The
8 commission shall develop an application process. The commission shall
9 require an enterprise to report to the commission on the use of grants under
10 this subsection. Financial assistance for nonprofit enterprises for the
11 purpose of promoting adoption of racing greyhounds as domestic pets under
12 this subsection shall not exceed the amount collected for license fees under
13 subsection F, ~~paragraphs 7, 8 and 9~~ of this section **FOR GREYHOUND RACING**
14 **KENNELS, FARMS OR OTHER OPERATIONS WHERE GREYHOUNDS ARE RAISED FOR THE**
15 **PURPOSE OF DOG RACING.** Financial assistance for nonprofit enterprises that
16 promote adoption of retired racehorses under this subsection shall not exceed
17 the amount of retired racehorse adoption surcharges collected pursuant to
18 this subsection. The commission shall collect a retired racehorse adoption
19 surcharge in addition to each civil penalty assessed in connection with horse
20 or harness racing pursuant to this article. The amount of the retired
21 racehorse adoption surcharge shall be five per cent of the amount collected
22 for each applicable civil penalty.

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

28 I. Upon application in writing by an objector to any decision of track
29 stewards, made within three days after the official notification to the
30 objector of the decision complained of, the department or administrative law
31 judge shall review the objection. In the case of a suspension of a license
32 by the track stewards, such suspension shall commence at once and run for a

1 period of not more than sixty days. Before the end of this suspension
2 period, filing an application for review is not cause for reinstatement. If
3 at the end of this suspension period the department or administrative law
4 judge has not held a hearing to review the decision of the stewards, the
5 suspended license shall be reinstated until such time as the department or
6 administrative law judge holds a hearing to review the objection. Except as
7 provided in section 41-1092.08, subsection H, a final decision of the
8 commission is subject to judicial review pursuant to title 12, chapter 7,
9 article 6.

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

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

19 L. The commission shall adopt rules which require permittees to retain
20 for three months all official race photographs and videotapes. The
21 department shall retain all such photographs and videotapes which are used as
22 evidence in an administrative proceeding until the conclusion of the
23 proceeding and any subsequent judicial proceeding. All photographs and
24 videotapes must be available to the public on request, including photographs
25 and videotapes of races concerning which an objection is made, regardless of
26 whether the objection is allowed or disallowed.

27 M. The director may establish a management review section for the
28 development, implementation and operation of a system of management reports
29 and controls in major areas of department operations, including licensing,
30 work load management and staffing, and enforcement of the provisions of this
31 article and the rules of the commission.

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

12 O. The director shall develop and require department staff to use
13 uniform procedural manuals in the issuance of any license or permit under
14 this article and in the enforcement of this article and the rules adopted
15 under this article.

16 P. The director shall submit an annual report containing such
17 operational and economic performance information as is necessary to evaluate
18 the department's budget request for the forthcoming fiscal year to the
19 governor, the speaker of the house of representatives, the president of the
20 senate and the Arizona state library, archives and public records no later
21 than September 30 each year. The annual report shall be for the preceding
22 fiscal year and contain such performance information as:

23 1. The total state revenues for the previous fiscal year from the
24 overall pari-mutuel handle with an itemization for each dog racing meeting,
25 each horse racing meeting, each harness racing meeting and each additional
26 wagering facility.

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

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

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

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

5 6. The department budget for the immediately preceding three fiscal
6 years, including the number of full-time, part-time, temporary and contract
7 employees, a statement of budget needs for the forthcoming fiscal year and a
8 statement of the minimum staff necessary to accomplish these objectives.

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

11 8. Recommendations for increasing state revenues from the regulation
12 of the racing industry while maintaining the financial health of the industry
13 and protecting the public interest.

14 Q. The commission may certify animals as Arizona bred or as Arizona
15 stallions. The commission may delegate this authority to a breeders'
16 association it contracts with for these purposes. The commission may
17 authorize the association, racing organization or department to charge and
18 collect a reasonable fee to cover the cost of breeding or ownership
19 certification or transfer of ownership for racing purposes.

20 R. The department has responsibility for the collection and accounting
21 of revenues for the state boxing and mixed martial arts commission including,
22 but not limited to, licensing fees required by section 5-230, the levy of the
23 tax on gross receipts imposed by section 5-104.02 and cash deposited pursuant
24 to section 5-229. All revenues collected pursuant to this subsection, from
25 whatever source, shall be reported and deposited pursuant to section
26 5-104.02, subsection C, **EXCEPT THAT LICENSING FEES REQUIRED BY SECTION 5-230**
27 **SHALL BE DEPOSITED IN THE RACING REGULATION FUND ESTABLISHED BY SECTION**
28 **5-113.01.** The director shall adopt rules as necessary to accomplish the
29 purposes of this subsection and chapter 2, article 2 of this title.

30 S. The commission may obtain the services of the office of
31 administrative hearings on any matter which the commission is empowered to
32 hear.

