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## NOTICES OF FINAL RULEMAKING

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This section of the *Arizona Administrative Register* contains Notices of Final Rulemaking. Final rules have been through the regular rulemaking process as defined in the Administrative Procedures Act. These rules were either approved by the Governor's Regulatory Review Council or the Attorney General's Office. Certificates of Approval are on file with the Office.

The final published notice includes a preamble and

text of the rules as filed by the agency. Economic Impact Statements are not published.

The Office of the Secretary of State is the filing office and publisher of these rules. Questions about the interpretation of the final rules should be addressed to the agency that promulgated the rules. Refer to Item #5 to contact the person charged with the rulemaking. The codified version of these rules will be published in the *Arizona Administrative Code*.

### NOTICE OF FINAL RULEMAKING

#### TITLE 19. ALCOHOL, HORSE AND DOG RACING, LOTTERY, AND GAMING

#### CHAPTER 3. STATE LOTTERY COMMISSION

[R16-86]

#### PREAMBLE

- | <u>1. Article, Part, or Section Affected (as applicable)</u> | <u>Rulemaking Action</u> |
|--|--------------------------|
| R19-3-201  | Amend                    |
| R19-3-202  | Amend                    |
| R19-3-202.01   | Amend                    |
| R19-3-202.03   | Amend                    |
| R19-3-202.04   | Amend                    |
| R19-3-204  | Amend                    |
| R19-3-204.02   | Amend                    |
| R19-3-205  | Amend                    |
| R19-3-210  | Amend                    |
| R19-3-211  | Amend                    |
| R19-3-214  | Amend                    |
| R19-3-217  | Amend                    |
- 2. Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific):**  
Authorizing statute: A.R.S. § 5-554(B)  
Implementing statute: A.R.S. §§ 5-554(H) and 5-562
- 3. The effective date of the rules:**  
July 8, 2016
- 4. Citations to all related notices published in the Register as specified in R1-1-409(A) that pertain to the record of the final rulemaking package:**  
Notice of Rulemaking Docket Opening: 21 A.A.R. 972, July 3, 2015  
Notice of Proposed Rulemaking: 21 A.A.R. 3146, December 11, 2015
- 5. The agency's contact person who can answer questions about the rulemaking:**  
Name: Pam DiNunzio  
Address: Arizona State Lottery  
4740 E. University Dr.  
Phoenix, AZ 85034  
Telephone: (480) 921-4489  
Fax: (480) 921-4488  
E-mail: pdinunzio@azlottery.gov
- 6. An agency's justification and reason why a rule should be made, amended, repealed or renumbered, to include an explanation about the rulemaking:**  
Article 2, Retailers, prescribes the requirements and procedures for Arizona retail businesses that sell Lottery game products. The rules are being amended to implement recent changes to Lottery statutes. Laws 2015, Chapter 245 (HB2517) allocates \$900,000 to the Internet Crimes Against Children Fund and \$100,000 to the Victims' Rights



Enforcement Fund. These programs will be funded from Lottery proceeds generated by game vending machines in age-restricted areas. The retailer rules are being amended to address the provisions of Laws 2015, Chapter 245. Amendments have also been made where necessary to clarify/tighten compliance provisions, as well as to improve the clarity and understandability of the rules.

An exception from the rulemaking moratorium outlined in Executive Order 2015-01 was received from the Governor's Office on June 4, 2015.

**7. A reference to any study relevant to the rules that the agency reviewed and either relied on or did not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:**

The Lottery used industry reference materials to gauge the sales impact of offering Lottery games in age-restricted areas. The Lottery referenced LaFleur's World Almanac as a source for industry comparisons. This publication tracks, among other data, sales performance by product across all lottery jurisdictions. This information is available for review at the Lottery's Phoenix office. The Lottery also reviewed liquor license data available from the Arizona Department of Liquor Licenses and Control.

**8. A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision of this state:**

Not applicable

**9. A summary of the economic, small business, and consumer impact:**

**1. Identification of the proposed rulemaking.**

The rules for Article 2, Retailers, describe various requirements and procedures for retail businesses that sell Lottery game products. The rules explain common retailer provisions such as: licensure requirements; retailer conduct including the revocation or suspension of retailer licenses; ticket sales and prize redemptions; retailer compensation; hearing procedures; stolen ticket procedures; and Lottery-conducted compliance investigations. The rules are being amended to include the provisions of Laws 2015, Chapter 245, relating to Lottery vending machine sales located in age-restricted areas. As a result of this legislation, the Lottery is required to transfer \$900,000 to the Internet Crimes Against Children Enforcement Fund (ICACF) and \$100,000 to the Victims' Rights Enforcement Fund (VREF). This rulemaking makes the revisions necessary to implement this statutory change. The rulemaking also clarifies certain licensing-related compliance provisions, including those specific to age-restricted retailers, to better protect the integrity of the Lottery and provide guidance to retailers. The Governor's Office approved an exception from the rulemaking moratorium on June 4, 2015.

**a. The conduct and its frequency of occurrence that the rule is designed to change:**

There is no specific conduct this rulemaking is designed to change. The primary intent is to provide a stable funding source for two new programs: Internet Crimes Against Children Enforcement Fund and Victims' Rights Enforcement Fund. Although the rules are not being amended as a result of chronic conduct concerns, some compliance-related provisions have been clarified to proactively avert potential issues.

**b. The harm resulting from the conduct the rule is designed to change and the likelihood it will continue to occur if the rule is not changed:**

The harm without this rulemaking is that Lottery retailer rules will be inconsistent with procedures the Lottery must put into effect to implement new statutory provisions. Discrepancies in procedures will exist, detracting from clarity and creating confusion for retailers. With respect to compliance issues, the harm is that the Lottery may not have sufficient authority in the rules to address retailer infractions.

**c. The estimated change in frequency of the targeted conduct expected from the rule change:**

Not applicable. There is no specific targeted conduct prompting the rule amendments. The rules establish necessary provisions related to adding a new segment of retailers, as well as clarify certain compliance criteria to protect Lottery interests.

**2. Persons who will be directly affected by, bear the costs of, or directly benefit from the proposed rulemaking.**

The Lottery anticipates this rulemaking will primarily impact the agency and Lottery retailers.

