

HOUSE FLOOR AMENDMENT EXPLANATION



Bill Number: **HB 2033**

Livingston Floor Amendment

Makes a clarifying change as recommended by the Rules Office.

Amendment explanation prepared by Paul Benny

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1/24/2025

LIVINGSTON FLOOR AMENDMENT
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2033
(Reference to printed bill)

Amendment instruction key:

[GREEN UNDERLINING IN BRACKETS] indicates text added to statute or previously enacted session law.

[Green underlining in brackets] indicates text added to new session law or text restoring existing law.

[~~GREEN STRIKEOUT IN BRACKETS~~] indicates new text removed from statute or previously enacted session law.

[~~Green strikeout in brackets~~] indicates text removed from existing statute, previously enacted session law or new session law.

<<Green carets>> indicate a section added to the bill.

<<~~Green strikeout in carets~~>> indicates a section removed from the bill.

1 The bill as proposed to be amended is reprinted as follows:

2 Section 1. Section 23-901, Arizona Revised Statutes, is amended to
3 read:

4 23-901. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Award" means the finding or decision of an administrative law
7 judge or the commission as to the amount of compensation or benefit due an
8 injured employee or the dependents of a deceased employee.

9 2. "Client" means an individual, association, company, firm,
10 partnership, corporation or any other legally recognized entity that is
11 subject to this chapter and that enters into a professional employer
12 agreement with a professional employer organization.

13 3. "Co-employee" means every person employed by an injured
14 employee's employer.

15 4. "Commission" means the industrial commission of Arizona.

16 5. "Compensation" means the compensation and benefits provided by
17 this chapter.

18 6. "Employee", "workman", "worker" and "operative" means:

19 (a) Every person in the service of this state or a county, city,
20 town, municipal corporation or school district, including regular members
21 of lawfully constituted police and fire departments of cities and towns,
22 whether by election, appointment or contract of hire.

23 (b) Every person in the service of any employer subject to this
24 chapter, including aliens and minors legally or illegally allowed to work
25 for hire, but not including a person whose employment is both:

26 (i) Casual.

27 (ii) Not in the usual course of the trade, business or occupation
28 of the employer.

1 (c) Lessees of mining property and the lessees' employees and
2 contractors engaged in the performance of work that is a part of the
3 business conducted by the lessor and over which the lessor retains
4 supervision or control are within the meaning of this paragraph employees
5 of the lessor, and are deemed to be drawing wages as are usually paid
6 employees for similar work. The lessor may deduct from the proceeds of
7 ores mined by the lessees the premium required by this chapter to be paid
8 for such employees.

9 (d) Regular members of volunteer fire departments organized
10 pursuant to title 48, chapter 5, article 1, regular firefighters of any
11 volunteer fire department, including private fire protection service
12 organizations, organized pursuant to title 10, chapters 24 through 40,
13 volunteer firefighters serving as members of a fire department of any
14 incorporated city or town or an unincorporated area without pay or without
15 full pay and on a part-time basis, and voluntary policemen and volunteer
16 firefighters serving in any incorporated city, town or unincorporated area
17 without pay or without full pay and on a part-time basis, are deemed to be
18 employees, but for the purposes of this chapter, the basis for computing
19 wages for premium payments and compensation benefits for regular members
20 of volunteer fire departments organized pursuant to title 48, chapter 5,
21 article 1, or organized pursuant to title 10, chapters 24 through 40,
22 regular members of any private fire protection service organization,
23 volunteer firefighters and volunteer policemen of these departments or
24 organizations shall be the salary equal to the beginning salary of the
25 same rank or grade in the full-time service with the city, town, volunteer
26 fire department or private fire protection service organization, provided
27 if there is no full-time equivalent then the salary equivalent shall be as
28 determined by resolution of the governing body of the city, town or
29 volunteer fire department or corporation.

