House Engrossed

State of Arizona House of Representatives Forty-ninth Legislature Second Regular Session 2010

HOUSE BILL 2449

AN ACT

AMENDING TITLE 3. ARIZONA REVISED STATUTES BY ADDING CHAPTER 19: TRANSFERRING AND RENUMBERING SECTIONS 32-2301, 32-2304, 32-2305 AND 32-2307, ARIZONA REVISED STATUTES, FOR PLACEMENT IN TITLE 3, CHAPTER 19, ARTICLE 1, ARIZONA REVISED STATUTES, AS ADDED BY THIS ACT, AS SECTIONS 3-3501, 3-3502, 3-3504 AND 3-3505, RESPECTIVELY; TRANSFERRING AND RENUMBERING SECTIONS 32-2311, 32-2312, 32-2313, 32-2314, 32-2317 AND 32-2319, ARIZONA REVISED STATUTES, FOR PLACEMENT IN TITLE 3, CHAPTER 19, ARTICLE 2, ARIZONA REVISED STATUTES, AS ADDED BY THIS ACT, AS SECTIONS 3-3531, 3-3532, 3-3533, 3-3534, 3-3535 AND 3-3536, RESPECTIVELY; TRANSFERRING AND RENUMBERING SECTIONS 32-2321, 32-2323, 32-2324, 32-2325 AND 32-2327, ARIZONA REVISED STATUTES, FOR PLACEMENT IN TITLE 3, CHAPTER 19, ARTICLE 3, ARIZONA REVISED STATUTES, AS ADDED BY THIS ACT, AS SECTIONS 3-3561, 3-3562, 3-3563, 3-3564 AND 3-3565, RESPECTIVELY; REPEALING SECTIONS 32-2302, 32-2306, 32-2308, 32-2324.01 AND 32-2329, ARIZONA REVISED STATUTES; REPEALING THE CHAPTER HEADING OF TITLE 32, CHAPTER 22, ARIZONA REVISED STATUTES: REPEALING THE ARTICLE HEADINGS OF TITLE 32. CHAPTER 22, ARTICLES 1, 2 AND 3, ARIZONA REVISED STATUTES; AMENDING SECTIONS 3-102 AND 3-363. ARIZONA REVISED STATUTES: AMENDING SECTIONS 3-3501 AND 3-3502. ARIZONA REVISED STATUTES, AS TRANSFERRED AND RENUMBERED BY THIS ACT; AMENDING TITLE 3. CHAPTER 19. ARTICLE 1. ARIZONA REVISED STATUTES. AS ADDED BY THIS ACT, BY ADDING SECTION 3-3503; AMENDING SECTIONS 3-3504 AND 3-3505, ARIZONA REVISED STATUTES, AS TRANSFERRED AND RENUMBERED BY THIS ACT; AMENDING TITLE 3, CHAPTER 19, ARTICLE 1, ARIZONA REVISED STATUTES, AS ADDED BY THIS ACT, BY ADDING SECTION 3-3506; AMENDING SECTIONS 3-3531, 3-3532, 3-3533, 3-3534, 3-3535, 3-3561, 3-3562, 3-3563, 3-3564, 3-3565 AND 3-3566, ARIZONA REVISED STATUTES, AS TRANSFERRED AND RENUMBERED BY THIS ACT; AMENDING SECTIONS 32-1121, 36-898 AND 41-1092, ARIZONA REVISED STATUTES; REPEALING LAWS 2008, CHAPTER 309, SECTIONS 23, 24, 25 AND 26; RELATING TO PEST MANAGEMENT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona: 2 Section 1. Title 3, Arizona Revised Statutes, is amended by adding 3 chapter 19, to read: 4 CHAPTER 19 5 STRUCTURAL PEST MANAGEMENT ARTICLE 1. STRUCTURAL PEST ADMINISTRATION 6 7 ARTICLE 2. STRUCTURAL PEST CERTIFICATION, REGISTRATION AND LICENSURE 8 ARTICLE 3. STRUCTURAL PEST REGULATION 9 Sec. 2. Transfer and renumber A. Sections 32-2301, 32-2304, 32-2305 and 32-2307, Arizona Revised 10 11 Statutes, are transferred and renumbered for placement in title 3, chapter 19, article 1, Arizona Revised Statutes, as added by this act, as sections 12 13 3-3501, 3-3502, 3-3504 and 3-3505, respectively. 14 B. Sections 32-2311, 32-2312, 32-2313, 32-2314, 32-2317 and 32-2319, 15 Arizona Revised Statutes, are transferred and renumbered for placement in title 3, chapter 19, article 2, Arizona Revised Statutes, as added by this 16 17 act, as sections 3-3531, 3-3532, 3-3533, 3-3534, 3-3535 and 3-3536, 18 respectively. 19 C. Sections 32-2321, 32-2323, 32-2324, 32-2325 and 32-2327, Arizona 20 Revised Statutes, are transferred and renumbered for placement in title 3, 21 chapter 19, article 3, Arizona Revised Statutes, as added by this act, as 22 sections 3-3561, 3-3562, 3-3563, 3-3564 and 3-3565, respectively. 23 Sec. 3. Repeal 24 A. Sections 32-2302, 32-2306, 32-2308, 32-2324.01 and 32-2329, Arizona 25 Revised Statutes, are repealed. B. The chapter heading of title 32, chapter 22, Arizona Revised 26 27 Statutes, is repealed. 28 C. The article headings of title 32, chapter 22, articles 1, 2 and 3, 29 Arizona Revised Statutes, are repealed. 30 Sec. 4. Section 3-102, Arizona Revised Statutes, is amended to read: 31 3-102. Department organization 32 A. The Arizona department of agriculture is established consisting of 33 the following divisions: 34 1. The animal services division, which is responsible for milk, dairy, 35 livestock and aquaculture regulation, the state veterinarian, meat, poultry 36 and egg inspection and performing the administrative functions authorized or 37 contracted pursuant to law for the Arizona beef council. 38 2. The plant services division, which is responsible for the fruit and 39 vegetable standardization program and entomological services. 40 3. The environmental services division, which is responsible for 41 regulating seed, feed, and agricultural chemicals, including pesticides, and 42 fertilizers, THE BUSINESS OF STRUCTURAL PEST MANAGEMENT and for native plant

43 protection.

1 B. The following are established in addition to and separate from the 2 divisions of the department: 3 1. A state agricultural laboratory. 2. An office of agriculture safety. 4 5 3. An office of inspections. 4. An office of commodity development and promotion. 6 7 C. The department shall have a central administrative service office 8 providing: 9 1. Data processing, accounting and budgeting, records management, publications, property control and personnel services and training. 10 11 2. A program to cross-train appropriate personnel to enable them to 12 perform similar functions or comparable work for different administrative 13 units in the department. 14 Sec. 5. Section 3-363, Arizona Revised Statutes, is amended to read: 15 3-363. <u>Rules</u> 16 The director shall adopt rules to regulate pesticides which shall 17 include provisions to: 18 1. Administer and implement this article. 19 2. Prescribe measures to control, monitor, inspect and govern 20 pesticide use. 21 3. Prohibit or restrict pesticide use. 4. Restrict the areas in which pesticide use may occur. 22 23 5. Prescribe minimum qualifications for all persons who engage in 24 pesticide use, including, as appropriate, requirements that the persons have 25 valid licenses, permits or certificates, have adequate training, including 26 continuing education requirements and meet financial responsibility 27 standards. 28 6. Prescribe appropriate record keeping and reporting requirements 29 regarding pesticide use, except that the record keeping and reporting requirements for growers and certified private applicators who apply 30 31 pesticides shall be equivalent to, but not more stringent than, the 32 requirements prescribed under the federal insecticide, fungicide and 33 rodenticide act (61 Stat. 163) and the food, agriculture, conservation and trade act of 1990 (P.L. 101-624; 104 Stat. 3359). 34 35 7. Prohibit pesticide use which THAT is inconsistent with the pesticide label as required under the federal insecticide, fungicide and 36 37 rodenticide act (61 Stat. 163). 38 8. Exempt from regulation under this article pesticide use that is 39 regulated in title 32, chapter 22 19 OF THIS TITLE. 40 9. Issue licenses, permits and certificates for pesticide use, as 41 appropriate, having terms of one or more years. 42 10. Charge and collect the following fees for each permit, license and 43 certification under this article: 44 (a) Not to exceed twenty dollars per year for a grower permit. 45 (b) Not to exceed one hundred dollars per year for a seller permit.

1 (c) Not to exceed one hundred dollars per year for a custom applicator 2 license. 3 Not to exceed fifty dollars per year for a pilot license. (d) 4 (e) Not to exceed fifty dollars per year for a pest control advisor 5 license. 6 (f) Not to exceed twenty-five dollars per year for a piece of 7 equipment used to apply pesticides by a custom applicator. 8 (g) Not to exceed fifty dollars per year for restricted use 9 certification. 10 11. Establish a nonexclusive list of acts and omissions that constitute 11 serious, nonserious and de minimis violations of this article. 12. Establish a system of administrative penalties and fines for 12 13 violations of this article and any rules adopted under this article. Under 14 this system: 15 (a) Violators shall be assessed a number of points for each violation, 16 depending upon ON such factors as: 17 (i) Potential and actual consequences of the violation on public and worker health and safety and the environment. 18 19 (ii) Wrongfulness of the conduct. 20 (iii) Degree of culpability of the violator. 21 (iv) Duration of the violation. 22 (v) Prior violations or citations. 23 (b) Penalties shall be assessed depending upon ON the number of points 24 accrued by the violator. 25 Sec. 6. Section 3-3501, Arizona Revised Statutes, as transferred and renumbered by this act, is amended to read: 26 27 3-3501. Definitions 28 In this chapter, unless the context otherwise requires: 29 1. "Acting director" means the person appointed pursuant to section 30 32-2302 to serve as the acting director of the office. 31 2, 1. "Branch office" means any fixed place of business, other than 32 the primary office, where records are kept, PESTICIDES ARE STORED, mail is 33 received, statements are rendered, money is collected, requests for service 34 or bids are received or information pertaining to the business of structural 35 pest control MANAGEMENT is given and from which the use of pesticides and 36 devices is supervised by a licensed applicator or qualifying party. 3. 2. "Business license" means a license that is issued pursuant to 37 38 this chapter to a person and that entitles that person and the person's 39 employees to engage in the business of structural pest control MANAGEMENT. 40 4. 3. "Business of structural pest control MANAGEMENT" means engaging 41 in, offering to engage in, advertising for, soliciting or performing 42 structural pest control MANAGEMENT, including any of the following: 43 (a) Identifying infestations or making inspections for the purpose of 44 identifying or attempting to identify infestations of households or other 45 structures and the surrounding area by any of the following:

1 (i) Public health pests. 2 (ii) Aquatic pests. 3 (iii) Household pests. 4 (iv) Wood-destroying insects. (v) Pests, including weeds, existing around structures, in ornamental 5 shrubs and trees, on golf courses, along rights-of-way or in lawns and 6 7 cemeteries. (vi) Fungi. 8 9 (b) Making written or oral inspection reports, recommendations, estimates or bids with respect to infestations. 10 11 (c) The application of pesticides or the making of contracts or 12 submitting of bids for the application of pesticides or the use of devices 13 for the purpose of eliminating, exterminating, controlling or preventing 14 infestations. 15 BUSINESS OF STRUCTURAL PEST MANAGEMENT DOES NOT INCLUDE PESTICIDE APPLICATIONS USED DIRECTLY IN THE COMMERCIAL PRODUCTION OF CROPS AND ANIMALS 16 17 PURSUANT TO CHAPTER 2, ARTICLE 6 OR 6.1 OF THIS TITLE. 18 5. 4. "De minimis violation" means a violation that, although 19 undesirable, has no direct or immediate relationship to safety, health or 20 property damage. REPEATED DE MINIMIS VIOLATIONS CONSTITUTE A NONSERIOUS 21 VIOLATION. 6. 5. "Department" means the Arizona department of administration 22 23 AGRICULTURE. 7. 6. 24 "Device" means any mechanical, pesticide or electrical 25 apparatus used in conjunction with, in place of or to supplement, disperse or 26 dispense pesticides. 27 8. 7. "Direct supervision" means use of a pesticide under the 28 instructions, control and responsibility of a licensed applicator OR 29 QUALIFYING PARTY who is available if needed for consultation or assistance 30 even though the licensed applicator OR QUALIFYING PARTY is not physically 31 present at the time and place the pesticide is used. 32 9. 8. "Director" means the director of the Arizona department of 33 administration AGRICULTURE. 10. "Final grade treatment" means establishment of vertical 34 35 barriers at the exterior of foundation walls in stem wall construction or at the exterior of grade beams in monolithic construction. 36 37 11. "Fungi inspection report" means a written inspection report on a 38 form approved by the office. 39 12. 10. "Household pests" means pests, other than wood-destroying 40 insects, that invade households or other structures, including rodents, 41 vermin and insects. 42 13. 11. "Immediate supervision" means use of a pesticide by an 43 employee acting under the instructions, control and responsibility of a 44 licensed applicator OR QUALIFYING PARTY who is within the direct line of

sight or within hearing distance of the employee and who is available for consultation or assistance at the time and place the pesticide is used.