**3. Cost-benefit Analysis:**

**a. Probable costs and benefits to the implementing agency and other agencies directly affected by the implementation and enforcement of the proposed rulemaking, including the number of new full-time employees necessary to implement and enforce the proposed rules.**

As a result of HB2517 that was passed in the 2015 Legislative Session, \$1 million from proceeds generated by game vending machines located in age-restricted areas (such as bars) will be transferred to ICACF and VREF. Lottery tickets have not historically been sold in this type of retail environment. To accomplish this objective, the Lottery plans to recruit businesses that hold a series 6 (bar) or 14 (private club) liquor license from the Arizona Department of Liquor Licenses and Control. Preliminary estimates indicate the Lottery may license about 130-140 new retailers under the age-restricted category that will generate approximately \$30,000 per retailer, or \$4 million annually. This would translate into approximately \$1 million available for transfers, assuming a transfer percentage of 25%.



Costs to the Lottery related to this rulemaking include application/licensing, product printing/distribution, and administration expenses associated with compliance and customer service. Retailers pay a license fee that allows the Lottery to recover costs related to licensing; no fee changes are requested as a result of these rules. Printing and distribution expenses are included in the agency’s appropriated budget allocation for ticket printing services. Unlike traditional retailers, age-restricted retailers will receive no Lottery sales representative support and will not be integrated into the Lottery’s retailer accounting system. Consequently, the Lottery will not incur administrative accounting costs, sales representative time and travel costs, or on-line vendor contract costs as incurred with full-product retailers. The Lottery contracts with a distributor to deliver tickets, invoice retailers, and remit payment to the Lottery. The distributor must also provide the Lottery with routine reports, including inventory status, orders received, orders shipped, and all related financial information.

The Lottery does anticipate additional personnel expenses in licensing and compliance as a result of this new retailer category. Increasing the number of retailers has a two-fold effect. First, adding 130-140 new retailers will impact licensing workload. Under the Governor’s Lean Initiative, the total lead time to issue a license is currently about 15 days, as compared to the previous time frame of approximately 30 days. The ability to continue meeting this time frame is dependent on having adequate staff to process applications. Secondly, adding 130-140 retailers with liquor licenses will increase the workload for the Investigations area. Typical responsibilities of this department include retailer compliance monitoring, background checks, criminal investigations regarding theft of Lottery tickets, and investigations regarding complaints from retailers and the public. Total investigation cases for the Lottery’s 2900 retailers were 2,242 in FY15 and may increase further with the addition of a new age-restricted retailer category.

To address the anticipated increase in personnel expenses, the Lottery has requested funding for one additional licensing specialist and two investigator positions in the FY17 budget request. The estimated cost is \$245,900, with approximately \$65,000 of this amount due to one-time costs for office equipment and vehicles. These costs will be covered from product revenues generated by age-restricted retailers.

The Lottery benefits from the potential to generate additional revenue for the state from expanding into a new retailer environment. The new age-restricted retailers are estimated to generate \$4 million in annual sales. Of that amount, an estimated \$1 million will be available to fund the ICACF and VREF programs; remaining revenue of \$3 million would support associated Lottery expenses, retailer commissions, and prize winnings. Other state programs may potentially benefit from any transferable funds that exceed \$1 million once the ICACF and VREF programs are fully funded.

The Lottery also benefits from clarifying key compliance provisions as discussed below. These provisions all serve to protect the integrity of the Lottery.

Licensing: Licensing requirements now require proof of identification to create consistency with actual practice. In addition, the rules provide the Lottery with the option to conduct a criminal background check through DPS. This may be necessary to verify license eligibility in instances where public records services are not sufficiently updated. The rules also require a personal guarantor if the premise manager resides outside Arizona. Jurisdictional issues can arise when the license applicant is a limited liability company that is outside Arizona; this protects the interests of the Lottery. The rules also clarify that a retailer cannot use a subcontractor as a means to avoid Lottery action against the retailer.

Age-Restricted Retailers: In addition to general licensing-related compliance provisions, the rules add specific compliance language pertaining to a new age-restricted retail category. It is important to mitigate potential areas for violation that would be unique to this type of retailer. The organization must have a valid series 06 or 07 state of Arizona liquor license to obtain a Lottery license and can cannot violate a provision of Arizona liquor laws in order to remain a licensee. The rules also clarify that instant tab tickets are the responsibility of the retailer. The Lottery has no ability to track instant tab tickets; retailers pay for this product up front and own the tickets at that time.

Impact on Other Agencies: The rules have no identifiable impact on other agencies.

FTE Requirements: The Lottery anticipates the need for 3 new positions to implement and enforce the proposed rules. The Lottery has submitted a formal funding request for a licensing position and two Lottery Investigators in order to maintain adequate compliance and customer service levels.

**b. Probable costs and benefits to a political subdivision of this state directly affected by the implementation and enforcement of the proposed rulemaking.**

This rulemaking will not have any identifiable impact on political subdivisions of the state, other than providing funding for designated state programs.

**c. Probable costs and benefits to businesses directly affected by the proposed rulemaking, including any anticipated effect on the revenues or payroll expenditure of employers who are subject to the proposed rulemaking.**

Businesses impacted by these rules are qualified retail establishments that apply for a license to sell Lottery products. Lottery retailers are also the only small businesses impacted by this rulemaking. The rules are



expected to benefit retailers, both large and small, while having little or no impact on the Lottery's traditional retailer base.

There are currently about 2900 licensed Lottery retailers. Costs to retailers include application/licensing fees and any administrative costs associated with selling Lottery products. All instant tab retailers will also have the up-front cost of purchasing the product. These costs are recovered by the commission retailers earn on each sale. Retailers receive a base commission of 6.5% for each transaction. Initial estimates indicate age-restricted retailers as a whole could net \$260,000 annually based on 130-140 total retailers and aggregate annual sales of \$4 million. There should be no impact to sales or commissions for the Lottery's 2900 traditional retailers since they will not typically be in direct competition with age-restricted retailers. The Lottery generated \$750 million in sales for FY15, which equates to approximately \$48.7 million in base game commissions. There are no additional costs to retailers as a result of this rulemaking and license fees remain unchanged for all license applicants.

Age-restricted businesses that apply for a Lottery license must also possess a valid series 6 or 14 Arizona liquor license. These are the categories the Lottery has chosen to recruit since they represent the most complementary match for selling Lottery products. As established by HB2517, sales in age-restricted locations may be conducted through a ticket vending machine. This benefits retailers who may not always have sufficient personnel resources available to perform manual sales transactions. All retailers are still required to establish loss prevention policies and ensure that machines are not operated by anyone under 21 years of age. The placement of machines in age-restricted locations should facilitate compliance with this rule provision.

