

State of Arizona
House of Representatives
Fifty-second Legislature
Second Regular Session
2016

CHAPTER 371
HOUSE BILL 2613

AN ACT

AMENDING SECTIONS 3-449, 3-466, 3-492, 3-496, 3-521, 27-102, 32-101, 32-102, 32-103, 32-122 AND 32-122.01, ARIZONA REVISED STATUTES; AMENDING TITLE 32, CHAPTER 1, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 32-132; AMENDING SECTIONS 32-142, 32-144, 32-1301, 32-1394.01 AND 32-2352, ARIZONA REVISED STATUTES; REPEALING SECTION 32-2372, ARIZONA REVISED STATUTES; AMENDING TITLE 32, CHAPTER 23, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 32-2372.01; AMENDING SECTIONS 32-2373, 32-2374 AND 32-2391, ARIZONA REVISED STATUTES; AMENDING SECTION 32-3021, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2011, CHAPTER 141, SECTION 1; AMENDING SECTION 32-3021, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2015, CHAPTER 262, SECTION 20; AMENDING SECTIONS 41-619.51, 41-1758, 41-1758.01, 41-2571 AND 42-5075, ARIZONA REVISED STATUTES; RELATING TO REGULATORY LICENSING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 3-449, Arizona Revised Statutes, is amended to
3 read:
4 3-449. Annual licensing; fees; application; penalty
5 A. ~~No~~ A person ~~shall~~ MAY NOT transact business as a citrus fruit
6 dealer, ~~packer~~ or shipper without first obtaining a license as provided in
7 this article. The license expires on August 1 of each year and is renewable
8 annually. The license fee shall be determined according to the annual gross
9 sales based on the dealer's or shipper's previous fiscal year as follows:
10 1. If the annual gross sales are five hundred thousand dollars or
11 more, the annual fee is four hundred fifty dollars.
12 2. If the annual gross sales are between two hundred thousand dollars
13 and five hundred thousand dollars, the annual fee is three hundred dollars.
14 3. If the annual gross sales are two hundred thousand dollars or less,
15 the annual fee is one hundred fifty dollars.
16 4. If the person was not in business the previous fiscal year, the
17 annual fee is one hundred fifty dollars.
18 ~~B. The application for a packer license shall be filed with the~~
19 ~~supervisor and be accompanied by an annual license fee of one hundred fifty~~
20 ~~dollars.~~
21 ~~C.~~ B. If a person engages in business in more than one category as a
22 dealer, ~~OR~~ shipper ~~or packer~~, the license designation shall be based on the
23 category in which most of the licensee's business is conducted.
24 ~~D.~~ C. The license fees collected by the supervisor shall be paid into
25 the citrus, fruit and vegetable trust fund.
26 ~~E.~~ D. The application for a dealer, ~~OR~~ shipper ~~or packer~~ license
27 shall contain the following information:
28 1. The full name of the person applying for the license.
29 2. Whether the applicant is an individual, partnership, firm,
30 corporation, association, trust or cooperative association and the full name
31 of each member of the partnership or firm, the full name of each officer and
32 director of the association or corporation or the full name of each trustee.
33 3. The principal business address of the applicant in this state and
34 elsewhere and the address where the applicant conducts the described
35 business.
36 4. The name of the statutory agent in this state for service of legal
37 notice.
38 5. The category of license for which the applicant is applying.
39 6. A statement of the facts, signed under penalty of perjury,
40 entitling the applicant to a license under the applicable category and
41 stating whether the applicant has ever had any license to handle citrus,
42 fruit or vegetables in any state denied, suspended or revoked.
43 7. If the applicant acts as a commission merchant, a schedule of
44 commissions and charges for services, which may not be altered during the
45 term of the license except by written agreement between the parties involved.

1 ~~F.~~ E. The supervisor shall issue to the applicant a license to
2 conduct the business described for a period of one year unless it is revoked
3 for cause.

4 ~~G.~~ F. An applicant who tenders a renewal application for a license
5 that is received by the supervisor after August 15 shall pay a penalty of
6 twenty-five dollars. An applicant who tenders a renewal application for a
7 license that is received after September 1 shall pay a penalty of fifty
8 dollars. All penalties shall be deposited in the citrus, fruit and vegetable
9 trust fund.

10 Sec. 2. Section 3-466, Arizona Revised Statutes, is amended to read:

11 3-466. Civil penalties; hearing

12 A. A person is subject to a civil penalty of not more than five
13 hundred dollars, ~~—~~ if the person does either of the following:

14 1. Acts as a dealer, ~~—~~ OR shipper ~~or packer~~ without a valid license.

15 2. Knowingly falsifies or causes to be falsified information in a
16 record intended to show proof of ownership.

17 B. A person shall be subject to a civil penalty of not more than three
18 hundred dollars, ~~—~~ if the person does any of the following:

19 1. Makes a written or oral false, deceptive or misleading
20 representation or assertion concerning the quality, size, maturity or
21 condition of citrus fruit.

22 2. Alters, removes or destroys a warning notice from a lot or part of
23 a lot to which it was affixed except on written authorization of an
24 inspector, the supervisor or the director or by court order.

25 3. Alters a notice of noncompliance, notice of compliance or notice of
26 disposal that is issued by an inspector.

27 4. Refuses to submit any container or lot of citrus fruit governed
28 pursuant to this article to an inspection of a representative sample or to
29 refuse to stop and permit inspection of a representative sample of any
30 commercial vehicle containing citrus fruit governed pursuant to this article.

31 C. A commission merchant is subject to a civil penalty of not more
32 than five hundred dollars, ~~—~~ if the commission merchant does any of the
33 following:

34 1. Knowingly makes a false or misleading statement as to the condition
35 of any citrus fruit.

36 2. Makes a fraudulent charge or return for handling or selling citrus
37 fruit or for rendering any service in connection with handling or selling
38 citrus fruit.

39 3. Reconsigns a consignment to receive, collect or charge more than
40 one commission without the consent of the consignor.

41 4. Sells citrus fruit at less than market price to a person with whom
42 the consignment merchant has a direct or indirect financial connection.

43 5. Makes a sale and directly or indirectly receives a portion of the
44 purchase price other than the commission specified in the contract.

1 D. A person who is charged with violating this article or rules
2 adopted pursuant to this article may request a hearing pursuant to title 41,
3 chapter 6, article 10.

4 E. Civil penalties collected pursuant to this section shall be
5 deposited in the citrus, fruit and vegetable trust fund.

6 Sec. 3. Section 3-492, Arizona Revised Statutes, is amended to read:
7 3-492. Licensing dealers and shippers; application; fees;
8 penalty

9 A. ~~No~~ A person ~~shall~~ MAY NOT act as a dealer or shipper without first
10 obtaining a license as provided in this article. Application for the license
11 shall be filed with the supervisor and accompanied by a license fee
12 determined according to the annual gross sales based on the dealer's or
13 shipper's previous fiscal year as follows:

14 1. If the annual gross sales are five hundred thousand dollars or
15 more, the annual fee is five hundred dollars.

16 2. If the annual gross sales are between two hundred thousand dollars
17 and five hundred thousand dollars, the annual fee is three hundred fifty
18 dollars.

19 3. If the annual gross sales are two hundred thousand dollars or less,
20 the annual fee is two hundred dollars.

21 4. If the person was not in business the previous fiscal year, the
22 annual fee is two hundred dollars.

23 ~~B. A person may not act as a packer without first obtaining a license~~
24 ~~as provided in this article. The application for a packer license shall be~~
25 ~~filed with the supervisor and accompanied by an annual license fee of two~~
26 ~~hundred dollars.~~

27 ~~C.~~ B. If a person engages in business in more than one category as a
28 dealer, ~~OR~~ shipper ~~or packer~~, the license designation shall be based on the
29 category in which most of the licensee's business is conducted.

30 ~~D.~~ C. The monies received as license fees under this section shall be
31 paid into the citrus, fruit and vegetable trust fund. The license shall
32 expire on September 1 of each year and is renewable annually.

33 ~~E.~~ D. The application for a dealer, ~~OR~~ shipper ~~or packer~~ license
34 shall contain the following information:

35 1. The full name of the person applying for the license.

36 2. Whether the applicant is an individual, partnership, firm,
37 corporation, association, trust or cooperative association and the full name
38 of each member of the partnership or firm, the full name of each officer and
39 director of the association or corporation or the full name of each trustee.

40 3. The principal business address of the applicant in this state and
41 elsewhere and the address where the applicant conducts the described
42 business.

43 4. The name of the statutory agent in this state for service of legal
44 notice.

45 5. The category of license for which the applicant is applying.

1 6. A statement of the facts, signed under penalty of perjury,
2 entitling the applicant to a license under the applicable category and
3 stating whether the applicant has ever had any license to handle citrus,
4 fruit or vegetables in any state denied, suspended or revoked.

5 7. If the applicant acts as a commission merchant, a schedule of
6 commissions and charges for services, which may not be altered during the
7 term of the license except by written agreement between the parties involved.

8 ~~F.~~ E. The supervisor shall issue to the applicant a license to
9 conduct the business described for a period of one year unless it is revoked
10 for cause.

11 ~~G.~~ F. An applicant who tenders a renewal application for a license
12 that is received by the supervisor after September 15 shall pay a penalty of
13 twenty-five dollars. An applicant who tenders a renewal application for a
14 license that is received after October 1 shall pay a penalty of fifty
15 dollars. All penalties shall be deposited in the citrus, fruit and vegetable
16 trust fund.

17 Sec. 4. Section 3-496, Arizona Revised Statutes, is amended to read:

18 3-496. List of licensees; display of license

19 A. The supervisor may publish a pamphlet containing a list of all
20 licensed dealers, ~~AND~~ shippers ~~and packers~~ and the rules pertaining to the
21 enforcement of this article.

22 B. Each licensed dealer, ~~AND~~ shipper ~~and packer~~ shall keep the
23 license in ~~his~~ THE DEALER'S OR SHIPPER'S office or at ~~his~~ THE DEALER'S OR
24 SHIPPER'S principal place of business.

25 Sec. 5. Section 3-521, Arizona Revised Statutes, is amended to read:

26 3-521. Civil penalties; hearing

27 A. A person is subject to a civil penalty of not more than five
28 hundred dollars, ~~if~~ the person does either of the following:

29 1. Acts as a dealer, ~~OR~~ shipper ~~or packer~~ without a valid license.

