

PROPOSED AMENDMENT
SENATE AMENDMENTS TO S.B. 1472
(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 32-2401, Arizona Revised Statutes, is amended to
3 read:

4 32-2401. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Advertising" means the submission of bids, contracting or making
7 known by any public notice, publication or solicitation of business **THROUGH**
8 **ELECTRONIC OR OTHER MEDIA**, directly or indirectly, that services regulated
9 under this chapter are available for consideration.

10 2. "Agency license" means a certificate that is authenticated by the
11 department and that attests that a qualifying party is authorized to conduct
12 the business of private investigations in this state.

13 3. "Applicant" means a person who has submitted a completed
14 application and all required application and fingerprint processing fees.

15 4. "Associate" means a person who is a partner or corporate officer in
16 a private investigation agency.

17 5. "Board" means the private investigator and security guard hearing
18 board established by section 32-2404.

19 6. "Conviction" means an adjudication of guilt by a federal, state or
20 local court resulting from trial or plea, including a plea of no contest,
21 regardless of whether the adjudication of guilt was set aside or vacated.

22 7. "Department" means the department of public safety.

23 8. "Director" means the director of the department of public safety.

24 9. "Emergency action" means a summary suspension of a license pending
25 revocation, suspension or probation in order to protect the public health,
26 safety or welfare.

27 10. "Employee" means an individual who works for an employer, is listed
28 on the employer's payroll records and is under the employer's direction and

1 control AND DOES NOT INCLUDE A PERSON ACTING AS AN INDEPENDENT CONTRACTOR OR
2 A CONTRACTED INDEPENDENT EMPLOYEE.

3 11. "Employer" means a person who is licensed pursuant to this chapter,
4 who employs an individual for wages or salary, who lists the individual on
5 the employer's payroll records and who withholds all legally required
6 deductions and contributions.

7 12. "Identification card" means a card issued by the department to a
8 qualified applicant for an agency license, an associate or a registrant.

9 13. "Insurance adjuster" ~~means a person other than a private~~
10 ~~investigator who, for any consideration, engages in any of the activities~~
11 ~~prescribed in the definition of private investigator in this section in the~~
12 ~~course of adjusting or otherwise participating in the disposal of any claim~~
13 ~~under or in connection with a policy of insurance~~ HAS THE SAME MEANING AS
14 "ADJUSTER" AS DEFINED IN SECTION 20-321 AND DOES NOT INCLUDE A PRIVATE
15 INVESTIGATOR.

16 14. "Letter of concern" means ~~an advisory letter to~~ A WRITTEN INFORMAL
17 DISCIPLINE SANCTION ISSUED TO A LICENSEE OR REGISTRANT AND RETAINED IN THE
18 LICENSEE'S OR REGISTRANT'S FILE TO notify ~~a private investigator~~ THE LICENSEE
19 OR REGISTRANT that:

20 (a) While there is insufficient evidence to support probation or
21 suspension or revocation of a license OR REGISTRATION, the ~~department~~ BOARD
22 believes the ~~private investigator~~ LICENSEE OR REGISTRANT should modify or
23 eliminate certain practices. ~~and that~~

24 (b) Continuation of the activities that led to the information being
25 submitted to the ~~department~~ BOARD may result in further disciplinary action
26 against the ~~private investigator's~~ PERSON'S license OR REGISTRATION.

27 15. "Licensee" means a person to whom an agency license is granted
28 pursuant to this chapter.

29 16. "NEGLIGENCE" MEANS DEVIATION FROM THE STANDARD OF CARE THAT A
30 REASONABLE LICENSEE OR REGISTRANT WOULD EXERCISE IN THE SITUATION.

31 ~~16-~~ 17. "Private investigator" means a person other than an insurance
32 adjuster or an on-duty peace officer as defined in section 1-215 who IS

1 LICENSED PURSUANT TO THIS CHAPTER AND WHO, for any VALUABLE consideration,
2 engages in business or accepts employment to:

3 (a) Furnish, agree to make or make any investigation for the purpose
4 of obtaining information with reference to:

5 (i) Crime or wrongs done or threatened against the United States or
6 any state or territory of the United States AND ITS CITIZENS.

7 (ii) The identity, habits, conduct, movements, whereabouts,
8 affiliations, associations, transactions, reputation or character of any
9 person or group of persons.

10 (iii) The credibility of witnesses or other persons, INCLUDING A
11 PRE-EMPLOYMENT INVESTIGATION AS SET FORTH IN THE FEDERAL FAIR CREDIT
12 REPORTING ACT, 15 UNITED STATES CODE SECTION 1681b, AND AN INVESTIGATION TO
13 PROVIDE AN EMPLOYER CAUSE TO TERMINATE OR DISCIPLINE AN EMPLOYEE.

14 (iv) The whereabouts of missing persons, owners of abandoned property,
15 OWNERS OF PROPERTY AND CHATTEL IN DEFAULT WITH A LIEN OR TITLEHOLDER or
16 escheated property or heirs to estates.

17 (v) The location or recovery of PERSONAL ASSETS, CHATTEL OR REAL
18 PROPERTY THAT HAS BEEN lost, ~~or~~ stolen, ~~property~~ OR USED AS COLLATERAL IN
19 DEFAULT OR FOR LEGAL REMEDY BUT DOES NOT INCLUDE PROPERTY THAT MUST BE
20 LEVIED, GARNISHED OR SEIZED PURSUANT TO A COURT ORDER FOR WHICH THE SHERIFF
21 OR CONSTABLE HAS SOLE AUTHORITY.

22 (vi) The causes and origin of, or responsibility for, a fire, libel,
23 slander, a loss OF LIFE, PROPERTY OR TRADE SECRETS, an accident, MENTAL OR
24 PHYSICAL DAMAGE OR AN INJURY TO A PERSON OR damage or an injury to real or
25 personal property.

26 (vii) THE LOCATION OF AND ORIGIN OF COUNTERFEIT OR TRADEMARKED
27 PROPERTY OR PRODUCTS.

28 (b) INVESTIGATE, GATHER AND secure PUBLIC RECORDS, AFFIDAVITS,
29 INFORMATION AND DECLARATIONS IN A PHYSICAL, DIGITAL OR ELECTRONIC FORMAT AS
30 evidence to be used before investigating committees or boards of award or
31 arbitration or in the trial of civil or criminal cases and the preparation
32 therefor.

1 (c) Investigate threats of violence and provide the service of
2 protection of individuals from serious bodily harm or death.

3 18. "PROBATION" MEANS A WRITTEN FORMAL DISCIPLINE SANCTION THAT FINDS A
4 LICENSEE OR REGISTRANT HAS VIOLATED THIS CHAPTER BUT THAT ALLOWS THE LICENSEE
5 OR REGISTRANT TO PRACTICE IN THE PROFESSION OR OCCUPATION UNDER SPECIFIED
6 CONDITIONS FOR A SPECIFIC PERIOD OF TIME.

7 ~~17.~~ 19. "Qualifying party" means the individual ~~meeting~~ WHO MEETS the
8 qualifications under this chapter for an agency license AND WHO IS PERSONALLY
9 AND ACTIVELY IN CHARGE OF THE DAY-TO-DAY ACTIVITIES OF A LICENSED AGENCY.

10 ~~18.~~ 20. "Registrant" means an employee of a licensed agency qualified
11 to perform the services of the agency.

12 ~~19.~~ 21. "Registration certificate" means a certificate that is
13 authenticated by the department and that attests that an employee of a
14 business holding an agency license has satisfactorily complied with article 3
15 of this chapter.

16 ~~20.~~ 22. "Restructuring" means any change in a business' legal status.

17 23. "REVOCAION" OR "REVOKE" MEANS A WRITTEN FORMAL DISCIPLINE SANCTION
18 FINDING THAT A LICENSEE OR REGISTRANT IS IN VIOLATION OF THIS CHAPTER, AND
19 THE LICENSE OR REGISTRATION TO PRACTICE IN THE PROFESSION OR OCCUPATION IS
20 RESCINDED.

21 24. "SANCTION" MEANS AN EXPLICIT AND OFFICIAL ACTION RESULTING FROM AN
22 INFORMAL OR FORMAL DISCIPLINARY ACTION FINDING THAT A LICENSEE OR REGISTRANT
23 IS IN VIOLATION OF THIS CHAPTER.

24 25. "SUSPEND" OR "SUSPENSION" MEANS A WRITTEN FORMAL DISCIPLINE
25 SANCTION FINDING THAT A LICENSEE OR REGISTRANT IS IN VIOLATION OF THIS
26 CHAPTER, AND THE LICENSEE OR REGISTRANT IS NOT PERMITTED TO EXERCISE THE
27 PRIVILEGES OF THE LICENSE OR REGISTRATION FOR A SPECIFIED PERIOD OF TIME AS
28 THE RESULT OF A FINAL ORDER OF DISCIPLINARY ACTION.

29 26. "UNLICENSED ACTIVITY" MEANS AN ACTIVITY CONDUCTED BY A PERSON FOR
30 WHOM A VALID LICENSE OR REGISTRATION MUST BE ISSUED BY THE DEPARTMENT UNDER
31 THIS CHAPTER OR CHAPTER 26 OF THIS TITLE BUT FOR WHICH THE PERSON DOES NOT

1 POSSESS A VALID LICENSE OR REGISTRATION ISSUED UNDER THIS CHAPTER OR CHAPTER
2 26 OF THIS TITLE.

3 27. "UNLICENSED PERSON" MEANS A PERSON CONDUCTING AN UNLICENSED
4 ACTIVITY.

5 ~~21.~~ 28. "Unprofessional conduct" means any of the following:

6 (a) Engaging or offering to engage by fraud or misrepresentation in
7 activities regulated by this chapter.

8 (b) Aiding or abetting a person who is not licensed pursuant to this
9 chapter in representing that person as a private investigator in this state.

10 (c) Gross negligence in the practice of a private investigator.

11 (d) Failing or refusing to maintain adequate records and investigative
12 findings on a client. For THE purposes of this subdivision, "adequate
13 records" means records containing, at a minimum, sufficient information to
14 identify the client, the dates of service, the fee for service, the payments
15 for service, the type of service given and copies of any reports that may
16 have been made.

17 (e) Committing a felony or a misdemeanor involving any crime that is
18 grounds for denial, suspension or revocation of a private investigator
19 license or employee identification card. In all cases, conviction by a court
20 of competent jurisdiction or a plea of no contest is conclusive evidence of
21 the commission.

22 (f) Making a fraudulent or untrue statement to the department, the
23 board or its investigators, staff or consultants.

24 Sec. 2. Section 32-2402, Arizona Revised Statutes, is amended to read:

25 32-2402. Administration by director; duty to keep records;
26 redaction; rules; criminal history records checks

27 A. The director of the department of public safety shall administer
28 this chapter.

29 B. The department shall keep a record of:

30 1. All applications for licenses or registrations under this chapter.

31 2. ~~All bonds and~~ Proof of workers' compensation required to be filed

32 UNLESS WAIVED BY THE EMPLOYEE OR OTHERWISE EXEMPTED BY LAW.

1 3. ALL BONDS AND PROOF OF INSURANCE AS REQUIRED BY THIS CHAPTER.

2 ~~3.~~ 4. Whether a license, registration certificate, renewal license or
3 renewal registration certificate has been issued under each application and
4 bond.

5 ~~4.~~ 5. If a license or registration certificate is revoked, suspended,
6 cancelled or denied or if a licensee or registrant is placed on probation,
7 the date of filing the order for revocation, suspension, cancellation, denial
8 or probation.

9 ~~5.~~ 6. All individuals, firms, partnerships, associations or
10 corporations that have had a license or registration revoked, suspended or
11 cancelled or that have been placed on probation and a written record of
12 complaints filed against licensees and registrants.

13 C. The department shall maintain all records kept pursuant to
14 subsection B of this section for at least five years. ~~The records, except~~
15 ~~the financial statement of licensees, are open to inspection as public~~
16 ~~records.~~ RECORDS OF AGENCIES, LICENSEES, REGISTRANTS AND APPLICANTS,
17 INCLUDING DISCIPLINARY RECORDS, ARE OPEN TO THE PUBLIC SUBJECT TO THE
18 REDACTION OF PERSONALLY IDENTIFYING INFORMATION OF NATURAL PERSONS. THE
19 DEPARTMENT SHALL REDACT FROM PUBLIC RECORDS THE HOME ADDRESS, HOME AND
20 CELLULAR TELEPHONE NUMBERS, SOCIAL SECURITY NUMBER AND ALL OTHER PERSONALLY
21 IDENTIFYING INFORMATION OF A NATURAL PERSON EXCEPT THAT THE DEPARTMENT DOES
22 NOT NEED TO REDACT ANY OF THE FOLLOWING:

23 1. THE NAME OF THE LICENSEE, REGISTRANT OR APPLICANT.

24 2. THE AGENCY, IF ANY, OF THE LICENSEE, REGISTRANT OR APPLICANT.

25 3. AGENCY CONTACT INFORMATION, INCLUDING THE BUSINESS ADDRESS, MAILING
26 ADDRESS AND TELEPHONE NUMBER OF THE LICENSEE, REGISTRANT OR APPLICANT.

27 4. THE BUSINESS ADDRESS AND MAILING ADDRESS OF THE LICENSEE,
28 REGISTRANT OR APPLICANT.

29 D. RECORDS OF AN AGENCY THAT IS AN ENTITY ARE PUBLIC RECORDS AFTER
30 REDACTING THE PERSONALLY IDENTIFYING INFORMATION OF THE QUALIFIED PERSON AND
31 ASSOCIATED LICENSEES, REGISTRANTS AND APPLICANTS PURSUANT TO SUBSECTION C OF
32 THIS SECTION.

1 ~~D.~~ E. The ~~director shall~~ BOARD MAY adopt ~~and enforce~~ rules that are
2 not in conflict with the laws of this state and that are necessary to enforce
3 this chapter. THE DIRECTOR SHALL ADMINISTER AND ENFORCE THE RULES.

4 ~~E.~~ F. The director may conduct periodic criminal history records
5 checks pursuant to section 41-1750 for the purpose of updating the licensing
6 and registration status of current license and registration holders.