30 (e) Members of the department of public safety reserve, organized
31 pursuant to section 41-1715, are deemed to be employees. For the purposes
32 of this chapter, the basis for computing wages for premium payments and
33 compensation benefits for a member of the department of public safety
34 reserve who is a peace officer shall be the salary received by officers of
35 the department of public safety for the officers' first month of regular
36 duty as an officer. For members of the department of public safety
37 reserve who are not peace officers, the basis for computing premiums and
38 compensation benefits is \$400 a month.

39 (f) Any person placed in on-the-job evaluation or in on-the-job
40 training under the department of economic security's temporary assistance
41 for needy families program or vocational rehabilitation program shall be
42 deemed to be an employee of the department for the purpose of coverage
43 under the state workers' compensation laws only. The basis for computing
44 premium payments and compensation benefits shall be \$200 per month. Any
45 person receiving vocational rehabilitation services under the department
46 of economic security's vocational rehabilitation program whose major
47 evaluation or training activity is academic, whether as an enrolled
48 attending student or by correspondence, or who is confined to a hospital

1 or penal institution, shall not be deemed to be an employee of the
2 department for any purpose.

3 (g) Regular members of a volunteer sheriff's reserve, which may be
4 established by resolution of the county board of supervisors, to assist
5 the sheriff in the performance of the sheriff's official duties. A roster
6 of the current members shall monthly be certified to the clerk of the
7 board of supervisors by the sheriff and shall not exceed the maximum
8 number authorized by the board of supervisors. Certified members of an
9 authorized volunteer sheriff's reserve shall be deemed to be employees of
10 the county for the purpose of coverage under the Arizona workers'
11 compensation laws and occupational disease disability laws and shall be
12 entitled to receive the benefits of these laws for any compensable
13 injuries or disabling conditions that arise out of and occur in the course
14 of the performance of duties authorized and directed by the sheriff.
15 Compensation benefits and premium payments shall be based on the salary
16 received by a regular full-time deputy sheriff of the county involved for
17 the first month of regular patrol duty as an officer for each certified
18 member of a volunteer sheriff's reserve. This subdivision does not
19 provide compensation coverage for any member of a sheriff's posse who is
20 not a certified member of an authorized volunteer sheriff's reserve except
21 as a participant in a search and rescue mission or a search and rescue
22 training mission.

23 (h) A working member of a partnership may be deemed to be an
24 employee entitled to the benefits provided by this chapter on written
25 acceptance, by endorsement, at the discretion of the insurance carrier for
26 the partnership of an application for coverage by the working partner.
27 The basis for computing premium payments and compensation benefits for the
28 working partner shall be an assumed average monthly wage of not less than
29 \$600 or more than the maximum wage provided in section 23-1041 and is
30 subject to the discretionary approval of the insurance carrier. Any
31 compensation for permanent partial or permanent total disability payable
32 to the partner is computed on the lesser of the assumed monthly wage
33 agreed to by the insurance carrier on the acceptance of the application
34 for coverage or the actual average monthly wage received by the partner at
35 the time of injury.

36 (i) The sole proprietor of a business subject to this chapter may
37 be deemed to be an employee entitled to the benefits provided by this
38 chapter on written acceptance, by endorsement, at the discretion of the
39 insurance carrier of an application for coverage by the sole proprietor.
40 The basis for computing premium payments and compensation benefits for the
41 sole proprietor is an assumed average monthly wage of not less than \$600
42 or more than the maximum wage provided by section 23-1041 and is subject
43 to the discretionary approval of the insurance carrier. Any compensation
44 for permanent partial or permanent total disability payable to the sole
45 proprietor shall be computed on the lesser of the assumed monthly wage
46 agreed to by the insurance carrier on the acceptance of the application
47 for coverage or the actual average monthly wage received by the sole
48 proprietor at the time of injury.

1 (j) A member of the Arizona national guard, Arizona state guard or
2 unorganized militia shall be deemed a state employee and entitled to
3 coverage under the Arizona workers' compensation law at all times while
4 the member is receiving the payment of the member's military salary from
5 this state under competent military orders or on order of the governor.
6 Compensation benefits shall be based on the monthly military pay rate to
7 which the member is entitled at the time of injury, but not less than a
8 salary of \$400 per month or more than the maximum provided by the workers'
9 compensation law. Arizona compensation benefits shall not inure to a
10 member compensable under federal law.