The rules have been amended to clarify or create new compliance provisions. Clarifications include that license applicants must provide proof of identification, have a personal guarantor if the premise manager resides outside Arizona, and cannot use a subcontractor to avoid Lottery action against the retailer. New regulations include that age-restricted retailers must also have and retain an Arizona liquor license in good standing. These conditions clarify some existing compliance expectations, create guidance for new retailers, and protect the Lottery and players. These provisions will only adversely impact retailers who do not adhere to these requirements.

The Lottery has added an alternative billing methodology for larger, corporate accounts. These retailers will benefit from the option to settle amounts owed for instant scratch tickets in a set 21-day time frame. Retailers can also remain with the existing method of 45 days, or 85% of validations, but the new provision provides a method of standardizing the payment process for larger retailers that operate across different states.

**4. *Probable impact on private and public employment in businesses, agencies, and political subdivisions of the state directly affected by the proposed rulemaking.***

This rulemaking is not expected to have any identifiable impact on private and public employment.

**5. *Probable impact of the rulemaking on small business.***

**a. *Identification of the small businesses subject to the rulemaking.***

Small businesses impacted by these rules are also age-restricted retail establishments that choose to apply for a Lottery license. The impact on these businesses should also be positive. Although all retailers will benefit from the opportunity to earn additional commissions, the financial benefit may be even more important for smaller retailers. Similarly, the ability to sell Lottery products using a ticket vending machine will benefit all retailers, but should especially benefit small businesses that are more likely to have limited personnel resources.

**b. *Administrative and other costs required for compliance with the rulemaking.***

Licensing and other administrative costs incurred to comply with application requirements will apply to all businesses, including small businesses. However, as described earlier, any administrative costs should be offset by commissions earned.

**c. *A description of methods that may be used to reduce the impact on small businesses and reasons for the agency's decision to use or not use each method.***

Overall, the rules are expected to have a positive impact on small businesses as described in 7a. All retailers are expected to adhere to compliance-related requirements in the interest of protecting the Lottery and players.

Only small retailers that do not comply with the rules will be affected by these provisions.

**6. *Probable cost and benefit to private persons and consumers who are directly affected by the proposed rulemaking.***

There are no direct costs to consumers or the general public associated with this rulemaking. Consumers who are also Lottery players will potentially benefit from new retail locations offering Lottery products and from interacting with retailers that are reputable Lottery representatives.

**7. *Probable effect on state revenues.***

Revenue generated from retailer license fees are deposited into the Lottery Fund. License fees collected as a result of this rulemaking are expected to have a neutral impact on state revenues since the fee only allows the Lottery to recover the cost of providing the service. In FY15, the Lottery collected \$29,100 in license revenue.



A percentage of Lottery game revenue is returned to the state to fund various beneficiary programs as specified in A.R.S. § 5-572. Preliminary estimates indicate the Lottery could generate approximately \$4 million and return about \$1 million to the state annually by selling products in age-restricted establishments. This amount will fund ICACF and VREF as delineated in HB2517. Any proceeds in excess of these required transfers would be used to supplement traditional beneficiary transfers. The Lottery returned \$176 million to state beneficiaries in FY15.

8. **Less intrusive or less costly alternative methods of achieving the purpose of the proposed rulemaking.**

The Lottery believes there are no less costly or intrusive methods for achieving the purpose of the rulemaking. Statute now requires the Lottery to support two new programs from game proceeds generated at age-restricted retailers. To implement this requirement, the Lottery will leverage existing contracts for ticket distribution and game printing services. These costs can be absorbed within the existing appropriated budget. However, the agency anticipates the need for additional licensing and investigator positions in order to maintain adequate customer service levels and ensure the continued integrity of the Lottery. To the extent feasible, the Lottery will use existing staff in order to incur the least cost possible to fulfill the new mandate.

The existing rules do not currently capture certain important compliance-related factors that can impact the Lottery and potentially players. Clarifying retailer compliance expectations serves to protect the interests of the Lottery, retailers, and players. This benefit outweighs any minor inconvenience.

9. **Description of any data on which the rule is based.**

Not applicable to this rulemaking.

10. **A description of any changes between the proposed rulemaking, to include supplemental notices, and the final rulemaking:**

There are no substantive changes between the proposed rules and the final rules. Changes include: adding a definition for “corporate account retailer,” amending the definition of “limited license” to include the duration of the license, and clarifying the types of licenses that are impacted by particular rule provisions. Other grammatical, technical, and clarifying changes were made to the rules and the economic impact statement at the request of Governor’s Regulatory Review Council staff.

11. **An agency’s summary of the public or stakeholder comments made about the rulemaking and the agency response to the comments:**

No oral or written comments were received regarding the rulemaking.

12. **All agencies shall list other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additionally, an agency subject to Council review under A.R.S. §§ 41-1052 and 41-1055 shall respond to the following questions:**

No other matters are applicable.

a. **Whether the rule requires a permit, whether a general permit is used and if not, the reasons why a general permit is not used:**

The implementing statutes of the Lottery require a licensing process rather than a general permit.

b. **Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than federal law and if so, citation to the statutory authority to exceed the requirements of federal law:**

There is no corresponding federal law that is applicable to the subject matter. The rules are based on state law.

c. **Whether a person submitted an analysis to the agency that compares the rule’s impact of the competitiveness of business in this state to the impact on business in other states:**

No analysis was submitted.

13. **A list of any incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rules:**

None

14. **Was the rule previously made as an emergency rule?**

No

15. **The full text of the rules follows:**

TITLE 19. ALCOHOL, HORSE AND DOG RACING, LOTTERY, AND GAMING

CHAPTER 3. STATE LOTTERY COMMISSION

ARTICLE 2. RETAILERS

- Section
- R19-3-201. Definitions
- R19-3-202. Retailer’s Application for License
- R19-3-202.01. Prerequisites to Issue or Renew a License
- R19-3-202.03. Denial of License Application
- R19-3-202.04. Duration and Renewal of License



- R19-3-204. Revocation, Suspension, or Renewal Denial of Retailer's License
- R19-3-204.02. Lottery Determination of Need for Emergency Action
- R19-3-205. Lottery-issued Equipment
- R19-3-210. Reportable Events
- R19-3-211. Change of Ownership or Business Location
- R19-3-214. Payments to Lottery
- R19-3-217. Unaccounted for and Stolen Instant Scratch Tickets