7 Sec. 3. Section 32-2404, Arizona Revised Statutes, is amended to read:

8 32-2404. Private investigator and security guard hearing board;
9 qualifications; appointments; terms; compensation;
10 immunity

11 A. The private investigator and security guard hearing board is
12 established consisting of seven members ~~and an alternate member~~ who are
13 appointed by the ~~director~~ GOVERNOR.

14 B. Each member of the board shall be a citizen of the United States
15 and a resident of this state at the time of appointment. ~~Two~~ THREE members
16 shall be qualifying parties who are licensed as provided in this chapter FOR
17 THE FIVE YEARS IMMEDIATELY PRECEDING APPOINTMENT. ~~Two~~ THREE members shall be
18 qualifying parties who are licensed as provided in chapter 26 of this title
19 FOR THE FIVE YEARS IMMEDIATELY PRECEDING APPOINTMENT. ~~Two members shall be~~
20 ~~certified peace officers with a rank of at least lieutenant who are not~~
21 ~~employees of the department.~~ One member shall be a public member who shall
22 DOES not have a financial interest in a private investigation or security
23 guard agency and shall DOES not have an immediate family member or a
24 household member who is licensed or registered under this chapter or chapter
25 26 of this title or who is a certified peace officer. ~~The alternate member~~
26 ~~shall be a public member who does not have a financial interest in a private~~
27 ~~investigation or security guard agency and does not have an immediate family~~
28 ~~member or a household member who is licensed or registered under this chapter~~
29 ~~or chapter 26 of this title or who is a certified peace officer.~~

30 C. Each member of the board shall serve for a staggered term of five
31 years beginning and ending on the third Monday in January. ~~The alternate~~
32 ~~member shall serve a five year term beginning and ending on the third Monday~~

1 ~~in January.~~ A member, ~~including the alternate member,~~ shall not serve more
2 ~~than one term, except that a member appointed to fill a vacancy~~ may be
3 reappointed for one full term. A MEMBER MAY NOT SERVE MORE THAN TWO
4 CONSECUTIVE TERMS. If a qualified replacement has not been found by the end
5 of the member's term, the ~~director~~ GOVERNOR may extend the member's term for
6 no more than six months or until a replacement is found, whichever occurs
7 first. THE BOARD SHALL ANNUALLY ELECT FROM ITS MEMBERSHIP A CHAIRMAN AND A
8 SECRETARY WHO SERVE AT THE PLEASURE OF THE BOARD. THE CHAIRMAN, OR IN THE
9 ABSENCE OF THE CHAIRMAN AN APPOINTEE OF THE BOARD BY A MAJORITY CONSENT OF
10 THE BOARD, SHALL EXERCISE AND DIRECT THE FINDINGS AND JUDGMENT OF THE BOARD.

11 D. The ~~director~~ GOVERNOR shall fill a vacancy on the board occurring
12 other than by the expiration of term by appointment of a member for the
13 unexpired term as provided in subsection C of this section. The ~~director~~
14 GOVERNOR, after a hearing, may remove any member of the board for misconduct,
15 incompetency or neglect of duty.

16 E. Members of the board, ~~including the alternate member,~~ are eligible
17 to receive compensation pursuant to section 38-611 for each day actually and
18 necessarily spent in the performance of their duties.

19 F. Members of the board, ~~including the alternate member,~~ are
20 personally immune from ~~suit~~ LIABILITY AND DAMAGES with respect to all acts
21 done and actions taken in good faith and in furtherance of the purposes of
22 this chapter AND CHAPTER 26 OF THIS TITLE.

23 Sec. 4. Repeal

24 Sections 32-2405 and 32-2406, Arizona Revised Statutes, are repealed.

25 Sec. 5. Title 32, chapter 24, article 1, Arizona Revised Statutes, is
26 amended by adding new sections 32-2405 and 32-2406, to read:

27 32-2405. Powers and duties of hearing board; records

28 A. THE BOARD SHALL PROTECT THE PUBLIC FROM UNLAWFUL, INCOMPETENT,
29 UNQUALIFIED AND UNPROFESSIONAL PRIVATE INVESTIGATORS AND SECURITY GUARDS AND
30 UNLICENSED AND UNREGISTERED PERSONS REPRESENTING THEMSELVES AS PRIVATE
31 INVESTIGATORS OR SECURITY GUARDS.

1 B. THE BOARD MAY:

2 1. ADOPT RULES NECESSARY FOR THE ADMINISTRATION OF THIS CHAPTER AND
3 CHAPTER 26 OF THIS TITLE.

4 2. DEVELOP AND PUBLISH STANDARDS GOVERNING THE PROFESSION.

5 3. REQUIRE THE DIRECTOR TO OPEN AND CONDUCT AN INVESTIGATION INTO THE
6 LICENSED AND UNLICENSED ACTIVITY OF ANY PERSON.

7 4. CONDUCT INFORMAL INTERVIEWS OR FORMAL HEARINGS RELATING TO
8 UNLICENSED ACTIVITY AND ACTIVITY CONDUCTED BY A PERSON WHO IS REGULATED BY
9 THE BOARD.

10 5. CONDUCT AN APPROPRIATE INQUIRY OF AN APPLICANT, LICENSEE,
11 REGISTRANT OR OTHER PERSON IN AN INFORMAL INTERVIEW. THE BOARD MAY ORDER A
12 FORMAL HEARING TO BE CONDUCTED BASED IN WHOLE OR IN PART ON THE INFORMATION
13 ACQUIRED EITHER DURING OR ANCILLARY TO THE INFORMAL INTERVIEW.

14 6. IN ANY FORMAL HEARING CONDUCTED PURSUANT TO THIS CHAPTER OR CHAPTER
15 26 OF THIS TITLE, REVIEW, INVESTIGATE AND HEAR COMPLAINTS, ACT AS THE TRIER
16 OF FACT FROM EVIDENCE PRESENTED, MAKE FINDINGS, RENDER DECISIONS AND ISSUE
17 ORDERS.

18 7. RECEIVE AND HEAR EVIDENCE, ADMINISTER OATHS AND AFFIRMATIONS AND
19 COMPEL BY SUBPOENA THE ATTENDANCE OF WITNESSES AND THE PRODUCTION OF BOOKS,
20 PAPERS, RECORDS, DOCUMENTS AND OTHER INFORMATION RELATING TO AN INVESTIGATION
21 OR HEARING PERTAINING TO A LICENSEE OR REGISTRANT AND UNLICENSED ACTIVITY BY
22 ANY PERSON CLAIMING TO BE A PRIVATE INVESTIGATOR OR SECURITY GUARD.

23 8. ISSUE AND CAUSE TO BE SERVED A SUBPOENA FOR THE ATTENDANCE OF
24 WITNESSES SUBSTANTIALLY IN THE FORM SET FORTH IN RULE 84, FORM 9 OF THE
25 ARIZONA RULES OF CIVIL PROCEDURE. A SUBPOENA SHALL COMMAND EACH PERSON TO
26 WHOM IT IS DIRECTED TO DO ANY OF THE FOLLOWING AT A SPECIFIED TIME AND PLACE:

27 (a) ATTEND AND GIVE TESTIMONY AT A HEARING.

28 (b) PRODUCE AND PERMIT INSPECTION, COPYING, TESTING OR SAMPLING OF
29 DESIGNATED DOCUMENTS, ELECTRONICALLY STORED INFORMATION OR TANGIBLE THINGS IN
30 THAT PERSON'S POSSESSION, CUSTODY OR CONTROL.

31 (c) PERMIT THE INSPECTION OF PREMISES.

1 9. AT ITS SOLE OPTION AND DISCRETION, FOR ANY LICENSEE OR REGISTRANT
2 THAT THE BOARD FINDS TO BE IN VIOLATION OF THIS CHAPTER OR CHAPTER 26 OF THIS
3 TITLE:

4 (a) DISMISS THE CASE.

5 (b) TAKE EMERGENCY ACTION.

6 (c) ISSUE A LETTER OF CONCERN.

7 (d) ISSUE A LETTER TO CEASE AND DESIST.

8 (e) PLACE THE LICENSEE OR REGISTRANT ON PROBATION.

9 (f) REVOKE OR SUSPEND THE LICENSE OR REGISTRATION.

10 (g) ENTER INTO A STIPULATED ORDER OR CONSENT DECREE.

11 (h) DIRECT, ADMINISTER AND ENFORCE THE COLLECTION OF CIVIL PENALTIES,
12 FINES, FEES, COSTS, SANCTIONS, DAMAGES AND COSTS OF INVESTIGATION.

13 (i) REFER THE MATTER TO THE ATTORNEY GENERAL OR APPROPRIATE LAW
14 ENFORCEMENT AUTHORITY FOR INVESTIGATION OR PROSECUTION, OR BOTH.

15 (j) FILE SUIT IN THE SUPERIOR COURT TO OBTAIN JUDGMENT TO LEVY FINES,
16 FEES, COSTS, CIVIL PENALTIES, SANCTIONS AND DAMAGES OR TO ENJOIN, RESTRAIN OR
17 SEEK AN INJUNCTION AGAINST THE LICENSEE OR REGISTRANT.

18 10. INDEPENDENTLY CLAIM, LEVY AND SEIZE ANY BOND FILED WITH THE
19 DEPARTMENT FOR PAYMENT OF ANY FINES, FEES, COSTS, CIVIL PENALTIES, SANCTIONS,
20 DAMAGES, PENALTIES AND COSTS OF INVESTIGATION.

21 11. AT ITS SOLE OPTION AND DISCRETION, FOR ANY PERSON THAT THE BOARD
22 FINDS TO BE ENGAGED IN UNLICENSED ACTIVITY THAT IS IN VIOLATION OF THIS
23 CHAPTER OR CHAPTER 26 OF THIS TITLE:

24 (a) ISSUE A LETTER TO CEASE AND DESIST.

25 (b) ISSUE SANCTIONS AGAINST THE PERSON.

26 (c) ASSESS CIVIL PENALTIES AGAINST THE PERSON.

27 (d) DIRECT, ADMINISTER AND ENFORCE THE COLLECTION OF CIVIL PENALTIES,
28 FINES, FEES, COSTS, SANCTIONS, DAMAGES AND COSTS OF INVESTIGATION AGAINST THE
29 PERSON.

30 (e) REFER THE MATTER TO THE ATTORNEY GENERAL OR APPROPRIATE LAW
31 ENFORCEMENT AUTHORITY FOR INVESTIGATION OR PROSECUTION, OR BOTH, AGAINST THE
32 PERSON.

1 (f) FILE SUIT IN THE SUPERIOR COURT AGAINST THE PERSON TO OBTAIN
2 JUDGMENT TO LEVY FINES, FEES, COSTS, CIVIL PENALTIES, SANCTIONS AND DAMAGES
3 OR TO OTHERWISE ENJOIN, RESTRAIN OR SEEK AN INJUNCTION AGAINST THE PERSON.

4 12. RECEIVE, REVIEW AND DISCUSS CONFIDENTIAL DOCUMENTS AND INFORMATION
5 IN EXECUTIVE SESSION.

6 13. UPHOLD THE FINDINGS AND CONCLUSIONS OF THE DIRECTOR. AFTER A
7 REVIEW AND HEARING OF AN APPLICATION OR PETITION, THE BOARD MAY DIRECT THAT A
8 LICENSE OR REGISTRATION BE ISSUED TO AN APPLICANT. THE BOARD MAY CONTINUE A
9 HEARING TO ALLOW OR CAUSE SUFFICIENT FACTS TO BE GATHERED BEFORE MAKING A
10 FINDING, RENDERING A DECISION OR ISSUING AN ORDER. ANY DECISION OF THE BOARD
11 SHALL BE BY A MAJORITY VOTE IN PUBLIC SESSION.

12 14. DETERMINE GOOD CAUSE EXCEPTIONS PURSUANT TO SECTION 32-2412.

13 15. ADOPT RULES TO ESTABLISH GOOD CAUSE EXCEPTIONS FOR THE ISSUANCE OF
14 LICENSES OR REGISTRATIONS PURSUANT TO THIS CHAPTER AND CHAPTER 26 OF THIS
15 TITLE.

16 16. FURNISH A COPY OF ITS RULES, ON REQUEST, TO ALL APPLICANTS WHO
17 PETITION THE BOARD FOR A GOOD CAUSE EXCEPTION PURSUANT TO SECTION 32-2459,
18 32-2640 OR 32-2641.

19 C. THE DEPARTMENT SHALL BE THE REPOSITORY OF ALL RECORDS OF THE BOARD.
20 THE DEPARTMENT SHALL PLACE ALL RECORDS, EVIDENCE, FINDINGS AND CONCLUSIONS
21 AND ANY OTHER INFORMATION PERTINENT TO AN INVESTIGATION IN THE PUBLIC RECORDS
22 SECTION OF THE FILE MAINTAINED AT THE DEPARTMENT. THE DEPARTMENT SHALL
23 MAINTAIN A RECORD OF THE ACTS AND PROCEEDINGS OF THE BOARD, INCLUDING THE
24 ISSUANCE, DENIAL, RENEWAL, SUSPENSION OR REVOCATION OF LICENSES OR
25 REGISTRATIONS PURSUANT TO THIS CHAPTER OR CHAPTER 26 OF THIS TITLE. IF THE
26 BOARD DISMISSES A COMPLAINT, THE BOARD SHALL DELETE THE PUBLIC RECORD OF THE
27 COMPLAINT AFTER IT DISMISSES THE COMPLAINT. THE PUBLIC RECORDS OF THE BOARD,
28 AFTER THE REDACTION OF PERSONALLY IDENTIFYING INFORMATION PURSUANT TO SECTION
29 32-2402, ARE OPEN TO INSPECTION AT ALL TIMES DURING OFFICE HOURS.

1 conduct in violation of the order or judgment by which the license or
2 registration was suspended.

3 D. The director shall not reinstate a revoked license or registration.
4 The director shall not accept an application for a license or registration
5 from a person whose license or registration has been revoked until at least
6 one year after the date of revocation.