30 2. Knowingly falsifies or causes to be falsified information in a
31 record intended to show proof of ownership.

32 B. A person shall be subject to a civil penalty of not more than three
33 hundred dollars, ~~if~~ the person does any of the following:

34 1. Makes a written or oral false, deceptive or misleading
35 representation or assertion concerning the quality, size, maturity or
36 condition of fruit or vegetables.

37 2. Alters, removes or destroys a warning notice from a lot or part of
38 a lot to which it was affixed except on written authorization of an
39 inspector, the supervisor or the director or by court order.

40 3. Alters a notice of noncompliance, notice of compliance or notice of
41 disposal that is issued by an inspector.

42 4. Refuses to submit any container or lot of fruit or vegetables
43 governed by this article to an inspection of a representative sample or
44 refuses to stop and permit inspection of a representative sample of any
45 commercial vehicle containing fruit and vegetables governed by this article.

1 C. A commission merchant is subject to a civil penalty of not more
2 than five hundred dollars; ~~if the commission merchant does any of the~~
3 following:

4 1. Knowingly makes a false or misleading statement as to the condition
5 of any fruit or vegetable.

6 2. Makes a fraudulent charge or return for handling or selling a fruit
7 or vegetable or for rendering any service in connection with handling or
8 selling a fruit or vegetable.

9 3. Reconsigns a consignment to receive, collect or charge more than
10 one commission without the consent of the consignor.

11 4. Sells a fruit or vegetable at less than market price to a person
12 with whom the consignment merchant has a direct or indirect financial
13 connection.

14 5. Makes a sale and directly or indirectly receives a portion of the
15 purchase price other than the commission specified in the contract.

16 D. A person who is charged with violating this article or rules
17 adopted pursuant to this article may request a hearing before an
18 administrative law judge pursuant to title 41, chapter 6, article 10. The
19 decision of the administrative law judge is subject to review by the director
20 as provided by title 41, chapter 6, article 10.

21 E. Civil penalties collected pursuant to this section shall be
22 deposited in the citrus, fruit and vegetable trust fund.

23 Sec. 6. Section 27-102, Arizona Revised Statutes, is amended to read:
24 27-102. Arizona geological survey; state geologist; powers

25 A. The Arizona geological survey is established with offices located
26 in proximity to the university of Arizona in Tucson. The governor shall
27 appoint a state geologist, pursuant to section 38-211, to be the
28 administrative head of the Arizona geological survey and to serve at the
29 pleasure of the governor. The state geologist shall be EITHER registered as
30 a geologist by the state board of technical registration OR A TRAINED
31 GEOLOGIST AS DEFINED IN SECTION 32-144, a graduate of an accredited
32 institution and otherwise qualified by education and experience to direct the
33 research and information functions of the Arizona geological survey.

34 B. The state geologist may organize the Arizona geological survey into
35 such administrative units, and, subject to title 41, chapter 4, article 4,
36 employ professional and support staff, as necessary to achieve the objectives
37 and promote the policies prescribed by this article.

38 C. The state geologist may:

39 1. Retain the services of faculty members or students, and shall have
40 reasonable access to the data and other resources, of the university of
41 Arizona or any other state university in this state to conduct or supervise
42 research, experimentation or other related work of the Arizona geological
43 survey.

44 2. Organize field expeditions to perform work for the Arizona
45 geological survey using university students who are sufficiently advanced in
46 their study of geology to be able to perform satisfactory work.

1 3. Establish and appoint an advisory board consisting of independent
2 practicing geologists, university or college faculty, mining geologists and
3 others who use and rely on data, information and other services of the
4 Arizona geological survey.

5 4. Employ volunteer staff as necessary.

6 D. The expenses of the Arizona geological survey shall be paid by
7 annual appropriation from the state general fund and as otherwise provided by
8 this article.

9 Sec. 7. Heading change

10 The chapter heading of title 32, chapter 1, Arizona Revised Statutes,
11 is changed from "ARCHITECTS, ASSAYERS, ENGINEERS, GEOLOGISTS, HOME
12 INSPECTORS, LANDSCAPE ARCHITECTS AND SURVEYORS" to "ARCHITECTS, ENGINEERS,
13 GEOLOGISTS, HOME INSPECTORS, LANDSCAPE ARCHITECTS AND SURVEYORS".

14 Sec. 8. Section 32-101, Arizona Revised Statutes, is amended to read:

15 32-101. Purpose; definitions

16 A. The purpose of this chapter is to provide for the safety, health
17 and welfare of the public through the promulgation and enforcement of
18 standards of qualification for those individuals WHO ARE registered or
19 certified and seeking registration or certification pursuant to this chapter.

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

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

23 2. "Alarm" or "alarm system":

24 (a) Means any mechanical or electrical device that is designed to emit
25 an audible alarm or transmit a signal or message if activated and that is
26 used to detect an unauthorized entry into a building or other facility or
27 alert other persons of the occurrence of a medical emergency or the
28 commission of an unlawful act against a person or in a building or other
29 facility.

30 (b) Includes a silent, panic, holdup, robbery, duress, burglary,
31 medical alert or proprietor alarm that requires emergency personnel to
32 respond.

33 (c) Does not include a telephone call diverter or a system that is
34 designed to report environmental and other occurrences and that is not
35 designed or used to alert or cause other persons to alert public safety
36 personnel.

37 3. "Alarm agent":

38 (a) Means a person, whether an employee, an independent contractor or
39 otherwise, who acts on behalf of an alarm business and who tests, maintains,
40 services, repairs, sells, rents, leases or installs alarm systems.

41 (b) Does not include any action by a person that:

42 (i) Is performed in connection with an alarm system located on the
43 person's own property or the property of the person's employer.

44 (ii) Is acting on behalf of an alarm business whose work duties do not
45 include visiting the location where an alarm system installation occurs.

46 4. "Alarm business":

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

3 (i) Providing alarm monitoring services.

4 (ii) Selling, leasing, renting, maintaining, repairing or installing a
5 nonproprietary alarm system or service.

6 (b) Does not include any of the following:

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

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

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

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

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

16 5. "Alarm subscriber" means any person who:

17 (a) Leases, rents or purchases any monitored alarm system or service
18 from an alarm business.

19 (b) Leases or rents an alarm system.

20 (c) Contracts with an alarm business for alarm monitoring,
21 installation, repair or maintenance services.

22 6. "Architect" means a person who, by reason of knowledge of the
23 mathematical and physical sciences and the principles of architecture and
24 architectural engineering acquired by professional education and practical
25 experience, is qualified to engage in the practice of architecture as
26 attested by registration as an architect.

27 7. "Architect-in-training" means a candidate for registration as a
28 professional architect who is a graduate of a school approved by the board or
29 who has five years or more of education or experience, or both, in
30 architectural work ~~which~~ THAT meets standards specified by the board in its
31 rules. In addition, the candidate shall have passed the architect-in-training
32 examination.

33 8. "Architectural practice" means any professional service or creative
34 work requiring architectural education, training and experience, and the
35 application of the mathematical and physical sciences and the principles of
36 architecture and architectural engineering to such professional services or
37 creative work as consultation, evaluation, design and review of construction
38 for conformance with contract documents and design, in connection with any
39 building, planning or site development. A person shall be deemed to practice
40 or offer to practice architecture who in any manner represents that the
41 person is an architect, ~~or~~ or is able to perform any architectural service or
42 other services recognized by educational authorities as architecture.

43 ~~9. "Assayer" means a person who analyzes metals, ores, minerals, or~~
44 ~~alloys in order to ascertain the quantity of gold or silver or any other~~
45 ~~substance present in them. A person employed on a full-time basis as an~~
46 ~~assayer by an employer engaged in the business of developing, mining or~~

1 ~~treating ores or other minerals shall not be deemed to be engaged in assaying~~
2 ~~practice for the purposes of this chapter if the person engages in assaying~~
3 ~~practice exclusively for and as an employee of such employer and does not~~
4 ~~represent that the person is available and is not represented as being~~
5 ~~available to perform any assaying services for anyone other than the person's~~
6 ~~employer.~~

7 ~~10. "Assayer in training" means a candidate for registration as a~~
8 ~~professional assayer who is a graduate of a school and curriculum approved by~~
9 ~~the board or who has four years or more of education or experience, or both,~~
10 ~~in assaying work which meets standards specified by the board in its rules.~~
11 ~~In addition, the candidate shall have passed the assayer in training~~
12 ~~examination.~~

13 ~~11. "Assaying practice" means any professional service or work~~
14 ~~requiring assaying education, training and experience and the application of~~
15 ~~special knowledge of the mineral sciences to such service or work as~~
16 ~~consultation and the evaluation of minerals. A person is deemed to practice~~
17 ~~or offer to practice assaying who in any manner represents that the person is~~
18 ~~an assayer or is able to perform any assaying service or other services~~
19 ~~recognized by educational authorities as assaying.~~

20 ~~12.~~ 9. "Board" means the state board of technical registration.

21 ~~13.~~ 10. "Certified remediation specialist" means a person who has been
22 certified by the board to perform, supervise and review environmental
23 remediations if the use of a certified remediation specialist is specifically
24 authorized by title 49 and rules adopted pursuant to title 49.

25 ~~14.~~ 11. "Controlling person":

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

27 (b) Does not include an alarm agent.

28 ~~15.~~ 12. "Drug laboratory site remediation firm" means a firm that is
29 licensed by the registrar of contractors pursuant to chapter 10 of this title
30 and that performs remediation of residual contamination from the manufacture
31 of methamphetamine, ecstasy or LSD or the storage of chemicals or equipment
32 used in manufacturing methamphetamine, ecstasy or LSD. For the purposes of
33 this paragraph:

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

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

42 (c) "Methamphetamine" has the same meaning prescribed in section
43 13-3401, paragraph 6 and includes any of the precursor chemicals, regulated
44 chemicals, other substances or equipment used in the unlawful manufacture of
45 the dangerous drug.

1 ~~16-~~ 13. "Engineer" means a person who, by reason of special knowledge
2 of the mathematical and physical sciences and the principles and methods of
3 engineering analysis and design acquired by professional education and
4 practical experience, is qualified to practice engineering as attested by
5 registration as a professional engineer.