11 (k) Certified ambulance drivers and attendants who serve without
12 pay or without full pay on a part-time basis are deemed to be employees
13 and entitled to the benefits provided by this chapter and the basis for
14 computing wages for premium payments and compensation benefits for
15 certified ambulance personnel shall be \$400 per month.

16 (l) Volunteer workers of a licensed health care institution may be
17 deemed to be employees and entitled to the benefits provided by this
18 chapter on written acceptance by the insurance carrier of an application
19 by the health care institution for coverage of such volunteers. The basis
20 for computing wages for premium payments and compensation benefits for
21 volunteers shall be \$400 per month.

22 (m) Personnel who participate in a search or rescue operation or a
23 search or rescue training operation that carries a mission identifier
24 assigned by the division of emergency management as provided in section
25 35-192.01 and who serve without compensation as volunteer state employees.
26 The basis for computation of wages for premium purposes and compensation
27 benefits is the total volunteer man-hours recorded by the division of
28 emergency management in a given quarter multiplied by the amount
29 determined by the appropriate risk management formula.

30 (n) Personnel who participate in emergency management training,
31 exercises or drills that are duly enrolled or registered with the division
32 of emergency management or any political subdivision as provided in
33 section 26-314, subsection C and who serve without compensation as
34 volunteer state employees. The basis for computation of wages for premium
35 purposes and compensation benefits is the total volunteer man-hours
36 recorded by the division of emergency management or political subdivision
37 during a given training session, exercise or drill multiplied by the
38 amount determined by the appropriate risk management formula.

39 (o) Regular members of the Arizona game and fish department
40 reserve, organized pursuant to section 17-214. The basis for computing
41 wages for premium payments and compensation benefits for a member of the
42 reserve is the salary received by game rangers and wildlife managers of
43 the Arizona game and fish department for the game rangers' and wildlife
44 managers' first month of regular duty.

45 (p) Every person employed pursuant to a professional employer
46 agreement.

47 (q) A working member of a limited liability company who owns less
48 than fifty percent of the membership interest in the limited liability
49 company.

1 (r) A working member of a limited liability company who owns fifty
2 percent or more of the membership interest in the limited liability
3 company may be deemed to be an employee entitled to the benefits provided
4 by this chapter on the written acceptance, by endorsement, of an
5 application for coverage by the working member at the discretion of the
6 insurance carrier for the limited liability company. The basis for
7 computing wages for premium payments and compensation benefits for the
8 working member is an assumed average monthly wage of \$600 or more but not
9 more than the maximum wage provided in section 23-1041 and is subject to
10 the discretionary approval of the insurance carrier. Any compensation for
11 permanent partial or permanent total disability payable to the working
12 member is computed on the lesser of the assumed monthly wage agreed to by
13 the insurance carrier on the acceptance of the application for coverage or
14 the actual average monthly wage received by the working member at the time
15 of injury.

16 (s) A working shareholder of a corporation who owns less than fifty
17 percent of the beneficial interest in the corporation.

18 (t) A working shareholder of a corporation who owns fifty percent
19 or more of the beneficial interest in the corporation may be deemed to be
20 an employee entitled to the benefits provided by this chapter on the
21 written acceptance, by endorsement, of an application for coverage by the
22 working shareholder at the discretion of the insurance carrier for the
23 corporation. The basis for computing wages for premium payments and
24 compensation benefits for the working shareholder is an assumed average
25 monthly wage of \$600 or more but not more than the maximum wage provided
26 in section 23-1041 and is subject to the discretionary approval of the
27 insurance carrier. Any compensation for permanent partial or permanent
28 total disability payable to the working shareholder is computed on the
29 lesser of the assumed monthly wage agreed to by the insurance carrier on
30 the acceptance of the application for coverage or the actual average
31 monthly wage received by the working shareholder at the time of injury.

32 7. "General order" means an order applied generally throughout this
33 state to all persons under jurisdiction of the commission.

