Senate Engrossed

State of Arizona Senate Fifty-second Legislature Second Regular Session 2016

SENATE BILL 1270

AN ACT

AMENDING SECTION 3-102, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2015, CHAPTER 244, SECTION 3; AMENDING SECTIONS 3-363 AND 3-374, ARIZONA REVISED STATUTES; AMENDING TITLE 3, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 20; PROVIDING FOR TRANSFERRING AND RENUMBERING; AMENDING SECTIONS 3-3601, 3-3603, 3-3604, 3-3605, 3-3606, 3-3611, 3-3612, 3-3613, 3-3615, 3-3616, 3-3618, 3-3621, 3-3623, 3-3624, 3-3625 AND 3-3631, ARIZONA REVISED STATUTES, AS TRANSFERRED AND RENUMBERED; AMENDING SECTION 32-1121, ARIZONA REVISED STATUTES; REPEALING SECTION 32-2303, ARIZONA REVISED STATUTES; AMENDING SECTIONS 36-606, 36-898 AND 41-1092, ARIZONA REVISED STATUTES; RELATING TO PEST MANAGEMENT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona: 2 Section 1. Section 3-102, Arizona Revised Statutes, as amended by Laws 3 2015, chapter 244, section 3, is amended to read: 4 3-102. <u>Department organization</u> 5 A. The Arizona department of agriculture is established consisting of 6 the following divisions: 7 1. The animal services division, which is responsible for milk, dairy, 8 livestock and aquaculture regulation, the state veterinarian, meat, poultry 9 and egg inspection and performing the administrative functions authorized or contracted pursuant to law for the Arizona beef council. 10 11 2. The plant services division, which is responsible for the fruit and 12 vegetable standardization program and entomological services. 13 3. The environmental services division, which is responsible for 14 regulating seed, feed and agricultural chemicals, including pesticides and 15 fertilizers, and for native plant protection. 16 4. The weights and measures services division, which is responsible 17 for the inspection, testing and licensing of commercial weighing and 18 measuring devices. 19 5. THE PEST MANAGEMENT DIVISION, WHICH IS RESPONSIBLE FOR REGULATING PEST MANAGEMENT AND PEST MANAGEMENT SERVICES AS DEFINED IN SECTION 3-3601. 20 21 B. The following are established in addition to and separate from the 22 divisions of the department: 1. A state agricultural laboratory. 23 24 2. An office of agriculture safety. 25 3. An office of inspections. 4. An office of commodity development and promotion. 26 27 С. The department shall have a central administrative service office 28 providing: 29 1. Data processing, accounting and budgeting, records management, 30 publications, property control and personnel services and training. 31 2. A program to cross-train appropriate personnel to enable them to 32 perform similar functions or comparable work for different administrative 33 units in the department. 34 Sec. 2. Section 3-363, Arizona Revised Statutes, is amended to read: 35 3-363. <u>Rules</u> The director shall adopt rules to regulate pesticides that include 36 37 provisions to: 38 1. Administer and implement this article. 39 2. Prescribe measures to control, monitor, inspect and govern 40 pesticide use. 41 3. Prohibit or restrict pesticide use. 42 4. Restrict the areas in which pesticide use may occur. 43 5. Prescribe minimum qualifications for all persons who engage in 44 pesticide use, including, as appropriate, requirements that the persons have 45 valid licenses, permits or certificates, have adequate training, including 1 continuing education requirements, and meet financial responsibility
2 standards.

6. Prescribe appropriate record keeping RECORDKEEPING and reporting requirements regarding pesticide use, except that the record keeping RECORDKEEPING and reporting requirements for growers and certified private applicators who apply pesticides shall be equivalent to, but not more stringent than, the requirements prescribed under the federal insecticide, fungicide and rodenticide act (61 Stat. 163) and the food, agriculture, conservation and trade act of 1990 (P.L. 101-624; 104 Stat. 3359).

10 7. Prohibit pesticide use that is inconsistent with the pesticide 11 label as required under the federal insecticide, fungicide and rodenticide 12 act (61 Stat. 163).

Exempt from regulation under this article pesticide use that is
 regulated in title 32, chapter 22 20 OF THIS TITLE.

15 9. Issue licenses, permits and certificates for pesticide use, as16 appropriate, having terms of one or more years.

17 10. Charge and collect the following fees for each permit, license and 18 certification under this article:

19 (a) Not to exceed MORE THAN twenty dollars per year for a grower 20 permit.

21 (b) Not to exceed MORE THAN one hundred dollars per year for a seller 22 permit.

23 (c) Not to exceed MORE THAN one hundred dollars per year for a custom 24 applicator license.

25 (d) Not to exceed MORE THAN fifty dollars per year for a pilot 26 license.

27 (e) Not to exceed MORE THAN fifty dollars per year for a pest control
 28 advisor license.

29 (f) Not to exceed MORE THAN twenty-five dollars per year for a piece 30 of equipment used to apply pesticides by a custom applicator.

31 (g) Not to exceed MORE THAN fifty dollars per year for restricted use 32 certification.

33 (h) Not to exceed MORE THAN the amount set by the director by rule for
 34 a license or certificate for pesticide use on golf courses.

35 11. Establish a nonexclusive list of acts and omissions that constitute
 36 serious, nonserious and de minimis violations of this article.

37 12. Establish a system of administrative penalties and fines for 38 violations of this article and any rules adopted under this article. Under 39 this system:

40 (a) Violators shall be assessed a number of points for each violation,
 41 depending on such factors as:

42 (i) Potential and actual consequences of the violation on public and 43 worker health and safety and the environment.

(ii) The wrongfulness of the conduct.

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(iii) The degree of culpability of the violator.

1 (iv) The duration of the violation. 2 (v) Prior violations or citations. 3 (b) Penalties shall be assessed depending on the number of points 4 accrued by the violator. 5 Sec. 3. Section 3-374, Arizona Revised Statutes, is amended to read: 6 3-374. Availability of information to the public 7 A. Any records, reports or information obtained from any person under 8 this article, including records, reports or information obtained or prepared 9 by the department, shall be available to the public, except that the information, or a particular part of the information, shall be considered 10 11 confidential on either: 12 1. A showing, satisfactory to the director, by any person that the 13 information, or a particular part of the information, if made public, would 14 divulge the trade secrets of the person. 15 2. A determination by the attorney general that disclosure of the 16 information, or a particular part of the information, would be detrimental to 17 an ongoing investigation by the director. 3. A determination by the attorney general that disclosure of the 18 19 information or a particular part of the information would be detrimental to 20 an ongoing criminal investigation or to an ongoing or contemplated civil 21 enforcement action under this article in superior court. Notwithstanding subsection A OF THIS SECTION, the following 22 Β. 23 information shall be available to the public: 24 1. The name and address of any permit applicant or permittee. 25 2. Information contained in or derivable from the pesticide label or the relevant material safety data sheet. 26 27 C. Notwithstanding subsection A OF THIS SECTION, the director may 28 disclose any records, reports or information obtained from any person under 29 this article, including records, reports or information obtained by the 30 department, to: 31 1. Other state employees concerned with administering this article or 32 if relevant to any administrative or judicial proceeding under this article. 33 Employees of the United States environmental protection agency if 2. 34 such information is necessary or required to administer and implement or 35 comply with applicable federal law. Sec. 4. Title 3, Arizona Revised Statutes, is amended by adding 36 37 chapter 20, to read: 38 CHAPTER 20 39 PEST MANAGEMENT DIVISION 40 Sec. 5. <u>Transfer and renumber</u> 41 Title 32, chapter 22, articles 1, 2, 3 and 4, Arizona Revised Statutes, 42 are transferred and renumbered for placement in title 3, chapter 20, Arizona 43 Revised Statutes, as added by this act, as articles 1, 2, 3 and 4, 44 respectively. The following sections are transferred and renumbered for 45 placement in title 3, chapter 20, article 1:

1	<u>Former Sections</u>	<u>New Sections</u>
2	32-2301	
3	32-2302	
4	32-2304	
5	32-2305	
6	32-2306	
7	32-2307	
8	The following sections are transfer	red and renumbered for placement in
9	title 3, chapter 20, article 2:	
10	Former Sections	<u>New Sections</u>
11	32-2311	
12	32-2311.01	
13	32-2311.02	
14	32-2312	
15	32-2313	
16	32-2314	
17	32-2315	
18	32-2317	
19	The following sections are transfer	
20	-	red and renumbered for pracement in
	title 3, chapter 20, article 3:	New Costiens
21	<u>Former Sections</u> 32-2321	New Sections
22		
23	32-2323	
24	32-2324	
25	32-2325	
26	32-2326	
27	32-2327	
28	The following sections are transfer	red and renumbered for placement in
29	title 3, chapter 20, article 4:	
30	<u>Former Sections</u>	<u>New Sections</u>
31	32-2331	
32	32-2332	
33	32-2333	
34	Sec. 6. Section 3-3601, Arizona Re	vised Statutes, as transferred and
35	renumbered, is amended to read:	
36	3-3601. <u>Definitions</u>	
37	In this chapter, unless the context	c otherwise requires:
38	1. "Branch office" means any fixed place of business, other than the	
39	primary office, where records are kept, mail is received, statements are	
40	rendered, money is collected, requests for service or bids are received,	
41	information pertaining to the business of pest management is given or	
42	pesticides are stored or disposed of.	
43		ified applicator working at or from
		and appriou of working up of from

43 a branch office who is responsible for ensuring the training, equipping and 45 supervision of all applicators of the branch office. 3. "Business license" means a license that is issued pursuant to this chapter or rules adopted pursuant to this chapter to a person and that entitles that person and the person's employees to engage in the business of pest management.