## ARTICLE 2. RETAILERS

### R19-3-201. Definitions

In this Article, unless the context otherwise requires:

1. "Act" means A.R.S. Title 5, Chapter 5.1, Article 2.
2. "Activated" means the process taken by retailers to make a pack of instant scratch tickets valid for sale to the general public.
3. "Age-restricted retailer" means a licensed provider of sales and redemptions services for Lottery products that also holds a series 06 or 14 liquor license issued by the Arizona Department of Liquor Licenses and Control.
- ~~3-4.~~ "Chapter" means Arizona Administrative Code, Title 19, Chapter 3.
- ~~4-5.~~ "Charitable Organization" means an organization including not more than one auxiliary, to which the United States Internal Revenue Service has issued a letter of determination of the organization's tax-exempt status, and the organization has operated for charitable purposes in Arizona for at least two years.
- ~~5-6.~~ "Controlling agent" means a stockholder, director, officer, managerial employee, or other person directly or indirectly controlling or operating the retailer's business.
- ~~6-7.~~ "Controlling person" means a person at least 21 years of age accountable for the Lottery license.
8. "Corporate account retailer" means a group of stores in a retail chain utilizing one central bank account.
- ~~7-9.~~ "Flare" means the board or placard that accompanies each package of instant tab tickets and that has printed on or affixed to it the following information:
  - a. Game name,
  - b. Serial number,
  - c. Ticket count,
  - d. Prize structure, and
  - e. Cost per play.
- ~~8-10.~~ "Instant scratch ticket" means an instant game ticket where the protective covering is made of latex or another substance that is scratched off.
- ~~9-11.~~ "Instant tab ticket" means an instant game ticket where the protective covering is a perforated paper tab that is opened. Instant tab ticket is the brand name for Arizona Lottery pull tabs.
- ~~10-12.~~ "License" means:
  - a. "Full product license" means a license to sell the products authorized by the Lottery.
  - b. "Charitable organization license" means a license issued to a qualified charitable organization to sell only instant tab tickets.
  - c. "Instant tab license" means a license to sell only instant tab tickets.
  - d. "Limited license" means a license issued by the Lottery that restricts the duration of the license, the type of Lottery products sold, methods of selling, methods of validating Lottery products, or the type of applicant that qualifies for a Lottery license.
- ~~11.~~ "Limited license" means a license issued by the Lottery that restricts the type of Lottery products sold, methods of selling, methods of validating Lottery products, or the type of applicant that qualifies for a Lottery license.
- ~~12-13.~~ "Local premise manager" means a person who resides in Arizona that manages or is responsible for the operation of a premise or a number of premises.
- ~~13-14.~~ "Minor" means an individual under the age of 18.
- ~~14-15.~~ "On-line ticket" means a ticket purchased through a network of Lottery-authorized equipment linked to a central computer that records the wagers.
- ~~15-16.~~ "Partial pack of tickets" means less than a complete pack of consecutively numbered and connected tickets.
- ~~16-17.~~ "Premise manager" means the contact representative for a specific premise of a business or charitable organization.
- ~~17-18.~~ "Pull tab" means an instant game ticket where the protective covering is a perforated paper tab that is opened to reveal the predetermined winning and non-winning symbols.
- ~~18-19.~~ "Raffle" means the selling of numbered tickets, where each ticket has an equal chance of winning a prize in a random drawing held after the completion of all ticket sales.
- ~~19-20.~~ "Retailer" means a licensed provider of sales and redemptions services for Lottery products. A retailer may hold a full product license, a charitable organization license, an instant tab license, a limited license, or a combination of licenses.



- ~~20-21.~~ “Retailer bonus” means a sum of money credited to the retailer in addition to the retailer commission for specific actions or efforts in selling or validating Lottery products.
- ~~21-22.~~ “Retailer commission” means a retailer incentive designed to maximize the sale of Lottery products by establishing a specific percent of the sales price of each ticket sold as payment for services in selling Lottery tickets.
- ~~22-23.~~ “Retailer compensation” means all types of cash and non-cash compensation to the retailer for selling Lottery tickets.
- ~~23-24.~~ “Retailer compensation profile” means the written document in which the Lottery Commission authorizes the Director to issue an order that contains all the fundamentals required by these rules for retailer compensation including commission, bonus, and incentive compensation to be credited to Lottery retailers.
- ~~24-25.~~ “Retailer incentive” means cash and non-cash methods to motivate action by the Lottery retailer to stimulate sales.
- ~~25-26.~~ “Sales benchmark” means sales objectives established by the Lottery based upon previous performance.
- ~~26-27.~~ “Ticket” means one or more Lottery game plays.
- ~~27-28.~~ “Validation” means confirmation of a winning Lottery ticket.

**R19-3-202. Retailer’s Application for License**

All applicants shall provide the Director with the following to apply for a license to sell Lottery tickets:

1. A verified application on forms prescribed by the Director containing the following information:
  - a. The applicant’s name, and if different, the trade name of the business premise, address of the physical location of the place of business, the mailing address if different, and phone number;
  - b. The applicant’s current transaction privilege tax license number issued under A.R.S. § 42-5005 and federal taxpayer identification number issued by the Internal Revenue Service and recorded on Form W-9;
  - c. Certification that access to the applicant’s business complies with the Americans with Disabilities Act;
  - d. Marketing and sales information on the forms provided by the Lottery. The information required includes the number of cash registers, hours of operation, products presently offered for sale, and the approximate daily volume of customers entering the place of business;
  - e. Evidence the applicant operates a business with other products or services unrelated to lottery products or services concerning lotteries;
  - f. Financial relationship and any outstanding debt owed to the state of Arizona, any of its political subdivisions, or the United States government;
  - g. Evidence the applicant for a ~~full-product~~ license other than an instant tab license or charitable organization license is financially solvent. The evidence may include either of the following:
    - i. Evidence the applicant has established business credit, has a record of meeting its business debts as they became due for the three years immediately preceding the date of application, and does not have outstanding legal actions, judgments, or tax liens; or
    - ii. Personal guarantee, in writing, of applicant’s Lottery account signed by a guarantor and the guarantor’s spouse, if community property is being used to guarantee the account, or by the guarantor only, if guarantor provides proof that the guarantee is based on sole and separate property.
  - h. An Electronic Funds Transfer Authorization agreement showing a valid bank account number for the full product applicant from which the Lottery will withdraw any amounts due.
  - i. Proof of identification.
2. If the applicant does business as a sole proprietorship or partnership:
  - a. The name, home address, and home phone number of each owner or partner, including spouse if community property owner, unless applicant provides proof that the business is sole property separate from the community; and
  - b. Written authorization and tax identification number for the business entity and Social Security number of each applicant in order to obtain a credit check from a credit reporting agency.
3. If the applicant does business as a limited liability partnership (“LLP”) or a limited liability company (“LLC”):
  - a. The name, home address, and home phone number of each partner or member, or the local premise manager if the partners or members are out of state; and
  - b. Written authorization and a tax identification number to perform a credit check.
4. If the applicant does business as a corporation:
  - a. The name, corporate address, and corporate phone number of each officer and director, and the name, home address, and home phone number of the responsible local premise manager who is the contact representative for the applicant’s corporate location in Arizona; and
  - b. Written authorization and a tax identification number to perform a credit check.
5. If the applicant does business as a charitable organization:
  - a. A copy of the organization charter or formation, documentation of current membership status in the organization, and if applicable, the authorization of the auxiliary;
  - b. The name, home address, and home phone number of each officer and local premise manager, or if an auxiliary, of each officer and local premise manager of the auxiliary;



