REFERENCE TITLE: elevator contractors; elevator mechanics; regulation

State of Arizona Senate Fifty-first Legislature Second Regular Session 2014

## **SB 1323**

Introduced by Senator McComish

## AN ACT

AMENDING SECTIONS 23-491, 23-491.02, 23-491.04, 23-491.06, 32-1121 AND 32-1122, ARIZONA REVISED STATUTES; RELATING TO ELEVATOR CONTRACTORS AND ELEVATOR MECHANICS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 23-491, Arizona Revised Statutes, is amended to read:

## 23-491. <u>Definitions</u>

In this article, unless the context otherwise requires:

- 1. "Authorized representative" means the elevator chief and elevator inspector employed by the division.
- 2. "Board" means the elevator advisory board established to assist the commission in drafting standards and regulations.
- 3. "Certificate" means a certificate of inspection issued by the division.
  - 4. "Commission" means the industrial commission of Arizona.
- 5. "Conveyance" means an elevator, dumbwaiter, escalator, moving walk, manlift, personnel hoist, material hoist, stage lift and special purpose personnel elevator, excluding conveyances located at mines and subject to regulation and inspection by the state mine inspector pursuant to title 27, chapter 3.
- 6. "Director" means the director of the division of occupational safety and health.
- 7. "Division" means the division of occupational safety and health of the industrial commission.
- 8. "Dumbwaiter" means a hoisting and lowering mechanism with a car of limited capacity and size that moves in guides in a substantially vertical direction and that is used exclusively for carrying material.
- 9. "Elevator" means a hoisting and lowering mechanism equipped with a car or platform that moves in guides in substantially vertical direction and that serves two or more floors of a building or structure.
- 10. "Elevator company" means a person that is engaged in the business of erecting, constructing, installing, altering, servicing, repairing or maintaining conveyances.
- 11. "ELEVATOR CONTRACTOR" MEANS A SOLE PROPRIETOR, FIRM OR CORPORATION THAT IS ENGAGED IN THE BUSINESS OF ERECTING, CONSTRUCTING, INSTALLING, ALTERING, SERVICING, REPAIRING OR MAINTAINING A CONVEYANCE AND THAT IS LICENSED BY THE REGISTRAR OF CONTRACTORS PURSUANT TO TITLE 32, CHAPTER 10.
- 12. "ELEVATOR MECHANIC" MEANS AN INDIVIDUAL WHO IS LICENSED BY THE REGISTRAR OF CONTRACTORS PURSUANT TO TITLE 32, CHAPTER 10 AND WHO IS ENGAGED IN ERECTING, CONSTRUCTING, INSTALLING, ALTERING, SERVICING, REPAIRING OR MAINTAINING A CONVEYANCE UNDER THE IMMEDIATE SUPERVISION OF AN ELEVATOR CONTRACTOR.
- $\frac{11.}{13.}$  "Escalator" means a power-driven, inclined, continuous stairway used for raising or lowering passengers.
- $\frac{12}{14}$ . "Interested party" means the commission and its agents and the owner or operator who has been issued a correction order.

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13. 15. "Manlift" means a device consisting of a power-driven endless belt moving in one direction only and provided with steps or platforms and attached handholds for the transportation of personnel from floor to floor.
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- $\frac{14}{16}$ . "Material hoist" means a hoist for raising and lowering materials only and prohibiting the hoisting of persons.
- 15. 17. "Moving walk" means a type of passenger-carrying device on which passengers stand or walk and in which the passenger-carrying surface remains parallel to its direction of motion and is uninterrupted.
- 16. 18. "Owner" or "operator" means an individual or organization including this state and all political subdivisions of this state who has title to, controls or has the duty to control the operation of one or more conveyances, but shall not include an individual or organization engaged in mining or metallurgical operations whose operation is subject to regulation and inspection by the state mine inspector pursuant to title 27, chapter 3.
- 17. 19. "Personnel hoist" means a mechanism for use in connection with the construction, alteration, maintenance or demolition of a building, structure or other work, used for hoisting and lowering workers and materials and equipped with a car that moves on guide members during its vertical movement. The term includes a hoistway of a personnel hoist.
- $\frac{18.}{10.}$  20. "Private elevator inspector" means an individual who is authorized by the commission under section 23-491.16 to conduct inspections under this article.
- 19. 21. "Special purpose personnel elevator" means a passenger, hand-powered, counterweighted device or an electric-powered device that travels vertically in guides and that serves two or more landings.
- $\frac{20}{10}$ . 22. "Stage lift" means a hoisting and lowering mechanism equipped with a platform that moves in guides in a substantially vertical direction and that serves one or more landings.
- Sec. 2. Section 23-491.02, Arizona Revised Statutes, is amended to read:

## 23-491.02. Owner's and operator's duty

Every owner and operator of a conveyance shall:

- 1. Construct, furnish, maintain and provide safe and adequate devices with which to safely and properly convey or move all persons and material utilizing the services offered by the owner or operator of such device.
- 2. Comply with all standards and  $\frac{\text{regulations}}{\text{regulations}}$  RULES issued pursuant to this article.
- 3. Ensure that a conveyance is inspected at all of the following times:
- (a) Before placing a conveyance in operation after the initial installation of the conveyance.
  - (b) After modification or alteration of a conveyance.
- (c) After the inspection pursuant to subdivision (a) OF THIS PARAGRAPH, annually or as otherwise directed by the commission.

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4. ENSURE THAT A CONVEYANCE IS INSTALLED, SERVICED OR REPAIRED BY AN ELEVATOR CONTRACTOR AND ELEVATOR MECHANIC IN ACCORDANCE WITH ALL STANDARDS AND RULES ISSUED PURSUANT TO THIS ARTICLE.

Sec. 3. Section 23-491.04, Arizona Revised Statutes, is amended to read:

23-491.04. Commission powers and duties: rules: fees

- A. The commission shall:
- 1. Administer the provisions of this article through the division of occupational safety and health.
- 2. Establish an elevator advisory board to assist the commission in drafting standards and regulations RULES.
- 3. Promulgate ADOPT standards and regulations RULES pursuant to section  $\frac{23-491.05}{23-491.06}$  23-491.06 as required and promulgate such other rules and regulations and exercise such other powers as are necessary to carry out the provisions of this article, INCLUDING STANDARDS FOR THE EDUCATION, EXPERIENCE AND QUALIFICATIONS FOR ELEVATOR CONTRACTORS AND ELEVATOR MECHANICS.
- B. The commission  $\frac{may}{may}$ , by rule  $\frac{and\ regulation}{may}$ , MAY set fees not to exceed the actual cost for inspections performed pursuant to this article.
- Sec. 4. Section 23-491.06, Arizona Revised Statutes, is amended to read:

23-491.06. <u>Development of standards and rules</u>

- A. Safety standards and  $\frac{\text{regulations}}{\text{Following manner:}}$  RULES shall be formulated in the
- 1. The division shall either propose adoption of national concensus CONSENSUS standards or federal standards or draft such regulations as RULES it considers necessary after conducting sufficient investigations through the division's employees and through consultation with the board and other persons knowledgeable in the business for which the standards or regulations RULES are being formulated. THE STANDARDS AND RULES FOR ELEVATOR CONTRACTORS AND ELEVATOR MECHANICS MUST BE MADE IN CONSULTATION WITH THE REGISTRAR OF CONTRACTORS AND MUST RELATE TO EXPERIENCE, EDUCATION, TESTING, COMPLETION OF APPRENTICESHIP PROGRAMS AND CONTINUING EDUCATION OR EXPERIENCE.
- 2. Proposed standards or regulations RULES, or both, shall be submitted to the commission for its approval.
- B. Any person who may be adversely affected by a standard or regulation RULE issued under this article may, at any time within sixty days after such standard or regulation RULE is promulgated ADOPTED by the commission, MAY file a complaint challenging the validity of such standard or regulation with the superior court of IN the county in which the person resides or has his THE PERSON'S principal place of business, for a judicial review of such standard or regulation RULE. The filing of such a complaint shall not, unless otherwise ordered by the court, SHALL NOT operate as a stay of the standard or regulation RULE. The determinations of the commission shall be conclusive if supported by substantial evidence in the record considered as a whole.

