

REFERENCE TITLE: alarm contractor regulation

State of Arizona  
Senate  
Fifty-first Legislature  
First Regular Session  
2013

## **SB 1190**

Introduced by  
Senators Reagan, Burges: Crandall, Griffin, McGuire, Melvin, Meza,  
Pancrazi; Representative Meyer

AN ACT

AMENDING SECTIONS 32-101 AND 32-106, ARIZONA REVISED STATUTES; REPEALING SECTION 32-113, ARIZONA REVISED STATUTES; AMENDING SECTION 32-121, ARIZONA REVISED STATUTES; REPEALING SECTIONS 32-122.05, 32-122.06 AND 32-122.07, ARIZONA REVISED STATUTES; AMENDING SECTIONS 32-1101, 32-1101.01, 32-1122 AND 32-1154, ARIZONA REVISED STATUTES; RELATING TO CONTRACTORS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 32-101, Arizona Revised Statutes, is amended to  
3 read:

4 32-101. Purpose; definitions

5 A. The purpose of this chapter is to provide for the safety, health  
6 and welfare of the public through the promulgation and enforcement of  
7 standards of qualification for those individuals registered or certified and  
8 seeking registration or certification pursuant to this chapter.

9 B. In this chapter, unless the context otherwise requires:

10 1. "Advertising" includes business cards, signs or letterhead provided  
11 by a person to the public.

12 ~~2. "Alarm" or "alarm system":~~

13 ~~(a) Means any mechanical or electrical device that is designed to emit~~  
14 ~~an audible alarm or transmit a signal or message if activated and that is~~  
15 ~~used to detect an unauthorized entry into a building or other facility or~~  
16 ~~alert other persons of the occurrence of a medical emergency or the~~  
17 ~~commission of an unlawful act against a person or in a building or other~~  
18 ~~facility.~~

19 ~~(b) Includes a silent, panic, holdup, robbery, duress, burglary,~~  
20 ~~medical alert or proprietor alarm that requires emergency personnel to~~  
21 ~~respond.~~

22 ~~(c) Does not include a telephone call diverter or a system that is~~  
23 ~~designed to report environmental and other occurrences and that is not~~  
24 ~~designed or used to alert or cause other persons to alert public safety~~  
25 ~~personnel.~~

26 ~~3. "Alarm agent" means a person, whether an employee, an independent~~  
27 ~~contractor or otherwise, who acts on behalf of an alarm business and who~~  
28 ~~tests, maintains, services, repairs, sells, rents, leases or installs alarm~~  
29 ~~systems other than an alarm system located on the person's own property or~~  
30 ~~the property of the person's employer.~~

31 ~~4. "Alarm business":~~

32 ~~(a) Means any person who, either alone or through a third party,~~  
33 ~~engages in the business of either of the following:~~

34 ~~(i) Providing alarm monitoring services.~~

35 ~~(ii) Selling, leasing, renting, maintaining, repairing or installing a~~  
36 ~~nonproprietor alarm system or service.~~

37 ~~(b) Does not include any of the following:~~

38 ~~(i) A person or company that purchases, rents or uses an alarm that is~~  
39 ~~affixed to a motor vehicle.~~

40 ~~(ii) A person who owns or conducts a business of selling, leasing,~~  
41 ~~renting, installing, maintaining or monitoring an alarm that is affixed to a~~  
42 ~~motor vehicle.~~

43 ~~(iii) A person who installs a nonmonitored proprietor alarm for a~~  
44 ~~business that the person owns, is employed by or manages.~~

45 ~~(iv) The installation or monitoring of fire alarm systems.~~

1 ~~(v) An alarm system that is operated by a city or town.~~

2 ~~5. "Alarm subscriber" means any person who:~~

3 ~~(a) Leases, rents or purchases any monitored alarm system or service~~  
4 ~~from an alarm business.~~

5 ~~(b) Leases or rents an alarm system.~~

6 ~~(c) Contracts with an alarm business for alarm monitoring,~~  
7 ~~installation, repair or maintenance services.~~

8 ~~6.~~ 2. "Architect" means a person who, by reason of knowledge of the  
9 mathematical and physical sciences and the principles of architecture and  
10 architectural engineering acquired by professional education and practical  
11 experience, is qualified to engage in the practice of architecture as  
12 attested by registration as an architect.

13 ~~7.~~ 3. "Architect-in-training" means a candidate for registration as a  
14 professional architect who is a graduate of a school approved by the board or  
15 who has five years or more of education or experience, or both, in  
16 architectural work which meets standards specified by the board in its rules.  
17 In addition, the candidate shall have passed the architect-in-training  
18 examination.

19 ~~8.~~ 4. "Architectural practice" means any professional service or  
20 creative work requiring architectural education, training and experience, and  
21 the application of the mathematical and physical sciences and the principles  
22 of architecture and architectural engineering to such professional services  
23 or creative work as consultation, evaluation, design and review of  
24 construction for conformance with contract documents and design, in  
25 connection with any building, planning or site development. A person shall  
26 be deemed to practice or offer to practice architecture who in any manner  
27 represents that the person is an architect, or is able to perform any  
28 architectural service or other services recognized by educational authorities  
29 as architecture.

30 ~~9.~~ 5. "Assayer" means a person who analyzes metals, ores, minerals,  
31 or alloys in order to ascertain the quantity of gold or silver or any other  
32 substance present in them. A person employed on a full-time basis as an  
33 assayer by an employer engaged in the business of developing, mining or  
34 treating ores or other minerals shall not be deemed to be engaged in assaying  
35 practice for the purposes of this chapter if the person engages in assaying  
36 practice exclusively for and as an employee of such employer and does not  
37 represent that the person is available and is not represented as being  
38 available to perform any assaying services for anyone other than the person's  
39 employer.

40 ~~10.~~ 6. "Assayer-in-training" means a candidate for registration as a  
41 professional assayer who is a graduate of a school and curriculum approved by  
42 the board or who has four years or more of education or experience, or both,  
43 in assaying work which meets standards specified by the board in its rules.  
44 In addition, the candidate shall have passed the assayer-in-training  
45 examination.