5 4. "Business of pest management" means engaging in, offering to engage 6 in, advertising for, soliciting or performing pest management, including any 7 of the following:

8 (a) Identifying infestations or making inspections for the purpose of 9 identifying or attempting to identify infestations.

(b) Making written or oral inspection reports, recommendations,
 estimates or bids with respect to infestations.

12 (c) The application of pesticides or the making of contracts or 13 submitting of bids for the application of pesticides or the use of devices 14 for the purpose of eliminating, exterminating, controlling or preventing 15 infestations.

16 5. "Certified applicator" means an individual who is licensed by the 17 office DIVISION to provide pest management services in accordance with this 18 chapter.

19 6. "Certified qualified applicator" means a certified applicator who20 is eligible to act as a qualifying party.

7. "Child care facility" means a facility that is regulated pursuantto title 36, chapter 7.1.

8. "De minimis violation" means a violation that, although undesirable, has no direct or immediate relationship to safety, health or property damage.

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9. "Department" means the Arizona department of agriculture.

27 10. 9. "Device" means any instrument or contrivance that is intended
28 to be used for trapping, destroying, repelling or mitigating any pest or
29 other form of plant or animal life.

30 11. 10. "Direct supervision" means the use of a pesticide under the 31 instructions, control and responsibility of a certified applicator who is 32 available if needed for consultation or assistance even though the certified 33 applicator is not physically present at the time and place the pesticide is 34 used.

35 <u>12. "Director" means the director of the Arizona department of</u> 36 agriculture.

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11. "DIVISION" MEANS THE PEST MANAGEMENT DIVISION OF THE DEPARTMENT.

38 13. 12. "Final grade treatment" means the establishment of a complete 39 vertical barrier at the exterior of foundation walls in stem wall or 40 monolithic construction.

41 14. 13. "Financial security" means liability insurance, a deposit of
42 cash or certified monies, a surety bond or an irrevocable and unconditional
43 letter of credit from an Arizona or A federally chartered financial
44 institution OR A FINANCIAL INSTITUTION AS DEFINED IN SECTION 6-101.

1 15. 14. "Household pests" means pests, other than wood-destroying 2 organisms, that invade households or other structures, including rodents, 3 vermin and insects.

4 16. 15. "Immediate supervision" means the use of a pesticide by an 5 individual acting under the instructions, control and responsibility of a 6 certified applicator who is within the direct line of sight or within hearing 7 distance of the individual and who is available for consultation or 8 assistance at the time and place the pesticide is used.

9 17. 16. "Initial corrective treatment" means the first 10 postconstruction treatment of any kind performed by a licensee, excluding a 11 treatment performed under warranty by a licensee who has performed the 12 pretreatment or new-construction treatment.

13 18. 17. "Inquiry" means an initial investigation of possible violations of this chapter or rules adopted pursuant to this chapter based on information received from the public or office DIVISION staff.

16 19. 18. "Integrated pest management" means a sustainable approach to 17 managing pests that combines biological, cultural, physical and chemical 18 tools in a way that minimizes economic, health and environmental risks.

19 20. 19. "New-construction treatment" means a treatment that protects 20 all cellulose components of a structure from subterranean termites and that 21 is performed after a permanent concrete slab foundation is installed or 22 footings and supports for a raised foundation are installed, but before the 23 structure or a final grade treatment is completed.

24 21. "Office" means the office of pest management established by section 25 32-2303.

26 22. 20. "Other structures" includes railroad cars, boats, docks, motor 27 vehicles or airplanes and their contents.

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23. 21. "Pest management":

(a) Means the management of health-related pests, aquatic pests, household pests, wood-destroying organisms or other pests, including weeds, that exist in, near or around structures, in ornamental shrubs and trees, along rights-of-way or in lawns or cemeteries and all pesticide applications that could be harmful to public health or the environment.

(b) Includes the management by persons for hire of health-related
 pests, aquatic pests, household pests, wood-destroying organisms or other
 pests, including weeds, that exist on golf courses.

37 (c) Does not include pesticide applications used directly in the 38 commercial production of crops and animals or used not for hire on golf 39 courses.

40 24. 22. "Pest management services" means identifying infestations or 41 making inspections for the purpose of identifying or attempting to identify 42 infestations, making written or oral inspection reports or recommendations 43 with respect to infestations and the application of pesticides or the use of 44 devices not exempt by section 32-2304 3-3603, subsection B, paragraph 18 17

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1 for the purpose of eliminating, exterminating, controlling or preventing 2 infestations.

3 25. 23. "Pesticide" means any substance or mixture of substances 4 intended to be used for preventing, destroying, repelling or mitigating 5 insects, fungi, bacteria, microbes, weeds, rodents, predatory animals or any 6 form of plant or animal life that is, or that the director may declare to be, 7 a pest and that may infest or be detrimental to vegetation, humans, animals 8 or households or be present in any environment.

9 26. 24. "Political subdivision" means a state agency, county, city, 10 town, municipal corporation or school district or a special district formed 11 pursuant to title 48.

12 27. 25. "Postconstruction treatment" means a treatment to control 13 wood-destroying organisms in or around an existing structure performed after 14 all soil disturbance associated with construction is complete and after an 15 applicator has completed an inspection of the structure and a treatment 16 proposal under section 32-2332 3-3632, subsections A and B.

17 28. 26. "Pretreatment" means a termite treatment that protects all 18 cellulose components of a structure from subterranean termites, that is 19 performed before a permanent concrete slab foundation is installed or in 20 conjunction with establishing footings and supports for a raised foundation 21 and that establishes thorough and complete horizontal and vertical treated 22 barriers.

23 29. 27. "Prior violation" means any violation for which disciplinary
 24 action was taken within a five-year period before the date of the violation
 25 for which current disciplinary action is sought.

26 30. 28. "Qualifying party" means a certified qualified applicator 27 registered with the office DIVISION as the individual responsible for 28 ensuring the training, equipping and supervision of all applicators of a 29 business licensee or school district.

30 31. 29. "School" means any public or nonpublic institution, other than 31 a child's home, that is established for the purpose of offering instruction 32 to pupils in programs for preschool children with disabilities, kindergarten 33 programs or any combination of grades one through twelve and that qualifies 34 as a school pursuant to section 15-802.

35 32. 30. "Service vehicle" means a motor vehicle, including a trailer 36 attached to the motor vehicle, that is used to transport equipment or 37 pesticides for the business of pest management.

38 33. 31. "Sterilant" means a product that is designed for killing all 39 live vegetation and preventing all vegetation growth for twelve or more 40 months.

34. 32. "Weed" means any plant that grows where it is not wanted.

42 35. 33. "Wood-destroying insect inspection report" means a written 43 inspection report on a form approved by the director that is prepared in 44 connection with the sale or refinancing of real property whether or not the 45 report is used as part of the transaction. 36. 34. "Wood-destroying organisms" means organisms that attack,
 damage or destroy wood or wood-derivative products, but does not include
 birds or mammals.

4 Sec. 7. Section 3-3603, Arizona Revised Statutes, as transferred and 5 renumbered, is amended to read:

6 7 3-3603. Powers and duties of director

7 A. The director is responsible for administering this chapter and 8 shall:

9 1. Adopt rules that are necessary or proper to administer and 10 implement this chapter, including rules that may be more stringent than a 11 corresponding federal law for:

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(a) Administrative provisions.