6 ~~17-~~ 14. "Engineering practice" means any professional service or
7 creative work requiring engineering education, training and experience and
8 the application of special knowledge of the mathematical, physical and
9 engineering sciences to such professional services or creative work as
10 consultation, research investigation, evaluation, planning, surveying as
11 defined in paragraph ~~27~~ 24, subdivisions (d) and (e) of this subsection,
12 design, location, development, and review of construction for conformance
13 with contract documents and design, in connection with any public or private
14 utility, structure, building, machine, equipment, process, work or project.
15 Such services and work include plans and designs relating to the location,
16 development, mining and treatment of ore and other minerals. A person shall
17 be deemed to be practicing or offering to practice engineering if the person
18 practices any branch of the profession of engineering, or by verbal claim,
19 sign, advertisement, letterhead, card or any other manner represents that the
20 person is a professional engineer, or is able to perform or does perform any
21 engineering service or other service recognized by educational authorities as
22 engineering. A person employed on a full-time basis as an engineer by an
23 employer engaged in the business of developing, mining and treating ores and
24 other minerals shall not be deemed to be practicing engineering for the
25 purposes of this chapter if the person engages in the practice of engineering
26 exclusively for and as an employee of such employer and does not represent
27 that the person is available and is not represented as being available to
28 perform any engineering services for persons other than the person's
29 employer.

30 ~~18-~~ 15. "Engineer-in-training" means a candidate for registration as a
31 professional engineer who is a graduate in an approved engineering curriculum
32 of four years or more of a school approved by the board or who has ~~had~~ four
33 years or more of education or experience, or both, in engineering work ~~which~~
34 ~~THAT~~ meets standards specified by the board in its rules. In addition, the
35 candidate shall have passed the engineer-in-training examination.

36 ~~19-~~ 16. "Firm" means any individual or partnership, corporation or
37 other type of association, including the association of a nonregistrant and a
38 registrant who offers to the public professional services regulated by the
39 board.

40 ~~20-~~ 17. "Geological practice" means any professional service or work
41 requiring geological education, training and experience, and the application
42 of special knowledge of the earth sciences to such professional services as
43 consultation, evaluation of mining properties, petroleum properties and
44 groundwater resources, professional supervision of exploration for mineral
45 natural resources including metallic and nonmetallic ores, petroleum and
46 groundwater, and the geological phases of engineering investigations.

1 ~~21.~~ 18. "Geologist" means a person, not of necessity an engineer, who
2 by reason of special knowledge of the earth sciences and the principles and
3 methods of search for and appraisal of mineral or other natural resources
4 acquired by professional education and practical experience is qualified to
5 practice geology as attested by registration as a professional geologist. A
6 person employed on a full-time basis as a geologist by an employer engaged in
7 the business of developing, mining or treating ores and other minerals shall
8 not be deemed to be engaged in geological practice for the purposes of this
9 chapter if the person engages in geological practice exclusively for and as
10 an employee of such employer and does not represent that the person is
11 available and is not represented as being available to perform any geological
12 services for persons other than the person's employer.

13 ~~22.~~ 19. "Geologist-in-training" means a candidate for registration as
14 a professional geologist who is a graduate of a school approved by the board
15 or who has ~~had~~ four years or more of education or experience, or both, in
16 geological work ~~which~~ THAT meets standards specified by the board in its
17 rules. In addition, the candidate shall have passed the
18 geologist-in-training examination.

19 ~~23.~~ 20. "Home inspection" means a visual analysis for the purposes of
20 providing a professional opinion of the building, any reasonably accessible
21 installed components and the operation of the building's systems, including
22 the controls normally operated by the owner, for the following components of
23 a residential building of four units or less:

- 24 (a) Heating system.
- 25 (b) Cooling system.
- 26 (c) Plumbing system.
- 27 (d) Electrical system.
- 28 (e) Structural components.
- 29 (f) Foundation.
- 30 (g) Roof covering.
- 31 (h) Exterior and interior components.
- 32 (i) Site aspects as they affect the building.
- 33 (j) Pursuant to rules adopted by the board, swimming pool and spa.

34 ~~24.~~ 21. "Home inspection report" means a written report that is
35 prepared for compensation, that is issued after a home inspection and that
36 clearly describes and identifies the inspected systems, structures and
37 components of a completed dwelling and any visible major defects found to be
38 in need of immediate major repair and any recommendations for additional
39 evaluation by appropriate persons.

40 ~~25.~~ 22. "Home inspector" means an individual who is certified pursuant
41 to this chapter as a home inspector and who engages in the business of
42 performing home inspections and writing home inspection reports.

43 ~~26.~~ 23. "Home inspector-in-training" means a candidate for
44 certification as a home inspector who has completed a course of study
45 approved by the board and who is participating in a training program that

1 complies with standards recommended by the home inspector rules and standards
2 committee and approved by the board.

3 ~~27.~~ 24. "Land surveying practice" means the performance of one or more
4 of the following professional services:

5 (a) Measurement of land to determine the position of any monument or
6 reference point ~~which~~ THAT marks a property line, boundary or corner for the
7 purpose of determining the area or description of the land.

8 (b) Location, relocation, establishment, reestablishment, setting,
9 resetting or replacing of corner monuments or reference points which identify
10 land boundaries, rights-of-way or easements.

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

12 (d) Measurement by angles, distances and elevations of natural or
13 artificial features in the air, on the surface and immediate subsurface of
14 the earth, within underground workings and on the surface or within bodies of
15 water for the purpose of determining or establishing their location, size,
16 shape, topography, grades, contours or water surface and depths, and the
17 preparation and perpetuation of field note records and maps depicting these
18 features.

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

21 ~~28.~~ 25. "Land surveyor" means a person who by reason of knowledge of
22 the mathematical and physical sciences, principles of land surveying and
23 evidence gathering acquired by professional education or practical
24 experience, or both, is qualified to practice land surveying as attested by
25 registration as a land surveyor. A person employed on a full-time basis as a
26 land surveyor by an employer engaged in the business of developing, mining or
27 treating ores or other minerals shall not be deemed to be engaged in land
28 surveying practice for purposes of this chapter if the person engages in land
29 surveying practice exclusively for and as an employee of such employer and
30 does not represent that the person is available and is not represented as
31 being available to perform any land surveying services for persons other than
32 the person's employer.

33 ~~29.~~ 26. "Land surveyor-in-training" means a candidate for registration
34 as a professional land surveyor who is a graduate of a school and curriculum
35 approved by the board, ~~or~~ or who has four years or more of education or
36 experience, or both, in land surveying work ~~which~~ THAT meets standards
37 specified by the board in its rules. In addition, the candidate shall have
38 passed the land surveyor-in-training examination.

39 ~~30.~~ 27. "Landscape architect" means a person who, by reason of
40 professional education or practical experience, or both, is qualified to
41 engage in the practice of landscape architecture as attested by registration
42 as a landscape architect.

43 ~~31.~~ 28. "Landscape architect-in-training" means a candidate for
44 registration as a professional landscape architect who is a graduate of a
45 school approved by the board or who has ~~had~~ four years or more of education
46 or experience, or both, in landscape architectural work ~~which~~ THAT meets

1 standards specified by the board in its rules. In addition, the candidate
2 shall have passed the landscape architect-in-training examination.

3 ~~32-~~ 29. "Landscape architectural practice" means the performance of
4 professional services such as consultations, investigation, reconnaissance,
5 research, planning, design or responsible supervision in connection with the
6 development of land and incidental water areas where, and to the extent that,
7 the dominant purpose of such services is the preservation, enhancement or
8 determination of proper land uses, natural land features, ground cover and
9 planting, naturalistic and aesthetic values, the settings of and approaches
10 to buildings, structures, facilities or other improvements, natural drainage
11 and the consideration and the determination of inherent problems of the land
12 relating to erosion, wear and tear, light or other hazards. This practice
13 shall include the location and arrangement of such tangible objects and
14 features as are incidental and necessary to the purposes outlined in this
15 paragraph but shall not include the making of cadastral surveys or final land
16 plats for official recording or approval, nor mandatorily include planning
17 for governmental subdivisions.

18 ~~33-~~ 30. "Monitored alarm" means a device that is designed for the
19 detection of an entry on any premises and that if activated generates a
20 notification signal.

21 ~~34-~~ 31. "On-site supervisor" means the employee of a drug laboratory
22 site remediation firm who is authorized to oversee on-site workers in the
23 performance of their duties.

24 ~~35-~~ 32. "On-site worker" means an employee of a drug laboratory site
25 remediation firm who has on-site duties or who handles contaminated
26 materials, chemicals or contaminated equipment.

27 ~~36-~~ 33. "Person" means any individual, firm, partnership, corporation,
28 association or other organization.

29 ~~37-~~ 34. "Principal" means an individual who is an officer of the
30 corporation or is designated by a firm as having full authority and
31 responsible charge of the services offered by the firm.

32 ~~38-~~ 35. "Proprietor alarm" means any alarm or alarm system that is
33 owned by an alarm subscriber who has not contracted with an alarm business.

34 ~~39-~~ 36. "Registrant" means a person registered or certified by the
35 board.

36 ~~40-~~ 37. "Registration" means a registration or certification issued by
37 the board.

38 Sec. 9. Section 32-102, Arizona Revised Statutes, is amended to read:

39 ~~32-102.~~ State board of technical registration; vacancies; terms

40 A. ~~A-~~ THE state board of technical registration is established
41 consisting of members WHO ARE appointed by the governor as follows:

42 1. Two architects.

43 2. Three professional engineers, two of whom are representatives of
44 branches of engineering other than civil engineering and are registered in
45 those branches pursuant to this chapter.

46 3. One public member.