3 14. 12. "Initial termite WOOD-DESTROYING INSECT corrective treatment" 4 means the first treatment of any kind performed by a licensee after a 5 treatment made prior to or during construction, excluding a treatment 6 performed under warranty by a licensee who has performed the treatment prior 7 to or during construction.

8 15. 13. "Inquiry" means information from the public or agency
 9 DEPARTMENT staff of possible violations of this chapter, or rules adopted
 10 pursuant to this chapter.

11 16. 14. "Integrated pest management" means a sustainable approach to 12 managing pests that combines biological, cultural, physical and pesticide 13 tools in a way that minimizes economic, health and environmental risks.

14 17. 15. "License" means an approval granted by the office DEPARTMENT 15 to act as an applicator or qualifying party or to operate a business of 16 structural pest control MANAGEMENT in this state.

17 18. 16. "Licensed applicator" means a person who is licensed by the 18 office DEPARTMENT to apply pesticides in accordance with this chapter.

19 19. "Office" means the office of pest management established by section 20 32-2302.

17. "NONSERIOUS VIOLATION" MEANS A VIOLATION THAT MAY HAVE HAD A DIRECT
OR IMMEDIATE RELATIONSHIP TO SAFETY, HEALTH OR PROPERTY DAMAGE, BUT DOES NOT
CONSTITUTE A DE MINIMIS VIOLATION OR A SERIOUS VIOLATION, UNLESS THE VIOLATOR
DID NOT, AND COULD NOT WITH THE EXERCISE OF REASONABLE DILIGENCE, KNOW OF THE
SAFETY, HEALTH OR PROPERTY DAMAGE RISK IN WHICH CASE THE VIOLATION IS DE
MINIMIS.

27 20. "Other structures" includes railroad cars, boats, docks, motor
 28 vehicles or airplanes and their contents.

29 18.

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(a) ANY WEED, INSECT OR VERTEBRATE PEST.

"PEST" MEANS:

31 (b) ANY OTHER FORM OF TERRESTRIAL OR AQUATIC PLANT OR ANIMAL LIFE,
32 EXCEPT VIRUS, BACTERIUM OR OTHER MICROORGANISM ON OR IN LIVING HUMANS OR
33 OTHER LIVING ANIMALS, THAT THE DIRECTOR DECLARES TO BE A PEST FOR THE PURPOSE
34 OF ENFORCEMENT OF THIS CHAPTER.

21. 19. "Pest management" means the management of public health pests, 35 aquatic pests, household pests, wood-destroying insects, fungi or other 36 37 pests, including weeds, that exist near or around structures, in ornamental 38 shrubs and trees, on golf courses, along rights-of-way or in lawns or 39 cemeteries and all pesticide application that could be harmful to public 40 health or the environment. Pest management does not include pesticide 41 applications used directly in the commercial production of crops and animals 42 if those applications are governed by the Arizona department of agriculture 43 pursuant to title 3, chapter 2, articles 6 and 6.1 OF THIS TITLE.

44 22. 20. "Pesticide" means any substance or mixture of substances
 45 intended to be used for defoliating plants or for preventing, destroying,

repelling or mitigating insects, fungi, bacteria, microbes, weeds, rodents, predatory animals or any form of plant or animal life that is a pest and may infest or be detrimental to vegetation, humans, animals or households or be present in any environment.

5 23. 21. "Prior violation" means any violation for which disciplinary 6 action was taken within a five year THREE-YEAR period prior to the date of 7 the violation for which current disciplinary action is sought.

8 24. 22. "Qualifying party" means an individual who is licensed by the
 9 office DEPARTMENT to ensure the supervision and training of all employees of
 10 a business licensee in the business of structural pest control MANAGEMENT.

12 23. "SERIOUS VIOLATION" MEANS A VIOLATION OF THIS ARTICLE OR A RULE 12 ADOPTED UNDER THIS CHAPTER THAT PRODUCES A SUBSTANTIAL PROBABILITY THAT DEATH 13 OR SERIOUS PHYSICAL HARM COULD RESULT, UNLESS THE VIOLATOR DID NOT, AND COULD 14 NOT WITH THE EXERCISE OF REASONABLE DILIGENCE, KNOW OF THE SAFETY OR HUMAN 15 HEALTH RISK, IN WHICH CASE THE VIOLATION IS NONSERIOUS.

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25. 24. "Weed" means any plant that grows where it is not wanted.

17 26. 25. "Wood-destroying insect inspection report" means a written 18 inspection report FOR THE EXISTENCE OR ABSENCE OF WOOD-DESTROYING INSECTS on 19 a form approved by the acting director that is prepared in connection with 20 the sale or refinancing of real property whether or not the report is used as 21 part of the transaction.

22 27. 26. "Wood-destroying insects" means insects that attack, damage or
 23 destroy wood or wood-derivative products.

24 Sec. 7. Section 3-3502, Arizona Revised Statutes, as transferred and 25 renumbered by this act, is amended to read:

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3-3502. <u>Powers and duties</u>

A. The acting director is responsible for administering this chapter and shall:

Adopt rules that are necessary or proper for the administration of
 this chapter, including administrative provisions, education requirements,
 health and safety provisions and provisions for the use, storage and
 application of pesticides and devices used in structural pest control.

33 2. 1. Administer and enforce this chapter and rules adopted pursuant
 34 to this chapter.

35 2. INVESTIGATE ALLEGED VIOLATIONS OF THIS CHAPTER AND RULES ADOPTED OR
 36 ORDERS ISSUED PURSUANT TO THIS CHAPTER.

37 3. Notify the business licensee, applicator and qualifying party in 38 writing of any complaint against the business licensee, qualifying party or 39 employee of the business licensee by the close of business on the tenth 40 business day after the day on which the acting director initiated the 41 complaint.

42 4. Issue subpoenas for the taking of depositions, the production of
43 documents and things and the entry on land for inspection and measuring,
44 surveying, photographing, testing or sampling the property or any designated
45 object or operation on the property relevant to the complaint.

1 Conduct or contract to conduct applicator license and qualifying 5. 2 party license tests at locations throughout this state. If the acting 3 director contracts for these tests, the contracts may provide for specific examination fees or a reasonable range of fees determined by the acting 4 5 director to be paid directly to the contractor by the applicant. The acting director shall make all efforts to contract with private parties to 6 7 electronically administer the applicator and qualifying party license tests. 8 6. Maintain a computer system for the benefit and protection of the 9 public that includes the following information on termite WOOD-DESTROYING 10 **INSECT** treatments that are done before or during construction, initial 11 corrective projects. preventative termite termite treatments and 12 wood-destroying insect inspection reports: 13 (a) The name of the individual who performed the work. 14 (b) The address or location of the work or project. 15 (c) The name of the pest management company. 16 (d) The name of the qualifying party. 17 (e) The applicator license numbers. 18 (f) The nature and date of the work performed. 19 (g) Any other information that is required by rule. 20 7. Establish offices it deems necessary to carry out the purposes of 21 this chapter. 22 8. Employ permanent or temporary personnel it deems necessary to carry 23 out the purposes of this chapter and designate their duties. 24 9. Investigate violations of this chapter and rules adopted pursuant 25 to this chapter. 26 10. 7. Oversee the approval, content and method of delivery of 27 continuing education courses CLASSES. 28 8. LICENSE APPLICATORS, QUALIFYING PARTIES AND BUSINESSES PURSUANT TO 29 THIS CHAPTER AND RULES ADOPTED PURSUANT TO THIS CHAPTER. 30 11. 9. Deny a license to any person who has had a license revoked for 31 a period of five THREE years from the time of revocation. 32 12. License applicators, qualifying parties and businesses in 33 accordance with this chapter and rules adopted pursuant to this chapter. 34 13. 10. Require the payment of a penalty for any late license renewal. 35 14. 11. Require either completion of the continuing education 36 requirement or successful completion of the license examination for failure 37 to renew a license on time. 38 15. 12. Suspend a license if a licensee fails to renew the license 39 within thirty calendar days after the renewal date. 40 $\frac{16}{16}$, 13. Refuse to issue a business license in a name that is not 41 registered with the secretary of state or filed with the Arizona corporation 42 commission.

43 17. 14. Adopt a wood-destroying insect inspection report form for use
44 by business licensees.

B. The acting director may charge to the holder of a business license the actual cost of providing mailed copies of rules, forms or policies that are proposed for adoption and for educational materials.

C. The acting director shall administer and enforce this chapter and the rules adopted pursuant to this chapter.

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D. C. The acting director may:

Compel attendance of witnesses, administer oaths or affirmations
and take testimony concerning all matters coming within the acting director's
jurisdiction.

2. Require a person who seeks a license pursuant to this chapter to submit to the office DEPARTMENT a full set of fingerprints and the fees required by section 41-1750. The acting director shall submit the fingerprints and fees to the department of public safety for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544. The department of public safety may exchange this fingerprint data with the federal bureau of investigation.

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3. Enter into intergovernmental agreements.

18 4. 3. With at least twenty-four hours' notice, request specific 19 records from a business licensee, qualifying party or applicator at the 20 person's place of business during normal business hours. ON A SHOWING OF 21 GOOD CAUSE BY THE LICENSEE, THE DIRECTOR MAY EXCUSE A FAILURE TO TIMELY 22 COMPLY WITH A RECORDS REQUEST.

23 5. 4. Deny or revoke a license based on the information in the 24 application or information that the acting director receives from the 25 criminal background check.

26 6. On a showing of good cause by the business licensee, excuse a
 27 failure to timely comply with a records request.

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7. 5. Issue advisory notices for de minimis violations.

8. 6. Require inspectors to be licensed applicators in all categories
within their scope of work during their probationary period. Inspectors
shall attend and complete an investigative training class that is prescribed
by the acting director.

33 9. 7. Investigate alleged violations of all applicable federal and
 34 state statutes, rules or orders or alleged violations of any condition
 35 imposed in connection with a license.

36 10. 8. Pursuant to section 32-2329 41-1092.11, summarily suspend a
 37 license issued under this chapter to protect the health, safety and welfare
 38 of the public.

39 11. 9. Issue a corrective work order requiring a licensee to remedy 40 deficiencies in treatment or to comply with this chapter or any rules adopted 41 pursuant to this chapter before or after a formal hearing.

42 10. Do at least one of the following in relation to unlicensed
43 pest management business operations:

44 (a) Issue a cease and desist order requiring an unlicensed pest45 management business to immediately cease operations.