(b) Licensure, certification and registration requirements and
 qualifications, including training and education requirements and financial
 security standards.

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(c) Health and safety provisions.

(d) Duties and responsibilities.

(e) Recordkeeping and production of records requirements.

19 20 (f) Licensee inspection and treatment report requirements.(g) Disciplinary action provisions.

(h) Equipment provisions.

(i) Advertising requirements.

23 (j) The use, storage and application of pesticides and devices used in 24 pest management.

25 2. Notify the business licensee, applicator and qualifying party in 26 writing of any inquiry into possible violations by the business licensee, 27 applicator or qualifying party by the close of business on the tenth business 28 day after the day on which the director initiated the inquiry if the director 29 anticipates an enforcement action. If in the course of the investigation the 30 office DIVISION identifies any alleged violations by a different business 31 licensee, applicator or qualified party, the director shall notify the additional alleged violator by the close of business on the tenth business 32 33 day after the day on which the director initiated the new inquiry.

34 3. Develop and either conduct or contract to conduct certified 35 applicator and certified qualified applicator tests at locations throughout 36 this state. If the director contracts for these tests, the contracts may 37 provide for specific examination fees or a reasonable range of fees 38 determined by the director to be paid directly to the contractor by the 39 applicant. The director shall make all efforts to contract with private 40 parties to electronically administer the tests.

4. Maintain a computer system for the benefit and protection of the 42 public that includes the following information on pretreatments, 43 new-construction treatments, final grade treatments, initial corrective 44 treatments and wood-destroying insect inspection reports:

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

1 (b) The address or location of the work or project. 2 (c) The name of the pest management company. 3 (d) The name of the qualifying party. 4 (e) The applicator license numbers. 5 (f) The nature and date of the work performed. (g) Any other information that is required by rule. 6 7 5. Establish offices the director deems necessary to carry out the 8 purposes of this chapter. 9 6. Subject to title 41, chapter 4, article 4, employ personnel the director deems necessary to carry out the purposes of this chapter and 10 11 designate their duties. 12 7. Oversee the approval, content and method of delivery of continuing 13 education courses. 14 8. Deny a license to any person who has had a license revoked for a 15 period of five years from the time of revocation. 16 9. License applicators and qualified applicators and license 17 businesses in accordance with this chapter and rules adopted pursuant to this 18 chapter. 19 10. Register qualifying parties, branch supervisors and branch offices 20 in accordance with this chapter and rules adopted pursuant to this chapter. 21 Require the payment of a penalty for any late license renewal. 11. 22 12. Refuse to issue a business license in a name that is not registered 23 with the secretary of state or filed with the Arizona corporation commission. 24 13. Adopt a wood-destroying insect inspection report form for use by 25 business licensees. 26 14. RECEIVE MONIES AUTHORIZED UNDER THIS CHAPTER FOR DEPOSIT, PURSUANT 27 TO SECTIONS 35-146 AND 35-147, IN THE APPROPRIATE FUNDS. 28 Β. The director may: 29 Compel attendance of witnesses, administer oaths or affirmations 1. 30 and take testimony concerning all matters coming within the director's 31 jurisdiction. 32 2. Issue subpoenas for the taking of depositions, the production of 33 documents and things and the entry on land for inspection and measuring, 34 surveying, photographing, testing or sampling the property or any designated 35 object or operation on the property relevant to an inquiry or complaint. 36 3. Contract and enter into interagency and intergovernmental 37 agreements with any private party or public agency. 38 4. With at least twenty-four hours' notice, unless there may be an 39 immediate risk to public health and safety, require a business licensee, 40 qualifying party or applicator to produce specific records. On a showing of 41 good cause by the business licensee, qualifying party or applicator, the 42 director may excuse failure to timely comply. 43 Deny or revoke a license based on the information in the 5. 44 application. 45 6. Issue advisory notices for de minimis violations.

1 7. Investigate alleged violations of this chapter, rules adopted 2 pursuant to this chapter, consent agreements, orders and any condition 3 imposed in connection with a license.

8. Require the public to provide notices regarding alleged violations 4 5 in writing.

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9. Pursuant to section 41-1092.11, summarily suspend a license issued under this chapter to protect the health, safety and welfare of the public.

10. Issue a corrective work order requiring a business licensee or 8 9 applicator to remedy deficiencies in treatment or to comply with this chapter or any rules adopted pursuant to this chapter before or after a formal 10 11 hearing.

12 11. Do at least one of the following in relation to unlicensed pest 13 management business operations, unless the operations do not require **licensure** ON RECEIPT OF A COMPLAINT OR ON INITIATION OF A COMPLAINT BY THE 14 DIVISION, INVESTIGATE ANY ALLEGED VIOLATION OF UNLICENSED ACTIVITY PURSUANT 15 TO THIS CHAPTER. IF THE DIRECTOR DETERMINES THAT AN UNLICENSED PERSON IS 16 17 PERFORMING AN ACT THAT IS REQUIRED TO BE PERFORMED BY A PERSON LICENSED 18 PURSUANT TO THIS CHAPTER, THE DIRECTOR SHALL TAKE ONE OR MORE OF THE 19 FOLLOWING ENFORCEMENT ACTIONS:

20 (a) Issue a cease and desist order requiring the business PERSON to 21 immediately cease operations.

(b) Impose on the owner of the business PERSON a civil penalty of not 22 23 more than one thousand dollars for the first occurrence and not more than two 24 thousand dollars for the second or subsequent occurrence.

25 (c) FILE AN ACTION TO ENJOIN THE PERSON FROM ENGAGING IN THE 26 UNLICENSED ACTIVITY.

27 (d) REQUEST THAT THE COUNTY ATTORNEY OR ATTORNEY GENERAL FILE CHARGES AGAINST THE PERSON. 28

29 12. Refuse to issue a business license in a name that is likely to be 30 misleading or to imply any distorted representation about the business.

31 13. Register a certified applicator who is a representative of a 32 business licensee as a temporary qualifying party if the qualifying party 33 becomes disassociated with the business licensee.

34 14. Provide and conduct classes to train individuals in preparation for 35 certified applicator and certified qualified applicator tests. The director 36 may assess a fee for each class. The director may contract with a commercial 37 enterprise or an accredited institution to conduct the class.

38 15. Provide and conduct continuing education classes quarterly. The 39 director may assess a fee for each credit hour. The director may contract 40 with a commercial enterprise or an accredited institution to conduct the 41 class under the supervision of office DIVISION staff.

42 16. Apply to the appropriate court, through the attorney general or 43 county attorney, for an order enjoining any act or practice that constitutes 44 a violation of this chapter or any rule adopted pursuant to this chapter. 45

17. 16. Enter into consent agreements and issue consent orders.

1 18. 17. Designate by rule devices that are exempt from the licensure,
 2 certification and registration requirements of this chapter.

3 4 19. 18. Charge a person for providing copies of rules, forms or policies proposed for adoption and for educational materials.

5 20. 19. Require a business licensee or qualifying party to register 6 with the office DIVISION or TO otherwise identify all of the licensed or 7 unlicensed applicators of the business or supervised by the qualifying party.

8 21. 20. Require a business licensee to produce records for the purpose
 9 of verifying that an individual is an applicator of the business licensee.

10 22. 21. Charge a handling fee in addition to the transaction amount 11 for any transaction that could have been completed electronically and was 12 not.

13 23. 22. Deny or refuse to renew a license of a person who owes unpaid 14 fees or civil penalties to the office DIVISION.

15 C. The director or any duly authorized agents may enter any private or 16 public property, including a service vehicle, on which pesticides are located 17 or are reasonably believed to be located to be used for purposes related to 18 pest management or any office of a business engaged in pest management. The 19 owner, managing agent or occupant of the property or office shall permit 20 entry for the purpose of inspecting and investigating conditions relating to 21 the use, storage, application and disposal of pesticides, including worker safety materials and records pertaining to pest management. If a person 22 23 refuses to admit the director or the authorized agent in accordance with this 24 subsection, the director may obtain a warrant from a court of competent 25 jurisdiction. If a licensed or certified person refuses to admit the 26 director or an authorized agent in accordance with this subsection during 27 regular business hours, the director may impose disciplinary action on the 28 person.

D. The director or any duly authorized agents may monitor compliance by a person with this chapter and rules adopted pursuant to this chapter while the person is providing pest management services.

32 Sec. 8. Section 3-3604, Arizona Revised Statutes, as transferred and 33 renumbered, is amended to read:

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3-3604. <u>Pest management trust fund</u>

A. The pest management TRUST fund is established for the exclusive purpose of implementing, continuing and supporting the office DIVISION and its objectives as established by this chapter.