7 E. AN APPLICANT WHO HAS HAD A LICENSE OR REGISTRATION REVOKED AND WHO
8 SEEKS REINSTATEMENT MUST COMPLETE THE APPLICATION PROCESS AND BE QUALIFIED AS
9 A NEW APPLICANT. A REVOKED LICENSE OR REGISTRATION SHALL NOT BE REINSTATED
10 EXCEPT THAT A NEW LICENSE OR REGISTRATION MAY BE ISSUED AT THE DETERMINATION
11 OF THE BOARD. IF THE FORMERLY LICENSED OR REGISTERED APPLICANT SEEKS A NEW
12 LICENSE OR REGISTRATION, AFTER COMPLETION OF ALL STEPS REQUIRED BY THE
13 DEPARTMENT AND BOARD FOR A NEW APPLICANT AND AFTER OBTAINING THE INITIAL
14 APPROVAL OF THE DEPARTMENT AS A QUALIFIED APPLICANT, THE APPLICANT SHALL HAVE
15 A HEARING BEFORE THE BOARD. THE BOARD SHALL MAKE A FINAL DETERMINATION IF
16 THE APPLICANT IS ISSUED ANOTHER LICENSE OR REGISTRATION. THE APPLICANT HAS
17 THE BURDEN OF PROVING THAT ANY INCIDENT AND CAUSE THAT RESULTED IN THE
18 REVOCATION OF THE LICENSE OR REGISTRATION HAS BEEN FULLY RESOLVED AND THAT
19 THE INCIDENT AND CAUSE WILL NOT OCCUR AGAIN. THE BOARD SHALL CONSIDER THE
20 BACKGROUND, HISTORY AND OVERALL CHARACTER OF THE APPLICANT, GIVING
21 SUBSTANTIAL CONSIDERATION TO THE PUBLIC WELFARE, SAFETY AND BENEFIT IN THE
22 BOARD'S DECISION WHETHER OR NOT TO GRANT THE LICENSE OR REGISTRATION TO THE
23 APPLICANT. THE BOARD MAY GRANT THE LICENSE OR REGISTRATION TO THE APPLICANT
24 UNDER PROBATIONARY TERMS. A LICENSE OR REGISTRATION SHALL NOT BE ISSUED IF
25 THERE IS NOT A GOOD CAUSE EXCEPTION UNDER SECTION 32-2412. IF A LICENSE OR
26 REGISTRATION IS ISSUED TO THE APPLICANT, ALL RECORDS UNDER THE REVOKED
27 LICENSE OR REGISTRATION SHALL BE INCORPORATED AND REFERENCED INTO THE RECORDS
28 OF THE NEW LICENSE OR REGISTRATION AND SHALL BE AVAILABLE AS ANY OTHER PUBLIC
29 RECORDS UNDER THIS CHAPTER.

30 Sec. 7. Section 32-2409, Arizona Revised Statutes, is amended to read:

31 32-2409. Exemptions

32 This chapter does not apply to:

1 1. An officer or employee of the federal government, this state or a
2 political subdivision of this state, while engaged in the official
3 performance of the officer's or employee's duties.

4 2. A person, ~~firm or corporation, or an employee of a person, firm or~~
5 ~~corporation, engaged in the business of obtaining and furnishing financial~~
6 ~~and related personal information for others, including~~ WHO IS A BONA FIDE
7 EMPLOYEE AND WHO HAS AN EMPLOYEE-EMPLOYER RELATIONSHIP WITH a consumer
8 reporting agency as defined in the fair credit reporting act (15 United
9 States Code section 1681a), if the person, firm or corporation does not
10 engage in other investigative research that is an investigative consumer
11 report as defined in the fair credit reporting act (15 United States Code
12 section 1681a) and if the employee is not employed or connected with any
13 private investigator or private investigator's business.

14 3. A practicing attorney involved in a case for which the attorney has
15 been retained or a person REGULARLY employed BY AN ATTORNEY OR LAW FIRM under
16 an employee-employer relationship ~~with a practicing attorney~~ FOR WAGES OR
17 SALARY, in the employee's performance of duties related to a case for which
18 the attorney has been retained. THE ATTORNEY OR LAW FIRM MUST LIST THE
19 PERSON ON THE EMPLOYER'S PAYROLL RECORDS AND WITHHOLD ALL LEGALLY REQUIRED
20 DEDUCTIONS AND CONTRIBUTIONS IN THE EMPLOYEE'S PERFORMANCE OF DUTIES RELATED
21 TO A CASE FOR WHICH THE ATTORNEY HAS BEEN RETAINED. AN INDEPENDENT
22 CONTRACTOR OR CONTRACTED INDEPENDENT EMPLOYEE IS NOT EXEMPT PURSUANT TO THIS
23 PARAGRAPH.

24 4. A collection agency licensed in this state, or its employee while
25 acting within the scope of employment, while making an investigation
26 incidental to the business of the agency, including an investigation of the
27 location of a debtor or the debtor's property if the contract with an
28 assignor creditor is for the collection of claims owed or due or asserted to
29 be owed or due or its equivalent.

30 5. Insurance brokers, ~~adjusters~~ and agents licensed by this state in
31 performing their duties in connection with ~~insurance transacted by them~~ THE

1 SALE OF INSURANCE POLICIES AS REQUIRED FOR POLICY RATING PURPOSES OF THE
2 PROPOSED INSURED.

3 6. INSURANCE ADJUSTERS THAT ARE LICENSED BY THE DEPARTMENT OF
4 INSURANCE PURSUANT TO TITLE 20 WHILE PERFORMING THEIR DUTIES IN CONNECTION
5 WITH INSURANCE CLAIMS.

6 7. A BAIL BOND AGENT AS DEFINED IN SECTION 20-340. THIS PARAGRAPH
7 DOES NOT APPLY TO A BAIL RECOVERY AGENT AS DEFINED IN SECTION 20-340 OR A
8 FUGITIVE RECOVERY AGENT OR OTHER SIMILAR PERSON WHO IS PERFORMING ANY ACT
9 OTHER THAN ASSISTING THE BAIL BOND AGENT IN PRESENTING A DEFENDANT IN COURT
10 WHEN REQUIRED, IN APPREHENDING A DEFENDANT AND SURRENDERING THE DEFENDANT TO
11 A COURT OR IN KEEPING A DEFENDANT UNDER NECESSARY SURVEILLANCE.

12 ~~6.~~ 8. The legal owner of personal property that has been sold under a
13 sales agreement in making investigations relating to the sales agreement.

14 ~~7.~~ 9. A member of the news media and its employees when engaged in
15 obtaining information for the purpose of disseminating news to the public.

16 ~~8.~~ 10. Public service corporations THAT ARE REGULATED AS A UTILITY,
17 CONTRACT REPAIR SERVICE ENTITIES AND EMPLOYEES OF A PUBLIC SERVICE
18 CORPORATION engaged in transmitting messages, furnishing public telegraph, ~~or~~
19 telephone, ~~service~~ CABLE, ELECTRICITY OR WATER SERVICES WHILE INSTALLING,
20 REPAIRING or investigating the use or misuse of their equipment and
21 facilities or the use or misuse of the equipment and facilities of any
22 connecting ~~telecommunications~~ UTILITY company.

23 ~~9. Private process servers who are duly registered and performing~~
24 ~~their duties pursuant to the Arizona rules of civil procedure.~~

25 11. A PROCESS SERVER IN THIS STATE WHO IS CERTIFIED IN ACCORDANCE WITH
26 RULES ESTABLISHED BY THE SUPREME COURT AND WHO IS PERFORMING DUTIES PURSUANT
27 TO THE ARIZONA RULES OF CIVIL PROCEDURE OR OTHER RULES OF COURT OR STATUTE,
28 WHILE GATHERING AND USING INFORMATION TO LOCATE PERSONS THAT ARE IDENTIFIED
29 IN THE LEGAL PROCESS IN THE PROCESS SERVER'S POSSESSION, FOR SERVICE OF
30 PROCESS, INCLUDING SURVEILLANCE, STAKEOUT AND INTERVIEWS WITH OTHER PERSONS,
31 STRICTLY FOR PURPOSES OF SERVICE OF PROCESS ON THE PERSON IDENTIFIED IN THE
32 LEGAL PROCESS.

1 ~~10.~~ 12. A ~~person~~ BUSINESS ESTABLISHMENT, firm or corporation, or an
2 employee OR INDEPENDENT CONTRACTOR of a ~~person~~ BUSINESS ESTABLISHMENT, firm
3 or corporation, that, for any consideration, OBJECTIVELY observes consumer
4 purchases of products or services in the public environments of a business
5 establishment for the purpose of evaluating customer service, ~~operational~~
6 ~~procedures~~, cleanliness, product quality and availability if all of the
7 following apply:

8 (a) The information is obtained ~~from questionnaires~~ ONLY BY A WRITTEN
9 OR ELECTRONIC FORM CONSISTING OF A CHECKLIST OR TRUE OR FALSE QUESTIONS, OR
10 BOTH, that the business establishment approves in advance of use. THE FORM
11 SHALL BE COMPLETED BY THE EMPLOYEE OR INDEPENDENT CONTRACTOR WHO WORKS FOR
12 THE BUSINESS ESTABLISHMENT, FIRM OR CORPORATION THAT REQUESTS THE EVALUATION
13 AND SHALL NOT CONTAIN A NARRATIVE.

14 (b) The obtained information is used ONLY for employee training or
15 incentives.

16 (c) The obtained information is not used for prosecution of an
17 employee.

18 (d) The business establishment does not use ~~a single~~ THE evaluation as
19 the only basis for an employee's termination from employment.

20 ~~11.~~ 13. A ~~person or entity that is~~ CONFIDENTIAL INTERMEDIARY OR
21 FIDUCIARY WHO IS CERTIFIED OR REGISTERED BY THE SUPREME COURT WHILE
22 performing duties pursuant to statute ~~and that is certified or registered by~~
23 ~~the supreme court~~.

24 14. COURT EMPLOYEES WHO CONDUCT INTERNAL INVESTIGATIONS.

25 Sec. 8. Section 32-2411, Arizona Revised Statutes, is amended to read:
26 32-2411. License required; violation; classification

27 A. A person shall not act or attempt to act FOR VALUABLE CONSIDERATION
28 as a private investigator or represent that the person is a private
29 investigator unless the person is LICENSED OR registered as a private
30 investigator pursuant to this chapter and is acting within the scope of the
31 person's employment OR SELF-EMPLOYMENT AS OR for ~~an agency that is licensed~~
32 ~~pursuant to article 2 of this chapter~~ A LICENSEE.

- 1 (d) MISCONDUCT INVOLVING A DEADLY WEAPON PURSUANT TO SECTION 13-3102.
- 2 (e) DISHONESTY OR FRAUD.
- 3 (f) ARSON.
- 4 (g) THEFT.
- 5 (h) DOMESTIC VIOLENCE.
- 6 (i) ANY DRUG OFFENSE.
- 7 (j) ANY SEXUAL OFFENSE.
- 8 (k) ANY OBSCENITY OFFENSE OR SEXUAL EXPLOITATION OF CHILDREN.

9 2. THE APPLICANT, LICENSEE, REGISTRANT OR QUALIFYING PARTY OF AN
10 AGENCY:

- 11 (a) IS UNDER INDICTMENT FOR A FELONY.
- 12 (b) IS CHARGED FOR A MISDEMEANOR OR FELONY.
- 13 (c) HAS A DISABILITY AS DEFINED IN SECTION 41-1461 UNLESS THAT PERSON
14 IS A QUALIFIED INDIVIDUAL AS DEFINED IN SECTION 41-1461.
- 15 (d) IS ADJUDICATED MENTALLY INCOMPETENT OR FOUND TO CONSTITUTE A
16 DANGER TO SELF OR OTHERS PURSUANT TO SECTION 36-540.
- 17 (e) IS SUBJECT TO A RESTRAINING ORDER, INJUNCTION AGAINST HARASSMENT,
18 ORDER OF PROTECTION OR OTHER SIMILAR ORDER OF A COURT WHETHER OR NOT A
19 CRIMINAL OFFENSE OCCURRED, RESTRICTING CONTACT WITH ANOTHER PERSON.
- 20 (f) WITHOUT A LICENSE OR REGISTRATION, HAS ACTED, AIDED, ABETTED OR
21 ATTEMPTED TO ACT AS A PRIVATE INVESTIGATION AGENCY OR A PRIVATE INVESTIGATOR
22 IF A LICENSE OR REGISTRATION IS REQUIRED BY THE BOARD, A REGULATING BODY OF
23 ANOTHER STATE OR ANY COURT.
- 24 (g) IN THE DETERMINATION OF THE DIRECTOR OR THE BOARD, FALSIFIES THE
25 APPLICATION RELATING TO WORK EXPERIENCE OR MAKES A FALSE STATEMENT ON THE
26 APPLICATION.
- 27 (h) HAS PREVIOUSLY BEEN DENIED THE ISSUANCE OF A LICENSE OR
28 REGISTRATION BY THE DIRECTOR, DEPARTMENT OR BOARD.
- 29 (i) IS AN ASSOCIATE OF AN AGENCY THAT HAS HAD A LICENSE REVOKED.
- 30 (j) FAILS TO PROVIDE ADEQUATE VERIFICATION OF REQUIRED INVESTIGATIVE
31 EXPERIENCE.

1 (k) COMMITS ANY ACT THAT, IF COMMITTED BY A LICENSEE OR REGISTRANT,
2 WOULD BE GROUNDS FOR THE PROBATION OF A LICENSEE OR REGISTRANT OR THE
3 SUSPENSION OR REVOCATION OF A LICENSE OR REGISTRATION UNDER THIS CHAPTER.

4 (1) HAS BEEN DENIED A PROFESSIONAL LICENSE OR REGISTRATION OR A
5 PROFESSIONAL LICENSE OR REGISTRATION HAS BEEN SUSPENDED OR REVOKED IN THIS
6 STATE OR IN ANOTHER JURISDICTION.

7 B. CONVICTION BY A COURT OF COMPETENT JURISDICTION OF OR A PLEA OF NO
8 CONTEST TO AN ACT SET FORTH IN SUBSECTION A OF THIS SECTION IS CONCLUSIVE
9 EVIDENCE OF COMMISSION OF THE ACT FOR THE PURPOSES OF THIS SECTION.