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

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

6 5-104.02. Levy of tax on gross receipts; disposition;
7 verification and financial audit; definition

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

13 B. The department shall verify the gross receipts of a contest. The
14 director may require a person or corporation licensed under chapter 2,
15 article 2 of this title to supply a certified financial audit to the
16 department. The director shall adopt rules that require each person or
17 corporation licensed under chapter 2, article 2 of this title to select a
18 certified public accountant to conduct the financial audit. The financial
19 statements prepared pursuant to this section shall be prepared in accordance
20 with generally accepted accounting principles and shall include any
21 additional schedules the director may require. A person subject to a
22 financial audit under this section shall afford reasonable and needed
23 facilities and make returns and exhibits to the department in the form and at
24 the time prescribed by the director.

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

30 D. A promoter may issue complimentary tickets that are exempt from
31 taxation pursuant to this title. If a promoter issues complimentary tickets,

1 the exemption from taxation applies to two per cent of the total number of
2 tickets issued for the event or seventy-five tickets, whichever is greater.

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

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

6 5-113. Disposition of revenues and monies; funds; committee

7 A. EXCEPT AS PROVIDED IN SECTION 5-113.01, all revenues derived from
8 permittees, permits and licenses as provided by this article shall be
9 deposited, pursuant to sections 35-146 and 35-147, in the state general fund.

10 B. The Arizona county fairs racing betterment fund is established
11 under the jurisdiction of the department. The department shall distribute
12 monies from the fund to the county fair association or county fair racing
13 association of each county conducting a county fair racing meeting in such
14 proportion as the department deems necessary for the promotion and betterment
15 of county fair racing meetings. All expenditures from the fund shall be made
16 upon claims approved by the department. In order to be eligible for
17 distributions from the fund, a county fair association must provide the
18 department with an annual certification in the form required by the
19 department supporting expenditures made from the fund. Balances remaining in
20 the fund at the end of a fiscal year do not revert to the state general fund.

21 C. The county fairs livestock and agriculture promotion fund is
22 established under the control of the governor and shall be used for the
23 purpose of promoting the livestock and agricultural resources of the state
24 and for the purpose of conducting an annual Arizona national livestock fair
25 by the Arizona exposition and state fair board to further promote livestock
26 resources. The direct expenses less receipts of the livestock fair shall be
27 paid from this fund, but such payment shall not exceed thirty per cent of the
28 receipts of the fund for the preceding fiscal year. Balances remaining in
29 the fund at the end of a fiscal year do not revert to the state general fund.
30 All expenditures from the fund shall be made upon claims approved by the
31 governor, as recommended by the livestock and agriculture committee, for the
32 promotion and betterment of the livestock and agricultural resources of this

1 state. The livestock and agriculture committee is established and shall be
2 composed of the following members, at least three of whom are from counties
3 that have a population of less than five hundred thousand persons, appointed
4 by the governor:

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

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

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

20 F. The Arizona breeders' award fund is established under the
21 jurisdiction of the department. The department shall distribute monies from
22 the fund to the breeder, or the breeder's heirs, devisees or successors, of
23 every winning horse or greyhound foaled or whelped in this state, as defined
24 by section 5-114, in a manner and in an amount established by rules of the
25 commission to protect the integrity of the racing industry and promote,
26 improve and advance the quality of race horse and greyhound breeding within
27 this state. The department may contract with a breeders' association to
28 provide data, statistics and other information necessary to enable the
29 department to carry out the purposes of this subsection. Persons who are not
30 eligible to be licensed under section 5-107.01 or persons who have been
31 refused licenses under section 5-108 are not eligible to participate in the
32 Arizona greyhound breeders' award fund. Balances remaining in the fund at

1 the end of a fiscal year do not revert to the state general fund. For the
2 purposes of this subsection, "breeder" means the owner or lessee of the dam
3 of the animal at the time the animal was foaled or whelped.

4 G. The Arizona stallion award fund is established under the
5 jurisdiction of the department to promote, improve and advance the quality of
6 stallions in this state. The department shall distribute monies from the
7 fund to the owner or lessee, or the owner's or lessee's heirs, devisees or
8 successors, of every Arizona stallion whose certified Arizona bred offspring,
9 as prescribed in section 5-114, finishes first, second or third in an
10 eligible race in this state. The department may contract with a breeders'
11 association to provide data, statistics and other information necessary to
12 enable the department to carry out the purposes of this subsection. Balances
13 remaining in the fund at the end of a fiscal year do not revert to the state
14 general fund. The commission shall adopt rules pursuant to title 41, chapter
15 6 to carry out the purposes of this subsection. The rules shall prescribe at
16 a minimum:

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

19 2. Subject to availability of monies in the fund, the amount to be
20 awarded.