1       ~~11.~~ 7. "Assaying practice" means any professional service or work  
2 requiring assaying education, training and experience and the application of  
3 special knowledge of the mineral sciences to such service or work as  
4 consultation and the evaluation of minerals. A person is deemed to practice  
5 or offer to practice assaying who in any manner represents that the person is  
6 an assayer or is able to perform any assaying service or other services  
7 recognized by educational authorities as assaying.

8       ~~12.~~ 8. "Board" means the state board of technical registration.

9       ~~13.~~ 9. "Certified remediation specialist" means a person who has been  
10 certified by the board to perform, supervise and review environmental  
11 remediations if the use of a certified remediation specialist is specifically  
12 authorized by title 49 and rules adopted pursuant to title 49.

13       ~~14. "Controlling person":~~

14       ~~(a) Means a person who is designated by an alarm business.~~

15       ~~(b) Does not include an alarm agent.~~

16       ~~15.~~ 10. "Drug laboratory site remediation firm" means a firm that is  
17 licensed by the registrar of contractors pursuant to chapter 10 of this title  
18 and that performs remediation of residual contamination from the manufacture  
19 of methamphetamine, ecstasy or LSD or the storage of chemicals or equipment  
20 used in manufacturing methamphetamine, ecstasy or LSD. For the purposes of  
21 this paragraph:

22       (a) "Ecstasy" has the same meaning prescribed in section 13-3401,  
23 paragraph 6 and includes any of the precursor chemicals, regulated chemicals,  
24 other substances or equipment used in the unlawful manufacture of the  
25 dangerous drug.

26       (b) "LSD" has the same meaning prescribed in section 13-3401,  
27 paragraph 6 and includes any of the precursor chemicals, regulated chemicals,  
28 other substances or equipment used in the unlawful manufacture of the  
29 dangerous drug.

30       (c) "Methamphetamine" has the same meaning prescribed in section  
31 13-3401, paragraph 6 and includes any of the precursor chemicals, regulated  
32 chemicals, other substances or equipment used in the unlawful manufacture of  
33 the dangerous drug.

34       ~~16.~~ 11. "Engineer" means a person who, by reason of special knowledge  
35 of the mathematical and physical sciences and the principles and methods of  
36 engineering analysis and design acquired by professional education and  
37 practical experience, is qualified to practice engineering as attested by  
38 registration as a professional engineer.

39       ~~17.~~ 12. "Engineering practice" means any professional service or  
40 creative work requiring engineering education, training and experience and  
41 the application of special knowledge of the mathematical, physical and  
42 engineering sciences to such professional services or creative work as  
43 consultation, research investigation, evaluation, planning, surveying as  
44 defined in paragraph ~~27~~ 22, subdivisions (d) and (e) of this subsection,  
45 design, location, development, and review of construction for conformance

1 with contract documents and design, in connection with any public or private  
2 utility, structure, building, machine, equipment, process, work or project.  
3 Such services and work include plans and designs relating to the location,  
4 development, mining and treatment of ore and other minerals. A person shall  
5 be deemed to be practicing or offering to practice engineering if the person  
6 practices any branch of the profession of engineering, or by verbal claim,  
7 sign, advertisement, letterhead, card or any other manner represents that the  
8 person is a professional engineer, or is able to perform or does perform any  
9 engineering service or other service recognized by educational authorities as  
10 engineering. A person employed on a full-time basis as an engineer by an  
11 employer engaged in the business of developing, mining and treating ores and  
12 other minerals shall not be deemed to be practicing engineering for the  
13 purposes of this chapter if the person engages in the practice of engineering  
14 exclusively for and as an employee of such employer and does not represent  
15 that the person is available and is not represented as being available to  
16 perform any engineering services for persons other than the person's  
17 employer.

18 ~~18-~~ 13. "Engineer-in-training" means a candidate for registration as a  
19 professional engineer who is a graduate in an approved engineering curriculum  
20 of four years or more of a school approved by the board or who has had four  
21 years or more of education or experience, or both, in engineering work which  
22 meets standards specified by the board in its rules. In addition, the  
23 candidate shall have passed the engineer-in-training examination.

24 ~~19-~~ 14. "Firm" means any individual or partnership, corporation or  
25 other type of association, including the association of a nonregistrant and a  
26 registrant who offers to the public professional services regulated by the  
27 board.

28 ~~20-~~ 15. "Geological practice" means any professional service or work  
29 requiring geological education, training and experience, and the application  
30 of special knowledge of the earth sciences to such professional services as  
31 consultation, evaluation of mining properties, petroleum properties and  
32 groundwater resources, professional supervision of exploration for mineral  
33 natural resources including metallic and nonmetallic ores, petroleum and  
34 groundwater, and the geological phases of engineering investigations.

35 ~~21-~~ 16. "Geologist" means a person, not of necessity an engineer, who  
36 by reason of special knowledge of the earth sciences and the principles and  
37 methods of search for and appraisal of mineral or other natural resources  
38 acquired by professional education and practical experience is qualified to  
39 practice geology as attested by registration as a professional geologist. A  
40 person employed on a full-time basis as a geologist by an employer engaged in  
41 the business of developing, mining or treating ores and other minerals shall  
42 not be deemed to be engaged in geological practice for the purposes of this  
43 chapter if the person engages in geological practice exclusively for and as  
44 an employee of such employer and does not represent that the person is

1 available and is not represented as being available to perform any geological  
2 services for persons other than the person's employer.

3 ~~22-~~ 17. "Geologist-in-training" means a candidate for registration as  
4 a professional geologist who is a graduate of a school approved by the board  
5 or who has had four years or more of education or experience, or both, in  
6 geological work which meets standards specified by the board in its rules.  
7 In addition, the candidate shall have passed the geologist-in-training  
8 examination.