1 (b) Except as provided in section 32-2311 3-3531, subsection D, impose 2 on an unlicensed pest management business a civil penalty of not more than 3 one thousand dollars for the first occurrence and not more than two thousand 4 dollars for the second or subsequent occurrence.

5 13. Refer all cases for formal hearing to the office of administrative
6 hearings.

7 14. 11. Refuse to issue a business license in a name that is likely to 8 be misleading or to imply any distorted representation about the business.

9 15. 12. Issue a renewable and revocable temporary qualifying party
 10 license to a licensed applicator who is a representative of a business
 11 licensee if the qualifying party becomes disassociated with the business
 12 licensee. THE TEMPORARY LICENSE MAY NOT BE RENEWED MORE THAN TWICE.

13 16. 13. Provide and conduct classes to train applicators in preparation for license tests. The acting director may assess a fee for each class. The acting director may contract with a commercial enterprise or an accredited institution to conduct the class.

17 17. 14. Provide and conduct continuing education classes quarterly. 18 The acting director may assess a fee for each credit hour. The acting 19 director may contract with a commercial enterprise or an accredited 20 institution to conduct the class under the supervision of office DEPARTMENT 21 staff.

22 18. Appoint an employee of the office to conduct an informal settlement 23 conference with a licensee against whom an inquiry is received or a complaint 24 is filed.

25 19. Prepare a consent order only after either an informal settlement
 26 conference is conducted pursuant to section 32-2321 or a formal hearing is
 27 conducted pursuant to title 41, chapter 6, article 10.

28 20. Apply to the appropriate court, through the attorney general or
 29 county attorney, for an order enjoining any act or practice that constitutes
 30 a violation of this chapter or any rule adopted pursuant to this chapter.

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21. 15. Approve proposed PREPARE consent orders.

32 E. D. Each completed form for a termite treatment that is done before 33 or during construction, initial termite corrective treatment project or 34 wood-destroying insect inspection report shall MAY be REQUIRED TO BE 35 accompanied by a fee. The initial fee is eight dollars. The acting director 36 may:

Adjust the fee upward or downward to a level that is calculated to
 produce sufficient revenue to carry out the functions prescribed under this
 section.

40 2. Establish tiered fees according to the means of submission to 41 encourage electronic submission of the termite action registration form.

42 3. Assess a penalty of not to exceed one hundred dollars per form for 43 failing to submit the required form or fee, or both, within thirty calendar 44 days. 1 F. Subject to the limitations of section 41 2544, the acting director 2 may enter into agreements for the purpose of enabling the office to accept 3 payment for fees imposed under this chapter by alternative payment methods, including credit cards, charge cards, debit cards and electronic funds 4 5 transfers. Before the monies are transferred to the acting director pursuant 6 to section 32 2305, the person collecting the fees shall deduct any amount 7 charged or withheld by a company providing the alternative payment method 8 under an agreement with the office.

9 G. In the enforcement of this article, the acting director or any duly authorized agents may enter with the authority of a warrant issued by a court 10 11 of competent jurisdiction at reasonable times on any private or public 12 property on which pesticides are located or are reasonably believed to be 13 located to be used for purposes related to pest management. The owner, 14 managing agent or occupant of the property shall permit entry for the purpose 15 of inspecting and investigating conditions relating to the use, storage, 16 application and disposal of pesticides.

17 E. THE DIRECTOR OR THE DIRECTOR'S AUTHORIZED REPRESENTATIVE MAY ENTER 18 AT A REASONABLE TIME INTO OR ON OR THROUGH ANY PUBLIC OR PRIVATE PROPERTY TO 19 ASCERTAIN COMPLIANCE OR NONCOMPLIANCE WITH ANY RULES OR ORDERS ADOPTED OR 20 ISSUED UNDER THIS CHAPTER. IF PRACTICABLE, AND IF NOTICE WILL NOT INHIBIT 21 THE DIRECTOR'S ABILITY TO ENFORCE THIS CHAPTER, THE DIRECTOR OR THE 22 DIRECTOR'S AGENT SHALL NOTIFY THE OWNER, OPERATOR OR LESSEE OF THE PROPERTY 23 WHEN ENTERING THE PROPERTY. IF ENTRY IS DENIED. THE DIRECTOR MAY APPLY FOR 24 AND OBTAIN A WARRANT FROM A COURT OF COMPETENT JURISDICTION.

25 Sec. 8. Title 3, chapter 19, article 1, Arizona Revised Statutes, is 26 amended by adding section 3-3503, to read:

3-3503. <u>Rules</u>

28 THE DIRECTOR SHALL ADOPT RULES TO REGULATE STRUCTURAL PEST MANAGEMENT 29 THAT INCLUDES PROVISIONS TO:

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1. ADMINISTER AND IMPLEMENT THIS CHAPTER.

2. PRESCRIBE MEASURES TO CONTROL, MONITOR, INSPECT AND GOVERN
 STRUCTURAL PEST MANAGEMENT, INCLUDING HEALTH AND SAFETY PROVISIONS AND
 PROVISIONS FOR THE USE, STORAGE AND APPLICATION OF PESTICIDES AND DEVICES
 USED IN STRUCTURAL PEST MANAGEMENT.

35 3. ESTABLISH LICENSING REQUIREMENTS AND OTHER MINIMUM QUALIFICATIONS 36 FOR LICENSED APPLICATORS, QUALIFYING PARTIES AND BUSINESS LICENSEES, 37 INCLUDING EXAMINATION, EDUCATION, EXPERIENCE AND MINIMUM FINANCIAL 38 RESPONSIBILITY REQUIREMENTS, AND THE TERMS OF THE LICENSES. EDUCATION AND 39 EXPERIENCE REQUIREMENTS MAY VARY BY APPLICATOR CATEGORY.

40 4. PRESCRIBE CONTINUING EDUCATION REQUIREMENTS REQUIRED FOR LICENSED41 APPLICATORS AND QUALIFYING PARTIES TO RENEW LICENSES.

42 5. PRESCRIBE SUPERVISORY REQUIREMENTS, INCLUDING THE SUPERVISION OF
43 UNLICENSED EMPLOYEES AND TIME FRAMES IN WHICH AN EMPLOYEE MUST BE LICENSED.
44 6. PRESCRIBE APPROPRIATE RECORD KEEPING REQUIREMENTS.

1 PROHIBIT PESTICIDE USE THAT IS INCONSISTENT WITH THE PESTICIDE 2 LABEL AS REQUIRED UNDER THE FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE 3 ACT (61 STAT. 163). 4 8. ESTABLISH A NONEXCLUSIVE LIST OF ACTS AND OMISSIONS THAT CONSTITUTE 5 SERIOUS. NONSERIOUS AND DE MINIMIS VIOLATIONS OF THIS CHAPTER. 9. ESTABLISH A SYSTEM OF ADMINISTRATIVE PENALTIES AND FINES FOR 6 7 VIOLATIONS OF THIS CHAPTER AND RULES ADOPTED UNDER THIS CHAPTER. UNDER THIS 8 SYSTEM: 9 (a) VIOLATORS SHALL BE ASSESSED A NUMBER OF POINTS FOR EACH VIOLATION, 10 DEPENDING ON SUCH FACTORS AS: 11 (i) POTENTIAL AND ACTUAL CONSEQUENCES OF THE VIOLATION ON PUBLIC AND 12 WORKER HEALTH AND SAFETY AND THE ENVIRONMENT. 13 (ii) WRONGFULNESS OF THE CONDUCT. 14 (iii) DEGREE OF CULPABILITY OF THE VIOLATOR. 15 (iv) DURATION OF THE VIOLATION. 16 (v) PRIOR VIOLATIONS OR CITATIONS. 17 (b) PENALTIES SHALL BE ASSESSED ACCORDING TO THE NUMBER OF POINTS 18 ACCRUED BY THE VIOLATOR. 19 Sec. 9. Section 3-3504, Arizona Revised Statutes, as transferred and 20 renumbered by this act, is amended to read: 21 3-3504. Pest management fund; exemption 22 A. A pest management fund is established. 23 Pursuant to sections 35-146 and 35-147, the acting director shall Β. 24 deposit ten per cent of all fees COLLECTED UNDER THIS CHAPTER in the state 25 general fund and deposit the remaining ninety per cent in the pest management 26 fund. All monies collected from civil penalties shall be deposited, pursuant 27 to sections 35-146 and 35-147, in the state general fund. 28 THE MONIES IN THE FUND SHALL BE USED SOLELY FOR THE PURPOSE OF С. 29 ADMINISTERING THIS CHAPTER ON THE ORDER OF THE DIRECTOR. 30 \mathcal{C} . D. Monies deposited in the pest management fund are exempt from 31 the provisions of section 35-190 relating to lapsing of appropriations. 32 Sec. 10. Section 3-3505, Arizona Revised Statutes, as transferred and 33 renumbered by this act, is amended to read: 34 3-3505. Notification of pesticide applications to schools and 35 child care facilities; exemptions; definitions 36 A. A business licensee, QUALIFYING PARTY or licensed applicator shall 37 notify a school or a child care facility at least seventy-two hours in advance of any pesticide application in order to permit the school to comply 38 39 with section 15-152 and the child care facility to comply with section 40 36-898. The seventy-two hour advance notice shall include the date and 41 APPROXIMATE time the application is to occur. The seventy-two hour advance 42 notice shall also include the brand name, concentration, rate of application, 43 pesticide label and material safety data sheet and any use restrictions 44 required by the pesticide label. Only an individual holding an A LICENSED

1 applicator license OR QUALIFYING PARTY may make pesticide applications at 2 schools and child care facilities.

B. Immediately prior to application of a pesticide a business licensee, QUALIFYING PARTY or licensed applicator shall provide the school or child care facility with a written preapplication notification containing the following information:

7 1. The brand name, concentration and rate of application and any use 8 restrictions required by the label of the herbicide or specific pesticide.

9

The area or areas where the pesticide is to be applied.
 The date and time the application is to occur.

10 11

4. The pesticide label and the material safety data sheet.

12 C. The pesticide label and material safety data sheet may be used in 13 place of the information required pursuant to subsections A and B of this 14 section if all of the information required by those subsections is already 15 contained on the label or material safety data sheet.

16 D. The following pesticide applications are exempt from the 17 notification requirement prescribed in subsections A and B of this section:

18 1. Nonresidual pesticide applications performed or contracted by 19 public health agencies for adult vector control, provided that oral 20 notification is attempted at least seventy-two hours before the application, 21 when possible, to the school office or child care facility office with a 22 statement of the pest problem, treatment procedure, area to be treated and 23 approximate time of the application.

24 2. Emergency applications of a pesticide that has a toxicity category 25 of III or IV pursuant to 40 Code of Federal Regulations section 156.62 to 26 control harmful pests that pose an immediate threat to the public health. 27 Under the circumstances described in this paragraph or paragraph 1 of this 28 subsection, the business licensee, QUALIFYING PARTY or licensed applicator 29 shall do all of the following:

30 (a) Notify the school office or child care facility office before the
 31 application with a statement of the pest problem, treatment procedure, area
 32 to be treated and approximate time of application.

(b) Immediately after the application has been completed, notify the school office or the child care facility office of the name of the pesticide applied, the formulation, the strength and dosage and the date and time of application and provide the pesticide label.

37 (c) Post the treated area immediately after the application. The 38 posting shall be at least eight and one-half inches by eleven inches and 39 shall include the name of the pesticide, the registration number issued by 40 the United States environmental protection agency, the date and time of 41 application and the name and telephone number of the business licensee, 42 QUALIFYING PARTY and licensed applicator. A copy of the posting shall also 43 be placed at the main entrance to the school or child care facility. The 44 posting and the copy of the posting shall remain in place for at least forty-45 eight hours after the application.