10 C. AN APPLICANT, LICENSEE OR REGISTRANT MAY PETITION THE BOARD FOR AN
11 EXCEPTION HEARING WITHIN THIRTY DAYS AFTER ANY DENIAL, SUSPENSION OR
12 REVOCATION OF AN APPLICATION, LICENSE OR REGISTRATION. AFTER THE THIRTY-DAY
13 TIME PERIOD HAS EXPIRED, A PETITION FOR AN EXCEPTION HEARING SHALL NOT BE
14 ACCEPTED BY THE DIRECTOR, DEPARTMENT OR BOARD. ANY HEARING SHALL BE
15 SCHEDULED BY THE BOARD. IF SEEKING A GOOD CAUSE EXCEPTION, AT LEAST FIVE
16 DAYS BEFORE THE HEARING THE APPLICANT, LICENSEE OR REGISTRANT SHALL SUBMIT TO
17 THE BOARD ANY EVIDENCE THAT THE APPLICANT WILL PRESENT AT THE HEARING.
18 APPEALS OF THE DECISIONS OF THE BOARD SHALL BE MADE PURSUANT TO TITLE 41,
19 ARTICLE 6, CHAPTER 10.

20 D. THE BOARD MAY GRANT A GOOD CAUSE EXCEPTION FOR A FELONY OFFENSE IF
21 TEN OR MORE YEARS HAVE PASSED SINCE THE PERSON COMPLETED ALL TERMS OF
22 SENTENCING AND IF THE PERSON SHOWS AT A HEARING TO THE BOARD'S SATISFACTION
23 THAT THE PERSON IS NOT AWAITING TRIAL ON OR HAS NOT BEEN CONVICTED OF ANY OF
24 THE ACTS DESCRIBED IN SUBSECTION A OF THIS SECTION.

25 E. THE BOARD MAY GRANT A GOOD CAUSE EXCEPTION FOR A MISDEMEANOR
26 OFFENSE IF FIVE OR MORE YEARS HAVE PASSED SINCE THE PERSON COMPLETED ALL
27 TERMS OF SENTENCING AND IF THE PERSON SHOWS AT A HEARING TO THE BOARD'S
28 SATISFACTION THAT THE PERSON IS NOT AWAITING TRIAL ON OR HAS NOT BEEN
29 CONVICTED OF ANY OF THE ACTS DESCRIBED IN SUBSECTION A OF THIS SECTION.

30 F. ONLY THE BOARD MAY GRANT A GOOD CAUSE EXCEPTION PURSUANT TO THIS
31 SECTION.

1 Sec. 11. Section 32-2414, Arizona Revised Statutes, is amended to
2 read:

3 32-2414. Licensure or registration of peace officers prohibited

4 The department may not issue a license or registration certificate
5 pursuant to this chapter to a peace officer, including a reserve peace
6 officer. This section does not apply to retired peace officers ~~or peace~~
7 ~~officers who are accident reconstructionists.~~

8 Sec. 12. Section 32-2421, Arizona Revised Statutes, is amended to
9 read:

10 32-2421. Qualifying party

11 A. An applicant for an agency license must have a qualifying party **WHO**
12 **IS ACTIVELY ENGAGED IN THE DAY-TO-DAY OPERATIONS OF THE BUSINESS IN THIS**
13 **STATE.**

14 B. For a sole proprietorship, the qualifying party shall be the ~~agency~~
15 licensee **WHO IS ACTIVELY ENGAGED IN THE DAY-TO-DAY OPERATIONS OF THE BUSINESS**
16 **IN THIS STATE.**

17 C. For a partnership, corporation or limited liability company, the
18 qualifying party shall be the individual who is responsible for managing the
19 agency **AND WHO IS ACTIVELY ENGAGED IN THE DAY-TO-DAY OPERATIONS OF THE**
20 **BUSINESS IN THIS STATE.** All other partners or corporate officers shall
21 register as associates pursuant to article 3 of this chapter.

22 D. If required, the qualifying party shall maintain workers'
23 compensation insurance in effect.

24 **E. EACH LICENSEE AND REGISTRANT IS SUBJECT TO THE JURISDICTION OF THE**
25 **COURTS IN THIS STATE AND THE BOARD. IN LIEU OF A PHYSICAL PRESENCE IN THIS**
26 **STATE, A CORPORATION OR LIMITED LIABILITY COMPANY THAT HAS BEEN ISSUED A**
27 **LICENSE OR REGISTRATION SHALL MAINTAIN AN AGENT APPOINTED FOR SERVICE OF**
28 **LEGAL PROCESS WHO SHALL RECEIVE ALL LEGAL PROCESSES, NOTICES AND**
29 **COMMUNICATIONS FROM THE BOARD, DIRECTOR AND DEPARTMENT.**

1 Sec. 13. Section 32-2422, Arizona Revised Statutes, is amended to
2 read:

3 32-2422. Qualification of applicant for agency license;
4 substantiation of work experience

5 A. An applicant as a qualifying party for an agency license under this
6 chapter shall:

7 1. Be at least twenty-one years of age.

8 2. Be a citizen or legal resident of the United States who is
9 authorized to seek employment in the United States.

10 ~~3. Not have been convicted of any felony or currently be under
11 indictment for a felony.~~

12 ~~4. Within the five years immediately preceding the application for an
13 agency license, not have been convicted of any misdemeanor act involving:~~

14 ~~(a) Personal violence or force against another person or threatening
15 to commit any act of personal violence or force against another person.~~

16 ~~(b) Misconduct involving a deadly weapon as provided in section
17 13-3102.~~

18 ~~(c) Dishonesty or fraud.~~

19 ~~(d) Arson.~~

20 ~~(e) Theft.~~

21 ~~(f) Domestic violence.~~

22 ~~(g) A violation of title 13, chapter 34 or 34.1 or an offense that has
23 the same elements as an offense listed in title 13, chapter 34 or 34.1.~~

24 ~~(h) Sexual misconduct.~~

25 ~~5. Not be on parole, on community supervision, on work furlough, on
26 home arrest, on release on any other basis or named in an outstanding arrest
27 warrant.~~

28 ~~6. Not be serving a term of probation pursuant to a conviction for any
29 act of personal violence or domestic violence, as defined in section 13-3601,
30 or an offense that has the same elements as an offense listed in section
31 13-3601.~~

32 ~~7. Not be either of the following:~~

1 ~~(a) Adjudicated mentally incompetent.~~

2 ~~(b) Found to constitute a danger to self or others pursuant to section~~
3 ~~36-540.~~

4 ~~8. Not have a disability as defined in section 41-1461, unless that~~
5 ~~person is a qualified individual as defined in section 41-1461.~~

6 ~~9. Not have been convicted of acting or attempting to act as a private~~
7 ~~investigation agency or a private investigator without a license if a license~~
8 ~~was required.~~

9 3. NOT BE DISQUALIFIED FROM THE ISSUANCE OF A LICENSE OR REGISTRATION
10 PURSUANT TO SECTION 32-2412.

11 ~~10.~~ 4. Have had a minimum of three years of full-time investigative
12 experience or the equivalent of three years of full-time investigative
13 experience that consists of actual work performed as an investigator for a
14 private concern, for the federal government or for a state, county or
15 municipal government.

16 B. If the applicant for an agency license is a firm, partnership,
17 association or corporation, the qualifications required by subsection A of
18 this section are required of the individual in active management who shall be
19 the qualifying party of the firm, partnership, association or corporation.

20 C. Applicants for an agency license shall substantiate investigative
21 work experience claimed as years of qualifying experience and provide the
22 exact details as to the character and nature of the experience on a form
23 prescribed by the department and certified by the employers. On written
24 request, an employer shall submit to the employee a written certification of
25 prior work experience within thirty days. The written certification is
26 subject to independent verification by the director OR BOARD. If an employer
27 goes out of business, the employer shall provide all employees with a
28 complete and accurate record of their work history. If applicants are unable
29 to supply written certification from an employer in whole or in part,
30 applicants may offer written certification from ~~persons other than an~~
31 ~~employer~~ THE EMPLOYER'S SUPERIOR WHO HAS DIRECT KNOWLEDGE OF THE APPLICANTS'
32 WORK HISTORY covering the same subject matter for consideration by the

1 department. The burden of proving the minimum years of experience is on the
2 applicant. THE WRITTEN CERTIFICATION SHALL BE SWORN BEFORE A NOTARY PUBLIC
3 AND SIGNED UNDER PENALTY OF PERJURY. AN APPLICANT WHO IS UNABLE TO SUPPLY
4 THE WRITTEN CERTIFICATION MAY PETITION THE BOARD FOR AN EXCEPTION. THE BOARD
5 MAY DIRECT THE APPLICANT PETITIONER TO PROVIDE ADDITIONAL INFORMATION BEFORE
6 MAKING ANY DETERMINATION RELATING TO THE ISSUANCE OF A LICENSE.

7 D. The ~~department~~ DIRECTOR OR BOARD may deny an agency license if the
8 department determines that the applicant does not meet the requirements of
9 this section.

10 E. THE BOARD MAY UPHOLD THE FINDINGS AND CONCLUSIONS OF THE DIRECTOR.
11 AFTER A REVIEW AND HEARING OF THE APPLICATION, THE BOARD MAY ORDER THAT A
12 LICENSE BE ISSUED TO AN APPLICANT.

13 Sec. 14. Section 32-2423, Arizona Revised Statutes, is amended to
14 read:

15 32-2423. Application for agency license; financial
16 responsibility; notice and opportunity to supply
17 additional information

18 A. Every application for an ~~original~~ INITIAL or renewal agency license
19 to engage in the private investigator business shall set forth verified
20 information to assist the department in determining the applicant's ability
21 to meet the requirements prescribed in this chapter and shall contain the
22 following:

- 23 1. The full name and business address of the applicant.
- 24 2. The name under which the applicant intends to do business.
- 25 3. A statement as to the general nature of the business in which the
26 applicant intends to engage.
- 27 4. If the applicant is other than ~~an individual~~ A SOLE PROPRIETOR, the
28 full name and residence address of each of its associates.
- 29 5. A verified statement of the applicant's experience and
30 qualifications.
- 31 6. Photographs of the applicant of a number and type prescribed by the
32 ~~department~~ DIRECTOR.

1 7. **AT THE TIME OF INITIAL LICENSURE**, fingerprints of the applicant of
2 a quality and number prescribed by the department for the purpose of
3 obtaining state and federal criminal records checks pursuant to section
4 41-1750 and Public Law 92-544. The department may exchange this fingerprint
5 data with the federal bureau of investigation. The department may conduct
6 periodic state criminal history checks to ensure continued qualification
7 under this chapter.

8 8. Such other information, evidence, statements or documents as the
9 director may reasonably require.

10 9. The fee prescribed pursuant to section 32-2407.

11 B. Before the issuance of an original or renewal agency license, the
12 applicant shall provide to the department:

13 1. A surety bond in the amount of ~~two~~ **FIVE** thousand ~~five hundred~~
14 dollars.

15 2. A certificate of workers' compensation insurance, if applicable.

16 C. The bond shall be executed and acknowledged by the applicant as
17 principal and by a corporation licensed to transact fidelity and surety
18 business in this state as surety. The bond shall be continuous in form and
19 shall run concurrently with the license period. The bond required by this
20 section shall be in favor of the ~~state for the benefit of any person injured~~
21 ~~by any acts of a private investigator or the private investigator's agency or~~
22 ~~employees and is subject to claims by any person who is injured by these acts~~
23 **DEPARTMENT AS SURETY FOR ANY FINES, FEES, SANCTIONS, COSTS OR OTHER MONIES**
24 **LEVIED OR OTHERWISE DEMANDED OF THE APPLICANT AS A RESULT OF A FINDING OF THE**
25 **BOARD.**

26 D. The department shall cancel the agency license of any licensed
27 agency on the cancellation of the surety bond. The qualifying party may
28 reinstate the license on filing:

29 1. A surety bond that is concurrent with the remainder of the license
30 period.

31 2. Payment of the reinstatement fee prescribed pursuant to section
32 32-2407.

1 E. If an application is incomplete, the department shall notify the
2 applicant pursuant to section 41-1074. If the department requires additional
3 information to make a decision on licensure, the department shall notify the
4 applicant pursuant to section 41-1075. The department shall send notices
5 under this subsection to the applicant's last known ~~residential~~ MAILING
6 address and shall include sufficient information to assist the applicant in
7 completing the application process. The applicant has forty-five calendar
8 days from the date of notification to provide the additional documentation.
9 If the applicant fails to respond within forty-five calendar days, the
10 application and any certificates issued are automatically suspended until the
11 department receives the necessary documentation to approve or deny the
12 application.

13 Sec. 15. Section 32-2443, Arizona Revised Statutes, is amended to
14 read:

15 32-2443. Employee identification card required; denial

16 A. Each employee of an agency licensed under this chapter shall obtain
17 an identification card, except those employees engaged exclusively in
18 clerical and office work.

19 ~~B. The department may issue an identification card to an applicant
20 who, on initial application for a registration certificate, complies with the
21 application requirements of section 32-2442, subsection D and who on the face
22 of the application appears to meet the requirements of section 32-2441. On
23 completion of the investigation of the applicant's qualifications, the
24 department may deny the applicant's registration as prescribed in section
25 32-2459.~~

26 B. THE DIRECTOR SHALL ISSUE THE IDENTIFICATION CARD TO THE APPLICANT
27 ONLY AFTER COMPLETION OF THE INVESTIGATION OF THE APPLICANT'S QUALIFICATIONS
28 AND ISSUANCE OF THE LICENSE OR REGISTRATION.

29 C. On termination of a registered employee from a licensed agency, the
30 employee shall immediately surrender the identification card to the agency's
31 qualifying party or designee. The qualifying party or designee shall forward
32 the registrant's identification card to the department within five business

1 days of receipt. If the employee fails or refuses to surrender the card to
2 the qualifying party or designee, the qualifying party or designee shall
3 notify the director within five business days of the termination of the
4 employment with the licensee.