9 ~~23-~~ 18. "Home inspection" means a visual analysis for the purposes of  
10 providing a professional opinion of the building, any reasonably accessible  
11 installed components and the operation of the building's systems, including  
12 the controls normally operated by the owner, for the following components of  
13 a residential building of four units or less:

- 14 (a) Heating system.
- 15 (b) Cooling system.
- 16 (c) Plumbing system.
- 17 (d) Electrical system.
- 18 (e) Structural components.
- 19 (f) Foundation.
- 20 (g) Roof covering.
- 21 (h) Exterior and interior components.
- 22 (i) Site aspects as they affect the building.
- 23 (j) Pursuant to rules adopted by the board, swimming pool and spa.

24 ~~24-~~ 19. "Home inspection report" means a written report that is  
25 prepared for compensation, that is issued after a home inspection and that  
26 clearly describes and identifies the inspected systems, structures and  
27 components of a completed dwelling and any visible major defects found to be  
28 in need of immediate major repair and any recommendations for additional  
29 evaluation by appropriate persons.

30 ~~25-~~ 20. "Home inspector" means an individual who is certified pursuant  
31 to this chapter as a home inspector and who engages in the business of  
32 performing home inspections and writing home inspection reports.

33 ~~26-~~ 21. "Home inspector-in-training" means a candidate for  
34 certification as a home inspector who has completed a course of study  
35 approved by the board and who is participating in a training program that  
36 complies with standards recommended by the home inspector rules and standards  
37 committee and approved by the board.

38 ~~27-~~ 22. "Land surveying practice" means the performance of one or more  
39 of the following professional services:

- 40 (a) Measurement of land to determine the position of any monument or  
41 reference point which marks a property line, boundary or corner for the  
42 purpose of determining the area or description of the land.
- 43 (b) Location, relocation, establishment, reestablishment, setting,  
44 resetting or replacing of corner monuments or reference points which identify  
45 land boundaries, rights-of-way or easements.

1 (c) Platting or plotting of lands for the purpose of subdividing.

2 (d) Measurement by angles, distances and elevations of natural or  
3 artificial features in the air, on the surface and immediate subsurface of  
4 the earth, within underground workings and on the surface or within bodies of  
5 water for the purpose of determining or establishing their location, size,  
6 shape, topography, grades, contours or water surface and depths, and the  
7 preparation and perpetuation of field note records and maps depicting these  
8 features.

9 (e) Setting, resetting or replacing of points to guide the location of  
10 new construction.

11 ~~28.~~ 23. "Land surveyor" means a person who by reason of knowledge of  
12 the mathematical and physical sciences, principles of land surveying and  
13 evidence gathering acquired by professional education or practical  
14 experience, or both, is qualified to practice land surveying as attested by  
15 registration as a land surveyor. A person employed on a full-time basis as a  
16 land surveyor by an employer engaged in the business of developing, mining or  
17 treating ores or other minerals shall not be deemed to be engaged in land  
18 surveying practice for purposes of this chapter if the person engages in land  
19 surveying practice exclusively for and as an employee of such employer and  
20 does not represent that the person is available and is not represented as  
21 being available to perform any land surveying services for persons other than  
22 the person's employer.

23 ~~29.~~ 24. "Land surveyor-in-training" means a candidate for registration  
24 as a professional land surveyor who is a graduate of a school and curriculum  
25 approved by the board, or who has four years or more of education or  
26 experience, or both, in land surveying work which meets standards specified  
27 by the board in its rules. In addition, the candidate shall have passed the  
28 land surveyor-in-training examination.

29 ~~30.~~ 25. "Landscape architect" means a person who, by reason of  
30 professional education or practical experience, or both, is qualified to  
31 engage in the practice of landscape architecture as attested by registration  
32 as a landscape architect.

33 ~~31.~~ 26. "Landscape architect-in-training" means a candidate for  
34 registration as a professional landscape architect who is a graduate of a  
35 school approved by the board or who has had four years or more of education  
36 or experience, or both, in landscape architectural work which meets standards  
37 specified by the board in its rules. In addition, the candidate shall have  
38 passed the landscape architect-in-training examination.

39 ~~32.~~ 27. "Landscape architectural practice" means the performance of  
40 professional services such as consultations, investigation, reconnaissance,  
41 research, planning, design or responsible supervision in connection with the  
42 development of land and incidental water areas where, and to the extent that,  
43 the dominant purpose of such services is the preservation, enhancement or  
44 determination of proper land uses, natural land features, ground cover and  
45 planting, naturalistic and aesthetic values, the settings of and approaches

1 to buildings, structures, facilities or other improvements, natural drainage  
2 and the consideration and the determination of inherent problems of the land  
3 relating to erosion, wear and tear, light or other hazards. This practice  
4 shall include the location and arrangement of such tangible objects and  
5 features as are incidental and necessary to the purposes outlined in this  
6 paragraph but shall not include the making of cadastral surveys or final land  
7 plats for official recording or approval, nor mandatorily include planning  
8 for governmental subdivisions.

9 ~~33. "Monitored alarm" means a device that is designed for the detection~~  
10 ~~of an entry on any premises and that if activated generates a notification~~  
11 ~~signal.~~

12 34. 28. "On-site supervisor" means the employee of a drug laboratory  
13 site remediation firm who is authorized to oversee on-site workers in the  
14 performance of their duties.

15 35. 29. "On-site worker" means an employee of a drug laboratory site  
16 remediation firm who has on-site duties or who handles contaminated  
17 materials, chemicals or contaminated equipment.

18 36. 30. "Person" means any individual, firm, partnership, corporation,  
19 association or other organization.

20 37. 31. "Principal" means an individual who is an officer of the  
21 corporation or is designated by a firm as having full authority and  
22 responsible charge of the services offered by the firm.

23 38. ~~"Proprietor alarm" means any alarm or alarm system that is owned by~~  
24 ~~an alarm subscriber who has not contracted with an alarm business.~~

25 39. 32. "Registrant" means a person registered or certified by the  
26 board.

27 40. 33. "Registration" means a registration or certification issued by  
28 the board.

29 Sec. 2. Section 32-106, Arizona Revised Statutes, is amended to read:

30 32-106. Powers and duties

31 A. The board shall:

32 1. Adopt rules for the conduct of its meetings and performance of  
33 duties imposed upon it by law.