1 3. Disinfectants or swimming pool chemicals. 2 Block, gel or paste-type bait that is a toxicity category III or IV 4. 3 formulation of insecticide pursuant to 40 Code of Federal Regulations section 4 156.62 and that is either of the following: 5 (a) Secured in an enclosed, tamper-resistant bait station and placed in an area that is inaccessible to children. 6 7 (b) Applied to a crack or crevice inaccessible to children. 8 Block-type bait that is a toxicity level III or IV formulation of 5. 9 rodenticide pursuant to 40 Code of Federal Regulations section 156.62 and that is secured in an enclosed, tamper-resistant bait station placed in an 10 11 area inaccessible to children. 12 6. Personal repellants. 13 7. Any pesticide exempt from regulation by the United States 14 environmental protection agency pursuant to the federal insecticide, 15 fungicide and rodenticide act (7 United States Code section 136w). 16 E. The provisions of this chapter ARTICLE shall regulate and determine 17 all requirements regarding licenses, fees, testing, education, and all other 18 requirements regarding the business of STRUCTURAL pest control MANAGEMENT for 19 persons licensed pursuant to this chapter. 20 F. For the purposes of this section: 21 1. "Child care facility" means a facility regulated pursuant to title 22 36, chapter 7.1. 23 2. "Pesticides" does not include nonrestricted use disinfectants. 24 sanitizers or deodorizers. 25 3. "School" means an educational institution that provides instruction 26 in prekindergarten programs, kindergarten programs or any of grades one 27 through twelve. 28 Sec. 11. Title 3, chapter 19, article 1, Arizona Revised Statutes, is 29 amended by adding section 3-3506, to read: 30 3-3506. Joint responsibility for supervised persons 31 A. A BUSINESS LICENSEE, QUALIFYING PARTY OR APPLICATOR MAY BE HELD 32 JOINTLY RESPONSIBLE FOR THE ACTS OR OMISSIONS OF ANOTHER PERSON WHO IS UNDER 33 THE SUPERVISION OF THE BUSINESS LICENSEE, QUALIFYING PARTY OR APPLICATOR IF THE SUPERVISING LICENSEE FAILS TO PROPERLY TRAIN, EQUIP OR SUPERVISE THE 34 35 OTHER PERSON OR FAILS TO MAINTAIN RECORDS OF PROPER TRAINING, EQUIPPING OR 36 SUPERVISING. 37 B. A FAILURE TO TIMELY AND FULLY RESPOND TO REQUESTS BY THE DIRECTOR 38 FOR INFORMATION RELATING TO TRAINING, EQUIPPING AND SUPERVISING IS A PRIMA 39 FACIE SHOWING OF A FAILURE TO PROPERLY TRAIN, EQUIP OR SUPERVISE. THE 40 SUPERVISING LICENSEE, QUALIFYING PARTY OR APPLICATOR HAS THE BURDEN OF PROOF 41 BY A PREPONDERANCE OF THE EVIDENCE THAT THE LICENSEE, QUALIFYING PARTY OR 42 APPLICATOR HAS FULFILLED THE REQUIRED DUTIES AS PRESCRIBED BY THIS CHAPTER 43 AND RULES ADOPTED PURSUANT TO THIS CHAPTER OR A WRITTEN ORDER OF THE 44 DIRECTOR.

1 Sec. 12. Section 3-3531, Arizona Revised Statutes, as transferred and 2 renumbered by this act, is amended to read: 3 3-3531. Persons not required to be licensed; civil penalties 4 A. This chapter does not apply to: 5 1. Persons licensed or certified pursuant to title 3, chapter 2, 6 article 6. 7 2. Persons applying pesticides on RESIDENTIAL property that they own 8 and occupy. 9 3. Authorized representatives of any educational institution engaged 10 in research in the study of pest management or a state agency engaged in 11 research or the study of pest management. 12 4. Employees of political subdivisions or their designated agents 13 while performing emergency response or rescue services. 14 5. Persons using a nonrestricted, ready to use disinfectant, sanitizer 15 or deodorizer. 16 6. Except as provided in section 32-2307 3-3505, persons who are 17 conducting lawn, garden, shrub or tree maintenance and who apply herbicides for the purpose of weed management. This exemption does not apply to: 18 19 (a) The use of herbicides that are labeled with the words "restricted 20 use" or "danger" and that are not commercially available to the general 21 public. 22 (b) The use of sterilants. (c) Persons who offer weed management as their primary service. 23 24 (d) Persons who use application equipment that holds more than eight 25 gallons of total mixed liquid herbicide. 26 (e) Persons who use more than twenty-five pounds of a nonliquid 27 herbicide. 28 (f) Persons who do not follow label and labeling directions. 29 7. A utility and the utility's employees if pest management services 30 are needed for an employee's health and safety in order for the employee to 31 continue performing work tasks. 32 B. An employee of a political subdivision who engages in pest 33 management: 34 1. Is not required to be licensed under section $\frac{32-2313}{3-3533}$ or 35 32-2314 3-3534. 2. Must be licensed as an applicator under section $\frac{32-2312}{3}$ 3-3532, 36 37 except as provided by subsection A, paragraph 4 of this section. C. A person who is exempt pursuant to subsection A, paragraph 6 of 38 39 this section shall provide treatment records to each customer on application 40 of herbicides for the purpose of weed management and shall retain records 41 containing the same information provided to customers. For the purposes of 42 this subsection, treatment records shall include all of the following: 43 1. The address of the location of the herbicide application. 44 2. The date of the herbicide application. 45 3. The trade name or common name of the herbicide applied.

D. If a person is exempt pursuant to subsection A, paragraph 6 of this section but does not comply with subsection C of this section or if a person is not licensed under this chapter and the person is not exempt pursuant to subsection A, paragraph 6 of this section as a result of doing something prescribed in subsection A, paragraph 6, subdivisions (a) through (f) of this section, the acting director shall:

7 1. On a first violation, issue a written notice of correction that 8 contains a warning and a copy of this section and that provides full notice 9 of the exemption requirements.

10 2. On a second violation, impose a civil penalty of not more than two 11 hundred fifty dollars.

12 3. On a third or any subsequent violation, impose a civil penalty of 13 not more than five hundred dollars.

E. IF A PERSON IS NOT LICENSED UNDER THIS CHAPTER AND THE PERSON IS
NOT EXEMPT PURSUANT TO SUBSECTION A, PARAGRAPH 6 OF THIS SECTION AS A RESULT
OF SUBSECTION A, PARAGRAPH 6, SUBDIVISIONS (A) THROUGH (F) OF THIS SECTION,
THE PERSON IS SUBJECT TO SECTION 3-3502, SUBSECTION C, PARAGRAPH 10.

18 Sec. 13. Section 3-3532, Arizona Revised Statutes, as transferred and 19 renumbered by this act, is amended to read:

20 21 3-3532. <u>Licensed applicator; application; categories; renewal;</u> inactive licenses

A. An application for an applicator license shall be in a form prescribed by the acting director and accompanied by the prescribed fee. The application shall set forth whether the applicant has ever been convicted of a felony OR MISDEMEANOR INVOLVING MORAL TURPITUDE and, if so, the nature of the felony OR MISDEMEANOR, when and where it was committed and the disposition of the conviction.

B. An applicant may apply for a license in any one or a combination of the following categories:

General and public health pest management, excluding management of
 wood-destroying insects, wood-destroying insect inspection, antimicrobial
 pest management, fungi inspection, right-of-way and weed management,
 fumigation, aquatic pest management and turf and ornamental horticulture pest
 management.

2. Management of wood-destroying insects.

3. Right-of-way and weed management.

37 4. Fumigation.

38 5. Turf and ornamental horticulture pest management.

8. 6. Wood-destroying insect inspection.

39 6. Antimicrobial pest management.

40 7. Fungi inspection.

41 42

35 36

9. 7. Aquatic pest management.

43 10. 8. Other categories or subcategories based on practice in the 44 industry and established by rule. 1 C. An applicator APPLICANT shall pass an examination, given under the 2 direction of the acting director, with a score of at least seventy-five per 3 cent for each category in which the applicator is seeking licensure.

4 5

An applicator shall be of good moral character. A CONVICTION OF A D. felony conviction OR MISDEMEANOR INVOLVING MORAL TURPITUDE may demonstrate a 6 lack of good moral character.

7 E. Except as provided in subsection SUBSECTIONS F AND G of this 8 section, each employee of a business licensee applying pesticides shall be 9 licensed in all applicable categories within minety ONE HUNDRED TWENTY calendar days after employment. 10

11 F. An unlicensed employee of a business licensee applying pesticides. 12 other than for the treatment of termites, shall work under the direct 13 supervision of a licensed applicator at all times.

14 G. An unlicensed employee of a business licensee applying pesticides 15 for the treatment of termites shall work under the immediate supervision of a licensed applicator at all times. Only one unlicensed employee at a time may 16 17 be immediately supervised by a licensed applicator.

18 H. A licensed applicator desiring to work in a category for which the 19 applicator is not licensed shall become licensed in the category within 20 thirty ONE HUNDRED TWENTY calendar days after beginning work.

21 I. Except as provided in section 32-4301, each applicator license 22 shall be renewed by submitting a form prescribed by the acting director and 23 paying the prescribed fee.

24 J. An applicator may apply to the acting director for inactive license 25 status. To reactivate an inactive license that has been inactive for one year or less, an applicator shall apply to the acting director. To 26 27 reactivate an inactive license that has been inactive for more than one year, 28 an applicator shall apply to the acting director and shall either 29 successfully complete the applicator license examination or, within twelve 30 months preceding application for reactivation, complete continuing education 31 as required pursuant to section 32-2319.

32 Sec. 14. Section 3-3533, Arizona Revised Statutes, as transferred and 33 renumbered by this act, is amended to read:

34

3-3533. Business license; renewal; financial security; definition

35 A. A person who wishes to engage in the business of STRUCTURAL pest 36 management shall first obtain a business license from the office DEPARTMENT 37 as provided in this article. A person who is not exempt under this article 38 and who advertises for, solicits or holds himself out as willing to engage in 39 the business of STRUCTURAL pest management is presumed to be in the business 40 of STRUCTURAL pest management.

- 41 42
- An application for a business license shall: Β.
- Be in a form prescribed by the acting director. 1.
- 43 2. Be accompanied by the prescribed fee.

1 3. Include the name and address of the qualifying party and written 2 documentation of how the qualifying party will be active in the day to day 3 management of the business licensee.

4

- 5
- 6

4. List all owners with more than a ten per cent ownership interest in the company, all corporate officers and members of the board of directors.

C. A business licensee shall register each primary and branch office 7 with the acting director before it opens for business.

8

D. An applicant shall furnish the following to the acting director:

9 1. Proof of financial responsibility consisting of either a deposit of money, liability insurance, self-insured retention, a surety bond or a 10 11 certified check protecting persons who may suffer legal damages as a result of the operations of the applicant. The acting director shall not accept a 12 13 bond or a liability insurance policy unless issued by an insurer that holds a 14 valid certificate of authority or that is permitted to transact surplus lines 15 insurance in this state. The amount of the deposit, insurance, self-insured 16 retention or bond shall be at least five hundred thousand dollars and shall 17 be maintained at not less than that amount at all times during the licensing period. The license of a business licensee whose financial security falls 18 19 below the minimum five hundred thousand dollars shall be suspended by the 20 acting director and shall remain suspended until the security meets the 21 minimum financial security requirement. The financial security need only cover those particular operations in which the licensee is engaged at any 22 23 time. If the financial security is in the form of liability insurance or a 24 surety bond, the licensee shall furnish the acting director with a 25 certificate of coverage ON A FORM ACCEPTED OR PRESCRIBED BY THE DIRECTOR that 26 indicates the coverages and endorsements required by this subsection on a 27 form prescribed by the acting director.