- c. A letter of determination issued in the organization's name by the United States Internal Revenue Service verifying the organization's tax-exempt status; and
- d. Evidence the charitable organization has maintained a premise within the state of Arizona for the two years immediately preceding the date of application.
6. If the Lottery licenses an applicant under subsection (1)(g)(ii), the guarantor shall provide a written authorization to perform a credit check. If the guarantee is based on community property, the guarantor and guarantor's spouse shall provide written authorization for the Lottery to perform a credit check.
7. An application fee of \$45.00 ~~and an additional credit check fee of \$22,~~ or if the applicant does business as a corporation, limited liability company, limited liability partnership, or partnership, an application fee of \$67 which includes a credit check fee.
8. If the applicant is a business with more than one currently licensed location, the application fee for the new location shall be pro-rated at \$1.25 per month from the application date until the date the other licenses are due for renewal under R19-3-202.04(B)(3).
9. If the applicant's personal information shows no history through a public records criminal background check, the Lottery may require a completed authorized fingerprint card and fee per A.R.S. § 41-1750(G)(2) and (J).

#### **R19-3-202.01. Prerequisites to Issue or Renew a License**

- A. Evidence the applicant is of good character and reputation. The Lottery may find that a person lacks good character and reputation if it determines the person has committed any act which, if committed by a licensed retailer, would be grounds for suspension or revocation of a license granted by the state of Arizona.
- B. An applicant, a director or officer of a corporation, partner, or member of a limited liability company, or charitable organization shall not have had a business license required by statute in Arizona or any other state suspended or revoked within the last 12 months.
- C. An applicant, a director or officer of a corporation, partner, or member of a limited liability company, or charitable organization shall not have had a Lottery license denied or revoked at the address and location of the applicant's place of business for reasons other than noncompliance with the Americans with Disabilities Act, and shall not have sold Lottery products without being licensed within one year of the person's date of application.
- D. An applicant for a ~~full-product~~ license other than an instant tab license or charitable organization license shall have demonstrated financial solvency based on the information obtained through the application, credit check, or pending litigation, if any, or tax liens, if any.
- E. An applicant shall be one of the following to fulfill residency requirements:
  1. A resident of Arizona;
  2. A corporation incorporated in Arizona or authorized to do business in Arizona;
  3. A limited liability company authorized to do business in Arizona in which a member or manager resides in Arizona, or if none of the members or managers resides in Arizona, the applicant shall provide a personal guarantor who is an Arizona resident;
  4. A partnership in which at least one of the general partners resides in Arizona;
  5. A limited liability partnership in which at least one of the partners resides in Arizona; or
  6. A charitable organization authorized to do business in Arizona.
- F. As a condition of licensure, each retailer shall agree to release, indemnify, defend, and hold harmless, the Lottery, its commissioners, officers, and employees, from and against any and all liability, damage, cost, claim, loss, or expense, including, without limitation, reasonable attorney's fees and disbursements, resulting from or arising by reason of loss of use, temporary or permanent cessation of Lottery equipment, or terminal operations. This should not be construed in any way to affect the rights of the retailer to recover for losses caused by any third party.

#### **R19-3-202.03. Denial of License Application**

The Lottery shall not issue a license to an applicant if any of the following applies:

1. The applicant is a minor, a partnership or LLP in which one of the partners is a minor, an LLC in which one of the members or managers is a minor, or a corporation in which a corporate officer, director, or manager of Lottery sales is a minor;
2. The organization is an adult-oriented business as defined in A.R.S. § 13-1422 or displays sexually explicit material in violation of A.R.S. § 13-3507;
3. The applicant has sold a Lottery product without a license, or operated gaming machines or equipment that are required to be licensed, without a license;
4. The applicant fails to have a controlling person at least 21 years of age; or
5. The organization is an age-restricted business that does not have a valid series 06 or 14 liquor license issued by the Arizona Department of Liquor Licenses and Control.

#### **R19-3-202.04. Duration and Renewal of License**

- A. A license issued under this Chapter shall expire three years from the license issuance date by operation of law.
- B. A retailer may renew a license to sell Lottery tickets by submitting to the Director a verified application for license renewal of the current license on forms prescribed by the Director containing the information required in R19-3-202 and R19-3-202.01. By filing an application for renewal, a retailer holding a full product license or limited license authorizes the Lottery to collect a \$45.00 renewal fee by an electronic transfer of funds from the bank account from which the Lot-



tery regularly bills the retailer. A retailer holding a charitable organization license or instant tab license shall submit cash, check, or a money order for \$45 with its renewal application.

1. An application for renewal of a Lottery license received by the Director or deposited in the United States mail postage prepaid on or before the renewal date shall authorize the retailer to continue to operate until actual issuance of the renewal license.
2. The Director may refuse to renew a license according to the provisions of R19-3-204.
3. A retailer holding more than one license may elect to renew all licenses on the same date. If more than one license is renewed under this subsection, the application fee shall be pro-rated at \$1.25 per month from the license expiration date until the next renewal date of the other licenses held by the same retailer.

- C. A license issued under this Chapter is subject to termination by the Director according to the provisions of this Chapter.
- D. A retailer may voluntarily surrender a license unless an investigation or action has been initiated against the retailer.
- E. The Lottery may issue a license which is limited with regard to duration, type of products, methods of selling or validating products, or qualification requirements.