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C. In case of conflict between standards and regulations RULES, the regulations shall RULES take precedence.

Sec. 5. Section 32-1121, Arizona Revised Statutes, is amended to read: 32-1121. Persons not required to be licensed: penalties: applicability

- A. This chapter shall not be construed to apply to:
- 1. An authorized representative of the United States government, this state or any county, incorporated city or town, reclamation district, irrigation district or other municipality or political subdivision of this state.
- 2. Trustees of an express trust that is not formed for the purpose of conducting business as a contractor or officers of a court, if they are acting within the terms of their trust or office.
- 3. Public utilities operating under regulation of the corporation commission or construction, repair or operation incidental to discovering or producing petroleum or gas, or the drilling, testing, abandoning or other operation of a petroleum or gas well, if performed by an owner or lessee.
- 4. Any materialman, manufacturer or retailer who furnishes finished products, materials or articles of merchandise and who does not install or attach such items or installs or attaches such items if the total value of the sales contract or transaction involving such items and the cost of the installation or attachment of such items to a structure does not exceed one thousand dollars, including labor, materials and all other items, but excluding any electrical fixture or appliance that was designed by the manufacturer, that is unaltered, unchanged or unmodified by any person, that can be plugged into a common household electrical outlet utilizing a two-pronged or three-pronged electrical connector and that does not use any other form of energy, including natural gas, propane or other petroleum or gaseous fuel, to operate or is attached by a nail, screw or other fastening device to the frame or foundation of any residential structure. materialman, manufacturer or retailer shall inform the purchaser that the installation may also be performed by a licensed contractor whose name and address the purchaser may request.
- 5. Owners of property who improve such property or who build or improve structures or appurtenances on such property and who do the work themselves, with their own employees or with duly licensed contractors, if the structure, group of structures or appurtenances, including the improvements thereto, are intended for occupancy solely by the owner and are not intended for occupancy by members of the public as the owner's employees or business visitors and the structures or appurtenances are not intended for sale or for rent. In all actions brought under this chapter, except an action against an owner-occupant as defined in section 33-1002, proof of the sale or rent or the offering for sale or rent of any such structure by the owner-builder within one year after completion or issuance of a certificate of occupancy is prima facie evidence that such project was undertaken for the

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purpose of sale or rent. For the purposes of this paragraph, "sale" or "rent" includes any arrangement by which the owner receives compensation in money, provisions, chattels or labor from the occupancy or the transfer of the property or the structures on the property.

- 6. Owners of property who are acting as developers and who build structures or appurtenances to structures on their property for the purpose of sale or rent and who contract for such a project with a general contractor licensed pursuant to this chapter and owners of property who are acting as developers, who improve structures or appurtenances to structures on their property for the purpose of sale or rent and who contract for such a project with a general contractor or specialty contractors licensed pursuant to this chapter. To qualify for the exemption under this paragraph, the licensed contractors' names and license numbers shall be included in all sales documents.
- 7. Architects or engineers who are engaging in their professional practice as defined in chapter 1 of this title and who hire or offer to hire the services of a contractor for preconstruction activities relating to investigation and discovery, including:
  - (a) Subsurface utility location and designation services.
  - (b) Potholing.
  - (c) Drilling for any of the following:
  - (i) Soil samples.
  - (ii) Rock samples.
  - (iii) Pavement samples.
- (d) Locating existing features of a building or structure, including existing electrical, mechanical, plumbing and structural members.
- 8. A person licensed, certified or registered pursuant to chapter 22 of this title or a person working under the direct supervision of a person certified or qualified pursuant to chapter 22 of this title to the extent the person is engaged in pest management.
- 9. The sale or installation of finished products, materials or articles of merchandise that are not fabricated into and do not become a permanent fixed part of the structure. This exemption does not apply if a local building permit is required, if the total price of the finished product, material or article of merchandise, including labor but excluding any electrical fixture or appliance that was designed by the manufacturer, that is unaltered, unchanged or unmodified by any person, that can be plugged into a common household electrical outlet utilizing a two-pronged or three-pronged electrical connector and that does not use any other form of energy, including natural gas, propane or other petroleum or gaseous fuel, to operate or is attached by a nail, screw or other fastening device to the frame or foundation of any residential structure, is more than one thousand dollars or if the removal of the finished product, material or article of merchandise causes damage to the structure or renders the structure unfit for its intended use.