1 4. One landscape architect.
2 5. One geologist ~~or assayer~~.
3 6. One land surveyor.
4 B. ~~Upon~~ ON the expiration of any of the terms, a successor, ~~WHO IS~~
5 qualified pursuant to subsection A, ~~OF THIS SECTION~~ shall be appointed for a
6 full term of three years. The governor may remove a member of the board for
7 misconduct, incapacity or neglect of duty. Appointment to fill a vacancy
8 caused other than by expiration of term shall be for the unexpired portion of
9 the term.
10 C. No member may serve more than two consecutive terms.
11 Sec. 10. Section 32-103, Arizona Revised Statutes, is amended to read:
12 32-103. Qualifications of members
13 A. Each professional member of the board shall:
14 1. Be at least twenty-five years of age.
15 2. Have been a resident of ~~the~~ THIS state for at least three years
16 immediately preceding appointment as a member.
17 B. Each member who is an architect, A geologist, ~~an assayer~~, a
18 landscape architect, a professional engineer or a land surveyor shall have
19 ~~had~~ at least five years' active professional experience as attested by
20 registration under this chapter.
21 Sec. 11. Section 32-122, Arizona Revised Statutes, is amended to read:
22 32-122. Qualifications for in-training registration
23 A. An applicant for in-training registration as an architect,
24 engineer, geologist or landscape architect shall:
25 1. Be of good moral character and repute.
26 2. Be a graduate of a school approved by the board or have four years
27 or more, or if an applicant for in-training registration as an architect,
28 five years or more, of education or experience, or both, in work in the
29 profession in which registration is sought that meets standards specified by
30 the board in its rules.
31 3. Unless exempt under section 32-126, subsection D, pass the
32 in-training examination in the profession in which registration is sought.
33 B. An applicant for in-training registration as ~~an assayer or~~ A land
34 surveyor shall:
35 ~~1. Be of good moral character and repute.~~
36 ~~2.~~ 1. Be a graduate of a school and curriculum approved by the board,
37 or have four years or more of education or experience, or both, in work in
38 the profession in which registration is sought that meets standards specified
39 by the board in its rules.
40 ~~3.~~ 2. Unless exempt under section 32-126, subsection D, pass the
41 in-training examination in the profession in which registration is sought.
42 C. An applicant for in-training registration as a home
43 inspector-in-training shall ~~+~~
44 ~~1. Be of good moral character and repute.~~
45 ~~2.~~ meet the requirements of section 32-122.02, subsection A,
46 paragraphs 1 through 7.

1 Sec. 12. Section 32-122.01, Arizona Revised Statutes, is amended to
2 read:

3 32-122.01. Qualifications for professional registration

4 A. An applicant for professional registration as an architect,
5 engineer, geologist or landscape architect shall:

- 6 1. Be of good moral character and repute.
- 7 2. Be actively engaged in education or experience, or both, in the
8 profession for which registration is sought for at least eight years.
- 9 3. Unless exempt under section 32-126, pass the in-training and
10 professional examinations in the profession in which registration is sought.

11 B. An applicant for professional registration as ~~an assayer or~~ A land
12 surveyor shall:

- 13 1. Be of good moral character and repute.
- 14 2. Be actively engaged in education or experience, or both, in the
15 profession for which registration is sought for at least six years.
- 16 3. Unless exempt under section 32-126, pass the in-training and
17 professional examinations in the profession in which registration is sought.

18 C. In computing the period of active engagement required under this
19 section:

20 1. Each year of study satisfactorily completed in an architectural,
21 engineering, geological or landscape architectural school approved by the
22 board is equivalent to one year of active engagement up to a maximum of five
23 years. One year or more of teaching architectural, engineering, geological
24 or landscape architectural subjects in a school approved by the board is
25 equivalent to one year of active engagement.

26 2. Each year of study satisfactorily completed in ~~an assaying or~~ A
27 land surveying curriculum and school approved by the board is considered
28 equivalent to one year of active engagement up to a maximum of four years.
29 One year or more of teaching ~~assaying or~~ land surveying or other courses
30 approved by the board as pertinent to the profession in which registration is
31 sought in a school approved by the board is equivalent to one year of active
32 engagement.

33 D. Except as provided in subsection E of this section, experience
34 credited by the board under this section and sections 32-101, 32-122 and
35 32-126 must be attained under the direct supervision of a professional who is
36 satisfactory to the board and registered in this state, another state or a
37 foreign country in the profession in which the applicant is seeking
38 registration, except that up to one year's experience may be attained under
39 the direct supervision of a professional who is satisfactory to the board and
40 registered in another profession regulated under this chapter in this state,
41 another state or a foreign country.

42 E. By two-thirds majority vote the board may allow an applicant except
43 for an architect applicant to meet the requirements of subsection D of this
44 section by crediting comparable experience satisfactory to the board that the
45 applicant attained without direct supervision of a registered professional.

1 Sec. 13. Title 32, chapter 1, article 2, Arizona Revised Statutes, is
2 amended by adding section 32-132, to read:

3 32-132. Assayer emeritus status

4 THE BOARD SHALL GRANT ASSAYER EMERITUS STATUS TO AN ASSAYER WHO IS
5 REGISTERED BY THE BOARD PURSUANT TO THIS CHAPTER ON THE EFFECTIVE DATE OF
6 THIS SECTION IF BOTH OF THE FOLLOWING APPLY:

7 1. THE ASSAYER HAS NOT RECEIVED ANY COMPLAINTS DURING THE ASSAYER'S
8 ACTIVE REGISTRATION.

9 2. THE ASSAYER ANALYZES METALS, ORES, MINERALS OR ALLOYS TO ASCERTAIN
10 THE QUANTITY OF GOLD OR SILVER OR ANY OTHER SUBSTANCE PRESENT IN THE METALS,
11 ORES, MINERALS OR ALLOYS.

12 Sec. 14. Section 32-142, Arizona Revised Statutes, is amended to read:

13 32-142. Public works

14 A. Drawings, plans, specifications, estimates and construction
15 observation for public works of ~~the~~ THIS state or a political subdivision
16 ~~thereof~~ OF THIS STATE involving architecture, engineering, ~~assaying~~, geology,
17 landscape architecture or land surveying shall be prepared by or under the
18 direct supervision of a registrant within the category involved.

19 B. Surveys, ~~OR~~ maps ~~or assays~~ required in connection with public land
20 surveying ~~or assaying~~ shall be made by or under the personal direction of a
21 qualified registrant.

22 C. Drawings, plans, design specifications and construction observation
23 of public works facilities of the state or a political subdivision ~~thereof~~ OF
24 THIS STATE for the use or storage of hazardous materials shall be made by or
25 under the direct supervision of a qualified registrant in the appropriate
26 field.

27 Sec. 15. Section 32-144, Arizona Revised Statutes, is amended to read:

28 32-144. Exemptions and limitations: definition

29 A. Professions and occupations regulated by the board may be practiced
30 without compliance with the requirements of this chapter by:

31 1. An officer or employee of the United States, practicing as such.

32 2. An employee of a registrant or of a person exempt from
33 registration, if such employment does not involve direct responsibility for
34 design, inspection or supervision.

35 3. A nonregistrant who designs, alters or adds to either of the
36 following:

37 (a) A detached single family dwelling.

38 (b) An individual unit in a multifamily dwelling if the walls that are
39 designed, altered or added in the unit are not bearing walls, shear walls or
40 firewalls, which shall be determined by a registrant following an evaluation
41 of the walls to be designed, altered or added.

42 4. A nonregistrant who designs a one or two story building or
43 structure in which the square footage of the floor area measured to the
44 outside surface of the exterior walls does not exceed three thousand square
45 feet, that is not intended for occupancy by more than twenty persons on a
46 continuous basis and in which the maximum span of any structural member does

1 not exceed twenty feet unless a greater span is achieved by the use of wood
2 or steel roof or floor trusses or lintels approved by an engineer registered
3 by the board.

4 5. A nonregistrant who designs additions or alterations to a one or
5 two story building or structure subject to the limitations set forth in
6 paragraph 4 of this subsection. A nonregistrant may exceed the maximum three
7 thousand square foot limitation set forth in paragraph 4 of this subsection
8 for a one-time single addition not exceeding one thousand five hundred square
9 feet as measured to the outside surface of the exterior walls and designed
10 for the purpose of storage of chattels.

11 6. A nonregistrant who designs a water or wastewater treatment plant,
12 or extensions, additions, modifications or revisions, or extensions to water
13 distribution or collection systems, if the total cost of such construction
14 does not exceed twelve thousand five hundred dollars.

15 7. A nonregistrant who designs buildings or structures to be erected
16 on property owned or leased by the nonregistrant or by a person, firm or
17 corporation, including a utility, telephone, mining or railroad company,
18 which employs the nonregistrant on a full-time basis, if the buildings or
19 structures are intended solely for the use of the owner or lessee of the
20 property, are not ordinarily occupied by more than twenty people, are not for
21 sale to, rental to or use by the public and conform to the building code
22 adopted by the city, town or county in which the building is to be erected or
23 altered.

24 8. A nonregistrant who provides horticultural consultations or
25 prepares planting plans for plant installations.

26 B. A registrant who performs any of the activities described in
27 subsection A, paragraphs 3 through 8 of this section is subject to the
28 requirements of this chapter.

29 C. The requirements of this chapter shall not apply to work done by
30 any communications common carrier or its affiliates or any public service
31 corporation or manufacturing industry or by full-time employees of any of
32 them, provided such work is in connection with or incidental to the products,
33 systems or nonengineering services of such communications common carrier or
34 its affiliates or public service corporation or manufacturing industry, and
35 provided that the engineering service is not offered directly to the public.

36 D. An individual shall not perform home inspections unless the
37 individual is certified as a home inspector pursuant to this chapter, except
38 that nothing in this chapter prevents:

39 1. A person who is licensed, certified or registered pursuant to this
40 chapter or another chapter in this title from acting within the scope of the
41 person's license, certification or registration.

42 2. A person who is employed by a governmental entity from inspecting
43 residential structures if the inspection is within official duties and
44 responsibilities.

45 3. A person from performing a home inspection if the inspection will
46 be used solely by a bank, savings and loan association or credit union to

1 monitor progress on the construction of a residential structure, unless
2 otherwise required by federal law or regulation.

3 4. A person who is employed as a property manager for a residential
4 structure and whose official duties and responsibilities include inspecting
5 the residential structure from performing a home inspection on the structure
6 if the person does not receive separate compensation for the inspection work.

7 E. No person including a person described in subsection D of this
8 section may use any letterhead, advertisement, communication or other device
9 to represent that the person is a home inspector unless the person is
10 certified as a home inspector pursuant to this chapter.