34 2. Adopt an official seal for attestation of certificates of  
35 registration and other official papers and documents.

36 3. Consider and pass upon applications for registration or  
37 certification.

38 4. Conduct examinations for in-training and professional registration  
39 ~~except for an alarm business or an alarm agent.~~

40 5. Hear and pass upon complaints or charges or direct an  
41 administrative law judge to hear and pass on complaints and charges.

42 6. Compel attendance of witnesses, administer oaths and take testimony  
43 concerning all matters coming within its jurisdiction. In exercising these  
44 powers, the board may issue subpoenas for the attendance of witnesses and the

1 production of books, records, documents and other evidence it deems relevant  
2 to an investigation or hearing.

3 7. Keep a record of its proceedings.

4 8. Keep a register which shall show the date of each application for  
5 registration or certification, the name of the applicant, the practice or  
6 branch of practice in which the applicant has applied for registration, if  
7 applicable, and the disposition of the application.

8 9. Do other things necessary to carry out the purposes of this  
9 chapter.

10 B. The board shall specify the proficiency designation in the branch  
11 of engineering in which the applicant has designated proficiency on the  
12 certificate of registration and renewal card issued to each registered  
13 engineer and shall authorize the engineer to use the title of registered  
14 professional engineer. The board shall decide what branches of engineering  
15 it shall recognize.

16 C. The board may hold membership in and be represented at national  
17 councils or organizations of proficiencies registered under this chapter and  
18 may pay the appropriate membership fees. The board may conduct standard  
19 examinations on behalf of national councils and may establish fees for those  
20 examinations.

21 D. The board may employ and pay on a fee basis persons, including  
22 full-time employees of a state institution, bureau or department, to prepare  
23 and grade examinations given to applicants for registration and may fix the  
24 fee to be paid for these services. These employees are authorized to  
25 prepare, grade and monitor examinations and perform other services the board  
26 authorizes, and to receive payment for these services from the technical  
27 registration fund. The board may contract with an organization to administer  
28 the registration examination, including selecting the test site, scheduling  
29 the examination, billing and collecting the fee directly from the applicant  
30 and grading the examination if a national council of which the board is a  
31 member or a professional association approved by the board does not provide  
32 these services. If a national council of which the board is a member or a  
33 professional association approved by the board does provide these services,  
34 the board shall enter into an agreement with the national council or  
35 professional association to administer the registration examination.

36 E. The board may rent necessary office space and pay the cost of this  
37 office space from the technical registration fund.

38 F. The board may adopt rules establishing rules of professional  
39 conduct for registrants.

40 G. The board may require evidence it deems necessary to establish the  
41 continuing competency of registrants as a condition of renewal of licenses.

42 H. Subject to title 41, chapter 4, article 4, the board may employ  
43 persons as it deems necessary.

44 I. The board shall issue a certificate and renewal card to each drug  
45 laboratory site remediation firm, remediation supervisor and on-site worker.

1           ~~J. The board shall issue or may authorize the executive director to~~  
2 ~~issue a certificate or renewal certificate to each alarm business and a~~  
3 ~~certification or renewal certification card to each alarm agent if the~~  
4 ~~qualifications prescribed by this chapter are met.~~

5           Sec. 3. Repeal

6           Section 32-113, Arizona Revised Statutes, is repealed.

7           Sec. 4. Section 32-121, Arizona Revised Statutes, is amended to read:

8           32-121. Certificate or registration required for practice

9           ~~Except as otherwise provided in this section,~~ A person or firm desiring  
10 to practice any board regulated profession or occupation shall first secure a  
11 certificate or registration and shall comply with all the conditions  
12 prescribed in this chapter. ~~An alarm business or an alarm agent may install~~  
13 ~~alarms as follows:~~

14           ~~1. The alarm business has submitted an application for certification~~  
15 ~~pursuant to section 32-122.05 or is a licensed contractor pursuant to chapter~~  
16 ~~10 of this title.~~

17           ~~2. The alarm agent has submitted an application and fingerprints to~~  
18 ~~the board pursuant to section 32-122.06.~~

19           Sec. 5. Repeal

20           Sections 32-122.05, 32-122.06 and 32-122.07, Arizona Revised Statutes,  
21 are repealed.

22           Sec. 6. Section 32-1101, Arizona Revised Statutes, is amended to read:

23           32-1101. Definitions

24           A. In this chapter, unless the context otherwise requires:

25           1. "Advertisement" means any written or oral publication,  
26 dissemination, solicitation or circulation which is intended to directly or  
27 indirectly induce any person to enter into an agreement for contracting  
28 services with a contractor, including business cards and telephone directory  
29 display advertisements.

30           2. "ALARM AGENT" MEANS A PERSON, WHETHER AN EMPLOYEE, AN INDEPENDENT  
31 CONTRACTOR OR OTHERWISE, WHO ACTS ON BEHALF OF A CONTRACTOR AND WHO TESTS,  
32 MAINTAINS, SERVICES, REPAIRS, SELLS, RENTS, LEASES OR INSTALLS ALARM SYSTEMS  
33 OTHER THAN AN ALARM SYSTEM LOCATED ON THE PERSON'S OWN PROPERTY OR THE  
34 PROPERTY OF THE PERSON'S EMPLOYER.

35           3. "ALARM BUSINESS":

36           (a) MEANS ANY PERSON WHO, EITHER ALONE OR THROUGH A THIRD PARTY,  
37 ENGAGES IN THE BUSINESS OF SELLING, LEASING, RENTING, MAINTAINING, REPAIRING  
38 OR INSTALLING A NONPROPRIETOR ALARM SYSTEM OR SERVICE.

39           (b) DOES NOT INCLUDE ANY OF THE FOLLOWING:

40           (i) A PERSON OR COMPANY THAT PURCHASES, RENTS OR USES AN ALARM THAT IS  
41 AFFIXED TO A MOTOR VEHICLE.