28 2. Either of the following If the business licensee performs termite 29 WOOD-DESTROYING INSECT treatments:

30 (a) Proof of a surety bond in the amount of one hundred thousand 31 dollars per business license for actual damages, including reasonable costs 32 of collection suffered by persons as a result of termite WOOD-DESTROYING 33 **INSECT** damage due to negligent treatment.

34 (b) Proof of a liability insurance policy rider in the amount of one 35 hundred thousand dollars per business license that covers termite damage due 36 to negligent treatment.

37 3. E. If the business licensee provides wood-destroying insect 38 inspection reports or fungi inspection reports, THE APPLICANT SHALL FURNISH 39 TO THE DIRECTOR proof of a surety bond or a liability insurance policy rider 40 in the amount of one hundred thousand dollars per business license for actual 41 damages plus reasonable costs of collection suffered by persons as a result 42 of errors and omissions contained in the reports.

43 4. F. If an insurance policy provides for a deductible, the 44 deductible amount shall not exceed one per cent of the total financial 45 security for each occurrence. If the deductible amount is in excess of one 1 per cent of the total financial security for each occurrence, the business 2 licensee shall provide other security as provided in this subsection or other 3 evidence of financial security for the excess deductible amount.

5. G. If the financial security is in the form of liability insurance, a licensee shall maintain a coverage endorsement for pesticides and herbicides, fumigation, care, custody and control, rights-of-way, wood-destroying insect inspection report errors and omissions, fungi inspection report errors and omissions and pollution transit for its applicable license categories.

10 E. H. If the proof of financial security on file with the office 11 DEPARTMENT expires, the business license is automatically suspended until a 12 current certificate of insurance or proof of financial responsibility is 13 furnished to the acting director.

F. I. Except as provided in section 32-4301, each business licensee shall renew the business license and each office registration on or before the expiration date of the license by filing renewal forms prescribed by the acting director and paying the prescribed renewal fees. If a business licensee fails to renew the business license as required by this subsection, the licensee shall not engage in the business of pest management.

20 G. J. Each branch office of a business licensee shall be supervised 21 by a licensed applicator or qualifying party who is licensed in all 22 categories in which the branch office operates.

H. K. For the purposes of this section, "financial security" means
 liability insurance, a deposit of cash or certified monies, a surety bond or
 other equivalent item.

L. A BUSINESS LICENSEE SHALL NOTIFY THE DIRECTOR IN WRITING ON A FORM
 APPROVED BY THE DIRECTOR OR ELECTRONICALLY OF:

ALL QUALIFYING PARTY AND LICENSED OR PRELICENSE APPLICATORS IN
 THEIR EMPLOY THAT ENGAGE IN THE BUSINESS OF STRUCTURAL PEST MANAGEMENT WITHIN
 TEN CALENDAR DAYS.

31 2. THE TERMINATION OF A QUALIFYING PARTY OR LICENSED OR PRELICENSE32 APPLICATOR WITHIN THIRTY CALENDAR DAYS AFTER THE TERMINATION.

33 Sec. 15. Section 3-3534, Arizona Revised Statutes, as transferred and 34 renumbered by this act, is amended to read:

35 36 3-3534. <u>Qualifying party; license; examination; inactive</u> <u>status; temporary license</u>

A. An application for a qualifying party license shall be in a form prescribed by the acting director and accompanied by the prescribed fee. The application shall set forth whether the applicant has ever been convicted of a felony OR MISDEMEANOR INVOLVING MORAL TURPITUDE and, if so, the nature of the felony OR MISDEMEANOR, when and where it was committed and the disposition of the conviction.

43 B. A qualifying party may apply for a license in any one or a 44 combination of the following categories: 1 1. General and public health pest management, excluding management of 2 wood-destroying insects, wood-destroying insect inspection, antimicrobial 3 pest management, fungi inspection, right-of-way and weed management, 4 fumigation, aquatic pest management and turf and ornamental horticulture pest 5 management.

6 7 2. Management of wood-destroying insects.

3. Right-of-way and weed management.

8 4. Fumigation.

9 5. Turf and ornamental horticulture pest management.

6. Antimicrobial pest management.

11 7. Fungi inspection.

8. 6. Wood-destroying insect inspection.

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9. 7. Aquatic pest management.

14 10. 8. Other categories or subcategories based on practice in the 15 industry and established by rule.

16 C

C. An applicant for qualifying party licensure shall:

Pass an examination, given under the direction of the acting
 director, with a score of seventy-five per cent or more.

19 2. Present PROVIDE evidence satisfactory to the acting director that 20 the person has sufficient education or experience in the use of or 21 supervising the use of a pesticide covered by each category for which the 22 person is applying as demonstrated by having had within five years 23 immediately preceding application either:

(a) Three TWO thousand verifiable hours of practical experience in the
 business of pest management.

(b) Two ONE thousand verifiable hours of practical field experience in the business of pest management and have successfully completed at least twelve semester hours or its equivalent in entomology, the eradication or management of weeds, general horticulture, plant pathology or any combination of these subjects directly related to each category for which the person is applying.

32 (c) THREE YEARS OF VERIFIABLE EMPLOYMENT WITH A PEST MANAGEMENT 33 RELATED ENTITY.

34 (d) A BACHELOR OF SCIENCE DEGREE IN ENTOMOLOGY, WEED MANAGEMENT,
 35 HORTICULTURE, PLANT PATHOLOGY OR ANY COMBINATION OF THESE SUBJECTS AND FIVE
 36 HUNDRED HOURS OF PRACTICAL EXPERIENCE DIRECTLY RELATED TO EACH CATEGORY FOR
 37 WHICH THE PERSON IS APPLYING.

38 3. Be of good moral character. A felony conviction may demonstrate a
 39 lack of good moral character.

D. The examination shall test the qualifying party's knowledge of pests and the use, storage and application of pesticides and other devices used in the eradication of pests within the category for which the person is applying.

44 E. A qualifying party shall have an inactive qualifying party license 45 status if the qualifying party is not currently acting as a qualifying party 1 for a business licensee. To reactivate an inactive license that has been 2 inactive for one year or less, a qualifying party shall apply to the acting 3 director to qualify a business license. To reactivate an inactive license 4 that has been inactive for more than one year, a qualifying party shall apply 5 to the acting director to qualify a business license and shall either successfully complete the license examination or, within twelve months 6 7 preceding application for reactivation, complete continuing education as 8 required pursuant to section 32-2319.

9 F. If the acting director issues a renewable and revocable temporary 10 qualifying party license pursuant to section 32-2304 3-3502, the temporary 11 qualifying party license is valid for sixty calendar days and may be renewed only on approval of the acting director if good cause is established for 12 13 delay in the procurement of a qualifying party license. Under the temporary 14 qualifying party license, a business licensee shall otherwise fully comply 15 with the requirements of this chapter and rules adopted pursuant to this 16 chapter.

17

G. A person acting as a qualifying party shall:

Be active in the management of the business licensee by being
 present at the business office location each month to review pesticide use,
 storage and disposal and by ensuring the supervision and training of the
 employees of the business.

22 2. During normal business hours, be readily available to the licensed 23 applicators and employees of the business licensee.

24 H. A qualifying party shall renew a qualifying party license by 25 submitting a form prescribed by the acting director and a fee prescribed by section 32 2317 3-3535. A qualifying party shall furnish to the acting 26 27 director proof of completion of continuing education as prescribed by section 28 32 2319 3-3536. Successful completion of the qualifying party license 29 examination for each category may be substituted for the continuing education 30 requirement. Continuing education hours used for renewal of a qualifying 31 party's applicator license may be used for the qualifying party's license 32 renewal.

33 Sec. 16. Section 3-3535, Arizona Revised Statutes, as transferred and 34 renumbered by this act, is amended to read:

3-3535. <u>Fees</u>

A. The acting director shall establish and collect fees that AS PRESCRIBED BY THIS SECTION OR AS PROVIDED BY RULE. FEES may include service charges allowed pursuant to section 32-2304 3-3502 for persons who pay with alternative payment methods, including credit cards, charge cards, debit cards and electronic transfers, but that may not exceed the following amounts:

42 1. Qualifying party license application fee, one hundred fifty
 43 SEVENTY-FIVE dollars.

44

35

2. Qualifying party license renewal fee, one hundred fifty dollars.

1	3. Qualifying party license renewal fee, inactive status, twenty five
2	SEVENTY-FIVE dollars.
3	4. QUALIFYING PARTY LICENSE BROADENING APPLICATION FEE, ONE HUNDRED
4	FIFTY DOLLARS.
5	 5. Temporary qualifying party license application fee, twenty five
6	SEVENTY-FIVE dollars.
7	6. TEMPORARY QUALIFYING PARTY LICENSE RENEWAL APPLICATION FEE,
8	SEVENTY-FIVE DOLLARS.
9	5. Business license application fee, one hundred dollars.
10	6. Business license renewal fee, one hundred dollars.
11	7. Branch office registration application fee,
12	dollars.
13	Branch office registration renewal fee, fifty SEVENTY-FIVE dollars.
14	9. Late renewal penalty fee, double the prescribed renewal fee.
15	10. Qualifying party license status change, inactive to active, one
16	hundred twenty-five dollars.
17	11. Applicator license application, thirty SEVENTY-FIVE dollars.
18	12. APPLICATOR LICENSE BROADENING APPLICATION FEE, THIRTY DOLLARS.
19	13. Applicator license annual renewal, twenty-five FIFTY dollars.
20	13. 14. Duplicate license identification card, ten dollars.
21	15. EXAMINATION FEE, FIFTY DOLLARS.
22	B. The office DEPARTMENT may charge and collect additional fees for
23	services that the acting director considers to be appropriate to carry out
24	the intent and purpose of this chapter. These additional fees shall not
25	exceed the costs of rendering the services.
26	C. IN CONSULTATION WITH THE STRUCTURAL PEST MANAGEMENT ADVISORY
27	COUNCIL, THE DIRECTOR MAY ANNUALLY SET FEES INCLUDING A BUSINESS LICENSE
28	APPLICATION FEE AND BUSINESS LICENSE RENEWAL FEE BASED ON THE NUMBER OF
29	APPLICATORS EMPLOYED BY THE PROSPECTIVE BUSINESS LICENSEE IN AN AMOUNT
30	NECESSARY TO PROVIDE REVENUES TO DEFRAY ALL THE PROPER EXPENSES OF THIS
31	CHAPTER. THE DIRECTOR SHALL PROVIDE FIFTEEN DAYS' ADVANCE NOTICE OF THE
32	HEARING AT WHICH THE FEES WILL BE INCREASED AND THE AMOUNT OF THE PROPOSED
33	FEE. TITLE 41, CHAPTER 6 DOES NOT APPLY TO SETTING OR COLLECTING FEES UNDER
34	THIS SUBSECTION.
35	Sec. 17. Section 3-3561, Arizona Revised Statutes, as transferred and
36	renumbered by this act, is amended to read:
37	3-3561. <u>Disciplinary action; grounds; procedure; judicial</u>
38	review
39	A. After an opportunity for a formal hearing or pursuant to a consent
40	order, The acting director may take any of the following disciplinary
41	actions, in combination or alternatively:
42	1. Revoke a license.
43	2. Suspend a license.
44	3. Refuse to renew a license.

4. Impose probation requirements that require a business licensee, licensed applicator or qualifying party to comply with one or more specific provisions of this chapter or rules adopted pursuant to this chapter and that require reporting by or monitoring of the business licensee, licensed applicator or qualifying party.

5. Impose a civil penalty in an amount of not more than one thousand
dollars for each NONSERIOUS violation AND FIVE THOUSAND DOLLARS FOR EACH
SERIOUS VIOLATION except for grounds prescribed in subsection B, paragraphs 8
and 9 of this section.

10 6. Require a qualifying party to report to the acting director the 11 qualifying party's role in the management of a business license.

12 13 7. 6. Issue an administrative warning.