11 F. A TRAINED GEOLOGIST MAY ENGAGE IN A GEOLOGICAL PRACTICE WITHOUT
12 BEING REGISTERED UNDER THIS CHAPTER. A TRAINED GEOLOGIST MAY NOT ENGAGE IN A
13 GEOLOGICAL PRACTICE IF ANY OF THE FOLLOWING APPLIES:

14 1. THE TRAINED GEOLOGIST HAS BEEN CONVICTED OF A FELONY IN THIS STATE
15 OR ANY OTHER STATE.

16 2. THE TRAINED GEOLOGIST HAS BEEN REGISTERED OR LICENSED IN THIS STATE
17 OR ANY OTHER STATE AND HAS HAD THE REGISTRATION OR LICENSE SUSPENDED OR
18 REVOKED BY THIS STATE OR THE OTHER STATE.

19 3. THE TRAINED GEOLOGIST HAS BEEN PROHIBITED FROM ENGAGING IN A
20 GEOLOGICAL PRACTICE IN THIS STATE OR ANY OTHER STATE DUE TO ANY PRIVATE,
21 CIVIL OR PROFESSIONAL COMPLAINT RELATED TO AN ETHICAL OR TECHNICAL VIOLATION
22 WHILE ENGAGED IN THE PRACTICE OF GEOLOGY.

23 4. THE TRAINED GEOLOGIST FAILS TO DISCLOSE TO A PERSON EMPLOYING OR
24 HIRING THE TRAINED GEOLOGIST:

25 (a) ANY DISCIPLINARY ACTION TAKEN AGAINST THE TRAINED GEOLOGIST IN
26 THIS STATE OR ANY OTHER STATE DUE TO ANY PRIVATE, CIVIL OR PROFESSIONAL
27 COMPLAINT THAT IS RELATED TO AN ETHICAL OR TECHNICAL VIOLATION WHILE ENGAGED
28 IN THE PRACTICE OF GEOLOGY.

29 (b) THAT THE TRAINED GEOLOGIST IS NOT A REGISTERED GEOLOGIST PURSUANT
30 TO THIS TITLE.

31 5. THE TRAINED GEOLOGIST IS REQUIRED TO BE REGISTERED BY ANOTHER LAW
32 IN THIS STATE OR BY FEDERAL LAW.

33 6. STATE OR FEDERAL LAW CONDITIONS THE ISSUANCE OF A LICENSE OR
34 PERMIT, INCLUDING PERMITS ISSUED UNDER TITLE 27, 37, 45 OR 49, ON THE
35 ISSUANCE OF A REPORT THAT IS SEALED BY A REGISTERED GEOLOGIST.

36 G. "TRAINED GEOLOGIST" MEANS A PERSON WHO HAS BOTH:

37 1. EARNED A GEOLOGY DEGREE FROM AN ACCREDITED EDUCATIONAL INSTITUTION.

38 2. PARTICIPATED IN GEOLOGICAL WORK EXPERIENCE OUTSIDE OF AN
39 EDUCATIONAL INSTITUTION FOR AT LEAST FOUR YEARS.

40 Sec. 16. Section 32-1301, Arizona Revised Statutes, is amended to
41 read:

42 32-1301. Definitions

43 In this chapter, unless the context otherwise requires:

44 1. "Accredited" means recognized or authorized by the American board
45 of funeral service education.

- 1 2. "Administrative costs and expenses" means the cost of copies,
2 transcripts, court reporter and witness fees, reimbursement for mileage and
3 office of administrative hearings costs.
- 4 3. "Alternative container" means any unfinished wood box or other
5 nonmetal receptacle or enclosure, without ornamentation or a fixed interior
6 lining, that is designed for the encasement of human remains.
- 7 4. "Authorizing agent" means a person who is legally entitled to order
8 the cremation, disinterment or embalming of human remains pursuant to section
9 32-1365.02.
- 10 5. "Beneficiary" means a person whose future funeral arrangements will
11 be handled by a funeral establishment pursuant to a prearranged funeral
12 agreement.
- 13 6. "Board" means the state board of funeral directors and embalmers.
- 14 7. "Business entity" includes any corporation, association, limited
15 liability company, professional corporation, partnership, limited
16 partnership, sole proprietorship, business trust, trust, joint venture and
17 other business entity.
- 18 8. "Casket" means a rigid container that is designed for the permanent
19 encasement of human remains and that is usually constructed of wood, metal or
20 synthetic substances and ornamented and lined with fabric.
- 21 9. "Change of ownership" means a transfer of a controlling legal or
22 equitable interest in a licensed funeral establishment or crematory resulting
23 from a sale or merger. If the establishment or crematory is operated by a
24 business entity, any transfer of the ownership of ten ~~per cent~~ PERCENT or
25 more of the entity constitutes a change of ownership.
- 26 10. "Conviction" means a criminal adjudication or conviction by any
27 state or federal court of competent jurisdiction, including a judgment based
28 on a no contest plea, without regard to whether civil rights have been
29 restored.
- 30 11. "Cremated remains" means the remaining bone fragments after
31 cremation.
- 32 12. "Cremation" means the heating process that reduces human remains
33 to bone fragments by combustion and evaporation.
- 34 13. "Cremation container" means a leak and spill resistant, rigid,
35 combustible, closed receptacle into which human remains are placed before
36 cremation.
- 37 14. "Cremationist" means a person who operates a crematory retort, who
38 performs the actual cremation of human remains and who ~~is~~ MAY BE licensed
39 pursuant to article 6 of this chapter.
- 40 15. "Crematory" means a building or portion of a building that is
41 licensed pursuant to article 6 of this chapter and that houses a retort in
42 which only human remains are cremated.
- 43 16. "Disciplinary action" means action taken by the board to revoke or
44 suspend a license or registration, to impose probationary requirements or
45 civil penalties or to issue a letter of censure or reprimand to any person

1 who is subject to this chapter and who violates any provision of this chapter
2 or rules adopted by the board.

3 17. "Embalmer" means a person who is licensed pursuant to this chapter
4 and who is engaged in embalming.

5 18. "Embalmer's assistant" means a person who is registered pursuant
6 to this chapter and who is engaged in embalming without the supervision of a
7 licensed embalmer.

8 19. "Embalming" means the implementation of reconstructive procedures
9 and the process of disinfecting and preserving a dead human body to retard
10 organic decomposition by treating the body to reduce the presence and growth
11 of organisms.

12 20. "Financial institution" means a bank, savings and loan
13 association, trust company or credit union that is lawfully doing business in
14 this state and that is not affiliated with a funeral establishment.

15 21. "Fixed price prearranged funeral agreement funded by trust" means
16 any agreement or combination of agreements that establishes a fixed price for
17 funeral goods and services, that requires a funeral establishment to provide
18 those funeral goods and services at the price levels in effect at the time of
19 the execution of the agreement and that requires the purchaser to convey all
20 or a portion of the accrued interest to the funeral establishment at the time
21 that the funeral goods and services are actually provided.

22 22. "Funded by insurance" means that monies for a prearranged funeral
23 agreement are paid directly to an insurance company licensed pursuant to
24 title 20 on behalf of the beneficiary of the agreement.

25 23. "Funeral directing" means arranging, directing or providing a
26 service in the disposition of dead human bodies for compensation.

27 24. "Funeral director" means a person who is licensed pursuant to this
28 chapter and who is engaged in funeral directing.

29 25. "Funeral establishment" means a business at a specific location
30 that is licensed pursuant to this chapter and that is devoted to the care,
31 storage or preparation for final disposition or transportation of dead human
32 bodies.

33 26. "Funeral goods and services" means any personal property or
34 services typically sold or provided in connection with the final disposition
35 of human remains, including caskets, alternative containers, outer burial
36 containers, cremation containers, transportation containers, funeral clothing
37 or accessories, monuments, grave markers, urns, embalming services, funeral
38 directing services and similar funeral or burial items. Funeral goods and
39 services do not include goods and services sold by cemeteries.

40 27. "Good moral character" means that a person:

41 (a) Has not been convicted of a class 1 or 2 felony by a court of
42 competent jurisdiction.

43 (b) Has not, within five years of application for licensure or
44 registration, been convicted of a felony or misdemeanor if the offense has a
45 reasonable relationship to the person's proposed area of licensure or
46 registration.

1 (c) Has not, within five years of application for licensure or
2 registration, committed any act involving dishonesty, fraud,
3 misrepresentation, breach of fiduciary duty, gross negligence or incompetence
4 if the act has a reasonable relationship to the person's proposed area of
5 licensure or registration.

6 (d) Is not currently incarcerated in or on community supervision after
7 a period of imprisonment in a local, state or federal penal institution or on
8 criminal probation.

9 (e) Has not engaged in fraud or misrepresentation in connection with
10 an application for licensure or registration under this chapter or an
11 examination required for licensure or registration.

12 (f) Has not, within five years of application for licensure or
13 registration, had a license, registration or endorsement revoked or suspended
14 by the board or by the funeral services licensing authority of any other
15 jurisdiction.

16 (g) Has not surrendered a license, registration or endorsement to the
17 board or the funeral licensing authority of any other jurisdiction in lieu of
18 disciplinary action.

19 (h) Has not practiced funeral directing or embalming without a license
20 in this state or any other jurisdiction that requires licensure to perform
21 these activities.

22 28. "Holding facility" means a designated area for the retention of
23 human remains.

24 29. "Human remains" means a lifeless human body or parts of a human
25 body that permit a reasonable inference that death occurred.

26 30. "Intern" means a person who is licensed pursuant to this chapter
27 and who is engaged in embalming under the supervision of a licensed embalmer.

28 31. "Intern trainee" means a person who intends to enter training as
29 an intern and who is temporarily employed by a funeral establishment.

30 32. "License" means a written authorization that is issued by the
31 board and that entitles a person to act as a funeral director, embalmer or
32 intern or to operate a funeral establishment or crematory in this state.

33 33. "Licensee" means a person to whom the board has issued a license
34 to act as a funeral director, embalmer or intern or to operate a funeral
35 establishment or crematory in this state.

36 34. "Manage" means:

37 (a) ~~For THAT~~ a responsible funeral director ~~to-exercise~~ EXERCISES
38 control and oversight over all employees of a funeral establishment and over
39 funeral transactions, including the care of dead human bodies, funeral
40 services and activities and the documentation and retention of records.

41 (b) ~~For THAT~~ a responsible cremationist ~~to-exercise~~ EXERCISES control
42 and oversight over all employees of a crematory and crematory operations.