5 Sec. 16. Repeal

6 Section 32-2451, Arizona Revised Statutes, is repealed.

7 Sec. 17. Title 32, chapter 24, article 4, Arizona Revised Statutes, is
8 amended by adding a new section 32-2451, to read:

9 32-2451. Impersonation of a public officer; display of
10 identification

11 A. IF A LICENSEE OR REGISTRANT CLAIMS TO BE A PRIVATE INVESTIGATOR,
12 THE LICENSEE OR REGISTRANT SHALL DISPLAY THE IDENTIFICATION CARD ISSUED BY
13 THE DEPARTMENT TO A PERSON WHO HAS REASONABLE CAUSE TO VERIFY THE VALIDITY OF
14 THE LICENSE OR REGISTRATION. A LICENSEE, ASSOCIATE, REGISTRANT OR EMPLOYEE
15 OF A LICENSEE MAY NOT WEAR A UNIFORM OR INSIGNIA OR OFFER IDENTIFICATION IN
16 THE FORM OF A BADGE OR IDENTIFICATION CARD OTHER THAN THE IDENTIFICATION CARD
17 ISSUED BY THE DEPARTMENT OR MAKE ANY STATEMENT THAT WOULD LEAD A REASONABLE
18 PERSON TO BELIEVE THAT THE LICENSEE, ASSOCIATE, REGISTRANT OR EMPLOYEE OF THE
19 LICENSEE IS AFFILIATED WITH OR EMPLOYED BY THE FEDERAL GOVERNMENT, A STATE
20 GOVERNMENT OR ANY POLITICAL SUBDIVISION OF A STATE GOVERNMENT. A BADGE OF
21 ANY TYPE MAY NOT BE USED, SHOWN OR OFFERED INDEPENDENTLY OR IN CONJUNCTION
22 WITH THE IDENTIFICATION CARD BY THE LICENSEE OR REGISTRANT WHILE THE LICENSEE
23 OR REGISTRANT IS CONDUCTING DUTIES AS A PRIVATE INVESTIGATOR. THE LICENSEE
24 OR REGISTRANT SHALL DISPLAY THE IDENTIFICATION CARD FOR A REASONABLE PERIOD
25 OF TIME FOR A PERSON TO VERIFY THE INFORMATION ON THE IDENTIFICATION CARD.

26 B. A BADGE, INSIGNIA OR OTHER IDENTIFICATION THAT RESEMBLES OR ALLUDES
27 TO CURRENT OR PAST EMPLOYMENT OR AFFILIATION WITH A LAW ENFORCEMENT OR
28 GOVERNMENTAL AGENCY OF ANY TYPE MAY NOT BE USED, SHOWN, OFFERED OR DISPLAYED
29 ON A WEBSITE, BUSINESS CARD OR LETTERHEAD OF A LICENSEE OR REGISTRANT OR IN
30 ANY ADVERTISING MEDIUM, ELECTRONIC OR OTHERWISE.

1 E. Complaints filed against any licensee, associate, registrant or
2 employee of a licensee OR AGAINST ANY UNLICENSED PERSON shall be in writing
3 on such forms as the department prescribes and shall be filed with the
4 department.

5 F. In any investigation undertaken by the department OR AT THE BOARD'S
6 REQUEST, each licensee, associate, registrant, applicant, agency or employee,
7 on request of the department OR BOARD, shall provide records and shall
8 truthfully respond to questions concerning activities regulated under this
9 chapter. ~~These records shall be maintained for five years.~~ RECORDS OF THE
10 LICENSEE AND EACH ASSOCIATE, REGISTRANT, AGENCY OR EMPLOYEE REGARDLESS OF
11 LICENSE STATUS SHALL BE STORED FOR AT LEAST THREE YEARS BY THE LICENSEE IN A
12 SECURE MANNER at the principal place of business of the licensee, or at
13 another location IN A TANGIBLE FORM OR DIGITALLY for a person whose license
14 has been terminated, cancelled or revoked. On request by the department OR
15 BOARD during normal business hours or at another time acceptable to the
16 parties, the records shall be made available immediately to the department OR
17 BOARD unless the department determines that an extension may be granted. The
18 licensee shall provide copies of any records requested by the department OR
19 BOARD IN CONNECTION WITH ANY INVESTIGATION.

20 Sec. 20. Section 32-2457, Arizona Revised Statutes, is amended to
21 read:

22 32-2457. Grounds for disciplinary action; emergency summary
23 suspension; judicial review

24 A. The following constitute grounds for which disciplinary action
25 specified in subsection B of this section may be taken against a licensee or
26 registrant or, if the licensee is other than an individual, against the
27 licensee's qualifying party or any of its associates, directors or managers:

28 1. Fraud or wilful misrepresentation in applying for an original
29 license or registration or the renewal of an existing license or
30 registration.

31 2. Using any letterhead, advertisement or other printed matter OR
32 ELECTRONIC MEANS in any manner or representing that the licensee, associate,

1 registrant or employee of the licensee is an instrumentality of the federal
2 government, a state or any political subdivision of a state.

3 3. Using a name that is different from that under which the licensee,
4 associate, registrant or employee of the licensee is currently licensed for
5 any advertisement, solicitation or contract to secure business unless the
6 name is an authorized fictitious name.

7 4. Impersonating, permitting or aiding and abetting an employee to
8 impersonate a law enforcement officer or employee of the United States, any
9 state or a political subdivision of a state.

10 5. Knowingly violating, or advising, encouraging or assisting the
11 violation of, any statute, court order, warrant or injunction in the course
12 of a business regulated under this chapter.

13 6. Falsifying fingerprints, photographs or other documents while
14 operating under this chapter.

15 7. Conviction of a felony.

16 8. Conviction of any act involving a weapon pursuant to section
17 13-3102.

18 9. Conviction of ~~any act of personal violence or force against any~~
19 ~~person or conviction of threatening to commit any act of personal violence or~~
20 ~~force~~ ASSAULT against any person.

21 10. Soliciting business for an attorney in return for compensation.

22 11. Conviction of any act constituting dishonesty or fraud.

23 12. Being on parole, on community supervision, on work furlough, on
24 home arrest, on release on any other basis or named in an outstanding arrest
25 warrant.

26 13. Serving a term of probation pursuant to a conviction for ~~any act of~~
27 ~~personal violence~~ ASSAULT or ANY ACT OF domestic violence as defined in
28 section 13-3601 or an offense that has the same elements as a domestic
29 violence offense listed in section 13-3601, subsection A.

30 14. Committing or knowingly permitting any employee to commit any
31 violation of this chapter or rules adopted pursuant to this chapter.

1 15. Wilfully failing or refusing to render to a client services or a
2 report as agreed between the parties and for which compensation has been paid
3 or tendered ~~in accordance with~~ PURSUANT TO the agreement of the parties,
4 UNLESS THE LICENSEE OR REGISTRANT DISCOVERS OR REASONABLY SUSPECTS DURING THE
5 INVESTIGATION THAT THE CLIENT IS COMMITTING OR PLANS TO COMMIT A CRIMINAL OR
6 OTHER TORT OFFENSE WITH THE INFORMATION OR SERVICES PROVIDED.

7 16. The unauthorized release of information acquired on behalf of a
8 client by a licensee, associate or registrant as a result of activities
9 regulated under this chapter.

10 17. Failing or refusing to cooperate with or refusing access to an
11 authorized representative of the department engaged in an official
12 investigation pursuant to this chapter.

13 18. Employing or contracting with any unregistered or improperly
14 registered person or unlicensed or improperly licensed person or agency to
15 conduct activities regulated under this chapter if the licensure or
16 registration status was known or could have been ascertained by reasonable
17 inquiry.

18 19. Permitting, authorizing, aiding or in any way assisting a
19 registered employee to conduct services as described in this chapter on an
20 independent contractor basis and not under the authority of the licensed
21 agency.

22 20. Failing to maintain in full force and effect workers' compensation
23 insurance, if applicable.

24 21. Conducting private investigation services regulated by this chapter
25 on an expired, revoked or suspended license or registration.

26 22. Accepting employment, contracting or in any way engaging in
27 employment that has an adverse impact on investigations being conducted on
28 behalf of clients.

29 23. Advertising in a false, deceptive or misleading manner.

30 24. Failing to display on request the identification card issued by the
31 department as required under section 32-2451, ~~subsection B~~.

32 25. Committing any act of unprofessional conduct.

1 26. COMMITTING ANY ACT THAT IS PROHIBITED BY THIS CHAPTER.

2 27. BEING SUBJECT TO DISQUALIFICATION FROM THE ISSUANCE OF A LICENSE OR
3 REGISTRATION PURSUANT TO SECTION 32-2412.

4 B. On completion of an investigation, the director:

5 ~~1. May dismiss the case.~~

6 ~~2. May take emergency action.~~

7 ~~3. May issue a letter of concern, if applicable.~~

8 ~~4.~~ 1. ~~May~~ SHALL forward the findings to the board for review and
9 possible disciplinary action.

10 ~~5.~~ 2. Shall place all records, evidence, findings and conclusions and
11 any other information pertinent to the investigation in the public records
12 section of the file maintained at the department.

13 C. ON RECEIPT OF THE FINDINGS OF THE INVESTIGATION FROM THE DIRECTOR,
14 THE BOARD SHALL EXERCISE ITS POWERS PURSUANT TO THIS CHAPTER.

15 ~~C.~~ D. A letter of concern is a public document and may be used in
16 future disciplinary actions against a licensee.

17 ~~D.~~ E. If the department OR BOARD finds, based on its investigation,
18 that the public health, safety or welfare requires emergency action, the
19 director may order a summary suspension of a license or registration pending
20 proceedings for revocation or other action. If the director issues this
21 order, the department shall serve the licensee or registrant with a written
22 notice of complaint and formal hearing, setting forth the charges made
23 against the licensee or registrant and the licensee's or registrant's right
24 to a formal hearing before the board pursuant to title 41, chapter 6,
25 article 10.

26 ~~E.~~ F. If the department finds, based on its investigation, that a
27 violation of subsection A of this section occurred, a hearing by the board
28 may be scheduled pursuant to title 41, chapter 6, article 10. The department
29 shall send notice of the hearing by certified mail, return receipt requested,
30 to the licensee's or registrant's last known address in the department's
31 records.

1 ~~F.~~ G. Based on information the board receives during a hearing
2 pursuant to title 41, chapter 6, article 10, it ~~may recommend to the director~~
3 ~~that the director:~~ SHALL EXERCISE ITS POWERS PURSUANT TO THIS CHAPTER.

4 ~~1. Dismiss the complaint if the board believes it is without merit.~~
5 ~~2. Fix a period and terms of probation best adapted to protect the~~
6 ~~public health and safety and to rehabilitate or educate the licensee or~~
7 ~~registrant.~~

8 ~~3. Place the license or registration on suspension for a period of not~~
9 ~~more than twelve months.~~

10 ~~4. Revoke the license or registration.~~

11 ~~G.~~ H. On a finding by the board and review ~~and concurrence by the~~
12 ~~director~~ that a licensee or registrant committed a violation of subsection A
13 of this section, the probation, suspension or revocation applies to all
14 licenses or registrations held by a licensee or registrant under this
15 chapter.

16 ~~H.~~ I. Except as provided in section 41-1092.08, subsection H, a
17 person may appeal a final administrative decision made pursuant to this
18 section to the superior court pursuant to title 12, chapter 7, article 6.

19 Sec. 21. Section 32-2459, Arizona Revised Statutes, is amended to
20 read:

21 32-2459. Grounds for refusal to issue agency license; associate
22 and employee registration and identification;
23 judicial review; good cause exceptions

24 A. Except as provided in subsection F of this section, the department
25 OR BOARD may deny an agency license or the renewal of an agency license if
26 the applicant: ~~WOULD BE DENIED A LICENSE OR REGISTRATION ISSUANCE OR RENEWAL~~
27 ~~PURSUANT TO SECTION 32-2412.~~

28 ~~1. Committed any act that, if committed by a licensee, would be~~
29 ~~grounds for the probation of a licensee or the suspension or revocation of a~~
30 ~~license under this chapter.~~

31 ~~2. Does not meet the requirements prescribed in section 32-2422.~~

1 ~~3. While not licensed under this chapter, committed, or aided and~~
2 ~~abetted the commission of, any act for which a license is required by this~~
3 ~~chapter or has acted or attempted to act as a private investigator service or~~
4 ~~private investigator.~~

5 ~~4. Knowingly made a false statement in the application.~~

6 ~~5. Has been denied an agency license under this chapter.~~

7 ~~6. Has been an associate of an agency that has had a license revoked.~~

8 ~~7. Failed to provide adequate verification of required investigative~~
9 ~~experience.~~

10 B. The department may deny the issuance of an identification card to
11 an applicant for an associate or employee registration if the applicant:

12 1. Fails to meet the qualifications under section 32-2441.

13 ~~2. Has committed any act that would be grounds for suspension or~~
14 ~~revocation of registration pursuant to this chapter.~~

15 ~~3. Has knowingly made any false statement on the application.~~

16 2. WOULD BE DENIED A LICENSE OR REGISTRATION ISSUANCE OR RENEWAL
17 PURSUANT TO SECTION 32-2412.

18 C. The denial of the issuance of an identification card or license
19 under this article shall be in writing and shall describe the basis for the
20 denial. A hearing to contest a denial shall be held in accordance with title
21 41, chapter 6, article 10.

22 D. Except as provided in section 41-1092.08, subsection H, final
23 decisions of the director are subject to judicial review pursuant to title
24 12, chapter 7, article 6.

25 E. An applicant may petition a denial to the board for a good cause
26 exception.

27 F. If the board granted a licensee or a registrant a good cause
28 exception pursuant to section 32-2412, the department may not deny the
29 licensee's or the registrant's renewal application based on factors already
30 reviewed by the board when granting the good cause exception.

1 Sec. 22. Title 32, chapter 24, article 4, Arizona Revised Statutes, is
2 amended by adding section 32-2462, to read:

3 32-2462. Notification of arrest

4 WITHIN FORTY-EIGHT HOURS AFTER BEING ARRESTED, A LICENSEE OR REGISTRANT
5 SHALL NOTIFY THE QUALIFYING PARTY OF THE ARREST. WITHIN TWENTY-FOUR HOURS
6 AFTER RECEIVING NOTICE OF THE ARREST, THE QUALIFYING PARTY SHALL NOTIFY THE
7 DEPARTMENT OF THE ARREST. IF NO QUALIFYING PARTY EXISTS, THE LICENSEE OR
8 REGISTRANT SHALL NOTIFY THE DEPARTMENT AND BOARD OF THE ARREST WITHIN
9 FORTY-EIGHT HOURS AFTER BEING ARRESTED.