B. The following acts are grounds for disciplinary action:

14 1. Violating this chapter, rules adopted pursuant to this chapter or a 15 written order of the acting director.

16

2. Making false or fraudulent STATEMENTS, records or reports.

17

3. Misrepresenting a material fact in obtaining a license.

18 4. Applying pesticides in a manner that is inconsistent with the label

19 requirements of the pesticide or that may cause undue harm to the public.
20 5. Misuse of a pesticide if the misuse is due to training received or
21 not received or lack of appropriate supervision. Proper training includes
22 training to read and understand the label and labeling and to understand the
23 proper use of application equipment. Proper supervision includes oversight
24 of applicators to ensure general compliance with the label, labeling and all
25 applicable laws.

6. 5. Authorizing, directing or abetting the publication,
 advertisement, distribution or circulation of any false statement or material
 misrepresentation concerning a business of pest management.

29 7. Conviction of a felony or misdemeanor arising from or in connection
 30 with a license issued pursuant to this chapter after issuance of the license.

31 8. 6. Conviction of a felony OR A MISDEMEANOR INVOLVING MORAL 32 TURPITUDE.

9. 7. Having had a license, or the equivalent, to apply pesticides or
 engage in the business of pest management suspended or revoked in another
 jurisdiction for cause DURING THE PREVIOUS THREE YEARS.

36 10. Making a fraudulent statement or an intentional material 37 misrepresentation in connection with a wood treatment proposal or a 38 wood-destroying insect inspection report.

39 11. Three or more de minimis violations of this chapter or rules
40 adopted under this chapter.

41 12. 8. Failure to provide the acting director with a current
 42 certificate of insurance or proof of financial responsibility SECURITY.

43 13. 9. Failure to establish a complete vertical barrier at the 44 exterior of foundation walls in stem wall construction or exterior of grade 1 beams in monolithic construction within twelve months of the original 2 treatment made before or during construction.

3 14. 10. Immediately supervising more than one THREE unlicensed 4 applicator at a time.

5 15. 11. Failure to make and maintain true and accurate records of 6 treatments performed, including those performed under warranty or guarantee, 7 for at least three TWO years from date of treatment. except any record of a 8 termite treatment, A wood-destroying insect inspection report or a fungi 9 inspection report, which shall be made and maintained for at least five TWO 10 years from the date of treatment or inspection.

11 16. 12. Failure to make treatment records available within three 12 business days on request of the property owner, the property owner's 13 authorized agent or a representative of the office DEPARTMENT.

14 C. Except as provided in section 32-2329 3-3566, the acting director 15 may proceed against a business licensee pursuant to subsection A, paragraphs 16 1 through 5 of this section only if, after an opportunity for a hearing, it 17 has been shown that any of the following applies:

18 1. The business licensee has committed a prior violation of the same 19 type, including any violation by any employee of the business licensee.

20 2. The business licensee failed to follow a written order of the 21 acting director directing it to correct a deficiency or problem within the 22 time specified.

3. The business licensee has knowingly assumed operations for a business licensee whose license has been revoked and during the first three years after revocation allows the former licensee to play an active role in company policy, decisions, sales or supervision of employees.

27 4. The business licensee is convicted of a felony OR A MISDEMEANOR
 28 INVOLVING MORAL TURPITUDE.

5. The business licensee is determined by the acting director to have committed a violation in connection with a treatment before or during construction.

32 6. The business licensee changes its name or majority ownership of the33 business and fails to:

34 (a) Report to the acting director within thirty calendar days the
 35 status of all warranties issued by the licensee.

36 (b) Notify within thirty calendar days all persons who hold warranties
 37 issued by the licensee regarding the change.

7. The business licensee OR LICENSED APPLICATOR FOR A POLITICAL SUBDIVISION fails to provide written notice immediately following a pest management treatment in or around residential structures of four or fewer units to the person requesting the treatment or to the person's designated agent. The notice shall include the specific pesticide by trade name used in the treatment.

44 8. The business licensee OR LICENSED APPLICATOR FOR A POLITICAL 45 SUBDIVISION performing pest management treatments on an ongoing basis to 1 locations other than residential structures of four or fewer units fails to 2 provide written notice to the person who requested the treatments or the 3 person's designated agent. Notice shall be given before the first 4 application of the pesticide and when new or additional pesticides are used 5 or immediately after each treatment.

9. If the treatments are performed in the interior of residential units, the licensee fails to leave a notice in the interior of each treated unit immediately after each treatment. The notice shall include the pesticide by trade name and any other information as required by the pesticide label or local ordinance.

10. A statement of precaution does not accompany each notification of 12 treatment required in paragraphs 7, 8 and 9 of this subsection. Each 13 statement of precaution shall be printed conspicuously, in not less than 14 eight point type, and shall include the words:

Warning--pesticides can be harmful. Keep children and pets away from pesticide applications until dry, dissipated or aerated. For more information contact [business license name and business license number OR POLITICAL SUBDIVISION AND DEPARTMENT NAME] at [telephone number].

11. The business licensee fails within thirty calendar days after completion of a termite WOOD-DESTROYING INSECT treatment that is done before or during construction, an initial termite WOOD-DESTROYING INSECT corrective treatment project or a wood-destroying insect inspection report to file with the office DIRECTOR, in a form approved by the acting director, all data required by the acting director. The data shall include:

(a) The name of the individual who performed the work.

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(b) The address or location of the work or project.(c) The type and the date of the work.

28 29

(d) The name of the business licensee.

30 31 (e) The name of the qualifying party.(f) The applicator's license number.

32

(g) Any other information required by rule.

12. The business licensee, within twelve months after completion of a termite treatment that is done before or during construction, fails either to file a supplemental termite action report in a form provided by the acting director that indicates the completion of the final grade treatment or to report in writing why the treatment has not been completed and when it will be completed.

39 D. Nothing in subsection C, paragraph 3 of this section shall be 40 deemed to prohibit a business licensee from directly purchasing accounts from 41 a licensee whose license has been revoked if the purchase is made within such 42 time after the revocation as the acting director by rule may establish.

43 E. D. Before taking any action pursuant to this section, the acting 44 director shall notify in writing interested persons and the licensee before 45 the date of the hearing pursuant to title 41, chapter 6, article 10 either 1 personally or by certified mail at the last address known to the office 2 DEPARTMENT. The written notice shall contain the nature of the charge or 3 charges against the licensee and the time and place of the hearing on the 4 charges.

5 F. E. A license may be suspended without a hearing as prescribed in 6 section 32-2329 3-3566 or if its holder fails within thirty calendar days to: 7

- 1. Pay renewal fees.
- 8 9

2. Pay civil penalties.

3. Demonstrate the completion of required continuing education.

10 G_{\cdot} F. The holder of a license suspended under subsection F_{\cdot} E of this 11 section must apply to the acting director for reinstatement.

12 H. G. Licenses suspended under subsection F E of this section are 13 automatically revoked without a hearing after one year of suspension. 14 Licenses revoked under this section are not subject to section 32-2304 15 3-3502, subsection A, paragraph 11 9.

16 I. H. All complaints ALLEGATIONS OF PESTICIDE MISUSE OR PEST 17 MANAGEMENT MISCONDUCT FROM THE PUBLIC ABOUT A BUSINESS LICENSEE, QUALIFYING 18 PARTY OR LICENSED APPLICATOR shall be in writing EXCEPT AS OTHERWISE PROVIDED 19 BY LAW.

20 J. I. If the acting director appoints an employee of the office to 21 conduct an informal settlement conference with the complaining party pursuant to section 32-2304, The purpose of the informal settlement conference is to 22 23 reach agreement as to the disposition of all or a portion of the complaint, 24 including any agreement providing for repairing or rectifying the conditions 25 specified in the complaint. The settlement conference shall be conducted 26 informally and the rules of evidence do not apply. The settlement conference 27 shall not be recorded. Participants in the settlement conference may ask 28 questions of the complainant and may review any materials or reports compiled 29 by the office DEPARTMENT with respect to the complaint.

30 K. J. If the office DEPARTMENT prepares ISSUES a consent order 31 pursuant to section 32 2304, after either an informal settlement conference 32 conducted pursuant to subsection J of this section or a formal hearing by the 33 office conducted pursuant to title 41, chapter 6, article 10, the consent order shall only set forth the general nature of the inquiry or complaint, 34 35 the specific action to be taken by the licensee or business licensee, the 36 penalty, if any, and the time for compliance, if any, for any corrective 37 action to be taken.

38 L. Except as provided in section 41-1092.08, subsection H, final 39 decisions of the acting director are subject to judicial review pursuant to 40 title 12, chapter 7, article 6.

41 M. K. The acting director shall consider only an inquiry ALLEGATIONS 42 OF PESTICIDE MISUSE OR PEST MANAGEMENT MISCONDUCT received or complaint filed 43 within five years after the date of the alleged act or omission.

44 N. L. The acting director may issue an advisory notice stating de 45 minimis violations of statutes or rules that carry no penalty, unless the 1 person subject to this chapter wilfully and repeatedly violates the statute 2 or rule. For wilful and repeated violations, the acting director may take 3 disciplinary action against the person for a violation.

4 O. M. If the office DEPARTMENT finds a violation or the office enters
 5 into a consent agreement, the office DEPARTMENT:

6 1. shall not delete the record of the complaint for at least five 7 years following the filing of the complaint.

8 2. Shall include information from the inquiry in the record of 9 complaint. If no violation is found, the information from the inquiry shall 10 be deleted.

P. N. Only this chapter applies to, regulates and determines all requirements regarding licensure, licensure fees, testing and education related to pest management in this state. Only this chapter applies to, regulates and determines all requirements regarding the business of pest management, including the application or notification of use or disposal of pesticides for pest management in this state.

17 Q. O. For THE purposes of filing or submitting all documents or fees
 18 required under this chapter, service is considered complete if postmarked on
 19 the proper date and delivered by first class mail or a higher class.

20 Sec. 18. Section 3-3562, Arizona Revised Statutes, as transferred and 21 renumbered by this act, is amended to read:

22

3-3562. <u>Wood-destroying insects; treatment proposal; fee</u>

A. A business licensee shall not commence work on a contract or sign, issue or deliver any documents expressing an opinion or making a statement relating to the presence or absence of wood-destroying insects in a structure until an inspection is made.

B. Only an applicator or qualifying party licensed in the categories of wood-destroying insect management and wood-destroying insect inspection shall prepare a treatment proposal on a form approved by the acting director and shall deliver a copy of the treatment proposal to the person requesting the proposal, or the person's designated agent, before beginning treatment. The treatment proposal shall include the following information:

33

1. The address of the property to be treated.

34 35 2. A statement describing that the work is preventative or corrective.

3. A statement describing the evidence of infestation or damage.

36 4. A diagrammatic description showing the nature and location of 37 evidence of infestation or damage, or both, if applicable.

5. A statement describing the treatment or repair method, including the name of the pesticide, agent or device to be used and a diagrammatic description showing where the treatment or repair will be rendered.

41

6. The price for the work.

42 7. The terms for the service agreement provided by the business43 licensee.

44 8. The signature and license number of the person who made the 45 inspection of the structure to be treated. 1 C. A licensee shall also give to the person requesting a proposal a 2 written recommendation that verifies a particular problem and, in addition to 3 the licensee's recommendation for treatment, shall advise the person of 4 alternative treatments and methods, including integrated pest management 5 methods to alleviate the problem.

6 D. A treatment proposal shall not be in the same form or be construed 7 as a wood-destroying insect inspection report. A treatment proposal that 8 does not identify infestation by wood-destroying insects is not a binding 9 statement as to the presence or absence of wood-destroying insects.

10 E. A treatment proposal shall be prepared by a licensed applicator or 11 qualifying party who has received at least five hours of instruction from the 12 office DEPARTMENT or an in-house education program of a business licensee on 13 the subject of wood-destroying insect inspections. An examination on the 14 instruction is not required. The business licensee shall keep a record of 15 completion of the training and shall make the record available on the acting 16 director's request.