**R19-3-204. Revocation, Suspension, or Renewal Denial of Retailer’s License**

- A. A license may be revoked, suspended, or denied renewal by the Director for any of the following reasons:
  1. The retailer violates a provision of the criminal laws of the state of Arizona or the United States, which could be punished by jail time or imprisonment;
  2. The retailer offers to sell a Lottery ticket, sells a Lottery ticket, or pays a prize on any winning Lottery ticket to a person under 21 years of age;
  3. The retailer sells a Lottery ticket in any transaction to a person using a public assistance voucher issued by any public entity or an electronic benefits transfer card issued by the Arizona Department of Economic Security;
  4. The retailer fails to maintain minimum sales requirements or does not follow the guidelines established by the Lottery. The Lottery shall provide minimum sales requirements to retailers at least 30 days prior to the effective change date;
  5. The retailer commits an act that impairs the retailer’s reputation for honesty and integrity;
  6. The retailer sells a ticket at a price greater than face value;
  7. The retailer pays less than the full prize value of the ticket at validation;
  8. The retailer advises a player that a winning ticket presented for validation was not a prize winner;
  9. The retailer sells tickets not activated for sale on three or more occasions within any 12-month period;
  10. The retailer sells a ticket while license is suspended for insufficient funds;
  11. The retailer does not make purchase or redemption of Lottery tickets convenient and readily accessible to the public;
  12. The retailer provides to the Lottery a statement, representation, warranty, or certificate that the Lottery determines is false, incorrect, incomplete, or omits relevant information;
  13. The retailer’s actions cause two payments to be returned to the Lottery for insufficient funds in a 12-month period;
  14. The retailer becomes insolvent, unable or unwilling to pay debts, or is declared bankrupt;
  15. The retailer, or officer, director, partner, LLC member or manager, controlling agent, or local premise manager of the retailer:
    - a. Is convicted of a felony, felony theft that is designated as a misdemeanor, misdemeanor theft, embezzlement, or a crime involving gambling or fraudulent schemes and artifices; or
    - b. Is the subject of a civil order, judgment, or decree of a federal or state authority for misrepresentation, consumer fraud, or any other fraud;
  16. Facts are discovered which, if known at the time the retailer’s license was issued or renewed, would have been grounds to deny licensure;
  17. The retailer adds a minor as an owner, partner, or officer of the business;
  18. The retailer, or an officer, employee, or agent of the retailer does any of the following:
    - a. Plays any Lottery game while working,
    - b. Fails to purchase or validate the ticket from another on-duty employee or through a Lottery product vending machine, or
    - c. Fails to pay for the ticket prior to playing the Lottery game.
  19. The retailer, or an officer, employee, or agent of the retailer sells any Lottery product for consideration other than U.S. currency, check, credit card, debit card or, if a player requests, the exchange of a winning Lottery ticket;
  20. The retailer, or an officer, employee, or agent of the retailer sells a Lottery ticket by telephone, mail, fax, on the internet, or on premises not authorized by the Lottery;
  21. The retailer, or an officer, employee, or agent of the retailer sells an altered Lottery ticket, an expired Lottery ticket, or a Lottery ticket after the announced end of the game;
  22. The retailer fails to display the Authorized Retailer Notice, which includes the Americans with Disabilities Act Notice and Arizona Problem Gambling Helpline toll-free telephone number;
  23. The retailer fails to report a change event defined in R19-3-210;



24. The retailer fails to comply or cooperate with an investigation concerning Arizona state laws, Lottery regulations, or denies access to Lottery personnel;
  25. The retailer holding a charitable organization license or instant tab license fails to prominently display the flare for each instant tab game currently on sale within public view near the point of sale;
  26. The retailer holding a charitable organization license no longer qualifies as a charitable organization or its letter of determination of tax-exempt status is suspended or revoked; ~~or~~
  27. The retailer fails to comply with the rules governing its license; ~~or~~
  28. The age-restricted retailer violates a provision of the state of Arizona liquor laws under A.R.S. § 4-101, et. seq.
- B.** An investigation of a violation of Lottery rules may be initiated by action of the Director or by a written complaint of any person.
1. An investigation initiated by a written complaint shall be investigated within 30 days of receiving the complaint.
  2. During an investigation the Director may temporarily suspend a license under an emergency action, or impose specific conditions on a retailer.
- C.** An action to suspend or revoke a license shall be initiated by a notice of action to the retailer. Notice may be made by mail, hand-delivery, or electronic mail with a copy by regular mail. Notice to the retailer is effective notice if it is sent to the address in the application or the last address provided under R19-3-210.

**R19-3-204.02. Lottery Determination of Need for Emergency Action**

- A.** The Director may determine the need for emergency action to disable a retailer's Lottery-issued equipment, suspend sales of Lottery games, or remove tickets if the public welfare is threatened pending a proceeding for revocation, suspension, or denial of renewal, in the following circumstances:
1. The retailer's bank account has insufficient funds when the Lottery's regularly-scheduled electronic transfer of the retailer's account is returned by the bank as insufficient funds or closed account and the retailer does not immediately pay the insufficiency;
  2. The retailer fails to comply or cooperate with an investigation concerning Arizona state laws or Lottery regulations;
  3. The retailer, or officer, director, partner, LLC member or manager, controlling agent, or local premise manager is charged with a felony, felony theft that is designated as a misdemeanor, misdemeanor theft, embezzlement, or a crime involving gambling or fraudulent schemes and artifices;
  4. The retailer sells a Lottery ticket in any transaction to a person using a public assistance voucher issued by any public entity or an electronic benefits transfer card issued by the Arizona Department of Economic Security;
  5. The retailer sells an altered or expired ticket;
  6. The retailer sells a ticket at a price greater than face value; ~~or~~
  7. The retailer pays less than the full prize value of the ticket at validation; ~~or~~
  8. The age-restricted retailer violates a provision of the state of Arizona liquor laws under A.R.S. § 4-101 et. seq.
- B.** A retailer who receives a Notice of Intent to Revoke a Retailer's License with a finding of emergency action shall:
1. Immediately cease all sales of Lottery products, and
  2. Surrender the license and all other Lottery property and products upon request by the Director's representative.
- C.** The Director shall notify the retailer in writing within five days of taking an emergency action that an expedited hearing or informal conference may be obtained before the Office of Administrative Hearings under A.A.C. R2-19-103 and A.A.C. R2-19-110.
- D.** If the retailer fails to settle the financial account and surrender the license and all other Lottery property and products, the Director shall take steps allowed by law to secure payment and return of Lottery property and products.