10 Sec. 23. Section 32-2601, Arizona Revised Statutes, is amended to
11 read:

12 32-2601. Definitions

13 In this chapter, unless the context otherwise requires:

14 1. "Advertising" means submitting bids, contracting or making known by
15 any public notice, publication or solicitation of business THROUGH ELECTRONIC
16 OR OTHER MEDIA, directly or indirectly, that services regulated under this
17 chapter are available for consideration.

18 2. "Agency license" means a certificate that is authenticated by the
19 department and that attests that a qualifying party is authorized to conduct
20 the business of ~~private~~ security guard service in this state.

21 3. "Applicant" means a person who has submitted a completed
22 application and all required application and fingerprint processing fees.

23 4. "Armed security guard" means a registered security guard who wears,
24 carries, possesses or has access to a firearm at any time during the course
25 of employment.

26 5. "Associate" means a person who is a partner or corporate officer in
27 a security guard agency.

28 6. "Board" means the private investigator and security guard hearing
29 board established pursuant to section 32-2404.

30 7. "Conviction" means an adjudication of guilt by a federal, state or
31 local court resulting from trial or plea, including a plea of no contest,

1 regardless of whether or not the adjudication of guilt was set aside or
2 vacated.

3 8. "Department" means the department of public safety.

4 9. "Director" means the director of the department of public safety.

5 10. "Emergency action" means a summary suspension of a license pending
6 revocation, suspension or probation in order to protect the public health,
7 safety or welfare.

8 11. "Employee" means an individual who works for an employer, is listed
9 on the employer's payroll records and is under the employer's direction and
10 control AND DOES NOT INCLUDE A PERSON ACTING AS AN INDEPENDENT CONTRACTOR OR
11 A CONTRACTED INDEPENDENT EMPLOYEE.

12 12. "Employer" means a person who is licensed pursuant to this chapter,
13 who employs an individual for wages or salary, who lists the individual on
14 the employer's payroll records and who withholds all legally required
15 deductions and contributions.

16 13. "Identification card" means a card issued by the department to a
17 qualified applicant for an agency license, to an associate or to a
18 registrant.

19 14. "Letter of concern" means ~~an advisory letter~~ A WRITTEN INFORMAL
20 DISCIPLINE SANCTION ISSUED TO A LICENSEE OR REGISTRANT AND RETAINED IN THE
21 LICENSEE'S OR REGISTRANT'S FILE to notify a licensee or registrant that:

22 (a) While there is insufficient evidence to support probation,
23 suspension or revocation of a license or registration the ~~department~~ BOARD
24 believes the licensee or registrant should modify or eliminate certain
25 practices. ~~and that~~

26 (b) Continuation of the activities that led to the information being
27 submitted to the ~~department~~ BOARD may result in further disciplinary action
28 against the person's license or registration.

29 15. "Licensee" means a person to whom an agency license is granted
30 pursuant to article 2 of this chapter.

31 16. "NEGLIGENCE" MEANS DEVIATION FROM THE STANDARD OF CARE THAT A
32 REASONABLE LICENSEE OR REGISTRANT WOULD EXERCISE IN THE SITUATION.

1 17. "PROBATION" MEANS A WRITTEN FORMAL DISCIPLINE SANCTION THAT FINDS A
2 LICENSEE OR REGISTRANT HAS VIOLATED THIS CHAPTER BUT THAT ALLOWS THE LICENSEE
3 OR REGISTRANT TO PRACTICE IN THE PROFESSION OR OCCUPATION UNDER SPECIFIED
4 CONDITIONS FOR A SPECIFIC PERIOD OF TIME.

5 ~~17.~~ 18. "Proprietary company" means a company that employs security
6 guards or armed security guards solely for use of and service to itself and
7 not for others.

8 19. "PUBLIC PLACE" MEANS ANY AREA IN WHICH THE PUBLIC IS INVITED OR IS
9 PERMITTED, INCLUDING AIRPORTS, FINANCIAL INSTITUTIONS, BARS, COMMON AREAS OF
10 APARTMENT BUILDINGS, CONDOMINIUMS OR OTHER MULTIFAMILY HOUSING FACILITIES,
11 HOTEL AND MOTEL COMMON AREAS, LAUNDROMATS, PUBLIC TRANSPORTATION FACILITIES,
12 RECEPTION AREAS, RESTAURANTS, RETAIL FOOD PRODUCTION AND MARKETING
13 ESTABLISHMENTS, RETAIL SERVICE ESTABLISHMENTS, RETAIL STORES, SHOPPING MALLS,
14 SPORTS FACILITIES, THEATERS AND WAITING ROOMS.

15 ~~18.~~ 20. "Qualifying party" means the individual who meets the
16 qualifications under this chapter for an agency license AND WHO IS PERSONALLY
17 AND ACTIVELY IN CHARGE OF THE DAY-TO-DAY ACTIVITIES OF A LICENSED AGENCY.

18 ~~19.~~ 21. "Registrant" means an employee of a licensed agency who is
19 qualified to perform the services of a security guard.

20 ~~20.~~ 22. "Registration certificate" means a certificate that is
21 authenticated by the department and that attests that an employee of a
22 business holding an agency license has satisfactorily complied with article 3
23 of this chapter.

24 ~~21.~~ 23. "Restructuring" means any change in a business' legal status.

25 24. "REVOCATION" OR "REVOKE" MEANS A WRITTEN FORMAL DISCIPLINE SANCTION
26 FINDING THAT A LICENSEE OR REGISTRANT IS IN VIOLATION OF THIS CHAPTER, AND
27 THE LICENSE OR REGISTRATION TO PRACTICE IN THE PROFESSION OR OCCUPATION IS
28 RESCINDED.

29 25. "SANCTION" MEANS AN EXPLICIT AND OFFICIAL ACTION RESULTING FROM AN
30 INFORMAL OR FORMAL DISCIPLINARY ACTION FINDING THAT A LICENSEE OR REGISTRANT
31 IS IN VIOLATION OF THIS CHAPTER.

1 ~~22.~~ 26. "Security guard":

2 (a) Means any person employed by a ~~private~~ security guard service or
3 proprietary company ~~as a watchman, patrolman, bodyguard, personal protection~~
4 ~~guard, private security guard or other person who performs security guard~~
5 ~~services, but does not include any regularly commissioned police or peace~~
6 ~~officer or railroad police appointed pursuant to section 40-856.~~ FOR THE
7 PURPOSE OF MAINTAINING ORDER IN A PUBLIC PLACE AND WHOSE PRIMARY JOB DUTIES
8 INCLUDE ANY OF THE FOLLOWING:

9 (i) RESTRAINING OR LIMITING MOVEMENT OF MEMBERS OF THE GENERAL PUBLIC,
10 INCLUDING THE USE OF PHYSICAL FORCE IF JUSTIFIED PURSUANT TO SECTION 13-403,
11 PARAGRAPH 3.

12 (ii) CONDUCTING SEARCHES OF PERSONS OR PROPERTY, INCLUDING MOTOR
13 VEHICLE SEARCHES, THAT REQUIRE PHYSICAL INTRUSION INTO A PERSON'S PERSONAL
14 SPACE.

15 (iii) PREVENTING OR TERMINATING THE THEFT, MISAPPROPRIATION OR
16 CONCEALMENT OF GOODS, WARES, MERCHANDISE, MONEY, BONDS, STOCKS, NOTES, CHOSES
17 IN ACTION OR OTHER PROPERTY, VALUABLE DOCUMENTS, PAPERS AND ARTICLES OF
18 VALUE.

19 (iv) PREVENTING OR TERMINATING UNAUTHORIZED ACTIVITY ON THE PROPERTY
20 THAT THE SECURITY GUARD IS HIRED TO PROTECT.

21 (b) DOES NOT INCLUDE EITHER OF THE FOLLOWING:

22 (i) A REGULARLY COMMISSIONED LAW ENFORCEMENT OR PEACE OFFICER OR
23 RAILROAD POLICE APPOINTED PURSUANT TO SECTION 40-856.

24 (ii) A PERSON WHO IS EMPLOYED BY A SECURITY GUARD SERVICE OR
25 PROPRIETARY COMPANY WHO DOES NOT PRIMARILY PERFORM ANY OF THE FUNCTIONS
26 PURSUANT TO SUBDIVISION (a) OF THIS PARAGRAPH AND WHO IS PRIMARILY A MEMBER
27 OF GUEST SERVICES OR SIMILAR EVENT STAFF OR WHO PRIMARILY PERFORMS THE
28 SERVICES OF AN USHER OR TICKET TAKER AT EVENTS THAT INCLUDE ATHLETIC EVENTS,
29 CONCERTS, FAIRS, FESTIVALS AND TRADE SHOWS IF THE PERSON DOES NOT WEAR ANY
30 CLOTHING, BADGE, PATCH OR LETTERING THAT IDENTIFIES THE PERSON AS A PERSON
31 WHO PROVIDES A SECURITY FUNCTION AT THE EVENT, IS NOT REFERRED TO BY A TITLE

1 WITH SECURITY CONNOTATIONS INCLUDING "GUARD" OR "SECURITY" AND IS NOT ARMED
2 WITH A DANGEROUS WEAPON.

3 ~~16.~~ 27. "Private Security guard service" means any agency, individual
4 or employer in the business of furnishing to the public for hire, fee or
5 reward dogs, watchmen, patrol ~~service~~ SERVICES, private security guards or
6 other persons to protect human life or to prevent the theft or the
7 misappropriation or concealment of goods, wares, merchandise, money, bonds,
8 stocks, notes, choses in action or other property, valuable documents, papers
9 and articles of value.

10 ~~23.~~ 28. "Unprofessional conduct" means any of the following:

11 (a) Engaging or offering to engage by fraud or misrepresentation in
12 activities regulated by this chapter.

13 (b) Aiding or abetting a person who is not licensed or registered
14 pursuant to this chapter in representing that person as a security guard in
15 this state.

16 (c) Gross negligence in the practice of a security guard.

17 (d) Failing or refusing to maintain adequate records on a client
18 containing at least sufficient information to identify the client, the dates
19 of service, the fee for service and the payments for service.

20 (e) Committing a felony or a misdemeanor involving any crime that is
21 grounds for denial, suspension or revocation of a security guard agency
22 license or employee registration certificate. In all cases, conviction by a
23 court of competent jurisdiction or a plea of no contest is conclusive
24 evidence of the commission.

25 (f) Making a fraudulent or false statement to the department, the
26 board or the department's investigators, staff or consultants.

27 Sec. 24. Section 32-2602, Arizona Revised Statutes, is amended to
28 read:

29 32-2602. Administration by director; duty to keep records;
30 rules; criminal history records checks

31 A. The director of the department of public safety shall administer
32 this chapter.

1 B. The department shall keep a record of:

2 1. All applications for licenses or registration under this chapter.

3 2. Whether a license, registration certificate, renewal license or
4 renewal registration certificate has been issued under each application.

5 3. If a license or registration certificate is revoked or suspended,
6 the date of filing the order for revocation or suspension.

7 4. A list of all individuals, qualifying parties, firms, partnerships,
8 associations or corporations that have had licenses or registrations revoked
9 or suspended and a written record of complaints filed against any licensees
10 or registrants.

11 5. All insurance policies required to be filed under this chapter.

12 C. The department shall maintain all records kept pursuant to
13 subsection B of this section for at least five years. ~~The records, except~~

14 ~~the financial statement of licensees, are open to inspection as public~~
15 ~~records.~~ RECORDS OF AGENCIES, LICENSEES, REGISTRANTS AND APPLICANTS,

16 INCLUDING DISCIPLINARY RECORDS, ARE OPEN TO THE PUBLIC SUBJECT TO THE
17 REDACTION OF PERSONALLY IDENTIFYING INFORMATION OF NATURAL PERSONS. THE
18 DEPARTMENT SHALL REDACT FROM PUBLIC RECORDS THE HOME ADDRESS, HOME AND
19 CELLULAR TELEPHONE NUMBERS, SOCIAL SECURITY NUMBER AND ALL OTHER PERSONALLY
20 IDENTIFYING INFORMATION OF A NATURAL PERSON EXCEPT THAT THE DEPARTMENT DOES
21 NOT NEED TO REDACT ANY OF THE FOLLOWING:

22 1. THE NAME OF THE LICENSEE, REGISTRANT OR APPLICANT.

23 2. THE AGENCY, IF ANY, OF THE LICENSEE, REGISTRANT OR APPLICANT.

24 3. AGENCY CONTACT INFORMATION, INCLUDING THE BUSINESS ADDRESS, MAILING
25 ADDRESS AND TELEPHONE NUMBER OF THE LICENSEE, REGISTRANT OR APPLICANT.

26 4. THE BUSINESS ADDRESS AND MAILING ADDRESS OF THE LICENSEE,
27 REGISTRANT OR APPLICANT.

28 D. RECORDS OF AN AGENCY THAT IS AN ENTITY ARE PUBLIC RECORDS AFTER
29 REDACTING THE PERSONALLY IDENTIFYING INFORMATION OF THE QUALIFIED PERSON AND
30 ASSOCIATED LICENSEES, REGISTRANTS AND APPLICANTS PURSUANT TO SUBSECTION C OF
31 THIS SECTION.