38 B. Pursuant to sections 35-146 and 35-147, the director shall deposit 39 ten per cent of all fees in the state general fund and deposit the remaining 40 ninety per cent in the pest management fund. All monies collected from civil 41 penalties shall be deposited, pursuant to sections 35-146 and 35-147, in the 42 state general fund.

43 C. Monies deposited in the pest management fund are exempt from the
 44 provisions of section 35-190 relating to lapsing of appropriations.

1 2 3 4 5 6 7	B. THE DIRECTOR SHALL ADMINISTER THE TRUST FUND AS TRUSTEE. THE STATE TREASURER SHALL ACCEPT, SEPARATELY ACCOUNT FOR AND HOLD IN TRUST ANY MONIES DEPOSITED IN THE STATE TREASURY, WHICH ARE CONSIDERED TO BE TRUST MONIES AS DEFINED IN SECTION 35-310 AND WHICH SHALL NOT BE COMMINGLED WITH ANY OTHER MONIES IN THE STATE TREASURY EXCEPT FOR INVESTMENT PURPOSES. ON NOTICE FROM THE DIRECTOR, THE STATE TREASURER SHALL INVEST AND DIVEST ANY TRUST FUND MONIES DEPOSITED IN THE STATE TREASURER SHALL INVEST AND DIVEST ANY TRUST FUND		
8	35-314.03, AND MONIES EARNED FROM THE INVESTMENT SHALL BE CREDITED TO THE		
9	TRUST FUND.		
10	C. THE BENEFICIARIES OF THE TRUST ARE THE DIVISION PROGRAMS		
11	ESTABLISHED BY THIS CHAPTER. MONIES IN THE TRUST FUND SHALL BE DISBURSED AS		
12	APPROVED BY THE DIRECTOR EXCLUSIVELY FOR THE PURPOSES PRESCRIBED IN THIS		
13	CHAPTER.		
14	D. SURPLUS MONIES, INCLUDING ANY UNEXPENDED AND UNENCUMBERED BALANCE		
15	AT THE END OF THE FISCAL YEAR, DO NOT REVERT TO THE STATE GENERAL FUND.		
16	E. IF THE DIVISION IS TERMINATED, ANY MONIES IN THE TRUST FUND SHALL		
17	BE EXPENDED TO MEET EXISTING LEGAL OBLIGATIONS OF THE DIVISION. THE DIRECTOR		
18	SHALL EXPEND ANY REMAINING MONIES ON ANY PROGRAM CONSISTENT WITH THIS		
19	CHAPTER.		
20	Sec. 9. Section 3-3605, Arizona Revised Statutes, as transferred and		
21 22	renumbered, is amended to read:		
22	3–3605. <u>Pest management division council; members; duties</u> A. The director shall establish by rule a pest management advisory		
23 24	committee DIVISION COUNCIL to assist and make recommendations to the director		
24 25	regarding the administration and implementation of this chapter. The		
26	director shall appoint five members to the committee COUNCIL, including one		
27	public member.		
28	B. THE PEST MANAGEMENT DIVISION COUNCIL SHALL:		
29	1. REVIEW PEST MANAGEMENT POLICY IN THIS STATE AS ESTABLISHED BY LAW		
30	AND ADMINISTERED BY THE DIVISION.		
31	2. ASSIST THE DIRECTOR IN FORMULATING ADMINISTRATIVE RULES FOR THE		
32	DIVISION, INCLUDING REVIEWING, ADVISING AND MAKING RECOMMENDATIONS TO THE		
33	DIRECTOR ON PROPOSED RULES BEFORE THE RULES ARE ADOPTED AND RECOMMENDING AND		
34	INITIATING THE RULEMAKING PROCESS FOR RULES RELATING TO THIS CHAPTER.		
35	3. ASSIST THE DIRECTOR IN DEVELOPING PROPOSED BUDGETS FOR THE		
36	DIVISION.		
37	4. PROVIDE ADDITIONAL ASSISTANCE AS THE DIRECTOR DEEMS NECESSARY.		
38	C. IF THE DIRECTOR DETERMINES THAT THE RULEMAKING RECOMMENDATIONS OF		
39	THE PEST MANAGEMENT DIVISION COUNCIL ARE PRACTICABLE AND IN THE BEST		
40	INTERESTS OF THE PEST MANAGEMENT INDUSTRY AND THE PUBLIC, THE DIRECTOR SHALL		
41	ACCEPT THE RULEMAKING RECOMMENDATIONS. IF THE DIRECTOR REJECTS THE		
42	RULEMAKING RECOMMENDATIONS OF THE PEST MANAGEMENT DIVISION COUNCIL, THE		
43	DIRECTOR SHALL PROVIDE A WRITTEN EXPLANATION OF THE REASONS FOR THE REJECTION		
44	TO THE DIVISION COUNCIL NOT MORE THAN FIFTEEN DAYS AFTER THE DIRECTOR'S		
45	DECISION TO REJECT THE RECOMMENDATIONS.		

1 D. THE DIRECTOR SHALL INCLUDE THE COMMENTS OF THE PEST MANAGEMENT 2 DIVISION COUNCIL IN THE OFFICIAL RECORD WHEN ADOPTING RULES OR BUDGETS FOR 3 THE DIVISION. Sec. 10. Section 3-3606, Arizona Revised Statutes, as transferred and 4 renumbered. is amended to read: 5 6 3-3606. Pesticide applications at schools and child care 7 facilities: advance notification: exemptions 8 Only a certified applicator may apply pesticides at a school or Α. 9 child care facility. B. A business licensee or certified applicator shall notify a school 10 or a child care facility at least seventy-two hours in advance of any 11 pesticide application in order to permit the school to comply with section 12 13 15-152 and the child care facility to comply with section 36-898. The 14 seventy-two hour SEVENTY-TWO-HOUR advance notice shall include: 15 1. The SCHEDULED date and time the application is to occur. The 16 seventy-two hour advance notice shall also include the brand name. 17 concentration, rate of application, pesticide label and material safety data 18 sheet and any use restrictions required by the pesticide label. 19 C. Immediately before application of a pesticide, a business licensee 20 or certified applicator shall provide the school or child care facility with 21 a written preapplication notification containing the following information: 1. The brand name, concentration and rate of application and any use 22 23 restrictions required by the label of the herbicide or specific pesticide. 24 2. The area or areas where the pesticide is to be applied. 25 3. The date and time the application is to occur. 26 4. The pesticide label and the material safety data sheet. 27 D. The pesticide label and material safety data sheet may be used in 28 place of any information required pursuant to subsections B and C of this 29 section if the information is already contained on the pesticide label or 30 material safety data sheet. 31 THE LOCATION AND AREA OF THE APPLICATION AND THE BRAND NAME OF THE 32 PESTICIDE OR PESTICIDES TO BE APPLIED. 33 3. THE NAME, ADDRESS, PHONE NUMBER AND CONTACT PERSON OF THE BUSINESS 34 LICENSEE OR CERTIFIED APPLICATOR. 35 4. A STATEMENT THAT FURTHER INFORMATION, THE PRODUCT LABEL OR THE 36 SAFETY DATA SHEET IS AVAILABLE BY CONTACTING THE BUSINESS LICENSEE OR 37 CERTIFIED APPLICATOR. 38 E. C. The following pesticide applications are exempt from the 39 notification requirement prescribed by subsections SUBSECTION B and C of this 40 section: 41 Nonresidual pesticide applications performed or contracted by 1. 42 public health agencies for adult vector control, provided that oral 43 notification is attempted at least seventy-two hours before the application, 44 when possible, to the school office or child care facility office with a

statement of the pest problem, treatment procedure, area to be treated and approximate time of the application.

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

9 (a) Notify the school office or child care facility office before the 10 application with a statement of the pest problem, treatment procedure, area 11 to be treated and approximate time of application.

12 (b) Immediately after the application has been completed, notify the 13 school office or the child care facility office of the name of the pesticide 14 applied, the formulation, the strength and dosage and the date and time of 15 application and provide the pesticide label.

16 (c) Post the treated area immediately after the application. The 17 posting shall be at least eight and one-half inches by eleven inches and shall include the name of the pesticide, the registration number issued by 18 19 the United States environmental protection agency, the date and time of 20 application and the name and telephone number of the business licensee and 21 certified applicator. A copy of the posting shall also be placed at the main 22 entrance to the school or child care facility. The posting and the copy of 23 the posting shall remain in place for at least forty-eight hours after the 24 application.