**R19-3-205. Lottery-issued Equipment**

- A.** Retailers holding only a charitable organization license or instant tab license shall not be issued Lottery terminal equipment to sell or validate Lottery products, but may use an authorized Lottery product vending machine in accordance with subsection (C).
- B.** Retailers holding a full product or limited license shall only sell or validate Lottery products using authorized Lottery-issued equipment.
1. A retailer shall locate the equipment at a site approved by the Lottery and shall not move the equipment from that site without prior approval from the Lottery.
  2. A retailer shall ensure electrical service to the equipment location is installed according to the specifications established by the Lottery. The cost of electrical service shall be the responsibility of the retailer.
  3. A retailer shall cooperate with the Lottery to the extent reasonable and practicable to accomplish any modifications to the equipment or systems in a timely and economical fashion.
  4. The Lottery shall not be liable for damages of any kind due to interruption or failure of any Lottery-issued or authorized equipment.
  5. A retailer shall operate the Lottery-issued equipment and accessories only in the ordinary course of its Lottery business and only according to the requirements established by the Lottery.
  6. A retailer shall exercise diligence and care to prevent damage to the Lottery-issued equipment and other property of the Lottery, or property of Lottery contractors.
  7. A retailer shall maintain the Lottery-issued equipment and accessories in a clean and orderly condition.



- 8. A retailer shall minimize equipment downtime by notifying the Lottery or its contractor immediately of any equipment failure, malfunction, damage, or accident.
- 9. A retailer shall make the equipment available for repair, adjustment, or replacement at all times during the retailer’s regular business hours.
- 10. A retailer shall order and use equipment supplies exclusively from the Lottery or its designated contractor. The Lottery shall furnish equipment supplies, at no cost, to the retailer.
- 11. A retailer shall install and use only approved Lottery paper stock specifically assigned to the retailer.
- C. Retailers may sell tickets using an authorized Lottery product vending machine in accordance with the Act and this Chapter.
  - 1. A retailer shall establish loss prevention policies to ensure Lottery product vending machines are not operated by persons under 21 years of age to purchase Lottery tickets.
  - 2. The Lottery product vending machine shall remain operational during the retailer’s regular business hours and be placed in an area visible to retail personnel and easily accessible to players.
  - 3. A retailer shall maintain an adequate supply of instant scratch or instant tab tickets for the Lottery product vending machine.

**R19-3-210. Reportable Events**

- A. A retailer shall report the following events to the Lottery in writing a minimum of 10 business days before the event:
  - 1. Change in business location of the licensed premise;
  - 2. Sale of ownership, merger, or acquisition of the licensed entity;
  - 3. Addition, removal, or change of address or phone number of the following persons:
    - a. A partner in a partnership or a limited liability partnership;
    - b. A member or manager in a limited liability company;
    - c. An officer holding the position or functional equivalent of president, secretary, or treasurer of a corporation; or
    - d. A controlling agent, local premise manager, or designated corporate contact representative.
  - 4. A charge of felony, felony theft that is designated as a misdemeanor, misdemeanor theft, embezzlement, or a crime involving gambling or fraudulent schemes and artifices that is brought against any person listed in subsection (3);
  - 5. Divorce or legal separation action filed by a sole proprietor or partner licensed as a retailer; or retailer’s spouse;
  - 6. Retailer or guarantor becomes insolvent, files bankruptcy, or a receivership is ordered;
  - 7. Change in bank account from which the Lottery’s electronic funds transfers are made; ~~or~~
  - 8. Revocation, suspension, or other action against a charitable organization’s letter of determination of tax-exempt status; ~~or~~
  - 9. Change in the status of liquor license issued by the Arizona Department of Liquor Licenses and Control.
- B. A retailer shall report to the Lottery in writing the death of a sole proprietor or partner licensed as a retailer within 10 business days after the death occurs.

**R19-3-211. Change of Ownership or Business Location**

A license is not assignable or transferable. A license authorizes the entity described in the application to sell Lottery tickets only at the specific premise authorized by the Lottery.

- 1. If there is a change of business location or ownership as reportable in R19-3-210(A)(1) through (3) or R19-3-210(B), ~~change of business location, or a criminal charge as reportable in R19-3-210(A)(4), or a change in liquor license status as reportable in R19-3-210(9),~~ the retailer shall:
  - a. Surrender the license to the Director on the date of the event,
  - b. Not sell any additional Lottery tickets, and
  - c. Not allow the sale of Lottery products under a subcontract to avoid the repercussions of a change of status under this section.
- 2. If the retailer does not notify the Lottery of a change in ownership or business location at least 10 business days before the change, the retailer may not receive credit for any activated partial packs of tickets.
- 3. The new owner shall apply for a license according to R19-3-202.

**R19-3-214. Payments to Lottery**

- A. Money collected from the sale of Lottery tickets by retailers ~~holding a full product license~~ are trust monies required to be collected for the benefit of the state and shall be paid to the Lottery according to ~~subsection (B)~~ subsections (B) and (C).
- B. A retailer holding a full product license or limited license shall pay for ticket sales in the following manner:
  - 1. Pay to the Lottery each Friday, by an electronic funds transfer, the amount due from the sale of its Lottery tickets for the seven-day period ending at the close of business on the previous Saturday.
  - 2. The amount due for on-line tickets means the retailer’s gross on-line sales revenue, minus any promotional tickets, prize winnings paid out by the retailer, the retailer’s sales commission, and plus or minus any accounting or prize adjustments.
  - 3. The amount due for instant scratch tickets is based on billing for instant ticket packs issued to a retailer with billing occurring 45 days after a pack is activated, or after 85% of winning tickets in the pack are validated, whichever occurs first, minus any promotional tickets, returned tickets, prize winnings paid out by the retailer, the retailer’s



sales commission, and plus or minus any accounting or prize adjustments. Corporate account retailers may elect to settle in 21 days with no associated validation percentage.