- 1 (c) ASSAULT AGAINST ANOTHER PERSON.
 - 2 (d) MISCONDUCT INVOLVING A DEADLY WEAPON PURSUANT TO SECTION 13-3102.
 - 3 (e) DISHONESTY OR FRAUD.
 - 4 (f) ARSON.
 - 5 (g) THEFT.
 - 6 (h) DOMESTIC VIOLENCE.
 - 7 (i) ANY DRUG OFFENSE.
 - 8 (j) ANY SEXUAL OFFENSE.
 - 9 (k) ANY OBSCENITY OFFENSE OR SEXUAL EXPLOITATION OF CHILDREN.
- 10 2. THE APPLICANT, LICENSEE, REGISTRANT OR QUALIFYING PARTY OF AN
- 11 AGENCY:
- 12 (a) IS UNDER INDICTMENT FOR A FELONY.
 - 13 (b) IS CHARGED FOR A MISDEMEANOR OR FELONY.
 - 14 (c) HAS A DISABILITY AS DEFINED IN SECTION 41-1461 UNLESS THAT PERSON
 - 15 IS A QUALIFIED INDIVIDUAL AS DEFINED IN SECTION 41-1461.
 - 16 (d) IS ADJUDICATED MENTALLY INCOMPETENT OR FOUND TO CONSTITUTE A
 - 17 DANGER TO SELF OR OTHERS PURSUANT TO SECTION 36-540.
 - 18 (e) IS SUBJECT TO A RESTRAINING ORDER, INJUNCTION AGAINST HARASSMENT,
 - 19 ORDER OF PROTECTION OR OTHER SIMILAR ORDER OF A COURT WHETHER OR NOT A
 - 20 CRIMINAL OFFENSE OCCURRED, RESTRICTING CONTACT WITH ANOTHER PERSON.
 - 21 (f) WITHOUT A LICENSE OR REGISTRATION, HAS ACTED, AIDED, ABETTED OR
 - 22 ATTEMPTED TO ACT AS A PRIVATE SECURITY GUARD SERVICE OR A SECURITY GUARD IF A
 - 23 LICENSE OR REGISTRATION IS REQUIRED BY THE BOARD, A REGULATING BODY OF
 - 24 ANOTHER STATE OR ANY COURT.
 - 25 (g) IN THE DETERMINATION OF THE DIRECTOR OR THE BOARD, FALSIFIES THE
 - 26 APPLICATION RELATING TO WORK EXPERIENCE OR MAKES A FALSE STATEMENT ON THE
 - 27 APPLICATION.
 - 28 (h) HAS PREVIOUSLY BEEN DENIED THE ISSUANCE OF A LICENSE OR
 - 29 REGISTRATION BY THE DIRECTOR, DEPARTMENT OR BOARD.
 - 30 (i) IS AN ASSOCIATE OF AN AGENCY THAT HAS HAD A LICENSE REVOKED.
 - 31 (j) FAILS TO PROVIDE ADEQUATE VERIFICATION OF REQUIRED SECURITY GUARD
 - 32 EXPERIENCE.

1 (k) COMMITS ANY ACT THAT, IF COMMITTED BY A LICENSEE OR REGISTRANT,
2 WOULD BE GROUNDS FOR THE PROBATION OF A LICENSEE OR REGISTRANT OR THE
3 SUSPENSION OR REVOCATION OF A LICENSE OR REGISTRATION UNDER THIS CHAPTER.

4 (1) HAS BEEN DENIED A PROFESSIONAL LICENSE OR REGISTRATION OR A
5 PROFESSIONAL LICENSE OR REGISTRATION HAS BEEN SUSPENDED OR REVOKED IN THIS
6 STATE OR IN ANOTHER JURISDICTION.

7 B. CONVICTION BY A COURT OF COMPETENT JURISDICTION OF OR A PLEA OF NO
8 CONTEST TO AN ACT SET FORTH IN SUBSECTION A OF THIS SECTION IS CONCLUSIVE
9 EVIDENCE OF THE COMMISSION OF THE ACT FOR THE PURPOSES OF THIS SECTION.

10 C. AN APPLICANT, LICENSEE OR REGISTRANT MAY PETITION THE BOARD FOR AN
11 EXCEPTION HEARING WITHIN THIRTY DAYS AFTER ANY DENIAL, SUSPENSION OR
12 REVOCATION OF AN APPLICATION, LICENSE OR REGISTRATION. AFTER THE THIRTY-DAY
13 TIME PERIOD HAS EXPIRED, A PETITION FOR AN EXCEPTION HEARING SHALL NOT BE
14 ACCEPTED BY THE DIRECTOR, DEPARTMENT OR BOARD. ANY HEARING SHALL BE
15 SCHEDULED BY THE BOARD. IF SEEKING A GOOD CAUSE EXCEPTION, AT LEAST FIVE
16 DAYS BEFORE THE HEARING THE APPLICANT, LICENSEE OR REGISTRANT SHALL SUBMIT TO
17 THE BOARD ANY EVIDENCE THAT THE APPLICANT WILL PRESENT AT THE HEARING.
18 APPEALS OF THE DECISIONS OF THE BOARD SHALL BE MADE PURSUANT TO TITLE 41,
19 ARTICLE 6, CHAPTER 10.

20 D. THE BOARD MAY GRANT A GOOD CAUSE EXCEPTION FOR A FELONY OFFENSE IF
21 TEN OR MORE YEARS HAVE PASSED SINCE THE PERSON COMPLETED ALL TERMS OF
22 SENTENCING AND IF THE PERSON SHOWS AT A HEARING TO THE BOARD'S SATISFACTION
23 THAT THE PERSON IS NOT AWAITING TRIAL ON OR HAS NOT BEEN CONVICTED OF ANY OF
24 THE ACTS DESCRIBED IN SUBSECTION A OF THIS SECTION.

25 E. THE BOARD MAY GRANT A GOOD CAUSE EXCEPTION FOR A MISDEMEANOR
26 OFFENSE IF FIVE OR MORE YEARS HAVE PASSED SINCE THE PERSON COMPLETED ALL
27 TERMS OF SENTENCING AND IF THE PERSON SHOWS AT A HEARING TO THE BOARD'S
28 SATISFACTION THAT THE PERSON IS NOT AWAITING TRIAL ON OR HAS NOT BEEN
29 CONVICTED OF ANY OF THE ACTS DESCRIBED IN SUBSECTION A OF THIS SECTION.

30 F. ONLY THE BOARD MAY GRANT A GOOD CAUSE EXCEPTION PURSUANT TO THIS
31 SECTION.

1 G. BEFORE GRANTING A GOOD CAUSE EXCEPTION AT A HEARING, THE BOARD
2 SHALL CONSIDER ALL OF THE FOLLOWING PURSUANT TO BOARD RULE:

- 3 1. THE EXTENT OF THE PERSON'S CRIMINAL RECORD, IF ANY.
4 2. THE LENGTH OF TIME THAT HAS ELAPSED SINCE THE OFFENSE, IF AN
5 OFFENSE WAS COMMITTED.
6 3. THE NATURE OF THE OFFENSE, IF ANY.
7 4. EVIDENCE SUPPORTING ANY APPLICABLE MITIGATING CIRCUMSTANCES.
8 5. EVIDENCE SUPPORTING THE DEGREE TO WHICH THE PERSON PARTICIPATED IN
9 THE OFFENSE, IF ANY.
10 6. EVIDENCE SUPPORTING THE EXTENT OF THE PERSON'S REHABILITATION,
11 INCLUDING ANY OF THE FOLLOWING:
12 (a) THE COMPLETION OF PROBATION, PAROLE OR COMMUNITY SUPERVISION.
13 (b) WHETHER THE PERSON PAID RESTITUTION OR OTHER COMPENSATION FOR THE
14 OFFENSE.
15 (c) EVIDENCE OF POSITIVE ACTION TO CHANGE CRIMINAL BEHAVIOR, SUCH AS
16 COMPLETION OF A DRUG TREATMENT PROGRAM OR COUNSELING.
17 (d) PERSONAL REFERENCES ATTESTING TO THE PERSON'S REHABILITATION.

18 Sec. 27. Section 32-2612, Arizona Revised Statutes, is amended to
19 read:

20 32-2612. Qualifications of applicant for agency license;
21 substantiation of work experience

22 A. Each applicant, if an individual, or each associate, director or
23 manager, if the applicant is other than an individual, for an agency license
24 to be issued pursuant to this chapter shall:

- 25 1. Be at least twenty-one years of age.
26 2. Be a citizen or a legal resident of the United States who is
27 authorized to seek employment in the United States.
28 ~~3. Not have been convicted of any felony or currently be under~~
29 ~~indictment for a felony.~~
30 ~~4. Within the five years immediately preceding the application for an~~
31 ~~agency license, not have been convicted of any misdemeanor act involving:~~

1 ~~(a) Personal violence or force against another person or threatening~~
2 ~~to commit any act of personal violence or force against another person.~~

3 ~~(b) Misconduct involving a deadly weapon as provided in section~~
4 ~~13-3102.~~

5 ~~(c) Dishonesty or fraud.~~

6 ~~(d) Arson.~~

7 ~~(e) Theft.~~

8 ~~(f) Domestic violence.~~

9 ~~(g) A violation of title 13, chapter 34 or 34.1 or an offense that has~~
10 ~~the same elements as an offense listed in title 13, chapter 34 or 34.1.~~

11 ~~(h) Sexual misconduct.~~

12 ~~5. Not be on parole, on community supervision, on work furlough, on~~
13 ~~home arrest, on release on any other basis or named in an outstanding arrest~~
14 ~~warrant.~~

15 ~~6. Not be serving a term of probation pursuant to a conviction for any~~
16 ~~act of personal violence or domestic violence, as defined in section 13-3601,~~
17 ~~or an offense that has the same elements as an offense listed in section~~
18 ~~13-3601.~~

19 ~~7. Not be either of the following:~~

20 ~~(a) Adjudicated mentally incompetent.~~

21 ~~(b) Found to constitute a danger to self or others or to be~~
22 ~~persistently or acutely disabled or gravely disabled pursuant to section~~
23 ~~36-540.~~

24 ~~8. Not have a disability as defined in section 41-1461, unless that~~
25 ~~person is a qualified individual as defined in section 41-1461.~~

26 ~~9. Not have been convicted of acting or attempting to act as a~~
27 ~~security guard or a security guard agency without a license if a license was~~
28 ~~required.~~

29 3. NOT BE DISQUALIFIED FROM THE ISSUANCE OF A LICENSE OR REGISTRATION
30 PURSUANT TO SECTION 32-2609.

31 4. NOT BE A PEACE OFFICER, INCLUDING A RESERVE PEACE OFFICER.

1 B. The qualifying party for an agency license and the resident
2 manager, if a resident manager is required pursuant to section 32-2616, shall
3 have at least three years of full-time experience as a manager, supervisor or
4 administrator of a security guard agency or three years of full-time
5 supervisory experience with any federal, United States military, state,
6 county or municipal law enforcement agency. The qualifying party for an
7 agency license and the resident manager, if a resident manager is required
8 pursuant to section 32-2616, must substantiate managerial work experience
9 claimed as years of qualifying experience and provide the exact details as to
10 the character and nature of the experience on a form prescribed by the
11 department and certified by the employer. On written request, an employer
12 shall submit to the employee a written certification of prior work experience
13 within thirty calendar days. The written certification is subject to
14 independent verification by the department. If an employer goes out of
15 business, the employer shall provide registered employees with a complete and
16 accurate record of their work history. If an applicant is unable to supply
17 written certification from an employer in whole or in part, the applicant may
18 offer written certification from persons other than an employer covering the
19 same subject matter for consideration by the department. The burden of
20 proving the minimum years of experience is on the applicant.

21 C. The department **OR BOARD** may deny an agency license if the
22 department **OR BOARD** determines that the applicant is unfit based on a
23 conviction, citation or encounter with law enforcement for a statutory
24 violation **OR FOR ANY OTHER REASON SET FORTH IN SECTION 32-2609.**

25 Sec. 28. Section 32-2622, Arizona Revised Statutes, is amended to
26 read:

27 32-2622. Qualifications of applicant for associate, security
28 guard or armed security guard registration
29 certificate

30 A. An applicant for an associate or a security guard registration
31 certificate issued pursuant to this article shall:

- 32 1. Be at least eighteen years of age.

1 2. Be a citizen or legal resident of the United States who is
2 authorized to seek employment in the United States.

3 ~~3. Not have been convicted of any felony or currently be under
4 indictment for a felony.~~

5 ~~4. Within the five years immediately preceding the application for an
6 associate, security guard or armed security guard registration certificate,
7 not have been convicted of any misdemeanor act involving:~~

8 ~~(a) Personal violence or force against another person or threatening
9 to commit any act of personal violence or force against another person.~~

10 ~~(b) Misconduct involving a deadly weapon as provided in section
11 13-3102.~~

12 ~~(c) Dishonesty or fraud.~~

13 ~~(d) Arson.~~

14 ~~(e) Theft.~~

15 ~~(f) Domestic violence.~~

16 ~~(g) A violation of title 13, chapter 34 or 34.1 or an offense that has
17 the same elements as an offense listed in title 13, chapter 34 or 34.1.~~

18 ~~(h) Sexual misconduct.~~

19 ~~5. Not be on parole, on community supervision, on work furlough, on
20 home arrest, on release on any other basis or named in an outstanding arrest
21 warrant.~~

22 ~~6. Not be serving a term of probation pursuant to a conviction for any
23 act of personal violence or domestic violence, as defined in section 13-3601,
24 or an offense that has the same elements as an offense listed in section
25 13-3601.~~

26 ~~7. Not be either of the following:~~

27 ~~(a) Adjudicated mentally incompetent.~~

28 ~~(b) Found to constitute a danger to self or others pursuant to section
29 36-540.~~

30 ~~8. Not have a disability as defined in section 41-1461, unless that
31 person is a qualified individual as defined in section 41-1461.~~

1 ~~9. Not have been convicted of acting or attempting to act as an~~
2 ~~associate security guard or armed security guard without a license if a~~
3 ~~license was required.~~

4 3. NOT BE DISQUALIFIED FROM THE ISSUANCE OF A LICENSE OR REGISTRATION
5 PURSUANT TO SECTION 32-2609.

6 B. An applicant for an armed security guard registration certificate
7 issued pursuant to this chapter shall:

8 1. Meet the requirements of subsection A of this section.

9 2. Successfully complete all background screening and training
10 requirements.

11 3. Not be a prohibited possessor as defined in section 13-3101 or as
12 described in 18 United States Code section 922.

13 4. Not have been discharged from the armed services of the United
14 States under other than honorable conditions.

15 ~~5. Not have been convicted of any crime involving domestic violence as~~
16 ~~defined in section 13-3601.~~

17 Sec. 29. Section 32-2636, Arizona Revised Statutes, is amended to
18 read:

19 32-2636. Grounds for disciplinary action: emergency summary
20 suspension; judicial review

21 A. The following constitute grounds for disciplinary action against a
22 licensee or registrant, or if the licensee is other than an individual,
23 against its qualifying party or any of its associates, directors or managers:

24 1. Using any letterhead, advertisement or other printed matter OR
25 ELECTRONIC MEANS to represent, or in any other manner representing, that the
26 licensee, registrant, qualifying party or associate, director or manager is
27 an instrumentality of the federal government or any state or political
28 subdivision of a state.