25

3. Disinfectants or swimming pool chemicals.

4. Block, gel or paste-type bait that is a toxicity category III or IV
formulation of insecticide pursuant to 40 Code of Federal Regulations section
156.62 and that is either of the following:

29 (a) Secured in an enclosed, tamper-resistant bait station and placed
 30 in an area that is inaccessible to children.

31

(b) Applied to a crack or crevice that is inaccessible to children.

5. Block-type bait that is a toxicity level III or IV formulation of rodenticide pursuant to 40 Code of Federal Regulations section 156.62 and that is secured in an enclosed, tamper-resistant bait station placed in an area that is inaccessible to children.

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6. Personal repellants.

7. Nonrestricted use sanitizers and deodorizers.

38 Sec. 11. Section 3-3611, Arizona Revised Statutes, as transferred and 39 renumbered, is amended to read:

3-3611. License and registration exemptions

41 A. The provisions of this chapter requiring licensure and registration 42 do not apply to:

Persons applying nonrestricted use pesticides on residential
 property that they own and occupy or that they own and that is not occupied.

1 2. Authorized representatives of any educational institution engaged 2 in research in the study of pest management or a state agency engaged in 3 research or the study of pest management.

4 3. Persons using a nonrestricted, ready-to-use disinfectant, sanitizer 5 or deodorizer.

A utility and the utility's employees if pest management services 6 4. 7 are needed for an employee's health and safety in order for the employee to 8 continue performing work tasks.

9 5. Persons using an over-the-counter antimicrobial to treat a swimming 10 pool.

11 6. Persons using a device that is exempt pursuant to section $\frac{32-2304}{2}$ 12 3-3603, subsection B, paragraph 18 17.

13 7. Persons who are exempt pursuant to section $\frac{32-2311.01}{3-3612}$ or 14 32-2311.02 3-3613.

15 B. An individual is not required to have a separate business license 16 to engage in the business of pest management on behalf of a business licensee 17 or as an employee of a political subdivision.

18 C. The director by rule may exempt from sections $\frac{32-2313}{32-3615}$ and 19 $\frac{32-2314}{3}$ 3-3616 a certified applicator who performs inspections but does not 20 make recommendations, estimates, bids or contracts for treatment or use 21 pesticides or devices for pest management and may prescribe alternative 22 requirements and conditions.

23 Sec. 12. Section 3-3612, Arizona Revised Statutes, as transferred and 24 renumbered, is amended to read:

25

3-3612. Political subdivisions: exemptions: definition

26 A. A political subdivision that uses pesticides to conduct pest 27 management on property that is owned, leased or managed by the political 28 subdivision, including easements:

29

1. Is not required to be licensed under section $\frac{32-2313}{3}$ 3-3615.

30 2. Must provide the department with the name and telephone number of 31 the primary contact person or persons responsible for responding to 32 department inquiries or concerns regarding compliance with this chapter. The 33 primary contact person or persons at a minimum shall demonstrate to the 34 department:

35 36 (a) Where the records are retained. (b) Where the personal protective equipment is located.

37

(c) Where the pesticides are stored.

38

(d) That all applicators are properly certified.

39 B. A school district is exempt from subsection A, paragraph 2 of this 40 section, but shall have a qualifying party who is registered in the 41 appropriate categories.

42 C. An employee of a political subdivision who provides pest management 43 services must be a certified applicator except as provided by subsection D of 44 this section.

1 D. The following individuals are exempt from the certification 2 requirements of this chapter:

1. An employee of a political subdivision who applied pesticides for the political subdivision no more than ninety calendar days before certification. This exemption does not apply to an employee who applies pesticides at a school or child care facility.

7 2. An employee of a political subdivision or designated agent while8 performing emergency response or rescue services.

9 3. A volunteer of a political subdivision while applying herbicides 10 for the purpose of the eradication and control of noxious weeds as defined in 11 section 3-201 and who is under the immediate supervision of a certified 12 applicator. This exemption does not apply to a volunteer of a political 13 subdivision who:

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(a) Applies herbicides at a school or child care facility.

15 (b) Uses herbicides that are labeled with the words "restricted use" 16 or "danger".

(c) Uses sterilants.

18 (d) Uses application equipment that holds more than four gallons of 19 total mixed liquid herbicide.

20 (e) Has not completed an herbicide application training program 21 conducted by the political subdivision and approved by the office DIVISION.

E. For the purposes of this section, "volunteer" means a person who
 works without compensation other than reimbursement of actual expenses
 incurred or disbursement of meals or other incidental benefits.

25 Sec. 13. Section 3-3613, Arizona Revised Statutes, as transferred and 26 renumbered, is amended to read:

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3-3613 Landscapers: records: civil penalties

A. The provisions of this chapter requiring licensure, and registration do not apply to a person who conducts lawn, garden, shrub or tree maintenance and who applies herbicides for the purpose of weed management, except as otherwise provided in this section.

B. Notwithstanding subsection A of this section, the licensure,
 certification and registration requirements of this chapter apply to a person
 who:

35 1. Uses herbicides that are labeled with the words "restricted use" or 36 "danger".

37

2. Uses sterilants or preemergent herbicides.

38 3. Offers weed management as the person's primary service or
 39 advertises weed management services.

40 4. Uses application equipment that collectively holds more than four 41 FIVE gallons of total mixed liquid herbicide at an address or project on the 42 same day.

43 5. Uses more than twenty-five pounds of nonliquid herbicide at an 44 address or project on the same day.

1 6. Uses or is part of a crew of two or more herbicide applicators at 2 an address or project on the same day. 3 7. Uses an herbicide at a school or child care facility. 4 8. Uses an herbicide at an address or project without performing lawn, 5 garden, shrub or tree maintenance at that address or project on the same day. C. A person who is exempt from licensure, certification and 6 7 registration pursuant to this section shall provide treatment records to each 8 customer on application of herbicides for the purpose of weed management and 9 shall retain records containing the same information provided to customers for at least six months after the date of the treatment. For the purposes of 10 11 this subsection, treatment records must include the following: 12 1. The address of the location of the herbicide application. 13 2. The date of the herbicide application. 14 3. The trade name or common name of the herbicide applied. 15 4. The amount of the herbicide applied. 16 5. The name of the individual who performed the treatment. 17 D. Ιf a person is exempt from licensure, certification and registration pursuant to subsection A of this section but does not comply 18 19 with subsection C of this section, the director shall: 1. On FOR a first violation, issue a written notice of correction that 20 21 contains a warning and a copy of this section. 22 2. On FOR a second violation, impose a civil penalty of at least fifty 23 dollars. 24 3. On FOR a third or any subsequent violation, impose a civil penalty 25 of not more than one thousand dollars. 26 E. If a person is not exempt from licensure, certification and 27 registration but uses an herbicide for the purpose of weed management, the 28 director may: 29 1. Issue a cease and desist order and an administrative warning. 30 2. On FOR a first violation, impose a civil penalty of not more than 31 one thousand dollars. 32 3. On FOR a second or any subsequent violation, impose a civil penalty 33 of not more than two thousand dollars. 34 Sec. 14. Section 3-3615, Arizona Revised Statutes, as transferred and 35 renumbered, is amended to read: 36 3-3615. <u>Business license; financial security</u> 37 A. A person who engages in the business of pest management shall 38 obtain a valid business license from the office DIVISION. A person who is 39 not exempt under this chapter and who advertises for, solicits or claims to 40 be willing to engage in the business of pest management is presumed to be 41 engaging in the business of pest management. 42 An application for an original or a renewal business license shall: Β. 43 1. Be in a form and include the information prescribed by the 44 director. 45 2. Be accompanied by the prescribed fee.

- 1
- 3. Include the following proof of financial security:

(a) Either a deposit of money, liability insurance, self-insured 2 3 retention, a surety bond or a certified check protecting persons who may 4 suffer bodily injury or property damage as a result of the operations of the 5 applicant. The director shall not accept a bond or a liability insurance policy unless it is issued by an insurer that holds a valid certificate of 6 7 authority or that is permitted to transact surplus lines insurance in this state. The amount of the deposit, insurance, self-insured retention or bond 8 9 shall be at least five hundred thousand dollars and shall be maintained at not less than that amount at all times during the licensing period. The 10 11 license of a business licensee whose financial security falls below the 12 minimum five hundred thousand dollars shall be suspended by the director and 13 shall remain suspended until the security meets the minimum financial 14 security requirement. The financial security need only cover those 15 particular operations in which the licensee is engaged at any time. If the 16 financial security is in the form of liability insurance or a surety bond, 17 the licensee shall furnish the director with a certificate of coverage that 18 indicates the coverages and endorsements required by this subsection on a 19 form prescribed by the director.