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- 10. Employees of the owners of condominiums, townhouses, cooperative units or apartment complexes of four units or less or the owners' management agent or employees of the management agent repairing or maintaining structures owned by them.
- 11. Any person who engages in the activities regulated by this chapter, as an employee of an exempt property owner or as an employee with wages as the person's sole compensation. THIS PARAGRAPH DOES NOT APPLY TO WORK THAT IS DONE BY AN ELEVATOR CONTRACTOR OR ELEVATOR MECHANIC, INCLUDING THE INSTALLATION, SERVICE AND REPAIR OF ELEVATORS OR ELEVATOR EQUIPMENT. FOR THE PURPOSES OF THIS PARAGRAPH:
  - (a) "ELEVATOR" MEANS A CONVEYANCE AS DEFINED IN SECTION 23-491.
- (b) "ELEVATOR CONTRACTOR" AND "ELEVATOR MECHANIC" HAVE THE SAME MEANINGS PRESCRIBED IN SECTION 23-491.
- (c) INSTALLATION, SERVICE AND REPAIR OF ELEVATORS OR ELEVATOR EQUIPMENT DO NOT INCLUDE ROUTINE WORK THAT IS CONDUCTED BY AN EMPLOYEE OF AN ELEVATOR CONTRACTOR AND THAT DOES NOT INVOLVE THE ACTUAL PHYSICAL INSTALLATION, MAINTENANCE AND REPAIR OF ELEVATORS.
- 12. A surety company or companies that are authorized to transact business in this state and that undertake to complete a contract on which they issued a performance or completion bond, provided all construction work is performed by duly licensed contractors.
- 13. Insurance companies that are authorized to transact business in this state and that undertake to perform repairs resulting from casualty losses pursuant to the provisions of a policy, provided all construction work is performed by duly licensed contractors.
- 14. Any person other than a licensed contractor engaging in any work or operation on one undertaking or project by one or more contracts, for which the aggregate contract price, including labor, materials and all other items, but excluding any electrical fixture or appliance that was designed by the manufacturer, that is unaltered, unchanged or unmodified by any person, that can be plugged into a common household electrical outlet utilizing a two-pronged or three-pronged electrical connector and that does not use any other form of energy, including natural gas, propane or other petroleum or gaseous fuel, to operate or is attached by a nail, screw or other fastening device to the frame or foundation of any residential structure, is less than one thousand dollars. The work or operations that are exempt under this paragraph shall be of a casual or minor nature. This exemption does not apply:
- (a) In any case in which the performance of the work requires a local building permit.
- (b) In any case in which the work or construction is only a part of a larger or major operation, whether undertaken by the same or a different contractor, or in which a division of the operation is made in contracts of amounts less than one thousand dollars, excluding any electrical fixture or appliance that was designed by the manufacturer, that is unaltered, unchanged

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or unmodified by any person, that can be plugged into a common household electrical outlet utilizing a two-pronged or three-pronged electrical connector and that does not use any other form of energy, including natural gas, propane or other petroleum or gaseous fuel, to operate or is attached by a nail, screw or other fastening device to the frame or foundation of any residential structure, for the purpose of evasion of this chapter or otherwise.