29 2. Using a name that is different from that under which the licensee,
30 registrant, qualifying party or associate, director or manager is currently
31 licensed or registered for any advertisement, solicitation or contract to

1 secure business under this chapter unless the name is an authorized
2 fictitious name.

3 3. Falsifying fingerprints, photographs or other documents while
4 operating pursuant to this chapter.

5 4. Impersonating, or permitting or aiding and abetting an employee to
6 impersonate, a law enforcement officer or employee of the United States or
7 any state or political subdivision of a state.

8 5. Knowingly violating, or advising, encouraging or assisting in the
9 violation of, any statute, court order, warrant or injunction in the course
10 of business as a licensee or registrant under this chapter.

11 6. Committing or knowingly permitting any employee to commit any
12 violation of this chapter or rules adopted pursuant to this chapter.

13 7. Committing an act of misconduct involving a weapon pursuant to
14 section 13-3102.

15 8. Conviction of a felony.

16 9. Conviction of ~~any act of personal violence or force against any~~
17 ~~person or conviction of threatening to commit any act of personal violence or~~
18 ~~force~~ ASSAULT against any person.

19 10. Fraud or wilful misrepresentation in applying for an original
20 license or registration or the renewal of an existing license or
21 registration.

22 11. Soliciting business for an attorney in return for compensation.

23 12. Conviction of any act constituting fraud.

24 13. Being on parole, on community supervision, on work furlough, on
25 home arrest, on release on any other basis or named in an outstanding arrest
26 warrant.

27 14. Serving a term of probation pursuant to a conviction for ~~any act of~~
28 ~~personal violence~~ ASSAULT or ANY ACT OF domestic violence as defined in
29 section 13-3601 or an offense that has the same elements as a domestic
30 violence offense listed in section 13-3601, subsection A.

31 15. Wilfully failing or refusing to render client services or a report
32 as agreed between the parties and for which compensation has been paid or

1 tendered pursuant to the agreement of the parties, **UNLESS THE LICENSEE OR**
2 **REGISTRANT DISCOVERS OR REASONABLY SUSPECTS DURING THE INVESTIGATION THAT THE**
3 **CLIENT IS COMMITTING OR PLANS TO COMMIT A CRIMINAL OR OTHER TORT OFFENSE WITH**
4 **THE INFORMATION OR SERVICES PROVIDED.**

5 16. The unauthorized release of information acquired on behalf of a
6 client by a licensee, associate or registrant as a result of activities
7 regulated under this chapter.

8 17. Failing or refusing to cooperate with or refusing access to an
9 authorized representative of the department engaged in an official
10 investigation pursuant to this chapter.

11 18. Employing or contracting with any unregistered or improperly
12 registered person or unlicensed or improperly licensed person or agency to
13 conduct activities regulated under this chapter if the licensure or
14 registration status was known or could have been ascertained by reasonable
15 inquiry.

16 19. Permitting, authorizing, aiding or in any way assisting a
17 registered employee to conduct services as described in this chapter on an
18 independent contractor basis and not under the authority of the licensed
19 agency.

20 20. Failing to maintain in full force and effect workers' compensation
21 insurance, if applicable.

22 21. Conducting security guard services regulated by this chapter on an
23 expired, revoked or suspended license or registration.

24 22. Accepting employment, contracting or in any way engaging in
25 employment that has an adverse impact on security guard services being
26 conducted on behalf of clients.

27 23. Advertising in a false, deceptive or misleading manner.

28 24. Failing to display on request the identification card issued by the
29 department pursuant to section 32-2624.

30 25. Committing any act of unprofessional conduct.

1 26. Being arrested for any offense listed in this chapter that would
2 disqualify the licensee, registrant, qualifying party or any of its
3 associates, directors or managers from obtaining a license or registration.

4 27. BEING SUBJECT TO DISQUALIFICATION FROM THE ISSUANCE OF A LICENSE OR
5 REGISTRATION PURSUANT TO SECTION 32-2609.

6 B. An officer, director, associate, partner, qualifying party,
7 employee or manager of the holder of an agency license issued pursuant to
8 this chapter who is found in violation of this chapter shall be denied the
9 privilege of operating under such a license. The remaining officers,
10 directors, associates, partners, employees or managers of such licensee who
11 are innocent of such violations may carry on the business.

12 C. Any person aggrieved by a decision of the director may request a
13 hearing pursuant to title 41, chapter 6, article 10. Except as provided in
14 section 41-1092.08, subsection H, final decisions of the director are subject
15 to judicial review pursuant to title 12, chapter 7, article 6.

16 D. On completion of an investigation, the director:

17 ~~1. May dismiss the case.~~

18 ~~2. May take emergency action.~~

19 ~~3. May issue a letter of concern, if applicable.~~

20 4. 1. May SHALL forward the findings to the board for review and
21 possible disciplinary action.

22 ~~5.~~ 2. Shall place all records, evidence, findings and conclusions and
23 any other information pertinent to the investigation in the public records
24 section of the file maintained at the department.

25 ~~6.~~ 3. Shall suspend the license or registration of a person who is
26 arrested for an offense listed in this chapter that would disqualify the
27 person from obtaining a license or registration.

28 ~~E. A letter of concern is a public document and may be used in future
29 disciplinary actions against a licensee or registrant.~~

30 E. THE BOARD MAY UPHOLD THE FINDINGS AND CONCLUSIONS OF THE DIRECTOR
31 AND EXERCISE ITS POWERS PURSUANT TO SECTION 32-2405.

1 F. If the department finds, based on its investigation, that the
2 public health, safety or welfare requires emergency action, the director may
3 order a summary suspension of a license or registration pending proceedings
4 for revocation or other action. If the director issues this order, the
5 department shall serve the licensee or registrant with a written notice of
6 complaint and formal hearing, setting forth the charges made against the
7 licensee or registrant and the licensee's or registrant's right to a formal
8 hearing before the board pursuant to title 41, chapter 6, article 10.

9 G. If the department finds, based on its investigation, that a
10 violation of subsection A of this section occurred, a hearing by the board
11 may be scheduled pursuant to title 41, chapter 6, article 10. Notice of the
12 hearing shall be sent by certified mail, return receipt requested, to the
13 licensee's or registrant's last known address in the department's files.

14 H. Based on information the board receives during a hearing pursuant
15 to title 41, chapter 6, article 10, ~~it may recommend to the director that the~~
16 ~~director:~~ THE BOARD SHALL EXERCISE ITS POWERS PURSUANT TO SECTION 32-2405.

- 17 ~~1. Dismiss the complaint if the board believes it is without merit.~~
18 ~~2. Fix a period and terms of probation best adapted to protect the~~
19 ~~public health and safety and to rehabilitate or educate the licensee or~~
20 ~~registrant.~~
21 ~~3. Place the license or registration on suspension for a period of not~~
22 ~~more than twelve months.~~
23 ~~4. Revoke the license or registration.~~

24 I. The director shall review the records of a finding by the board
25 involving a disciplinary action and may affirm, reverse, adopt, modify,
26 supplement, amend or reject the recommendation of the board. On a finding by
27 the board and review and concurrence by the director that a licensee or
28 registrant committed a violation of subsection A of this section, the
29 probation, suspension or revocation applies to all licenses or registrations
30 held by a licensee or registrant under this chapter.

1 Sec. 30. Section 32-2639, Arizona Revised Statutes, is amended to
2 read:

3 32-2639. Authority to investigate complaint; filing and
4 response to complaints; retention of records

5 A. The department OR BOARD may investigate any licensee, registrant,
6 associate, employee or person if that licensee, registrant, associate,
7 employee or person advertises as providing or performs services that require
8 licensure or registration under this chapter.

9 B. The department shall investigate whether a licensee or registrant
10 is engaged in activities that do not comply with or are prohibited by this
11 chapter.

12 C. The department shall enforce this chapter without regard to the
13 place or location in which a violation may have occurred.

14 D. On the complaint of any person or on its own initiative, THE BOARD
15 MAY INVESTIGATE OR CAUSE TO BE INVESTIGATED AND the department may
16 investigate any suspected violation of this chapter or the business and
17 business methods of any licensee, registrant or employee of a licensee or
18 applicant for licensure or registration under this chapter.

19 E. A complaint filed against any licensee, associate, registrant or
20 employee of a licensee OR AGAINST ANY UNLICENSED PERSON must be in writing,
21 on a form prescribed by the department and filed with the department.

22 F. In any investigation by the department, each licensee, associate,
23 registrant, applicant, agency or employee, on request of the department,
24 shall provide records and truthfully respond to questions concerning
25 activities regulated under this chapter. The licensee shall maintain these
26 records for five years at the licensee's principal place of business or at
27 another location for a person whose license has been terminated, canceled or
28 revoked. At the department's request, the licensee shall make the records
29 available immediately to the department during normal business hours or at
30 another time acceptable to the parties, unless the department grants an
31 extension. The licensee shall provide copies of any records requested by the
32 department OR BOARD IN CONNECTION WITH ANY INVESTIGATION.

1 Sec. 31. Section 32-2640, Arizona Revised Statutes, is amended to
2 read:

3 32-2640. Grounds for refusal to issue or renew an agency
4 license; judicial review; good cause exceptions

5 A. Except as provided in subsection E of this section, the department
6 may deny the issuance or renewal of an agency license if the individual
7 applicant or, if the applicant is other than an individual, any qualifying
8 party:

9 1. Does not meet the requirements prescribed in section 32-2612.

10 ~~2. Has committed any act that, if committed by a licensee, would be~~
11 ~~grounds for the suspension or revocation of a license pursuant to this~~
12 ~~chapter.~~

13 ~~3. Has been refused a license under this chapter, or had such a~~
14 ~~license revoked or has been an associate of any applicant or licensee who has~~
15 ~~been refused a license under this chapter or who has had a license revoked.~~

16 ~~4. While not licensed under this chapter, has committed or aided and~~
17 ~~abetted the commission of any act for which a registration certificate is~~
18 ~~required by this chapter or has acted, or attempted to act, as a private~~
19 ~~security guard service or a security guard.~~

20 ~~5. Has knowingly made any false statement in the application.~~

21 ~~6. Failed to provide adequate verification of required experience.~~

22 2. **WOULD BE DENIED ISSUANCE OF A LICENSE OR REGISTRATION PURSUANT TO**
23 **SECTION 32-2609.**

24 B. The denial of the issuance of an agency license or identification
25 card under this chapter shall be in writing and shall describe the basis for
26 the denial. The denial notice shall inform the applicant that if the
27 applicant desires a hearing by the board to contest the denial, the applicant
28 shall submit the request in writing to the department within thirty calendar
29 days after service of the denial. Service is complete on the mailing of the
30 denial to the address listed on the application.

1 C. Except as provided in section 41-1092.08, subsection H, final
2 decisions of the director AND BOARD are subject to judicial review pursuant
3 to title 12, chapter 7, article 6.

4 D. If an applicant is denied an agency license, the applicant may
5 petition the board for a good cause exception.

6 E. If the board granted a licensee a good cause exception pursuant to
7 section 32-2609, the department may not deny the licensee's renewal
8 application based on factors already reviewed by the board when granting the
9 good cause exception.

10 Sec. 32. Section 32-2641, Arizona Revised Statutes, is amended to
11 read:

12 32-2641. Grounds for refusal to issue a security guard
13 identification card or registration certificate:
14 judicial review; good cause exceptions

15 A. Except as provided in subsection F of this section, the department
16 may deny the issuance of an identification card to an applicant for a
17 security guard registration certificate or an armed security guard
18 registration certificate if the applicant:

19 1. Does not meet the requirements prescribed in section 32-2622 for
20 the appropriate type of certificate.

21 ~~2. Has committed any act which would be grounds for the suspension or~~
22 ~~revocation of a security guard registration pursuant to this chapter.~~

23 ~~3. Has knowingly made any statement which is false in the application.~~

24 2. WOULD BE DENIED ISSUANCE OF A LICENSE OR REGISTRATION PURSUANT TO
25 SECTION 32-2609.

26 B. If the director determines that an applicant's criminal history
27 contains open arrest information, the director shall:

28 1. Issue a notice to the applicant allowing forty-five days for the
29 applicant to provide documentation concerning the disposition of the arrest
30 or arrests.

1 2. Send to the applicant at the applicant's last known residential
2 address sufficient information to assist the applicant in complying with the
3 director's request under paragraph 1 of this subsection.

4 C. The denial of the issuance of a registration certificate under this
5 article shall be in writing and shall describe the basis for the denial. The
6 denial notice shall inform the applicant that if the applicant desires a
7 hearing by the board to contest the denial the applicant shall submit the
8 request in writing to the department within thirty calendar days after
9 service of the denial notice. Service is complete on the mailing of the
10 denial to the address listed on the application.

11 D. Except as provided in section 41-1092.08, subsection H, final
12 decisions of the director **AND BOARD** are subject to judicial review pursuant
13 to title 12, chapter 7, article 6.

14 E. If an applicant is denied a registration certificate, the applicant
15 may petition the board for a good cause exception.

16 F. If the board granted an applicant for a security guard registration
17 certificate or an armed security guard registration certificate a good cause
18 exception pursuant to section 32-2609, the department may not deny the
19 person's renewal application based on factors already reviewed by the board
20 when granting the good cause exception.

21 Sec. 33. Section 32-2642, Arizona Revised Statutes, is amended to
22 read:

23 32-2642. Notice of arrest

24 Within forty-eight hours after being arrested, a security guard or an
25 armed security guard shall notify the employer of the arrest. Within
26 twenty-four hours after receiving notice of the arrest, the employer shall
27 notify the department of the arrest. **THE DEPARTMENT SHALL NOTIFY THE BOARD**
28 **OF THE ARREST AND DISPOSITION. THE BOARD SHALL TAKE ACTIONS IT DEEMS**
29 **NECESSARY PURSUANT TO SECTIONS 32-2405 AND 32-2406.**

1 Sec. 34. Terms of board members

2 Notwithstanding section 32-2404, Arizona Revised Statutes, as amended
3 by this act, a person who is serving as a member of the private investigator
4 and security guard hearing board on the effective date of this act is
5 eligible to continue to serve until expiration of the current term of
6 office."

7 Amend title to conform

LINDA GRAY

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