17 F. If a business licensee performs a treatment pursuant to a treatment 18 proposal, the business licensee shall maintain for five years a record of the 19 treatment and the name and quantity of the pesticide used.

20 Within thirty calendar days after completion of a termite treatment G. 21 or on the next business day after the thirty calendar days, a business 22 licensee shall file with the office DEPARTMENT in a form or format approved 23 by the acting director a complete and accurate termite action registration 24 form and a fee as prescribed by the acting director. The termite action 25 registration form shall include information prescribed in section 32-2321 26 3-3561, subsection C, paragraph 11 and this section. This subsection only 27 applies to the following:

28 1. Any treatments done before or during construction, including final 29 grade treatments.

30 2. The first preventative or corrective termite treatment by a 31 business licensee to a site. If the business licensee who performed this 32 termite treatment performed the before or during construction treatment at 33 the same site and filed a termite action report form with the office DEPARTMENT documenting the before or during construction treatment, the 34 35 business licensee is exempt from this paragraph.

36

3. A wood-destroying insect inspection report.

37 Sec. 19. Section 3-3563, Arizona Revised Statutes, as transferred and renumbered by this act, is amended to read: 38

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3-3563. Wood-destroying insect inspection reports

40 A. Wood-destroying insect inspection reports may only be completed by 41 an applicator or qualifying party who is licensed in the categories CATEGORY 42 of management of wood-destroying insects and wood-destroying insect 43 inspection and who has received at least five hours of instruction from THE 44 DEPARTMENT the office or the former structural pest control commission or an 45 in-house education program of a business licensee on the subject of

wood-destroying insect inspection reports. An examination on the instruction is not required. The business licensee shall keep a record of completion of the training and shall make the record available on the acting director's request.

B. Wood-destroying insect inspection reports shall be on file in the office of the business licensee within seven calendar days after the completion of an inspection. The business licensee shall retain a copy of all completed wood-destroying insect inspection reports for five TWO years and make the reports available on the acting director's request.

10 C. Wood-destroying insect inspection reports are evidence of the 11 existence or absence of wood-destroying insects that were visible and accessible to an inspector on the date the inspection was made. A business 12 13 licensee remains responsible for the accuracy of the inspection and the 14 report as evidence of the presence or absence of infestation on the date of 15 inspection, except that a wood-destroying insect inspection report shall not 16 be construed as a guarantee as to the presence or absence of wood-destroying 17 insects in a structure after the date of inspection.

18 Sec. 20. Section 3-3564, Arizona Revised Statutes, as transferred and 19 renumbered by this act, is amended to read:

20

3-3564. Unlawful acts; violation; classification

21

A. A person shall not:

Engage in the business of pest management without holding a
 business license issued pursuant to this chapter.

24 2. Engage in the business of pest management in any category without a 25 qualifying party licensed in that category.

26 3. Operate a branch office without employing a licensed applicator or 27 qualifying party under whose direct supervision pesticide applications are 28 made out of that office.

4. Apply pesticides in any category other than the control of wood-destroying insects unless the person is an applicator or qualifying party licensed in that category pursuant to this chapter or applies the pesticides under the direct supervision of an applicator or qualifying party licensed in that category pursuant to this chapter.

34 5. Apply pesticides for the management of wood-destroying insects 35 unless both of the following apply:

36 (a) The person is an applicator or qualifying party licensed in that 37 category pursuant to this chapter or the person applies the pesticides under 38 the immediate supervision of a licensed applicator.

39 (b) The person has received at least five hours of instruction from 40 THE DEPARTMENT the office or the former structural pest control commission or 41 an in-house education program of a business licensee on the subject of 42 management of wood-destroying insects that is appropriate for the specific 43 type of application performed. An examination on the instruction is not 44 required. A business licensee shall keep a record of completion of the 45 training and shall make it available on the acting director's request. 6. Make recommendations regarding pest management unless the person is
 a licensed applicator or qualifying party.

7. Deny to an authorized inspector the right to be present on a jobsite in connection with a contemporaneous pest management treatment for the purpose of taking samples, including pesticide samples and soil samples.

6 B. EXCEPT AS PROVIDED BY SECTION 3-3531, A PERSON WHO KNOWINGLY 7 ENGAGES IN THE BUSINESS OF PEST MANAGEMENT WITHOUT A LICENSE THAT MAY 8 POTENTIALLY CAUSE BODILY INJURY, PROPERTY DAMAGE OR ENVIRONMENTAL HARM IS 9 GUILTY OF A CLASS 6 FELONY.

10 Sec. 21. Section 3-3565, Arizona Revised Statutes, as transferred and 11 renumbered by this act, is amended to read:

12

3-3565. <u>Injunctive relief</u>

In addition to all other remedies, the acting director, either through the attorney general or the county attorney, may apply to the appropriate court for an order enjoining any act or practice that appears to constitute a violation of this chapter or rules adopted pursuant to this chapter. On a proper showing, a temporary restraining order, a preliminary injunction or a permanent injunction shall be granted without bond.

19 Sec. 22. Section 3-3566, Arizona Revised Statutes, as transferred and 20 renumbered by this act, is amended to read:

21

3-3566. <u>Summary suspension</u>

The acting director may summarily suspend, without a formal hearing, any license issued pursuant to this chapter if the acting director considers it to be necessary to protect the health, safety and welfare of the public.

25 Sec. 23. Section 32–1121, Arizona Revised Statutes, is amended to 26 read:

27

32-1121. <u>Persons not required to be licensed; penalties</u>

28

A. This chapter shall not be construed to apply to:

An authorized representative of the United States government, this
 state or any county, incorporated city or town, reclamation district,
 irrigation district or other municipality or political subdivision of this
 state.

2. Trustees of an express trust that is not formed for the purpose of conducting business as a contractor or officers of a court, if they are acting within the terms of their trust or office.

36 3. Public utilities operating under regulation of the corporation 37 commission or construction, repair or operation incidental to discovering or 38 producing petroleum or gas, or the drilling, testing, abandoning or other 39 operation of a petroleum or gas well, if performed by an owner or lessee.

40 4. Any materialman, manufacturer or retailer who furnishes finished 41 products, materials or articles of merchandise and who does not install or 42 attach such items or installs or attaches such items if the total value of 43 the sales contract or transaction involving such items and the cost of the 44 installation or attachment of such items to a structure does not exceed one 45 thousand dollars, including labor, materials and all other items, but

1 excluding any electrical fixture or appliance that was designed by the 2 manufacturer, that is unaltered, unchanged or unmodified by any person, that 3 can be plugged into a common household electrical outlet utilizing a two 4 pronged or three pronged electrical connector and that does not use any other 5 form of energy, including natural gas, propane or other petroleum or gaseous fuel, to operate or is attached by a nail, screw or other fastening device to 6 7 the frame or foundation of any residential structure. The materialman, 8 manufacturer or retailer shall inform the purchaser that the installation may 9 also be performed by a licensed contractor whose name and address the 10 purchaser may request.

11 5. Owners of property who improve such property or who build or 12 improve structures or appurtenances on such property and who do the work 13 themselves, with their own employees or with duly licensed contractors, if 14 the structure, group of structures or appurtenances, including the 15 improvements thereto, are intended for occupancy solely by the owner and are 16 not intended for occupancy by members of the public as the owner's employees 17 or business visitors and the structures or appurtenances are not intended for 18 sale or for rent. In all actions brought under this chapter, except an 19 action against an owner-occupant as defined in section 33-1002, proof of the 20 sale or rent or the offering for sale or rent of any such structure by the 21 owner-builder within one year after completion or issuance of a certificate 22 of occupancy is prima facie evidence that such project was undertaken for the 23 purpose of sale or rent. For the purposes of this paragraph, "sale" or 24 "rent" includes any arrangement by which the owner receives compensation in 25 money, provisions, chattels or labor from the occupancy or the transfer of 26 the property or the structures on the property.

27 6. Owners of property who are acting as developers and who build 28 structures or appurtenances to structures on their property for the purpose 29 of sale or rent and who contract for such a project with a general contractor 30 licensed pursuant to this chapter and owners of property who are acting as 31 developers, who improve structures or appurtenances to structures on their 32 property for the purpose of sale or rent and who contract for such a project 33 with a general contractor or specialty contractors licensed pursuant to this 34 chapter. To qualify for the exemption under this paragraph, the licensed 35 contractors' names and license numbers shall be included in all sales 36 documents.

Architects or engineers who are engaging in their professional
 practice as defined in chapter 1 of this title and who hire or offer to hire
 the services of a contractor for preconstruction activities relating to
 investigation and discovery including:

- 41
- (a) Subsurface utility location and designation services.
- 42 (b) Potholing.
- 43 (c) Drilling for any of the following:
- 44 (i) Soil samples.
- 45 (ii) Rock samples.

- 1
- (iii) Pavement samples.

2 (d) Locating existing features of a building or structure including 3 existing electrical, mechanical, plumbing and structural members.

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8. A person licensed, certified or registered pursuant to chapter 22 of this title 3, CHAPTER 19 or a person working under the direct supervision of a person certified or qualified pursuant to chapter 22 of this title 3, 7 CHAPTER 19 to the extent the person is engaged in structural pest control 8 MANAGEMENT.

9 9. The sale or installation of finished products, materials or articles of merchandise which are not fabricated into and do not become a 10 permanent fixed part of the structure. This exemption does not apply if a 11 local building permit is required, if the total price of the finished 12 13 product, material or article of merchandise, including labor but excluding 14 any electrical fixture or appliance that was designed by the manufacturer, 15 that is unaltered, unchanged or unmodified by any person, that can be plugged 16 into a common household electrical outlet utilizing a two pronged or three 17 pronged electrical connector and that does not use any other form of energy, 18 including natural gas, propane or other petroleum or gaseous fuel, to operate 19 or is attached by a nail, screw or other fastening device to the frame or 20 foundation of any residential structure, is more than one thousand dollars or 21 if the removal of the finished product, material or article of merchandise 22 causes damage to the structure or renders the structure unfit for its 23 intended use.

24 10. Employees of the owners of condominiums, townhouses, cooperative 25 units or apartment complexes of four units or less or the owners' management 26 agent or employees of the management agent repairing or maintaining 27 structures owned by them.

28 11. Any person who engages in the activities regulated by this chapter, 29 as an employee of an exempt property owner or as an employee with wages as 30 the person's sole compensation.

31 12. A surety company or companies which are authorized to transact 32 business in this state and which undertake to complete a contract on which 33 they issued a performance or completion bond, provided all construction work 34 is performed by duly licensed contractors.

35 13. Insurance companies which are authorized to transact business in 36 this state and which undertake to perform repairs resulting from casualty 37 losses pursuant to the provisions of a policy, provided all construction work 38 is performed by duly licensed contractors.

39 Any person other than a licensed contractor engaging in any work or 14. 40 operation on one undertaking or project by one or more contracts, for which 41 the aggregate contract price, including labor, materials and all other items, 42 but excluding any electrical fixture or appliance that was designed by the 43 manufacturer, that is unaltered, unchanged or unmodified by any person, that 44 can be plugged into a common household electrical outlet utilizing a two 45 pronged or three pronged electrical connector and that does not use any other

form of energy, including natural gas, propane or other petroleum or gaseous fuel, to operate or is attached by a nail, screw or other fastening device to the frame or foundation of any residential structure, is less than one thousand dollars. The work or operations which are exempt under this paragraph shall be of a casual or minor nature. This exemption does not apply:

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(a) In any case in which the performance of the work requires a local building permit.