- (c) To a person who utilizes any form of advertising to the public in which the person's unlicensed status is not disclosed by including the words "not a licensed contractor" in the advertisement.
- 15. A person who is licensed, certified or registered pursuant to title 41, chapter 16 and who is not otherwise required to be licensed under this chapter or an employee of such person.
- 16. A person who functions as a gardener by performing lawn, garden, shrub and tree maintenance.
  - 17. Alarm agents as defined in section 32-101.
- B. A person who is licensed to perform work in a particular trade pursuant to this chapter shall not be required to obtain and maintain a separate license for mechanical or structural service work performed within the scope of such trade by such person.
- C. Any person who does not have an exemption from licensure pursuant to subsection A, paragraph 14, subdivision (c) of this section is subject to prosecution for a violation of section 44-1522. The attorney general may investigate the act or practice and take appropriate action pursuant to title 44, chapter 10, article 7.
- D. The exemptions from licensure pursuant to subsection A, paragraphs 4, 9 and 14 of this section do not apply to either of the following:
- 1. All fire safety and mechanical, electrical and plumbing work that is done in connection with fire safety installation and fire safety maintenance and repair. For the purposes of this paragraph, "fire safety installation" means hardwired or interconnected smoke alarms and fire sprinklers and does not include an individual device that is attached by a nail, screw or other fastening device to the frame or foundation of any residential unit. For the purposes of this paragraph, fire safety maintenance and repair does not include routine work that is conducted by an employee of an apartment or condominium complex AND that is incidental to the fire safety equipment.
- 2. All work that is done, including the installation, maintenance and repair of devices, appliances or equipment, that involves the connecting to any supply of natural gas, propane or other petroleum or gaseous fuel. Nothing in this paragraph impacts the effect of section 36-1624.01.
  - Sec. 6. Section 32-1122, Arizona Revised Statutes, is amended to read: 32-1122. Qualifications for license
- A. A contractor's license shall be issued only by act of the registrar of contractors. The registrar shall:

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- 1. Classify and qualify applicants for a license.
- 2. If necessary, change the license classification of a licensee in the case of a title reclassification, with or without a bond rider for the purpose of continuing liability on the bond.
  - 3. Conduct investigations the registrar deems necessary.
- 4. Establish written examinations if deemed necessary to protect the health and safety of the public.
- B. To obtain or renew a license under this chapter, the applicant shall:
- 1. Submit to the registrar of contractors a verified application on forms that are prescribed by the registrar of contractors and that contain the following information and shall advise the registrar of any change in the information within thirty days:
- (a) A designation of the classification of license that is sought by the applicant.
- (b) If the applicant is an individual, the applicant's name and address.
- (c) If the applicant is a partnership, the names and addresses of all partners with a designation of any limited partners.
- (d) If the applicant is a corporation, an association or any other organization, the names and addresses of the president, vice-president, if any, secretary and treasurer or the names and addresses of the functional equivalent of these officers, the directors and the owners of twenty-five per cent or more of the stock or beneficial interest.
  - (e) The name and address of the qualifying party.
- (f) If the applicant is a corporation, evidence that the corporation is in good standing with the corporation commission.
- (g) The address or location of the applicant's place of business and the mailing address if it is different from the applicant's place of business.
- (h) The applicant's current privilege license number issued pursuant to section 42-5005.
- (i) Proof that the applicant has complied with the statutes or rules governing workers' compensation insurance.
  - 2. Submit the appropriate bond and fee required under this chapter.
- C. To obtain a contractor's license under this chapter other than a residential contractor's license, the applicant shall submit a detailed statement of current financial condition containing information required by the registrar of contractors on a form furnished by or acceptable to the registrar of contractors. Notwithstanding any other law, a swimming pool contractor shall also submit a detailed statement of current financial condition as required by this subsection.
- D. To obtain or renew a license under this chapter, each person shall be of good character and reputation. Lack of good character and reputation may be established by showing that a person has engaged in contracting

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without a license or committed any act that, if committed or done by any licensed contractor, would be grounds for suspension or revocation of a contractor's license or by showing that the person was named on a contractor's license that was suspended or revoked in another state.