20 (b) Either of the following if the business licensee performs termite 21 treatments:

(i) Proof of a surety bond in the amount of one hundred thousand
 dollars per business license for actual damages, including reasonable costs
 of collection suffered by persons as a result of termite damage due to
 negligent treatment.

26 (ii) Proof of a liability insurance policy rider in the amount of one 27 hundred thousand dollars per business license that covers termite damage due 28 to negligent treatment.

(c) If the business licensee provides wood-destroying insect inspection reports, proof of a surety bond or a liability insurance policy rider in the amount of one hundred thousand dollars per business license for actual damages plus reasonable costs of collection suffered by persons as a result of errors and omissions contained in the reports.

C. If an insurance policy provides for a deductible, the deductible amount shall not exceed one per cent PERCENT of the total financial security for each occurrence. If the deductible amount is in excess of one per cent PERCENT of the total financial security for each occurrence, the business licensee shall provide other security as provided in this section or other evidence of financial security for the excess deductible amount.

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

1 E. If the proof of financial security on file with the office DIVISION 2 expires, the business license is automatically suspended until a current 3 certificate of insurance or proof of financial responsibility is furnished to 4 the director. 5 Sec. 15. Section 3-3616. Arizona Revised Statutes. as transferred and renumbered. is amended to read: 6 7 3-3616. Qualifying party: registration 8 A. A person shall not engage in the business of pest management in any 9 category without a qualifying party registered in that category. B. To be a qualifying party, an individual must: 10 11 1. Be a certified gualified applicator. 12 Register as a qualifying party with the office DIVISION using a 2. 13 form and including the information prescribed by the director. 14 Sec. 16. Section 3-3618, Arizona Revised Statutes, as transferred and 15 renumbered, is amended to read: 3-3618. Fees 16 17 A. The director shall establish by rule and collect application and 18 renewal fees for the following: 19 1. A business license. 20 2. A branch office registration. 21 3. A branch supervisor registration. 22 4. A qualifying party registration. 23 5. A temporary qualifying party registration. 24 6. A temporary qualifying party renewal registration. 25 7. AN applicator certification. 26 8. A gualified applicator certification. 27 9. An applicator registration. 28 10. A duplicate license. 29 The director may charge and collect late fees in addition to the Β. 30 fees listed in subsection A of this section. 31 C. The director may establish tiered fees for business licenses. D. The director may charge and collect additional fees for GOODS AND 32 33 services that the director considers to be appropriate to carry out the intent and purpose of this chapter. These additional fees shall not exceed 34 35 the costs of **PROVIDING THE GOODS OR** rendering the services. 36 Sec. 17. Section 3-3621, Arizona Revised Statutes, as transferred and 37 renumbered, is amended to read: 38 3-3621. Disciplinary action; grounds; procedure 39 A. If the director finds that a person has violated this chapter, a 40 rule adopted pursuant to this chapter or a written order of the director, the 41 director may issue a notice of violation and a cease and desist order to the 42 person and, after an opportunity for a hearing, take any of the following 43 disciplinary actions, in combination or alternatively: 44 1. Revoke a license or registration.

45 2.

Suspend a license or registration.

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3. Refuse to renew a license or registration. Impose probation requirements that require a person to comply with 4. one or more specific provisions of this chapter or rules adopted pursuant to this chapter and that require reporting by or monitoring of the person. 5. Impose a civil penalty in an amount of not more than one thousand dollars for each violation except for grounds prescribed in section 32 2325 3-3624, subsection B, paragraphs 8 and 9. 6. Require a qualifying party to report to the director the qualifying party's role in the management of a business license. Require an individual to take supplemental continuing education 7. within a time period set by the director. B. Instead of taking disciplinary action for a violation pursuant to subsection A of this section, the director may issue an administrative warning. C. Except as provided in section 41-1092.11, the director may take disciplinary action against a business licensee pursuant to subsection A of this section only if any of the following applies: 1. The business licensee has committed a prior violation of the same type, including any violation by any applicator of the business licensee. 2. The business licensee failed to follow a written order of the director directing it to correct a deficiency or problem within the time specified. 3. The business licensee has knowingly assumed operations for a business licensee whose license has been revoked and during the first three years after revocation allows the former licensee to play an active role in company policy, decisions, sales or supervision of applicators. 4. The business licensee is convicted of a felony. 5. The business licensee is determined by the director to have

5. The business licensee is determined by the director to have
committed a violation in connection with a pretreatment, new-construction
treatment or final grade treatment.
6. The business licensee uses applicators to provide pest management

6. The business licensee uses applicators to provide pest management
 services that are not registered pursuant to the requirements established
 under section 32-2304 3-3603, subsection B, paragraph 20 19.

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

8. The business licensee performing pest management treatments on an ongoing basis to locations other than residential structures of four or fewer units fails to provide written notice to the person who requested the treatments or the person's designated agent. Notice shall be given before the first application of the pesticide and when new or additional pesticides are used or immediately after each treatment. 9. If the treatments are performed in the interior of residential units, the licensee fails to leave a notice in the interior of each treated unit immediately after each treatment. The notice shall include the pesticide by trade name and any other information as required by the pesticide label or local ordinance.

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

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

14 11. The business licensee fails within thirty calendar days after 15 completion of a pretreatment, a new-construction treatment, a final grade 16 treatment, an initial corrective treatment project or a wood-destroying 17 insect inspection report to file with the office DIVISION, in a form approved 18 by the director, the termite action report form and prescribed fee.

19 12. The business licensee, within twelve months after completion of a 20 termite pretreatment or new-construction treatment, fails either to file a 21 supplemental termite action report in a form provided by the director that 22 indicates the completion of the final grade treatment or to report in writing 23 why the treatment has not been completed and when it will be completed.

13. The business licensee's applicator applies a pesticide that causesharm to the public, the environment or a nontarget animal.

26 14. The business licensee fails within thirty calendar days to pay 27 civil penalties imposed under this chapter or rules adopted pursuant to this 28 chapter.

29 15. The business licensee engages in the business of pest management30 while the business license is suspended.

D. The director shall commence an inquiry only within five years after the date of the alleged act or omission.

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

F. The license of a person who does not renew the license and who has been advised in writing that an investigation or complaint is pending at the time the license is due to expire or terminate does not expire or terminate until the investigation or complaint is resolved. The license is suspended on the date it would otherwise expire or terminate until the person renews the license or the investigation or complaint is resolved. 1 G. The director may summarily suspend a person's license while there 2 is a pending criminal charge against the person for a felony or a misdemeanor 3 involving moral turpitude.

4 Sec. 18. Section 3-3623, Arizona Revised Statutes, as transferred and 5 renumbered, is amended to read:

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3-3623. <u>Civil penalties: suspension</u>

7 A. The office DIRECTOR may suspend a license, certification or 8 registration without a hearing if the licensee fails within thirty calendar 9 days to pay civil penalties imposed under this chapter or rules adopted 10 pursuant to this chapter.

B. A licensee whose license is suspended under subsection A of this section must apply to the director for reinstatement.

C. A license, certification or registration suspended under subsection A of this section shall be revoked without a hearing after one year of suspension. Revocations under this subsection are not subject to section 32-2304 3-3603, subsection A, paragraph 8-7.

D. The office DIVISION shall not renew a license, certification or registration or broaden a certification until the person suspended under subsection A of this section is reinstated.

20 Sec. 19. Section 3-3624, Arizona Revised Statutes, as transferred and 21 renumbered, is amended to read:

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3-3624. <u>Unlawful acts; violations; classification</u>

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A. A person shall not:

1. Engage in the business of pest management, COMMENCE WORK ON A CONTRACT OR SIGN, ISSUE OR DELIVER ANY DOCUMENT EXPRESSING AN OPINION OR STATEMENT RELATING TO PEST MANAGEMENT without a business license issued pursuant to this chapter, unless the person is otherwise exempt pursuant to this chapter.

Engage in the business of pest management in any category without a
 qualifying party who is registered in that category.

31 3. Operate a branch office without a registered branch supervisor 32 under whose direct supervision pesticide applications are made out of that 33 office.

34 4. Apply pesticides in any category other than wood-destroying 35 organism management or fumigation unless the person is an applicator 36 certified in that category or applies the pesticides under the direct 37 supervision of an applicator certified in that category.