43 35. "National board examination" means the test or tests given by the
44 conference of funeral service examining boards to determine the entry level
45 knowledge and skills of a person regarding funeral directing and embalming.

- 1 36. "Net interest" means interest earned on a prearranged funeral
2 trust account less applicable taxes, reasonable and necessary charges made by
3 the financial institution and the annual service fee permitted to be deducted
4 by the funeral establishment according to section 32-1391.06, subsection B.
5 37. "Outer burial container" means a container that is designed for
6 placement in a grave around a casket, including burial vaults, grave boxes
7 and grave liners.
8 38. "Owner" means a person who owns ten ~~per-cent~~ PERCENT or more of a
9 business entity. Owner does not include shareholders of companies who have a
10 class of common equity stock listed or authorized to be listed on the New
11 York stock exchange or the American stock exchange or listed on the NASDAQ
12 stock market.
13 39. "Person legally responsible" means the person responsible for
14 burying a dead body as determined in section 36-831.
15 40. "Prearranged funeral agreement" means any agreement or combination
16 of agreements under which a payment is made before the death of the intended
17 beneficiary for funeral goods and services to be delivered or performed after
18 the death of the beneficiary.
19 41. "Prearranged funeral trust account" means a trust account that is
20 established at a financial institution and into which all monies paid on
21 behalf of a beneficiary pursuant to a prearranged funeral agreement are
22 deposited.
23 42. "Preparation" means washing, shaving, dressing or arranging hair
24 on, applying cosmetics to or positioning bodily features on a dead human body
25 and placing a dead human body in a casket.
26 43. "Processed cremated remains" means cremated remains after they are
27 pulverized and cleaned, leaving primarily small bone fragments.
28 44. "Provisionally accredited" means granted candidacy status by the
29 American board of funeral service education.
30 45. "Registration" means a written authorization that is issued by the
31 board and that entitles a person to act as an assistant funeral director, an
32 embalmer's assistant or a prearranged funeral salesperson in this state.
33 46. "Responsible cremationist" means a licensed cremationist who
34 manages a crematory.
35 47. "Responsible funeral director" means a person who is licensed
36 pursuant to this chapter, who is engaged in funeral directing and who manages
37 and is accountable for a funeral establishment.
38 48. "Retort" means an enclosed space within which cremation takes
39 place.
40 49. "State equivalent examination" means the test or tests provided by
41 the conference of funeral service examining boards and offered by the board
42 to determine the entry level knowledge and skills of a person regarding
43 funeral directing and embalming.
44 50. "Supervise" or "supervision" means a licensed embalmer has
45 responsibility for and is within sight and sound of a licensed intern who is

1 embalming a dead human body or a student who is assisting in embalming a dead
2 human body.

3 51. "Temporary container" means a receptacle that is usually made of
4 cardboard, rigid plastic or another similar material and that is designed to
5 hold processed cremated remains until they are placed in an urn or another
6 permanent container.

7 52. "Trust funds" means all monies deposited on behalf of a
8 beneficiary of a prearranged funeral agreement funded by trust and all
9 accrued net interest. Trust funds shall be considered an account kept in
10 suspense until distributed to the beneficiary, the funeral establishment or
11 the estate of the beneficiary in accordance with this article.

12 53. "Universal precautions" means the universal blood and fluid
13 precautions recommended by the centers for disease control of the United
14 States public health service to prevent the transmission of ~~blood-borne~~
15 BLOODBORNE and bodily fluid-borne infectious diseases.

16 54. "Unprofessional conduct" includes the following acts, whether
17 occurring in this state or elsewhere:

18 (a) Commission of a class 1 or 2 felony.

19 (b) Commission of a felony or misdemeanor if the offense has a
20 reasonable relationship to funeral directing or embalming. Conviction by any
21 court of competent jurisdiction or a plea of no contest is conclusive
22 evidence of the commission.

23 (c) Providing false, misleading or deceptive information on an
24 application for licensure or registration pursuant to this chapter or on an
25 examination required for licensure or registration.

26 (d) Bribing or offering to bribe, directly or indirectly, a member of
27 the board to influence the member's actions in the performance of the
28 member's duties.

29 (e) Wilfully interfering with an embalmer, funeral director or
30 cremationist who has lawful custody of a dead human body in the performance
31 of the embalmer's, funeral director's or cremationist's duty to embalm or
32 prepare the body for burial, transportation or cremation.

33 (f) Paying or causing money or other valuable consideration to be paid
34 to a person, other than an employee of a funeral establishment, to secure
35 business regulated pursuant to this chapter from or through the person.

36 (g) Violating any law of this state or any rule adopted by the
37 department of health services that relates to the embalming or preparation of
38 dead human bodies.

39 (h) Certifying falsely to having embalmed or prepared a dead human
40 body that was embalmed by a person other than a licensed embalmer making the
41 certification or an intern under the supervision of a licensed embalmer
42 making the certification.

43 (i) Falsely advertising or labeling any service or merchandise with
44 the intention of deceiving the public.

1 (j) Shipping or delivering any merchandise or supplies that are not
2 the substantial equivalent of or superior in quality to merchandise or
3 supplies previously presented to the purchaser as samples.

4 (k) Committing any act involving dishonesty, fraud, misrepresentation,
5 breach of fiduciary duty, gross negligence or incompetence if the act has a
6 reasonable relationship to funeral directing or embalming.

7 (l) Engaging in any conduct or practice that is reasonably related to
8 funeral directing or embalming and that is or may be harmful or dangerous to
9 the health, safety or welfare of the public.

10 (m) Within a period of five years, having a license, registration or
11 endorsement suspended or revoked by the board or by the funeral services
12 licensing authority of any other jurisdiction or surrendering a license,
13 registration or endorsement in lieu of disciplinary action.

14 55. "Urn" means a receptacle into which processed cremated remains are
15 placed for disposition.

16 Sec. 17. Section 32-1394.01, Arizona Revised Statutes, is amended to
17 read:

18 32-1394.01. Application; qualifications for cremationist
19 licensure; licensure requirement for responsible
20 cremationists

21 A. An applicant for a cremationist license shall submit a completed
22 application on a form prescribed by the board. The application shall be
23 subscribed under oath and shall be accompanied by the applicable fee pursuant
24 to section 32-1309 and any additional information that the board deems
25 necessary.

26 B. An applicant for a cremationist license shall be of good moral
27 character and shall submit a completed fingerprint card and the prescribed
28 fingerprint ~~background~~ RECORDS check fee to the board to enable the board or
29 the department of public safety to conduct a criminal ~~background~~ RECORDS
30 check.

31 C. An applicant for a cremationist license shall meet the educational
32 requirements as prescribed by the board in rule.

33 D. If the board finds that the applicant meets the criteria for
34 cremationist licensure under this section and under rules adopted by the
35 board, the board shall issue a cremationist license.

36 E. NOTWITHSTANDING ANY OTHER LAW, A RESPONSIBLE CREMATIONIST IS
37 REQUIRED TO BE LICENSED PURSUANT TO THIS ARTICLE. ANY OTHER CREMATIONIST MAY
38 BE LICENSED PURSUANT TO THIS ARTICLE BUT, IF NOT LICENSED, MAY ENGAGE ONLY IN
39 CREMATION ACTIVITY THAT IS ALLOWED WITHOUT A LICENSE.

40 Sec. 18. Section 32-2352, Arizona Revised Statutes, is amended to
41 read:

42 32-2352. Enforcement; contract with private entity

43 A. The director, subject to title 41, chapter 6, shall adopt such
44 rules concerning the administration and enforcement of this chapter as are
45 necessary to carry out the intent of this chapter and to protect the public.
46 The director or the director's authorized representative shall inspect the

1 school facilities and equipment used by applicants and licensees under this
2 chapter ~~and examine applicants for instructor's licenses.~~

3 B. The director shall administer and enforce this chapter.

4 C. The director may contract with a private entity to conduct
5 inspections pursuant to this section and to administer any rules adopted
6 pursuant to this section that relate to the licensure and administration of
7 professional driver training schools pursuant to this chapter. The term of
8 any contract entered into pursuant to this subsection shall not exceed five
9 years with a right to renew for an additional five years. The private entity
10 that contracts with the director pursuant to this subsection:

11 1. Shall not provide professional driver training school courses.

12 2. May charge a fee to each person who enrolls in a professional
13 driver training school.

14 Sec. 19. Delayed repeal

15 Section ~~32-2372~~, Arizona Revised Statutes, is repealed from and after
16 December 31, 2016.

17 Sec. 20. Title 32, chapter 23, article 2, Arizona Revised Statutes, is
18 amended by adding section 32-2372.01, to read:

19 32-2372.01 Commercial motor vehicle instructor; requirements

20 ON OR BEFORE DECEMBER 31, 2016 THE DIRECTOR SHALL ADOPT RULES TO
21 ESTABLISH REQUIREMENTS AND MINIMUM STANDARDS FOR COMMERCIAL MOTOR VEHICLE
22 INSTRUCTORS.

23 Sec. 21. Section 32-2373, Arizona Revised Statutes, is amended to
24 read:

25 32-2373. Refusal to issue or renew license of school or agent

26 A. The director may refuse to issue or renew the license for a school
27 or an agent ~~or instructor~~ in any case ~~where~~ IN WHICH the director determines
28 that the licensee or applicant has not complied with, or has knowingly
29 violated, any provision of this chapter or any rule adopted pursuant to this
30 chapter by the director.

31 B. An applicant or licensee who is aggrieved by the director's
32 decision may make a written request to the department for a hearing within
33 thirty days after service of notice of the refusal. If the applicant or
34 licensee does not request a hearing within thirty days, the decision is
35 final. If the applicant or licensee requests a hearing, the director shall
36 give written notice to the applicant or licensee to appear at the hearing and
37 show cause why the refusal to issue or renew the license should not be
38 upheld. After consideration of the evidence presented at the hearing, the
39 director shall serve notice in writing to the applicant or licensee of the
40 director's findings and order.