42           (ii) A PERSON WHO OWNS OR CONDUCTS A BUSINESS OF SELLING, LEASING,  
43 RENTING, INSTALLING OR MAINTAINING AN ALARM THAT IS AFFIXED TO A MOTOR  
44 VEHICLE.

1 (iii) A PERSON WHO INSTALLS A NONMONITORED PROPRIETOR ALARM FOR A  
2 BUSINESS THAT THE PERSON OWNS, IS EMPLOYED BY OR MANAGES.

3 (iv) THE INSTALLATION OF FIRE ALARM SYSTEMS.

4 (v) AN ALARM SYSTEM THAT IS OPERATED BY A CITY OR TOWN.

5 4. "ALARM SUBSCRIBER" MEANS ANY PERSON WHO:

6 (a) LEASES, RENTS OR PURCHASES ANY MONITORED ALARM SYSTEM OR SERVICE  
7 FROM AN ALARM BUSINESS.

8 (b) LEASES OR RENTS AN ALARM SYSTEM.

9 (c) CONTRACTS WITH AN ALARM BUSINESS FOR ALARM INSTALLATION, REPAIR OR  
10 MAINTENANCE SERVICES.

11 5. "ALARM SYSTEM":

12 (a) MEANS ANY MECHANICAL OR ELECTRICAL DEVICE THAT IS DESIGNED TO EMIT  
13 AN AUDIBLE ALARM OR TRANSMIT A SIGNAL OR MESSAGE IF ACTIVATED AND THAT IS  
14 USED TO DETECT AN UNAUTHORIZED ENTRY INTO A BUILDING OR OTHER FACILITY OR  
15 ALERT OTHER PERSONS OF THE OCCURRENCE OF A MEDICAL EMERGENCY OR THE  
16 COMMISSION OF AN UNLAWFUL ACT AGAINST A PERSON OR IN A BUILDING OR OTHER  
17 FACILITY.

18 (b) INCLUDES A SILENT, PANIC, HOLDUP, ROBBERY, DURESS, BURGLARY,  
19 MEDICAL ALERT OR PROPRIETOR ALARM THAT REQUIRES EMERGENCY PERSONNEL TO  
20 RESPOND.

21 (c) DOES NOT INCLUDE A TELEPHONE CALL DIVERTER OR A SYSTEM THAT IS  
22 DESIGNED TO REPORT ENVIRONMENTAL AND OTHER OCCURRENCES AND THAT IS NOT  
23 DESIGNED OR USED TO ALERT OR CAUSE OTHER PERSONS TO ALERT PUBLIC SAFETY  
24 PERSONNEL.

25 ~~2-~~ 6. "Commercial contractor" is synonymous with the terms  
26 "commercial builder", "industrial builder" and "public works builder" and  
27 means any person, firm, partnership, corporation, association or other  
28 organization, or any combination, that, for compensation, undertakes to or  
29 offers to undertake to, purports to have the capacity to undertake to,  
30 submits a bid to, does himself or by or through others, or directly or  
31 indirectly supervises others, except within residential property lines, to:

32 (a) Construct, alter, repair, add to, subtract from, improve, move,  
33 wreck or demolish any building, highway, road, railroad, excavation or other  
34 structure, project, development or improvement, or to do any part thereof,  
35 including the erection of scaffolding or any other structure or work in  
36 connection with the construction.

37 (b) Connect such structure or improvements to utility service lines  
38 and metering devices and the sewer line.

39 (c) Provide mechanical or structural service for any such structure or  
40 improvements.

41 ~~3-~~ 7. "Contractor" is synonymous with the term "builder" and means  
42 any person, firm, partnership, corporation, association or other  
43 organization, or a combination of any of them, that, for compensation,  
44 undertakes to or offers to undertake to, purports to have the capacity to  
45 undertake to, submits a bid or responds to a request for qualification or a

1 request for proposals for construction services to, does himself or by or  
2 through others, or directly or indirectly supervises others to:

3 (a) Construct, alter, repair, add to, subtract from, improve, move,  
4 wreck or demolish any building, highway, road, railroad, excavation or other  
5 structure, project, development or improvement, or to do any part thereof,  
6 including the erection of scaffolding or any other structure or work in  
7 connection with the construction.

8 (b) Connect such structure or improvements to utility service lines  
9 and metering devices and the sewer line.

10 (c) Provide mechanical or structural service for any such structure or  
11 improvements.

12 ~~4.~~ 8. "Dual licensed contractor" is synonymous with the term  
13 "commercial and residential builder" and means any person, firm, partnership,  
14 corporation, association or other organization, or any combination, that  
15 undertakes to or offers to undertake to, purports to have the capacity to  
16 undertake to, submits a bid to, does himself or by or through others, or  
17 directly or indirectly supervises others under a single license on commercial  
18 or residential property to:

19 (a) Construct, alter, repair, add to, subtract from, improve, move,  
20 wreck or demolish any building, excavation or other structure or improvement,  
21 including any appurtenances, or to do any part thereof.

22 (b) Connect such structure or improvements to utility service lines  
23 and metering devices and the sewer line.

24 (c) Provide mechanical or structural service for any such structure or  
25 improvements.

26 ~~5.~~ 9. "Person" means an applicant, an individual, a member of a  
27 limited liability company, a qualifying party, any partner of a partnership  
28 or limited liability partnership or any officer, director, qualifying party,  
29 trustee of a trust, beneficiary of a trust or owner of at least twenty-five  
30 per cent of the stock or beneficial interest of a corporation.

31 ~~6.~~ 10. "Registrar" means the registrar of contractors.

32 ~~7.~~ 11. "Residential contractor" is synonymous with the term  
33 "residential builder" and means any person, firm, partnership, corporation,  
34 association or other organization, or a combination of any of them, that  
35 undertakes to or offers to undertake to, purports to have the capacity to  
36 undertake to, submits a bid to, or does himself or by or through others,  
37 within residential property lines:

38 (a) Construct, alter, repair, add to, subtract from, improve, move,  
39 wreck or demolish any residential structure, such as houses, townhouses,  
40 condominiums or cooperative units. Residential structures also include  
41 apartment complexes of four units or less and any appurtenances on or within  
42 residential property lines.