5. Apply pesticides in the category of wood-destroying organism management, aquatic pest management or fumigation unless the person is an applicator certified in that category or the person applies the pesticides under the immediate supervision of an applicator certified in that category.

42 6. Make recommendations regarding pest management unless the person is43 a certified applicator.

447. Deny to an authorized inspectorTHE DIRECTOR OR ANY AGENT OF THE45DIRECTOR the right to be present on a jobsite in connection with a

1 contemporaneous pest management treatment, including for the purpose of 2 taking pesticide samples and soil samples.

B. The following nonexclusive acts are grounds for disciplinaryaction:

5 1. Violating this chapter, rules adopted pursuant to this chapter or a 6 written order of the director.

7 8 2. Making false or fraudulent records or reports.

3. Misrepresenting a material fact in obtaining a license.

9 4. Applying pesticides in a manner that is inconsistent with the label 10 and labeling of the pesticide or that may cause harm to the public, the 11 environment or nontarget animals.

5. Misusing a pesticide if the misuse is due to the failure of the person to properly train or supervise. Proper training includes training to read and understand the label and labeling and to understand the proper use of application equipment. Proper supervision includes oversight of applicators to ensure general compliance with the label and labeling and all applicable laws.

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

7. Engaging in the business of pest management or providing pest
 management services under a suspended license.

8. Being convicted of a felony, a misdemeanor arising from or in connection with a license issued pursuant to this chapter after issuance of the license or a misdemeanor involving moral turpitude.

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

29 10. Making a fraudulent statement or an intentional material 30 misrepresentation in connection with a wood treatment proposal or a 31 wood-destroying insect inspection report.

32 11. Having three or more de minimis violations of this chapter or rules33 adopted under this chapter.

34 12. Failing to provide the director with a current certificate of 35 insurance or proof of financial responsibility.

36 13. Failing to provide a proper final grade treatment within twelve 37 months after the original pretreatment or new-construction treatment.

38 14. Providing immediate supervision of more uncertified applicators at
 39 a time than is authorized by rule.

40 15. Failing to make and maintain true and accurate records of 41 treatments performed or wood-destroying insect inspection reports, including 42 those performed under warranty or guarantee, for at least three years after 43 the date of treatment or inspection. 1 16. Failing to make treatment records available on request of the 2 property owner or the property owner's authorized agent within three business 3 days.

4 17. Failing to permit the director or any duly authorized agent to 5 promptly inspect records pertaining to pest management located at an office 6 of a business licensee when an employee or the owner of the business licensee 7 is present at the business office and has access to the records.

8 18. Failing to timely produce specific records requested pursuant to 9 section 32-2304 3-3603, subsection B, paragraph 4.

10 19. Violating the terms of a consent agreement or written order of the 11 director.

12 C. A PERSON WHO VIOLATES SUBSECTION A, PARAGRAPH 1 OF THIS SECTION
13 WITH RECKLESS DISREGARD FOR THE HEALTH AND SAFETY OF OTHER PERSONS OR
14 PROPERTY IS GUILTY OF A CLASS 6 FELONY.

15 Sec. 20. Section 3-3625, Arizona Revised Statutes, as transferred and 16 renumbered, is amended to read:

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3-3625. <u>Business license; principals; definition</u>

A. The office DIRECTOR shall deny an application for a new business license or a renewal of an existing business license if a principal of the applicant was also a principal of another business that currently owes past due termite action registration form fees, owes civil penalties to the office DIVISION or has had its business license suspended or revoked within the last five years and was a principal at the time the fees became due or the acts resulting in the disciplinary action occurred.

B. For the purposes of this section, "principal" means a person who
owns at least a ten per cent PERCENT interest in a business. Principal
includes an owner that is itself a business as well as owners of a principal.
Sec. 21. Section 3-3631, Arizona Revised Statutes, as transferred and

Sec. 21. Section 3-3631, Arizona Revised Statutes, as transferred and renumbered, is amended to read:

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3-3631. <u>Termite action report form: exemption</u>

A. Within thirty calendar days after completion of a pretreatment, a new-construction treatment, a final grade treatment, an initial corrective treatment or a wood-destroying insect inspection report, a business licensee or certified applicator shall file with the office DIVISION in a form approved by the director a termite action report form and the prescribed fee. A termite action report is required for termite action only and does not include all wood-destroying organisms.

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B. The termite action report form shall include:1. The address or location of the work or project.

39 40

- 2. The type and date of the work.
- 41 3. The name of the business licensee.
- 42 4. Any other information required by rule.
- 43 C. The director may:

1 1. Adjust the fee upward or downward to a level that is calculated to 2 produce sufficient revenue to carry out the functions of wood-destroying 3 organism regulation.

4 5

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

6 3. Assess a penalty of not more than one hundred dollars per form for 7 failing to submit the required form or fee, or both, within thirty calendar 8 days.

9 D. If the business licensee who performs an initial corrective 10 treatment performed the pretreatment or new-construction treatment at the 11 same site and filed a termite action report form with the office DIVISION 12 documenting the pretreatment or new-construction treatment, the business 13 licensee is exempt from this section with respect to the initial corrective 14 treatment.

15 Sec. 22. Section 32–1121, Arizona Revised Statutes, is amended to 16 read:

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

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.

24 2. Trustees of an express trust that is not formed for the purpose of 25 conducting business as a contractor or officers of a court, if they are 26 acting within the terms of their trust or office.

27 3. Public utilities operating under regulation of the corporation 28 commission or construction, repair or operation incidental to discovering or 29 producing petroleum or gas, or the drilling, testing, abandoning or other 30 operation of a petroleum or gas well, if performed by an owner or lessee.

31 4. Any materialman, manufacturer or retailer who furnishes finished 32 products, materials or articles of merchandise and who does not install or 33 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 34 35 installation or attachment of such items to a structure does not exceed one thousand dollars, including labor, materials and all other items, but 36 37 excluding any electrical fixture or appliance that was designed by the 38 manufacturer, that is unaltered, unchanged or unmodified by any person, that 39 can be plugged into a common household electrical outlet utilizing a two 40 pronged TWO-PRONGED or three pronged THREE-PRONGED electrical connector and 41 that does not use any other form of energy, including natural gas, propane or 42 other petroleum or gaseous fuel, to operate or is attached by a nail, screw 43 or other fastening device to the frame or foundation of any residential 44 structure. The materialman, manufacturer or retailer shall inform the

1 purchaser that the installation may also be performed by a licensed 2 contractor whose name and address the purchaser may request.

3 5. Owners of property who improve such property or who build or 4 improve structures or appurtenances on such property and who do the work 5 themselves, with their own employees or with duly licensed contractors, if 6 the structure, group of structures or appurtenances, including the 7 improvements thereto, are intended for occupancy solely by the owner and are 8 not intended for occupancy by members of the public as the owner's employees 9 or business visitors and the structures or appurtenances are not intended for 10 sale or for rent. In all actions brought under this chapter, except an 11 action against an owner-occupant as defined in section 33-1002, proof of the 12 sale or rent or the offering for sale or rent of any such structure by the 13 owner-builder within one year after completion or issuance of a certificate 14 of occupancy is prima facie evidence that such project was undertaken for the 15 purpose of sale or rent. For the purposes of this paragraph, "sale" or 16 "rent" includes any arrangement by which the owner receives compensation in 17 money, provisions, chattels or labor from the occupancy or the transfer of 18 the property or the structures on the property.

19 6. Owners of property who are acting as developers and who build 20 structures or appurtenances to structures on their property for the purpose 21 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 22 23 developers, who improve structures or appurtenances to structures on their 24 property for the purpose of sale or rent and who contract for such a project 25 with a general contractor or specialty contractors licensed pursuant to this 26 chapter. To qualify for the exemption under this paragraph, the licensed 27 contractors' names and license numbers shall be included in all sales 28 documents.

29 7. Architects or engineers who are engaging in their professional 30 practice as defined in chapter 1 of this title and who hire or offer to hire 31 the services of a contractor for preconstruction activities relating to 32 investigation and discovery, including:

Subsurface utility location and designation services. (a)

34 (b) Potholing.

(c) Drilling for any of the following:

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(i) Soil samples. 37 (ii) Rock samples.

(iii) Pavement samples.

39 (d) Locating existing features of a building or structure, including 40 existing electrical, mechanical, plumbing and structural members.

41 A person licensed, certified or registered pursuant to TITLE 3, 8. 42 chapter 22 of this title 20 or a person working under the direct supervision 43 of a person certified or qualified pursuant to TITLE 3, chapter 22 of this 44 title 20 to the extent the person is engaged in pest management.