41 Sec. 22. Section 32-2374, Arizona Revised Statutes, is amended to
42 read:

43 32-2374. Fees

44 Except as provided in section 32-4301, all licenses expire on the last
45 day of the calendar year and may be renewed ~~upon~~ ON application to the
46 director as prescribed by rule. Each application for an original or renewal

1 license to operate a professional driver training school shall be accompanied
2 by a fee of two hundred dollars. Each application for an original or renewal
3 agent's ~~or instructor's~~ license shall be accompanied by a fee of ten
4 dollars. An application for a branch license shall be accompanied by a fee
5 of fifty dollars. No license fee may be refunded in the event a license is
6 suspended or revoked.

7 Sec. 23. Section 32-2391, Arizona Revised Statutes, is amended to
8 read:

9 32-2391. Suspension and revocation of license; determination;
10 appeal

11 The director, after conducting a hearing for the licensee, may cancel,
12 suspend or revoke the license of a school, ~~OR~~ agent ~~or instructor~~ in any
13 case ~~where~~ **IN WHICH** the director finds that the licensee has not complied
14 with, or has knowingly violated, this chapter or any rule adopted under this
15 chapter. Each cancelled, suspended or revoked license shall be returned to
16 the director by the licensee. Decisions of the director shall be subject to
17 judicial review pursuant to title 12, chapter 7, article 6.

18 Sec. 24. Section 32-3021, Arizona Revised Statutes, as amended by Laws
19 2011, chapter 141, section 1, is amended to read:

20 32-3021. Private vocational program license; qualifications;
21 provision of information; exemptions

22 A. A person shall not operate a private vocational program unless the
23 person holds a private vocational program license issued pursuant to this
24 chapter. Each program offered by a private vocational program licensee shall
25 be authorized on a private vocational program license. The board shall
26 prescribe the manner in which the programs shall be identified on the
27 license.

28 B. An applicant for a private vocational program license shall meet
29 all of the following requirements:

30 1. Furnish a letter of credit, surety bond or cash deposit as provided
31 in section 32-3023.

32 2. Make specific information concerning educational programs,
33 including statements of purpose, objectives, course of study, policies, fees
34 and other pertinent information, available to prospective students and the
35 general public.

36 3. Be financially responsible and have management capability.

37 4. Maintain a qualified faculty.

38 5. Maintain facilities, equipment and materials that are appropriate
39 for the stated program. All facilities shall meet applicable state and local
40 health and safety laws.

41 6. Maintain appropriate records as the board prescribes that are
42 properly safeguarded and preserved.

43 7. Use only advertisements that are consistent with the information
44 made available as provided in paragraph 2 of this subsection.

45 8. Provide courses of instruction that meet stated objectives.

46 9. Provide a grievance procedure for students.

1 10. Comply with all federal and state laws relating to the operation
2 of a private postsecondary educational institution.

3 11. Other requirements the board deems necessary.

4 C. An applicant for a private vocational program license shall submit
5 evidence of meeting the requirements prescribed in subsection B of this
6 section to the board. The board shall verify the evidence submitted.
7 Verification shall include on-site verification.

8 D. The filing of an application grants the board the authority to
9 obtain information from any of the following:

10 1. A licensing board or agency in any state, district, territory or
11 county of the United States or any foreign country.

12 2. The Arizona criminal justice information system as defined in
13 section 41-1750.

14 3. The federal bureau of investigation.

15 E. The board, on application, may issue a private vocational program
16 license to a new educational institution as provided in this section, except
17 that the board shall establish separate minimum standards for licensure
18 requirements of new educational institutions. These minimum standards may
19 include the modification of licensure requirements as provided in subsection
20 B, paragraphs 3, 5, 6, 7 and 8 of this section to meet the circumstances of
21 new educational institutions. The board shall monitor the new educational
22 institution to ensure compliance with the licensure requirements. The board
23 shall issue a private vocational program license as provided in this
24 subsection one time only to new educational institutions.

25 F. This section does not apply to any of the following:

26 1. A school licensed pursuant to chapter 3 or 5 of this title.

27 2. An instructional program or course sponsored by a bona fide trade
28 association solely for its members.

29 3. Privately owned academic schools engaged in the process of general
30 education that is designed to produce a level of development equivalent to
31 that necessary to meet the requirements for entrance into a public community
32 college or public university in this state and that may incidentally offer
33 technical and vocational courses as part of the curriculum.

34 4. Schools or private instruction conducted by any person engaged in
35 training, tutoring or teaching individuals or groups, if the instruction is
36 related to hobbies, avocations, academic improvement or recreation and may
37 only incidentally lead to gainful employment and if the instruction is for a
38 period of under forty hours and costs less than one thousand dollars.

39 5. Schools conducted by any person solely for training the person's
40 own employees.

41 6. An instructional program or course offered solely for employees and
42 for the purpose of improving the employees in their employment if both of the
43 following apply:

44 (a) The employee is not charged a fee.

45 (b) The employer provides or funds the program or course pursuant to a
46 valid written contract between the employer and a program or course provider.

1 7. Training conducted pursuant to 14 Code of Federal Regulations
2 part 141.

3 8. A school that solely provides an instructional program for
4 certified nursing assistants and is licensed by the nursing board pursuant to
5 section 32-1606, subsection B, paragraph 11.

6 9. A professional driving training school licensed by the department
7 of transportation pursuant to chapter 23, articles 1, 2 and 3 of this title.

8 10. A training program approved by the board of examiners of nursing
9 care institution administrators and assisted living facility managers that
10 solely provides training for managers and caregivers of assisted living
11 facilities.

12 11. A YOGA TEACHER TRAINING COURSE OR PROGRAM OR A YOGA INSTRUCTIONAL
13 COURSE OR PROGRAM.

14 Sec. 25. Section 32-3021, Arizona Revised Statutes, as amended by Laws
15 2015, chapter 262, section 20, is amended to read:

16 32-3021. Private vocational program license; qualifications;
17 provision of information; exemptions

18 A. A person shall not operate a private vocational program unless the
19 person holds a private vocational program license issued pursuant to this
20 chapter. Each program offered by a private vocational program licensee shall
21 be authorized on a private vocational program license. The board shall
22 prescribe the manner in which the programs shall be identified on the
23 license.

24 B. An applicant for a private vocational program license shall meet
25 all of the following requirements:

26 1. Furnish a letter of credit, surety bond or cash deposit as provided
27 in section 32-3023.

28 2. Make specific information concerning educational programs,
29 including statements of purpose, objectives, course of study, policies, fees
30 and other pertinent information, available to prospective students and the
31 general public.

32 3. Be financially responsible and have management capability.

33 4. Maintain a qualified faculty.

34 5. Maintain facilities, equipment and materials that are appropriate
35 for the stated program. All facilities shall meet applicable state and local
36 health and safety laws.

37 6. Maintain appropriate records as the board prescribes that are
38 properly safeguarded and preserved.

39 7. Use only advertisements that are consistent with the information
40 made available as provided in paragraph 2 of this subsection.

41 8. Provide courses of instruction that meet stated objectives.

42 9. Provide a grievance procedure for students.

43 10. Comply with all federal and state laws relating to the operation
44 of a private postsecondary educational institution.

45 11. Other requirements the board deems necessary.

1 C. An applicant for a private vocational program license shall submit
2 evidence of meeting the requirements prescribed in subsection B of this
3 section to the board. The board shall verify the evidence submitted.
4 Verification shall include on-site verification.

5 D. The filing of an application grants the board the authority to
6 obtain information from any of the following:

7 1. A licensing board or agency in any state, district, territory or
8 county of the United States or any foreign country.

9 2. The Arizona criminal justice information system as defined in
10 section 41-1750.

11 3. The federal bureau of investigation.

12 E. The board, on application, may issue a private vocational program
13 license to a new educational institution as provided in this section, except
14 that the board shall establish separate minimum standards for licensure
15 requirements of new educational institutions. These minimum standards may
16 include the modification of licensure requirements as provided in subsection
17 B, paragraphs 3, 5, 6, 7 and 8 of this section to meet the circumstances of
18 new educational institutions. The board shall monitor the new educational
19 institution to ensure compliance with the licensure requirements. The board
20 shall issue a private vocational program license as provided in this
21 subsection one time only to new educational institutions.

22 F. This section does not apply to any of the following:

23 1. A school licensed pursuant to chapter 3 or 5 of this title.

24 2. An instructional program or course sponsored by a bona fide trade
25 association solely for its members.

26 3. Privately owned academic schools engaged in the process of general
27 education that is designed to produce a level of development equivalent to
28 that necessary to meet the requirements for entrance into a public community
29 college or public university in this state and that may incidentally offer
30 technical and vocational courses as part of the curriculum.

31 4. Schools or private instruction conducted by any person engaged in
32 training, tutoring or teaching individuals or groups, if the instruction is
33 related to hobbies, avocations, academic improvement or recreation and may
34 only incidentally lead to gainful employment and if the instruction is for a
35 period of under forty hours and costs less than one thousand dollars.

36 5. Schools conducted by any person solely for training the person's
37 own employees.

38 6. An instructional program or course offered solely for employees and
39 for the purpose of improving the employees in their employment if both of the
40 following apply:

41 (a) The employee is not charged a fee.

42 (b) The employer provides or funds the program or course pursuant to a
43 valid written contract between the employer and a program or course provider.

44 7. Training conducted pursuant to 14 Code of Federal Regulations
45 part 141.

1 8. A school that solely provides an instructional program for
2 certified nursing assistants and licensed nursing assistants and is licensed
3 by the nursing board pursuant to section 32-1606, subsection B, paragraph 11.

4 9. A professional driving training school licensed by the department
5 of transportation pursuant to chapter 23, articles 1, 2 and 3 of this title.

6 10. A training program approved by the board of examiners of nursing
7 care institution administrators and assisted living facility managers that
8 solely provides training for managers and caregivers of assisted living
9 facilities.

10 11. A YOGA TEACHER TRAINING COURSE OR PROGRAM OR A YOGA INSTRUCTIONAL
11 COURSE OR PROGRAM.

12 Sec. 26. Section 41-619.51, Arizona Revised Statutes, is amended to
13 read:

14 41-619.51. Definitions

15 In this article, unless the context otherwise requires:

16 1. "Agency" means the supreme court, the department of economic
17 security, the department of child safety, the department of education, the
18 department of health services, the department of juvenile corrections, the
19 department of emergency and military affairs, the department of
20 transportation, the state real estate department, the ~~state board of~~
21 ~~appraisals~~ DEPARTMENT OF FINANCIAL INSTITUTIONS, the Arizona game and fish
22 department, ~~or~~ the board of examiners of nursing care institution
23 administrators and assisted living facility managers OR THE STATE BOARD OF
24 DENTAL EXAMINERS.