- E. To obtain a license under this chapter, a person shall not have had a license refused or revoked, within one year before the person's application, or shall not have engaged in the contracting business, nor shall the person have submitted a bid without first having been licensed within one year before the person's application, nor shall a person act as a contractor between the filing of the application and actual issuance of the license. The registrar may find any of those actions or circumstances to be excusable if there was reasonable doubt as to the need for licensure or the actions of the applicant did not result in an unremedied hardship or danger or loss to the public. A person who has been convicted of contracting without a license is not eligible to obtain a license under this chapter for one year after the date of the last conviction.
  - F. Before a license is issued, the qualifying party shall:
- 1. Have had a minimum of four years' practical or management trade experience, at least two of which must have been within the last ten years, dealing specifically with the type of construction, or its equivalent, for which the applicant is applying for a license. Technical training in an accredited college or university or in a manufacturer's accredited training program may be substituted for a portion of such experience, but in no case may credited technical training exceed two years of the required four years' experience. The registrar of contractors may reduce the four years' practical or management experience requirement if in the registrar's opinion it has been conclusively shown by custom and usage in the particular industry or craft involved that the four year requirement is excessive. The registrar may waive the work experience documentation and verification or the examination requirement if the records reflect that the qualifying party is currently or has previously been a qualifying party for a licensee in this state in the same classification within the preceding five years.
- 2. Successfully show, by written examination taken not more than two years before application, if required, qualification in the kind of work for which the applicant proposes to contract, the applicant's general knowledge of the building, safety, health and lien laws of the state, administrative principles of the contracting business and the rules adopted by the registrar of contractors pursuant to this chapter, demonstrate knowledge and understanding of construction plans and specifications applicable to the particular industry or craft and of the standards of construction work and techniques and practices in the particular industry or craft and demonstrate a general understanding of other related construction trades, in addition to any other matters as may be deemed appropriate by the registrar to determine that the qualifying party meets the requirements of this chapter. The

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registrar shall maintain multiple versions of examinations for each type of license that requires an examination.

- G. BEFORE A LICENSE IS ISSUED TO AN ELEVATOR MECHANIC AS DEFINED IN SECTION 32-1121, SUBSECTION A, PARAGRAPH 11, THE APPLICANT SHALL PAY THE FEE PRESCRIBED FOR THE PROCESSING OF AN APPLICATION FOR A QUALIFYING PARTY AND SHALL SATISFY AT LEAST ONE OF THE FOLLOWING:
- 1. PROVIDE DOCUMENTATION OF EXPERIENCE AND EDUCATION CREDITS OF NOT LESS THAN THREE YEARS OF WORK EXPERIENCE IN THE ELEVATOR INDUSTRY IN CONSTRUCTION, MAINTENANCE OR SERVICE AND REPAIR.
  - 2. SATISFACTORILY COMPLETE A WRITTEN EXAMINATION.
- 3. PROVIDE CERTIFICATES OF COMPLETION OF AN APPRENTICESHIP PROGRAM FOR ELEVATOR MECHANICS THAT HAS STANDARDS SUBSTANTIALLY EQUAL TO THOSE OF THIS CHAPTER AND THAT IS REGISTERED WITH THE UNITED STATES DEPARTMENT OF LABOR OFFICE OF APPRENTICESHIP OR A STATE APPRENTICESHIP COUNCIL.
- G. H. No license shall be issued to a minor, to any partnership in which one of the partners is a minor or to any corporation in which a corporate officer is a minor.
- H. I. Before receiving, renewing and holding a license pursuant to this chapter, the registrar may require a license applicant or licensee to submit to the registrar a full set of fingerprints and the fees required in section 41-1750. The registrar shall submit the fingerprints and fees to the department of public safety for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544. The department of public safety may exchange this fingerprint data with the federal bureau of investigation.

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