9 (b) In any case in which the work or construction is only a part of a 10 larger or major operation, whether undertaken by the same or a different 11 contractor, or in which a division of the operation is made in contracts of amounts less than one thousand dollars, excluding any electrical fixture or 12 13 appliance that was designed by the manufacturer, that is unaltered, unchanged 14 or unmodified by any person, that can be plugged into a common household 15 electrical outlet utilizing a two pronged or three pronged electrical 16 connector and that does not use any other form of energy, including natural 17 gas, propane or other petroleum or gaseous fuel, to operate or is attached by 18 a nail, screw or other fastening device to the frame or foundation of any 19 residential structure, for the purpose of evasion of this chapter or 20 otherwise.

(c) To a person who utilizes any form of advertising to the public in
which the person's unlicensed status is not disclosed by including the words
"not a licensed contractor" in the advertisement.

24 15. A person who is licensed, certified or registered pursuant to 25 title 41, chapter 16 and who is not otherwise required to be licensed under 26 this chapter or an employee of such person.

27 16. A person who functions as a gardener by performing lawn, garden,
28 shrub and tree maintenance.

B. A person who is licensed to perform work in a particular trade pursuant to this chapter shall not be required to obtain and maintain a separate license for mechanical or structural service work performed within the scope of such trade by such person.

C. Any person who does not have an exemption from licensure pursuant to subsection A, paragraph 14, subdivision (c) of this section is subject to prosecution for a violation of section 44-1522. The attorney general may investigate the act or practice and take appropriate action pursuant to title 44, chapter 10, article 7.

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Sec. 24. Section 36-898, Arizona Revised Statutes, is amended to read: 36-898. <u>Licensees; pesticide application; notice; definitions</u>

A. The director, in consultation with licensees, personnel of licensees, parents, guardians, administrators, members of the public, a qualifying party and at least one health professional, shall develop and adopt a policy to provide parents, guardians, children and personnel with at least forty-eight hours' notice before pesticides are applied on licensee property.

1 B. The policy shall include at least the following: 2 1. Procedures for providing the notification including: 3 (a) Procedures for written notification to parents, guardians or an 4 individual authorized by a parent or guardian during a regular child care 5 session. 6 (b) Procedures for requiring the licensee to post signs to identify 7 pesticide application areas. 8 2. Procedures for requiring any contracted pest control applicator to 9 provide detailed and sufficient information to licensees for the purpose of 10 completing the posting materials. 11 C. The policy shall include exemptions for the following pesticide 12 applications: 13 1. Nonresidual pesticide applications performed or contracted by 14 public health agencies for adult vector control. 15 2. Emergency pesticide applications of a pesticide that has a toxicity category of III or IV pursuant to 40 Code of Federal Regulations section 16 17 156.62 to control harmful pests that pose an immediate threat to the public 18 health. 19 3. Disinfectants or swimming pool chemicals. 20 Block, gel or paste-type bait that is a toxicity category III or IV 4. 21 formulation of insecticide pursuant to 40 Code of Federal Regulations section 22 156.62 and that is either of the following: 23 (a) Secured in an enclosed, tamper-resistant bait station and placed 24 in an area that is inaccessible to children. 25 (b) Applied to a crack or crevice inaccessible to children. 26 5. Block-type bait that is a toxicity level III or IV formulation of 27 rodenticide pursuant to 40 Code of Federal Regulations section 156.62 and 28 that is secured in an enclosed, tamper-resistant bait station placed in an 29 area inaccessible to children. 30 6. Personal repellants. 31 7. Any pesticide exempt from regulation by the United States 32 environmental protection agency pursuant to the federal insecticide, 33 fungicide and rodenticide act (7 United States Code section 136w). D. Each licensee shall maintain written records of pesticide 34 35 application notifications for a period of at least three years after the application. The licensee may delegate to the pest control applicator the 36 37 duty to fill out and post notices required by department policy. A licensee 38 is not required to maintain records of pesticides that are exempt pursuant to 39 subsection C of this section. 40 E. For the purposes of this section: "Child care" has the same meaning prescribed in section 36-881. 41 1. 42 2. "Department" means the department of health services. 43 3. "Licensee" means a person who is regulated pursuant to this 44 chapter.

4. "Pesticides" includes pesticides regulated under the federal
 insecticide, fungicide and rodenticide act (P.L. 100-532; 102 Stat. 2654;
 7 United States Code section 136) except for nonrestricted use disinfectants,
 sanitizers or deodorizers regulated by the federal insecticide, fungicide and
 rodenticide act.

6 5. "Qualifying party" has the same meaning prescribed in section 7 32-2301 3-3501.

8 Sec. 25. Section 41–1092, Arizona Revised Statutes, is amended to 9 read:

10 11 41-1092. <u>Definitions</u>

In this article, unless the context otherwise requires:

12 1. "Administrative law judge" means an individual or an agency head, 13 board or commission that sits as an administrative law judge, that conducts 14 administrative hearings in a contested case or an appealable agency action 15 and that makes decisions regarding the contested case or appealable agency 16 action.

17 2. "Administrative law judge decision" means the findings of fact,
18 conclusions of law and recommendations or decisions issued by an
19 administrative law judge.

20 3. "Appealable agency action" means an action that determines the 21 legal rights, duties or privileges of a party and that is not a contested 22 case. Appealable agency actions do not include interim orders by 23 self-supporting regulatory boards or rules, orders, standards or statements 24 of policy of general application issued by an administrative agency to 25 implement, interpret or make specific the legislation enforced or 26 administered by it, nor does it mean or include rules concerning the internal 27 management of the agency that do not affect private rights or interests. For 28 the purposes of this paragraph, administrative hearing does not include a 29 public hearing held for the purpose of receiving public comment on a proposed 30 agency action.

4. "Director" means the director of the office of administrativehearings.

33 5. "Final administrative decision" means a decision by an agency that
34 is subject to judicial review pursuant to title 12, chapter 7, article 6.
35 6. "Office" means the office of administrative hearings.

35 36

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7. "Self-supporting regulatory board" means any one of the following:

- (a) The Arizona state board of accountancy.
- 38 (b) The state board of appraisal.
- 39 (c) The board of barbers.

40 (d) The board of behavioral health examiners.

- 41 (e) The Arizona state boxing commission.
- 42 (f) The state board of chiropractic examiners.
- 43 (g) The board of cosmetology.
- 44 (h) The state board of dental examiners.

45 (i) The state board of funeral directors and embalmers.

1 (j) The Arizona game and fish commission. 2 (k) The board of homeopathic and integrated medicine examiners. 3 (1) The Arizona medical board. 4 (m) The naturopathic physicians medical board. 5 (n) The state board of nursing. (o) The board of examiners of nursing care institution administrators 6 7 and adult care home managers. 8 (p) The board of occupational therapy examiners. 9 (q) The state board of dispensing opticians. 10 The state board of optometry. (r) 11 (s) The Arizona board of osteopathic examiners in medicine and 12 surgery. 13 (t) The Arizona peace officer standards and training board. 14 (u) The Arizona state board of pharmacy. 15 (v) The board of physical therapy examiners. 16 (w) The state board of podiatry examiners. 17 (x) The state board for private postsecondary education. 18 (y) The state board of psychologist examiners. 19 (z) The board of respiratory care examiners. 20 (aa) The office of pest management. 21 (bb) (aa) The state board of technical registration. 22 (cc) (bb) The Arizona state veterinary medical examining board. 23 (dd) (cc) The acupuncture board of examiners. 24 (ee) (dd) The Arizona regulatory board of physician assistants. 25 (ff) (ee) The board of athletic training. (gg) (ff) The board of massage therapy. 26 27 Sec. 26. Repeal 28 Laws 2008, chapter 309, sections 23, 24, 25 and 26 are repealed. 29 Sec. 27. <u>Termite reporting system: expiration: evaluation</u> 30 A. The authority for the termite reporting system established in 31 section 3-3502, subsection A, paragraph 5, Arizona Revised Statutes, as 32 transferred and renumbered and amended by this act, and referenced in section

33 3-3561, subsection C, paragraphs 11 and 12, Arizona Revised Statutes, as
34 transferred and renumbered and amended by this act, and section 3-3562,
35 subsection G, Arizona Revised Statutes, as transferred and renumbered and
36 amended by this act, expires on July 1, 2012.

B. Not later than January 1, 2012, the associate director of the Arizona department of agriculture, environmental services division shall prepare and submit a report to the president of the senate and the speaker of the house of representatives evaluating the value of the termite reporting system to the public relative to the resources necessary to operate and maintain the system.

1	Sec. 28. <u>Succession</u>
2	A. As provided by this act, the Arizona department of agriculture
3	succeeds to the authority, powers, duties and responsibilities of the office
4	of pest management.
5	B. This act does not alter the effect of any action or impair the
6	valid obligations of the office of pest management taken before the effective
7	date of this act.
8	C. Administrative rules and orders adopted by the office of pest
9	management continue in effect until superseded by administrative action by
10	the Arizona department of agriculture.
11	D. All administrative matters, contracts and judicial and
12	quasi-judicial actions, whether completed, pending or in process, of the
13	office of pest management on the effective date of the act are transferred to
14	and retain the same status with the Arizona department of agriculture.
15	E. All certificates, licenses, registrations, permits, continuing
16	education credits, and other indicia of qualification and authority that were
17	issued by the office of pest management retain their validity for the
18	duration of their terms of validity as provided by law.
19	F. All equipment, records, furnishings and other property, all data
20	and investigative findings and all appropriated monies that remain unexpended
21	and unencumbered on the effective date of this act of the office of pest
22	management are transferred to the Arizona department of agriculture.
23	G. All personnel who are under the state personnel system and employed
24	by the office of pest management are transferred to comparable positions and
25	pay classification in the Arizona department of agriculture on the effective
26	date of this act.
27	Sec. 29. Structural pest management advisory council; delayed
28	<u>repeal</u>
29	A. The structural pest management advisory council is established
30	consisting of seven industry members who hold active qualifying party
31	licenses issued by the Arizona department of agriculture, who are appointed
32	by the director of the Arizona department of agriculture.
33	B. Members of the council are not eligible to receive compensation but
34	are eligible for reimbursement of expenses pursuant to title 38, chapter 4,
35	article 2, Arizona Revised Statutes, from the pest management fund
36	established by section 3–3504, Arizona Revised Statutes, as transferred,
37	renumbered and amended by this act.
38	C. The council shall:
39	 Annually elect a chairperson and vice-chairperson from among its

39 1. Annually elect a chairperson and vice-chairperson from among its 40 members.

41 2. Meet at least once each calendar quarter and at other times as 42 called by the chairperson or if requested by four or more members of the 43 council.

44 3. Keep a permanent record of its proceedings, which shall be 45 available for public inspection for lawful purposes. 1 D. The council shall advise the director on all matters pertaining to 2 the regulation of structural pest management and title 3, chapter 19, Arizona 3 Revised Statutes, as added by this act, including:

4

1. Review all statutes and rules relating to title 3, chapter 19, 5 Arizona Revised Statutes, as added by this act.

2. Make recommendations concerning inspection procedures and training 6 7 concerning title 3, chapter 19, Arizona Revised Statutes, as added by this 8 act.

9 3. Make recommendations for changes to existing statutes and other legislative proposals related to structural pest management. 10

11 4. Review all changes proposed by the Arizona department of 12 agriculture to statutes relating to structural pest management.

13 5. Make recommendations concerning additions. modification or repeals 14 of rules relating to structural pest management, including suggesting the 15 initiation of rule making.

6. Review education, curricula and other requirements for applicants 16 17 for licensure and certification.

18 7. Review and make recommendations about the content of examinations 19 under title 3, chapter 19, Arizona Revised Statutes, as added by this act.

20 8. Make recommendations on other issues relating to the practice of 21 structural pest management that council members consider to be relevant.

E. If the council makes any formal recommendations under this section, 22 23 the director shall provide a written statement of reasons to the advisory 24 council within fifteen business days if the director does not accept the 25 council's recommendations.

26

F. This section is repealed from and after July 1, 2014.