43 (b) Connect such residential structure to utility service lines,  
44 metering devices or sewer lines.

1 (c) Provide mechanical or structural service for any such residential  
2 structure.

3 B. "Contractor" includes subcontractors, specialty contractors, floor  
4 covering contractors, landscape contractors, other than gardeners, and  
5 consultants representing themselves as having the ability to supervise or  
6 manage a construction project for the benefit of the property owner,  
7 including the hiring and firing of specialty contractors, the scheduling of  
8 work on the project and the selection and purchasing of construction  
9 material.

10 C. For the purposes of this chapter, ~~"residential contractor"~~ does  
11 not include an owner making improvements pursuant to section 32-1121,  
12 subsection A, paragraph 5.

13 D. Only contractors as defined in this section are licensed and  
14 regulated by this chapter.

15 Sec. 7. Section 32-1101.01, Arizona Revised Statutes, is amended to  
16 read:

17 32-1101.01. Local authority; preemption; civil penalty

18 A. The legislature determines that the licensing of construction  
19 contractors is a proper state function. Cities, including charter cities,  
20 towns and counties, shall not require licenses of any construction  
21 contractors licensed by ~~statute prior to the effective date of this section~~  
22 THIS STATE.

23 B. IF A LICENSED CONTRACTOR IS AN ALARM BUSINESS:

24 1. THE LICENSED CONTRACTOR IS NOT REQUIRED TO PROVIDE A CITY,  
25 INCLUDING A CHARTER CITY, TOWN OR COUNTY ANY INFORMATION REGARDING THE ALARM  
26 SUBSCRIBERS OF THE CONTRACTOR WITHOUT A COURT ORDER.

27 2. A CITY, INCLUDING A CHARTER CITY, TOWN OR COUNTY, IS PREEMPTED FROM  
28 REGULATING THE CONTRACTOR.

29 C. THIS SECTION DOES NOT IMPAIR THE REGISTRAR'S AUTHORITY TO REQUEST  
30 INFORMATION PURSUANT TO SECTION 32-1106.

31 D. A CITY, INCLUDING A CHARTER CITY, TOWN OR COUNTY THAT VIOLATES THIS  
32 SECTION:

33 1. IS SUBJECT TO A CIVIL PENALTY.

34 2. SHALL REIMBURSE A PREVAILING PARTY FOR FEES AND EXPENSES.

35 Sec. 8. Section 32-1122, Arizona Revised Statutes, is amended to read:

36 32-1122. Qualifications for license

37 A. A contractor's license shall be issued only by act of the registrar  
38 of contractors. The registrar shall:

39 1. Classify and qualify applicants for a license.

40 2. If necessary, change the license classification of a licensee in  
41 the case of a title reclassification, with or without a bond rider for the  
42 purpose of continuing liability on the bond.

43 3. Conduct investigations the registrar deems necessary.

44 4. Establish written examinations if deemed necessary to protect the  
45 health and safety of the public.

1           B. To obtain or renew a license under this chapter, the applicant  
2 shall:

3           1. Submit to the registrar of contractors a verified application on  
4 forms that are prescribed by the registrar of contractors and that contain  
5 the following information and shall advise the registrar of any change in the  
6 information within thirty days:

7           (a) A designation of the classification of license that is sought by  
8 the applicant.

9           (b) If the applicant is an individual, the applicant's name and  
10 address.

11           (c) If the applicant is a partnership, the names and addresses of all  
12 partners with a designation of any limited partners.

13           (d) If the applicant is a corporation, an association or any other  
14 organization, the names and addresses of the president, vice-president, if  
15 any, secretary and treasurer or the names and addresses of the functional  
16 equivalent of these officers, the directors and the owners of twenty-five per  
17 cent or more of the stock or beneficial interest.

18           (e) The name and address of the qualifying party.

19           (f) If the applicant is a corporation, evidence that the corporation  
20 is in good standing with the corporation commission.

21           (g) The address or location of the applicant's place of business and  
22 the mailing address if it is different from the applicant's place of  
23 business.

24           (h) The applicant's current privilege license number issued pursuant  
25 to section 42-5005.

26           (i) Proof that the applicant has complied with the statutes or rules  
27 governing workers' compensation insurance.

28           (j) IF THE APPLICANT IS ENGAGED IN THE BUSINESS OF INSTALLING OR  
29 MODIFYING AN ALARM SYSTEM, A SWORN AFFIDAVIT THAT THE APPLICANT CONDUCTS  
30 CRIMINAL BACKGROUND CHECKS FOR EACH EMPLOYEE OF THE APPLICANT. THE APPLICANT  
31 MUST FILE THE AFFIDAVIT ONLY ONCE AND IS NOT REQUIRED TO FILE SUBSEQUENT  
32 AFFIDAVITS ON APPLICATION FOR RENEWAL OF THE LICENSE.

33           2. Submit the appropriate bond and fee required under this chapter.

34           C. To obtain a contractor's license under this chapter other than a  
35 residential contractor's license, the applicant shall submit a detailed  
36 statement of current financial condition containing information required by  
37 the registrar of contractors on a form furnished by or acceptable to the  
38 registrar of contractors. Notwithstanding any other law, a swimming pool  
39 contractor shall also submit a detailed statement of current financial  
40 condition as required by this subsection.

41           D. To obtain or renew a license under this chapter, each person shall  
42 be of good character and reputation. Lack of good character and reputation  
43 may be established by showing that a person has engaged in contracting  
44 without a license or committed any act that, if committed or done by any  
45 licensed contractor, would be grounds for suspension or revocation of a

1 contractor's license or by showing that the person was named on a  
2 contractor's license that was suspended or revoked in another state.