1 9. The sale or installation of finished products, materials or 2 articles of merchandise that are not fabricated into and do not become a 3 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 4 5 product, material or article of merchandise, including labor but excluding any electrical fixture or appliance that was designed by the manufacturer, 6 7 that is unaltered, unchanged or unmodified by any person, that can be plugged 8 into a common household electrical outlet utilizing a two-pronged TWO-PRONGED 9 or three pronged THREE-PRONGED electrical connector and that does not use any 10 other form of energy, including natural gas, propane or other petroleum or 11 gaseous fuel, to operate or is attached by a nail, screw or other fastening 12 device to the frame or foundation of any residential structure, is more than 13 one thousand dollars or if the removal of the finished product, material or 14 article of merchandise causes damage to the structure or renders the 15 structure unfit for its intended use.

10. Employees of the owners of condominiums, townhouses, cooperative 17 units or apartment complexes of four units or less or the owners' management 18 agent or employees of the management agent repairing or maintaining 19 structures owned by them.

20 11. Any person who engages in the activities regulated by this chapter, 21 as an employee of an exempt property owner or as an employee with wages as 22 the person's sole compensation.

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.

31 14. Any person other than a licensed contractor engaging in any work or 32 operation on one undertaking or project by one or more contracts, for which 33 the aggregate contract price, including labor, materials and all other items, 34 but excluding any electrical fixture or appliance that was designed by the 35 manufacturer, that is unaltered, unchanged or unmodified by any person, that 36 can be plugged into a common household electrical outlet utilizing a two 37 pronged TWO-PRONGED or three pronged THREE-PRONGED electrical connector and 38 that does not use any other form of energy, including natural gas, propane or 39 other petroleum or gaseous fuel, to operate or is attached by a nail, screw 40 or other fastening device to the frame or foundation of any residential 41 structure, is less than one thousand dollars. The work or operations that 42 are exempt under this paragraph shall be of a casual or minor nature. This 43 exemption does not apply:

44 (a) In any case in which the performance of the work requires a local45 building permit.

1 (b) In any case in which the work or construction is only a part of a 2 larger or major operation, whether undertaken by the same or a different 3 contractor, or in which a division of the operation is made in contracts of 4 amounts less than one thousand dollars, excluding any electrical fixture or 5 appliance that was designed by the manufacturer, that is unaltered, unchanged or unmodified by any person, that can be plugged into a common household 6 7 electrical outlet utilizing a two pronged TWO-PRONGED or three pronged 8 THREE-PRONGED electrical connector and that does not use any other form of 9 energy, including natural gas, propane or other petroleum or gaseous fuel, to 10 operate or is attached by a nail, screw or other fastening device to the 11 frame or foundation of any residential structure, for the purpose of evasion 12 of this chapter or otherwise.

13 (c) To a person who utilizes any form of advertising to the public in 14 which the person's unlicensed status is not disclosed by including the words 15 "not a licensed contractor" in the advertisement.

16 15. A person who is licensed, certified or registered pursuant to 17 title 41, chapter 16 and who is not otherwise required to be licensed under 18 this chapter or an employee of such person.

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

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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:

33 1. All fire safety and mechanical, electrical and plumbing work that 34 is done in connection with fire safety installation and fire safety 35 maintenance and repair. For the purposes of this paragraph, "fire safety installation" means hardwired or interconnected smoke alarms and fire 36 37 sprinklers and does not include an individual device that is attached by a 38 nail, screw or other fastening device to the frame or foundation of any 39 residential unit. For the purposes of this paragraph, fire safety 40 maintenance and repair does not include routine work that is conducted by an 41 employee of an apartment or condominium complex AND that is incidental to the 42 fire safety equipment.

43 2. All work that is done, including the installation, maintenance and 44 repair of devices, appliances or equipment, that involves the connecting to

1 any supply of natural gas, propane or other petroleum or gaseous fuel. 2 Nothing in this paragraph impacts the effect of section 36-1624.01. 3 Sec. 23. <u>Heading repeal</u> 4 The chapter heading of title 32, chapter 22, Arizona Revised Statutes, 5 is repealed. 6 Sec. 24. <u>Repeal</u> 7 Section 32-2303, Arizona Revised Statutes, is repealed. 8 Sec. 25. Section 36-606, Arizona Revised Statutes, is amended to read: 9 36-606. <u>Pesticide illness: medical education: reports</u> A. The director of the department of health services shall develop and 10 11 implement, in cooperation with rural health clinics, county health 12 departments, state and local medical associations, poison control centers and 13 other appropriate health care professionals, a system for reporting and 14 preventing pesticide provoked illnesses. This program shall include: 15 1. Medical education programs to alert health care professionals to 16 the symptoms, diagnosis, treatment and reporting of pesticide provoked 17 illnesses. 18 2. A statewide reporting network, which shall: 19 (a) Require health care professionals and poison control centers to 20 file incident reports of an illness that they reasonably believe, based on 21 professional judgment, to be caused by or related to documented exposure to a 22 pesticide. 23 (b) Catalogue and retrieve data regarding pesticide poisoning for use 24 in worker and public health education programs to prevent pesticide 25 poisoning. 26 B. The health care professional or poison control center required to 27 file an incident report required pursuant to subsection A, paragraph 2, 28 subdivision (a) OF THIS SECTION shall specifically indicate in the incident 29 report the reason for believing that the illness is caused by or related to 30 documented exposure to a pesticide and shall specify if the illness is caused 31 by the documented exposure or is related to the documented exposure. All 32 incident reports shall be filed with the director. The director shall 33 provide to the Arizona department of agriculture all records, reports and 34 information of all illnesses resulting from documented exposure to 35 agriculture pesticides and shall provide to the office of pest management all 36 records, reports and information of all illnesses resulting from documented 37 exposure to structural pesticides. 38 Sec. 26. Section 36-898, Arizona Revised Statutes, is amended to read: 39 36-898. Licensees; pesticide application; notice; definitions 40 A. The director, in consultation with licensees, personnel of 41 licensees, parents, guardians, administrators, members of the public, a 42 qualifying party and at least one health professional, shall develop and 43 adopt a policy to provide parents, guardians, children and personnel with at 44 least forty-eight hours' notice before pesticides are applied on licensee 45 property.

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

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

5. "Qualifying party" has the same meaning prescribed in section
 7 32-2301 3-3601.

8 Sec. 27. Section 41–1092, Arizona Revised Statutes, is amended to 9 read:

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

In this article, unless the context otherwise requires:

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

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

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

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

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

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

- (a) The Arizona state board of accountancy.
- 38 (b) The state board of appraisal.
- 39 (c) The board of barbers.
- 40 (d) The board of behavioral health examiners.
- 41 (e) The Arizona state boxing and mixed martial arts commission.
- 42 (f) The state board of chiropractic examiners.
- 43 (g) The board of cosmetology.
- 44 (h) The state board of dental examiners.

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

1 (j) The Arizona game and fish commission. 2 (k) The board of homeopathic and integrated medicine examiners. 3 (1) The Arizona medical board. (m) The naturopathic physicians medical board. 4 5 (n) The state board of nursing. (o) The board of examiners of nursing care institution administrators 6 7 and adult care home managers. 8 (p) The board of occupational therapy examiners. 9 (q) The state board of dispensing opticians. 10 (r) The state board of optometry. 11 (s) The Arizona board of osteopathic examiners in medicine and 12 surgery. 13 (t) The Arizona peace officer standards and training board. 14 (u) The Arizona state board of pharmacy. 15 (v) The board of physical therapy. 16 (w) The state board of podiatry examiners. 17 (x) The state board for private postsecondary education. 18 (y) The state board of psychologist examiners. 19 (z) The board of respiratory care examiners. 20 (aa) The office of pest management. 21 (bb) (aa) The state board of technical registration. 22 (cc) (bb) The Arizona state veterinary medical examining board. 23 (dd) (cc) The acupuncture board of examiners. 24 (ee) (dd) The Arizona regulatory board of physician assistants. 25 (ff) (ee) The board of athletic training. (gg) (ff) The board of massage therapy. 26 27 Sec. 28. Exemption from rulemaking 28 For the purposes of this act, the Arizona department of agriculture is 29 exempt from the rulemaking requirements of title 41, chapter 6, Arizona 30 Revised Statutes, for one year after the effective date of this act. 31 Sec. 29. Effective date: retroactivity 32 This act is effective and applies retroactively to from and after June 33 30, 2016.