34 8. "Heart-related or perivascular injury, illness or death" means
35 myocardial infarction, coronary thrombosis or any other similar sudden,
36 violent or acute process involving the heart or perivascular system, or
37 any death resulting therefrom, and any weakness, disease or other
38 condition of the heart or perivascular system, or any death resulting
39 therefrom.

40 9. "Insurance carrier" means every insurance carrier duly
41 authorized by the director of the department of insurance and financial
42 institutions to write workers' compensation or occupational disease
43 compensation insurance in this state.

44 10. "Interested party" means the employer, the employee, or if the
45 employee is deceased, the employee's estate, the surviving spouse or
46 dependents, the commission, the insurance carrier or their representative.

47 11. "Mental injury, illness or condition" means any mental,
48 emotional, psychotic or neurotic injury, illness or condition.

1 12. "Order" means and includes any rule, direction, requirement,
2 standard, determination or decision other than an award or a directive by
3 the commission or an administrative law judge relative to any entitlement
4 to compensation benefits, or to the amount of compensation benefits, and
5 any procedural ruling relative to the processing or adjudicating of a
6 compensation matter.

7 13. "Personal injury by accident arising out of and in the course
8 of employment" means any of the following:

9 (a) Personal injury by accident arising out of and in the course of
10 employment.

11 (b) An injury caused by the wilful act of a third person directed
12 against an employee because of the employee's employment, but does not
13 include a disease unless resulting from the injury.

14 (c) An occupational disease that is due to causes and conditions
15 characteristic of and peculiar to a particular trade, occupation, process
16 or employment, and not the ordinary diseases to which the general public
17 is exposed, and subject to section 23-901.01 or 23-901.09 or, for
18 heart-related, perivascular or pulmonary cases, section 23-1105.

19 14. "Professional employer agreement" means a written contract
20 between a client and a professional employer organization:

21 (a) In which the professional employer organization expressly
22 agrees to co-employ all or a majority of the employees providing services
23 for the client. In determining whether the professional employer
24 organization employs all or a majority of the employees of a client, any
25 person employed pursuant to the terms of the professional employer
26 agreement after the initial placement of client employees on the payroll
27 of the professional employer organization shall be included.

28 (b) That is intended to be ongoing rather than temporary in nature.

29 (c) In which employer responsibilities for worksite employees,
30 including hiring, firing and disciplining, are expressly allocated between
31 the professional employer organization and the client in the agreement.

32 15. "Professional employer organization" means any person engaged
33 in the business of providing professional employer services. Professional
34 employer organization does not include a temporary help firm or an
35 employment agency.

36 16. "Professional employer services" means the service of entering
37 into co-employment relationships under this chapter to which all or a
38 majority of the employees providing services to a client or to a division
39 or work unit of a client are covered employees.

40 17. "Serve" or "service" means either:

41 (a) Mailing to the last known address of the receiving party.

42 (b) Transmitting by ~~other means, including~~ electronic
43 transmission, ~~with the written consent of the receiving party~~ IN A MANNER
44 REASONABLY CALCULATED TO ACHIEVE EFFECTIVE [SERVICE] [NOTICE] UNLESS THE
45 RECEIVING PARTY OPTS OUT BY PROVIDING WRITTEN NOTICE TO THE OTHER PARTY.

46 18. "Special order" means an order other than a general order.

47 19. "Weakness, disease or other condition of the heart or
48 perivascular system" means arteriosclerotic heart disease, cerebral
49 vascular disease, peripheral vascular disease, cardiovascular disease,

1 angina pectoris, congestive heart trouble, coronary insufficiency,
2 ischemia and all other similar weaknesses, diseases and conditions, and
3 also previous episodes or instances of myocardial infarction, coronary
4 thrombosis or any similar sudden, violent or acute process involving the
5 heart or perivascular system.

6 20. "Workers' compensation" means workmen's compensation as used in
7 article XVIII, section 8, Constitution of Arizona.

8 Enroll and engross to conform

9 Amend title to conform

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