3 E. To obtain a license under this chapter, a person shall not have had  
4 a license refused or revoked, within one year before the person's  
5 application, or shall not have engaged in the contracting business, nor shall  
6 the person have submitted a bid without first having been licensed within one  
7 year before the person's application, nor shall a person act as a contractor  
8 between the filing of the application and actual issuance of the license.  
9 The registrar may find any of those actions or circumstances to be excusable  
10 if there was reasonable doubt as to the need for licensure or the actions of  
11 the applicant did not result in an unremedied hardship or danger or loss to  
12 the public. A person who has been convicted of contracting without a license  
13 is not eligible to obtain a license under this chapter for one year after the  
14 date of the last conviction.

15 F. Before a license is issued, the qualifying party shall:

16 1. Have had a minimum of four years' practical or management trade  
17 experience, at least two of which must have been within the last ten years,  
18 dealing specifically with the type of construction, or its equivalent, for  
19 which the applicant is applying for a license. Technical training in an  
20 accredited college or university or in a manufacturer's accredited training  
21 program may be substituted for a portion of such experience, but in no case  
22 may credited technical training exceed two years of the required four years'  
23 experience. The registrar of contractors may reduce the four years'  
24 practical or management experience requirement if in the registrar's opinion  
25 it has been conclusively shown by custom and usage in the particular industry  
26 or craft involved that the four year requirement is excessive. The registrar  
27 may waive the work experience documentation and verification or the  
28 examination requirement if the records reflect that the qualifying party is  
29 currently or has previously been a qualifying party for a licensee in this  
30 state in the same classification within the preceding five years.

31 2. Successfully show, by written examination taken not more than two  
32 years before application, if required, qualification in the kind of work for  
33 which the applicant proposes to contract, the applicant's general knowledge  
34 of the building, safety, health and lien laws of the state, administrative  
35 principles of the contracting business and the rules adopted by the registrar  
36 of contractors pursuant to this chapter, demonstrate knowledge and  
37 understanding of construction plans and specifications applicable to the  
38 particular industry or craft and of the standards of construction work and  
39 techniques and practices in the particular industry or craft and demonstrate  
40 a general understanding of other related construction trades, in addition to  
41 any other matters as may be deemed appropriate by the registrar to determine  
42 that the qualifying party meets the requirements of this chapter. The  
43 registrar shall maintain multiple versions of examinations for each type of  
44 license that requires an examination.

1 G. No license shall be issued to a minor, to any partnership in which  
2 one of the partners is a minor or to any corporation in which a corporate  
3 officer is a minor.

4 H. Before receiving, renewing and holding a license pursuant to this  
5 chapter, the registrar may require a license applicant or licensee to submit  
6 to the registrar a full set of fingerprints and the fees required in section  
7 41-1750. The registrar shall submit the fingerprints and fees to the  
8 department of public safety for the purpose of obtaining a state and federal  
9 criminal records check pursuant to section 41-1750 and Public Law 92-544.  
10 The department of public safety may exchange this fingerprint data with the  
11 federal bureau of investigation.

12 Sec. 9. Section 32-1154, Arizona Revised Statutes, is amended to read:  
13 32-1154. Grounds for suspension or revocation of license;  
14 continuing jurisdiction; civil penalty; recovery  
15 fund award; summary suspension

16 A. The holder of a license or any person listed on a license pursuant  
17 to this chapter shall not commit any of the following acts or omissions:

18 1. Abandonment of a contract or refusal to perform after submitting a  
19 bid on work without legal excuse for the abandonment or refusal.

20 2. Departure from or disregard of plans or specifications or any  
21 building codes of the state or any political subdivision of the state in any  
22 material respect which is prejudicial to another without consent of the owner  
23 or the owner's duly authorized representative and without the consent of the  
24 person entitled to have the particular construction project or operation  
25 completed in accordance with such plans and specifications and code.

26 3. Violation of any rule adopted by the registrar.

27 4. Failure to comply with the statutes or rules governing social  
28 security, workers' compensation or unemployment insurance.

29 5. Failure to pay income taxes, withholding taxes or any tax imposed  
30 by title 42, chapter 5, articles 1 and 4 and incurred in the operation of the  
31 licensed business.

32 6. Misrepresentation of a material fact by the applicant in obtaining  
33 a license.

34 7. The doing of a fraudulent act by the licensee as a contractor  
35 resulting in another person being substantially injured.

36 8. Conviction of a felony.

37 9. Failure in a material respect by the licensee to complete a  
38 construction project or operation for the price stated in the contract, or in  
39 any modification of the contract.

40 10. Aiding or abetting a licensed or unlicensed person to evade this  
41 chapter, knowingly or recklessly combining or conspiring with a licensed or  
42 unlicensed person, allowing one's license to be used by a licensed or  
43 unlicensed person or acting as agent, partner, associate or otherwise of a  
44 licensed or unlicensed person with intent to evade this chapter.

1           11. Failure by a licensee or agent or official of a licensee to pay  
2 monies in excess of seven hundred fifty dollars when due for materials or  
3 services rendered in connection with the licensee's operations as a  
4 contractor when the licensee has the capacity to pay or, if the licensee  
5 lacks the capacity to pay, when the licensee has received sufficient monies  
6 as payment for the particular construction work project or operation for  
7 which the services or materials were rendered or purchased.

8           12. Failure of a contractor to comply with any safety or labor laws or  
9 codes of the federal government, state or political subdivisions of the  
10 state.

11           13. Failure in any material respect to comply with this chapter.

12           14. Knowingly entering into a contract with a contractor for work to be  
13 performed for which a license is required with a person not duly licensed in  
14 the required classification.

15           15. Acting in the capacity of a contractor under any license issued  
16 under this chapter in a name other than as set forth upon the license.

17           16. False, misleading or deceptive advertising whereby any member of  
18 the public may be misled and injured.

19           17. Knowingly contracting beyond the scope of the license or licenses  
20 of the licensee.

21           18. Contracting or offering to contract or submitting a bid while the  
22 license is under suspension or while the license is on inactive status.

23           19. Failure to notify the registrar in writing within a period of  
24 fifteen days of any disassociation of the person who qualified for the  
25 license. Such licensee shall have sixty days from the date of such  
26 disassociation to qualify through another person.