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

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

25 H. The greyhound and retired racehorse adoption fund is established.
26 The department shall administer the fund and maintain separate accounts for
27 greyhound adoptions and retired racehorse adoptions. All revenues derived
28 from license fees collected from dog breeders, racing kennels and other
29 operations **WHERE GREYHOUNDS ARE RAISED FOR THE PURPOSE OF DOG RACING** pursuant
30 to section 5-104, subsection F, ~~paragraphs 7, 8 and 9~~ shall be deposited,
31 pursuant to sections 35-146 and 35-147, in the greyhound adoption account of
32 the fund. All revenues derived from retired racehorse adoption surcharges

1 collected pursuant to section 5-104, subsection G shall be deposited,
2 pursuant to sections 35-146 and 35-147, in the retired racehorse adoption
3 account of the fund. The department shall distribute monies from the fund to
4 provide financial assistance to nonprofit enterprises approved by the
5 commission to promote the adoption of former racing greyhounds as domestic
6 pets and to promote the adoption of retired racehorses pursuant to section
7 5-104, subsection G in a manner and in an amount established by rules of the
8 commission. Balances remaining in the fund at the end of a fiscal year do
9 not revert to the state general fund.

10 I. The county fair racing fund is established. The department shall
11 administer the fund. Monies in the fund are continuously appropriated. The
12 department shall use fund monies for the administration of county fair
13 racing. Any monies remaining unexpended in the fund at the end of the fiscal
14 year in excess of seventy-five thousand dollars shall revert to the state
15 general fund.

16 J. The agricultural consulting and training fund is established. The
17 Arizona department of agriculture shall administer the fund. Monies in the
18 fund are continuously appropriated. The Arizona department of agriculture
19 shall use monies in the fund for the agricultural consulting and training
20 program established by section 3-109.01. Balances remaining in the fund at
21 the end of a fiscal year do not revert to the state general fund.

22 Sec. 4. Title 5, chapter 1, article 1, Arizona Revised Statutes, is
23 amended by adding section 5-113.01, to read:

24 5-113.01. Racing regulation fund

25 THE RACING REGULATION FUND IS ESTABLISHED. ALL REVENUES DERIVED FROM
26 PERMITTEES, PERMITS AND LICENSES PURSUANT TO SECTION 5-104, SUBSECTION F AND
27 SECTION 5-230 SHALL BE DEPOSITED, PURSUANT TO SECTIONS 35-146 AND 35-147, IN
28 THE RACING REGULATION FUND. THE DEPARTMENT SHALL ADMINISTER THE RACING
29 REGULATION FUND. MONIES IN THE RACING REGULATION FUND ARE SUBJECT TO
30 LEGISLATIVE APPROPRIATION TO THE DEPARTMENT TO BE USED BY THE DEPARTMENT TO
31 SUPPORT THE MISSION OF THE DEPARTMENT. THE RACING REGULATION FUND IS EXEMPT
32 FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

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

2 5-230. License fees; expiration; renewal

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

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

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

9 3. ~~Managers, fifty dollars.~~

10 4. ~~Judges, referees, announcers and ringside physicians, twenty five~~
11 ~~dollars.~~

12 5. ~~Timekeepers, boxers, boxers' trainers and boxers' seconds, ten~~
13 ~~dollars.~~

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

16 7. ~~Officer, director or other person affiliated with a corporation,~~
17 ~~fifty dollars.~~

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

29 Sec. 6. Laws 2009, chapter 1, section 9 is amended to read:

30 Sec. 9. Appropriations; purpose

31 A. **IF THE TRANSFER FROM THE ARIZONA PROPERTY AND CASUALTY INSURANCE**
32 **GUARANTY FUND TO THE STATE GENERAL FUND OCCURS PURSUANT TO LAWS 2009, FIRST**

1 SPECIAL SESSION, CHAPTER 1, SECTION 4, AS AMENDED BY LAWS 2009, CHAPTER 1,
2 SECTION 3, the sum of \$4,659,666 is appropriated from the state general fund
3 to the Arizona property and casualty insurance guaranty fund established by
4 section 20-662, Arizona Revised Statutes, in each of fiscal years 2011-2012,
5 2012-2013 and 2013-2014.

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

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

15 Sec. 7. Department of insurance; fee and assessment adjustment
16 suspension

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

23 Sec. 8. Registrar of contractors; residential contractors'
24 recovery fund; contracted services, equipment and
25 operational costs; fiscal year 2011-2012

26 Notwithstanding section 32-1134, subsection A, paragraph 5, Arizona
27 Revised Statutes, the registrar of contractors shall employ or contract with
28 individuals and procure equipment and operational support, to be paid from or
29 purchased with monies in the residential contractors' recovery fund, but not
30 to exceed in fiscal year 2011-2012 fourteen per cent of the total amount
31 deposited in the fund in fiscal year 2010-2011, as may be necessary to

1 monitor, process or oppose claims filed by injured persons that may result in
2 collection from the fund.

3 Sec. 9. Office of administrative hearings; prompt hearings

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

9 Sec. 10. Racing and boxing fees; increases; exemption from rule
10 making

11 A. It is the intent of the legislature that fees be in amounts
12 sufficient to support the mission of the department of racing and that the
13 additional revenue generated by any fee increases pursuant to sections 5-104
14 and 5-230, Arizona Revised Statutes, as amended by this act, shall not exceed
15 \$1,042,000 in fiscal year 2011-2012 and \$2,062,000 beginning in fiscal year
16 2012-2013.

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

21 Amend title to conform

JOHN KAVANAGH

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03/28/2011
6:09 PM
C: meb