4. The retailer shall deposit funds in a timely manner into a bank account from which the electronic funds transfer will be made to the Lottery.
  - a. The retailer shall provide the Lottery with an electronic funds transfer authorization showing a valid bank account number from which the amounts due to the Lottery will be transferred, and
  - b. The retailer shall notify the Lottery of any bank account changes a minimum of 10 business days before the effective date of the change.
5. If a retailer's payment is returned to the Lottery for any reason, the retailer shall deliver a certified check, cashier's check, ~~or~~ money order, or make a direct deposit for the amount due to the Lottery's bank account within 24 hours of notification. Additionally, if the retailer's payment is returned to the Lottery:
  - a. The Director may require that the retailer's Lottery-issued equipment be disabled;
  - b. The Director may revoke, suspend, or deny renewal of the retailer's license according to R19-3-204;
  - c. The Director may require payment for instant scratch tickets upon activating the pack for sale; and
  - d. The Director may require the return of the retailer's current inventory of instant scratch tickets and suspend further delivery of instant scratch tickets.
- C. A retailer holding a charitable organization license or instant tab license shall pay the Lottery's authorized representative for instant tab tickets.
- D. If the retailer owes money to the Lottery, the Lottery may offset that debt with any monies that are owed to the retailer by the Lottery.

**R19-3-217. Unaccounted for and Stolen Instant Scratch Tickets**

- A. All Lottery tickets issued to a retailer holding a full product license or limited license shall be the property of the retailer until their return is acknowledged by the Lottery. The Lottery is not responsible for lost tickets.
- B. A retailer holding a full product license or limited license shall report stolen Lottery tickets to the local law enforcement agency and the Lottery Investigations unit within one hour from the time the theft occurs or the theft first could have been discovered. The retailer shall:
  1. Provide a copy of the written police report to the Lottery,
  2. Cooperate in any investigation and prosecution of the theft,
  3. Sign an affidavit providing the details as known by the retailer, and
  4. Maintain and report current game, pack, and ticket inventory.
- C. If a retailer holding a full product license or limited license sustains a loss from stolen tickets, the retailer's insurance is the loss payee.
- D. If a retailer holding a full product license or limited license has insufficient insurance to pay for the retailer's loss and the retailer complies with subsection (B), the Lottery will credit the retailer's account for stolen instant tickets as follows:
  1. The Lottery shall credit all charges against the account of the retailer for the stolen tickets if the Lottery determines the theft was from a source not associated with the retailer or by an unknown party.
  2. The Lottery shall credit 50% of the charges against the account of the retailer for the stolen tickets if the Lottery determines the theft was from an employee, manager, officer, director, or a relative with access to Lottery tickets.
  3. Each retailer is limited to no more than two stolen ticket credit requests within any 12-month period.
- E. The Lottery shall not issue a credit for stolen tickets if the Lottery finds a retailer holding a full product license or limited license was negligent or did not enforce reasonable loss-prevention procedures to protect tickets, ticket processing, and ticket accounting.
- F. If a prize claim is made against a ticket that has been reported as stolen or a ticket unaccounted for by the retailer holding a full product license or limited license, the Lottery shall hold the prize money in trust pending the findings of an investigation by an appropriate law enforcement agency.
- G. The loss of instant tab tickets is the responsibility of the retailer.





**9. The preliminary summary of the economic, small business and consumer impact:**

The Industrial Commission anticipates that the rule change related to incorporating by reference the recent amendments to federal safety standards related to crane operator certification will have little economic impact. According to federal OSHA estimates that this rule will have a cost savings for employers of \$21.4 million per year for the three years of the extension, this final rule is not economically significant within the meaning of Executive Order 12866. Delaying the operator certification requirement defers a regulatory requirement and should impose no new costs on employers. There will, however, be continuing employer costs for extending the requirement to assess operators under existing § 1926.1427(k)(2); if OSHA had not extended these requirements, they would have expired in 2014 and employers would not have incurred these costs after 2014. Because federal OSHA estimates the cost of any single assessment to be no higher than \$307.48, it believes the economic impact will be minimal on any employer. Most employers will have savings resulting from the three-year extension, particularly employers that planned to pay for operator certification in the year before the original 2014 deadline. The only entities likely to see a net cost will be entities that planned to hire an operator with compliant certification after November 10, 2014. Without the three-year extension, these entities will have no separate assessment duty, but under the three-year extension they will have the expense involved in assessing operator competency. As noted above, however, OSHA estimated the cost for such assessments (for operators with a type and capacity certification) to be \$76.87 per certified operator.

In regards to Confined Space in Construction, OSHA estimates that the final rule will result in yearly compliance costs of \$60.3 million (using a discount rate of 7 percent), and yearly safety benefits, based on lives saved and injuries prevented, of \$93.6 million. Therefore, the benefits of this final standard outweigh the costs of complying with its provisions, yielding net benefits of \$33.3 million a year. Compliance with the final standard will result in approximately \$1.55 of benefits for every dollar of costs. Based on the analysis, federal OSHA concludes that this final standard is technologically and economically feasible for all affected industries. OSHA concludes that compliance with the requirements of the final rule is economically feasible in every affected industry sector.

**10. A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):**

None

**11. A summary of the comments made regarding the rule and the agency response to them:**

The Arizona Division of Occupational Safety and Health did not receive any written or oral comments concerning this rule.

**12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**

None

**13. Incorporations by reference and their location in the rules:**

*CFR 1926 Federal Occupational Safety and Health Standards for Construction Industry with Amendments as of August 3, 2015.* This incorporation by reference will appear in A.A.C. R20-5-601.

**14. Was the rule previously made as an emergency rule?**

No

**15. The full text of the rules follows:**

**TITLE 20. COMMERCE, FINANCIAL INSTITUTIONS, AND INSURANCE**

**CHAPTER 5. INDUSTRIAL COMMISSION OF ARIZONA**

**ARTICLE 6. OCCUPATIONAL SAFETY AND HEALTH STANDARDS**

Section

R20-5-601. The Federal Occupational Safety and Health Standards for Construction, 29 CFR 1926

**ARTICLE 6. OCCUPATIONAL SAFETY AND HEALTH STANDARDS**

**R20-5-601. The Federal Occupational Safety and Health Standards for Construction, 29 CFR 1926**

Each employer shall comply with the standards in the Federal Occupational Safety and Health Standards for Construction, as published in 29 CFR 1926, with amendments as of ~~July 10, 2014~~, August 3, 2015, incorporated by reference. Copies of these referenced materials are available for review at the Industrial Commission of Arizona and may be obtained from the United States Government Printing Office, Superintendent of Documents, Washington, D.C. 20402. These standards shall apply to all conditions and practices related to construction activity by all employers, both public and private, in the state of Arizona. This incorporation by reference does not include amendments or editions to 29 CFR 1926 published after ~~July 10, 2014~~. August 3, 2015.