27           20. Subsequent discovery of facts which if known at the time of  
28 issuance of a license or the renewal of a license would have been grounds to  
29 deny the issuance or renewal of a license.

30           21. Having a person named on the license who is named on any other  
31 license in this state or in another state which is under suspension or  
32 revocation unless the prior revocation was based solely on a violation of  
33 this paragraph.

34           22. Continuing a new single family residential construction project  
35 with actual knowledge that a pretreatment wood-destroying pests or organisms  
36 application was either:

37           (a) Not performed at the required location.

38           (b) Performed in a manner inconsistent with label requirements, state  
39 law or rules.

40           23. Failure to take appropriate corrective action to comply with this  
41 chapter or with rules adopted pursuant to this chapter without valid  
42 justification within a reasonable period of time after receiving a written  
43 directive from the registrar. The written directive shall set forth the time  
44 within which the contractor is to complete the remedial action. The time  
45 permitted for compliance shall not be less than fifteen days from the date of

1 issuance of the directive. A license shall not be revoked or suspended nor  
2 shall any other penalty be imposed for a violation of this paragraph until  
3 after a hearing has been held.

4 24. Prohibit, threaten to prohibit, retaliate, threaten to retaliate or  
5 otherwise intimidate any contractor or materialman from serving a preliminary  
6 notice pursuant to section 33-992.01.

7 B. The registrar may on the registrar's own motion, and shall on the  
8 written complaint of any owner or contractor that is a party to a  
9 construction contract or a person who suffers a material loss or injury as a  
10 result of a contractor's failure to perform work in a professional and  
11 workmanlike manner or in accordance with any applicable building codes and  
12 professional industry standards, investigate the acts of any contractor  
13 within this state and may temporarily suspend, with or without imposition of  
14 specific conditions in addition to increased surety bond or cash deposit  
15 requirements, or permanently revoke any or all licenses issued under this  
16 chapter if the holder of the license issued pursuant to this chapter is  
17 guilty of or commits any of the acts or omissions set forth in subsection A  
18 of this section. For the purposes of this subsection:

19 1. "Construction contract" means a written or oral agreement relating  
20 to the construction, alteration, repair, maintenance, moving or demolition of  
21 any building, structure or improvement or relating to the contractor's  
22 excavation of or other development or improvement to land if the registrar  
23 investigates the contractor's actions under this subsection.

24 2. "Owner" means any person, firm, partnership, corporation,  
25 association or other organization, or a combination of any of them, that  
26 causes a building, structure or improvement to be constructed, altered,  
27 repaired, maintained, moved or demolished or that causes land to be excavated  
28 or otherwise developed or improved, whether the interest or estate of the  
29 person is in fee, as vendee under a contract to purchase, as lessee or  
30 another interest or estate less than fee, pursuant to a construction  
31 contract.

32 C. The expiration, cancellation, suspension or revocation of a license  
33 by operation of law or by decision and order of the registrar or a court of  
34 law or the voluntary surrender of a license by a licensee shall not deprive  
35 the registrar of jurisdiction to proceed with any investigation of or action  
36 or disciplinary proceeding against such licensee, or to render a decision  
37 suspending or revoking such a license, or denying the renewal or right of  
38 renewal of such license.

39 D. The registrar may impose a civil penalty of not to exceed five  
40 hundred dollars on a contractor for each violation of subsection A, paragraph  
41 23 of this section. Civil penalties collected pursuant to this subsection  
42 shall be deposited in the residential contractors' recovery fund. The  
43 failure by the licensee to pay any civil penalty imposed under this  
44 subsection results in the automatic revocation of the license thirty days  
45 after the effective date of the order providing for the civil penalty. No

1 future license may be issued to an entity consisting of a person associated  
2 with the contractor, as defined in section 32-1101, ~~subsection A, paragraph~~  
3 ~~5,~~ unless payment of any outstanding civil penalty is tendered.

4 E. The registrar shall impose a civil penalty of not to exceed one  
5 thousand dollars on a contractor for each violation of subsection A,  
6 paragraph 18 of this section. Civil penalties collected pursuant to this  
7 subsection shall be deposited in the residential contractors' recovery fund.  
8 The failure by the licensee to pay any civil penalty imposed under this  
9 subsection results in the automatic permanent revocation of the license  
10 thirty days after the effective date of the order providing for the civil  
11 penalty. No future license may be issued to an entity consisting of a person  
12 associated with the contractor, as defined in section 32-1101, ~~subsection A,~~  
13 ~~paragraph 5,~~ unless payment of any outstanding civil penalty is tendered.

14 F. Notwithstanding any other provisions in this chapter, if a  
15 contractor's license has been revoked or has been suspended as a result of an  
16 order to remedy a violation of this chapter the registrar may order payment  
17 from the residential contractors' recovery fund to remedy the violation. The  
18 registrar shall serve the contractor with a notice setting forth the amount  
19 claimed or to be awarded. If the contractor contests the amount or propriety  
20 of the payment, the contractor shall respond within ten days of the date of  
21 service by requesting a hearing to determine the amount or propriety of the  
22 payment. Failure by the contractor to respond in writing within ten days of  
23 the date of service shall be deemed a waiver by the contractor of the right  
24 to contest the amount claimed or to be awarded. Service may be made by  
25 personal service to the contractor or by mailing a copy of the notice by  
26 registered mail with postage prepaid to the contractor's latest address of  
27 record on file in the registrar's office. If service is made by registered  
28 mail, it is effective five days after the notice is mailed. Except as  
29 provided in section 41-1092.08, subsection H, the contractor or injured  
30 person may seek judicial review of the registrar's final award pursuant to  
31 title 12, chapter 7, article 6.

32 Sec. 10. Legislative intent

33 It is the intent of the legislature that the amendment to section  
34 32-1101.01, subsection A, Arizona Revised Statutes, is merely explanatory and  
35 confirms and clarifies the registrar of the contractor's authority to preempt  
36 cities, towns and counties from regulating contractors who are licensed  
37 pursuant to title 32, chapter 10, Arizona Revised Statutes.