25 2. "Board" means the board of fingerprinting.

26 3. "Central registry exception" means notification to the department
27 of economic security, the department of child safety or the department of
28 health services, as appropriate, pursuant to section 41-619.57 that the
29 person is not disqualified because of a central registry check conducted
30 pursuant to section 8-804.

31 4. "Expedited review" means an examination, in accordance with board
32 rule, of the documents an applicant submits by the board or its hearing
33 officer without the applicant being present.

34 5. "Good cause exception" means the issuance of a fingerprint
35 clearance card to an employee pursuant to section 41-619.55.

36 6. "Person" means a person who is required to be fingerprinted
37 pursuant to this article or who is subject to a central registry check and
38 any of the following:

- 39 (a) Section 8-105.
- 40 (b) Section 8-322.
- 41 (c) Section 8-463.
- 42 (d) Section 8-509.
- 43 (e) Section 8-802.
- 44 (f) Section 8-804.
- 45 (g) Section 15-183.
- 46 (h) Section 15-503.

- 1 (i) Section 15-512.
- 2 (j) Section 15-534.
- 3 (k) Section 15-763.01.
- 4 (l) Section 15-782.02.
- 5 (m) Section 15-1330.
- 6 (n) Section 15-1881.
- 7 (o) Section 17-215.
- 8 (p) Section 28-3413.
- 9 (q) Section 32-1232.
- 10 (r) SECTION 32-1284.
- 11 (s) SECTION 32-1297.01.
- 12 ~~(r)~~ (t) Section 32-2108.01.
- 13 ~~(s)~~ (u) Section 32-2123.
- 14 ~~(t)~~ (v) Section 32-2371.
- 15 ~~(u) Section 32-2372.~~
- 16 ~~(v)~~ (w) Section 32-3620.
- 17 ~~(w)~~ (x) Section 32-3668.
- 18 ~~(x)~~ (y) Section 32-3669.
- 19 ~~(y)~~ (z) Section 36-207.
- 20 ~~(z)~~ (aa) Section 36-411.
- 21 ~~(aa)~~ (bb) Section 36-425.03.
- 22 ~~(bb)~~ (cc) Section 36-446.04.
- 23 ~~(cc)~~ (dd) Section 36-594.01.
- 24 ~~(dd)~~ (ee) Section 36-594.02.
- 25 ~~(ee)~~ (ff) Section 36-882.
- 26 ~~(ff)~~ (gg) Section 36-883.02.
- 27 ~~(gg)~~ (hh) Section 36-897.01.
- 28 ~~(hh)~~ (ii) Section 36-897.03.
- 29 ~~(ii)~~ (jj) Section 36-3008.
- 30 ~~(jj)~~ (kk) Section 41-619.53.
- 31 ~~(kk)~~ (ll) Section 41-1964.
- 32 ~~(ll)~~ (mm) Section 41-1967.01.
- 33 ~~(mm)~~ (nn) Section 41-1968.
- 34 ~~(nn)~~ (oo) Section 41-1969.
- 35 ~~(oo)~~ (pp) Section 41-2814.
- 36 ~~(pp)~~ (qq) Section 46-141, subsection A.
- 37 ~~(qq)~~ (rr) Section 46-321.

38 Sec. 27. Section 41-1758, Arizona Revised Statutes, is amended to
39 read:

40 41-1758. Definitions

41 In this article, unless the context otherwise requires:

- 42 1. "Agency" means the supreme court, the department of economic
43 security, the department of child safety, the department of education, the
44 department of health services, the department of juvenile corrections, the
45 department of emergency and military affairs, the department of
46 transportation, the state real estate department, the ~~state board of~~

1 ~~appraisal~~ DEPARTMENT OF FINANCIAL INSTITUTIONS, the board of fingerprinting,
2 the Arizona game and fish department, ~~or~~ the board of examiners of nursing
3 care institution administrators and assisted living facility managers OR THE
4 STATE BOARD OF DENTAL EXAMINERS.

5 2. "Division" means the fingerprinting division in the department of
6 public safety.

7 3. "Electronic or internet-based fingerprinting services" means a
8 secure system for digitizing applicant fingerprints and transmitting the
9 applicant data and fingerprints of a person or entity submitting fingerprints
10 to the department of public safety for any authorized purpose under this
11 title. For the purposes of this paragraph, "secure system" means a system
12 that complies with the information technology security policy approved by the
13 department of public safety.

14 4. "Good cause exception" means the issuance of a fingerprint
15 clearance card to an applicant pursuant to section 41-619.55.

16 5. "Person" means a person who is required to be fingerprinted
17 pursuant to any of the following:

- 18 (a) Section 8-105.
- 19 (b) Section 8-322.
- 20 (c) Section 8-463.
- 21 (d) Section 8-509.
- 22 (e) Section 8-802.
- 23 (f) Section 15-183.
- 24 (g) Section 15-503.
- 25 (h) Section 15-512.
- 26 (i) Section 15-534.
- 27 (j) Section 15-763.01.
- 28 (k) Section 15-782.02.
- 29 (l) Section 15-1330.
- 30 (m) Section 15-1881.
- 31 (n) Section 17-215.
- 32 (o) Section 28-3413.
- 33 (p) Section 32-1232.
- 34 (q) SECTION 32-1284.
- 35 (r) SECTION 32-1297.01.
- 36 ~~(q)~~ (s) Section 32-2108.01.
- 37 ~~(r)~~ (t) Section 32-2123.
- 38 ~~(s)~~ (u) Section 32-2371.
- 39 ~~(t)~~ ~~Section 32-2372.~~
- 40 ~~(u)~~ (v) Section 32-3620.
- 41 ~~(v)~~ (w) Section 32-3668.
- 42 ~~(w)~~ (x) Section 32-3669.
- 43 ~~(x)~~ (y) Section 36-207.
- 44 ~~(y)~~ (z) Section 36-411.
- 45 ~~(z)~~ (aa) Section 36-425.03.
- 46 ~~(aa)~~ (bb) Section 36-446.04.

- 1 ~~(bb)~~ (cc) Section 36-594.01.
- 2 ~~(cc)~~ (dd) Section 36-594.02.
- 3 ~~(dd)~~ (ee) Section 36-882.
- 4 ~~(ee)~~ (ff) Section 36-883.02.
- 5 ~~(ff)~~ (gg) Section 36-897.01.
- 6 ~~(gg)~~ (hh) Section 36-897.03.
- 7 ~~(hh)~~ (ii) Section 36-3008.
- 8 ~~(ii)~~ (jj) Section 41-619.52.
- 9 ~~(jj)~~ (kk) Section 41-619.53.
- 10 ~~(kk)~~ (ll) Section 41-1964.
- 11 ~~(ll)~~ (mm) Section 41-1967.01.
- 12 ~~(mm)~~ (nn) Section 41-1968.
- 13 ~~(nn)~~ (oo) Section 41-1969.
- 14 ~~(oo)~~ (pp) Section 41-2814.
- 15 ~~(pp)~~ (qq) Section 46-141, subsection A.
- 16 ~~(qq)~~ (rr) Section 46-321.

17 6. "Vulnerable adult" has the same meaning prescribed in section
18 13-3623.

19 Sec. 28. Section 41-1758.01, Arizona Revised Statutes, is amended to
20 read:

21 41-1758.01. Fingerprinting division; powers and duties

22 A. The fingerprinting division is established in the department of
23 public safety and shall:

24 1. Conduct fingerprint background checks for persons and applicants
25 who are seeking licenses from state agencies, employment with licensees,
26 contract providers and state agencies or employment or educational
27 opportunities with agencies that require fingerprint background checks
28 pursuant to sections 8-105, 8-322, 8-463, 8-509, 8-802, 15-183, 15-503,
29 15-512, 15-534, 15-763.01, 15-782.02, 15-1330, 15-1881, 17-215, 28-3413,
30 32-1232, 32-1284, 32-1297.01, 32-2108.01, 32-2123, 32-2371, ~~32-2372~~, 32-3620,
31 32-3668, 32-3669, 36-207, 36-411, 36-425.03, 36-446.04, 36-594.01, 36-594.02,
32 36-882, 36-883.02, 36-897.01, 36-897.03, 36-3008, 41-619.52, 41-619.53,
33 41-1964, 41-1967.01, 41-1968, 41-1969 and 41-2814, section 46-141, subsection
34 A and section 46-321.

35 2. Issue fingerprint clearance cards. On issuance, a fingerprint
36 clearance card becomes the personal property of the cardholder and the
37 cardholder shall retain possession of the fingerprint clearance card.

38 3. On submission of an application for a fingerprint clearance card,
39 collect the fees established by the board of fingerprinting pursuant to
40 section 41-619.53 and deposit, pursuant to sections 35-146 and 35-147, the
41 monies collected in the board of fingerprinting fund.

42 4. Inform in writing each person who submits fingerprints for a
43 fingerprint background check of the right to petition the board of
44 fingerprinting for a good cause exception pursuant to section 41-1758.03,
45 41-1758.04 or 41-1758.07.

46 5. If after conducting a state and federal criminal history records

1 check the division determines that it is not authorized to issue a
2 fingerprint clearance card to a person, inform the person in writing that the
3 division is not authorized to issue a fingerprint clearance card. The notice
4 shall include the criminal history information on which the denial was
5 based. This criminal history information is subject to dissemination
6 restrictions pursuant to section 41-1750 and Public Law 92-544.

7 6. Notify the person in writing if the division suspends, revokes or
8 places a driving restriction notation on a fingerprint clearance card
9 pursuant to section 41-1758.04. The notice shall include the criminal
10 history information on which the suspension, revocation or placement of the
11 driving restriction notation was based. This criminal history information is
12 subject to dissemination restrictions pursuant to section 41-1750 and Public
13 Law 92-544.

14 7. Administer and enforce this article.

15 B. The fingerprinting division may contract for electronic or
16 internet-based fingerprinting services through an entity or entities for the
17 acquisition and transmission of applicant fingerprint and data submissions to
18 the department, including identity verified fingerprints pursuant to section
19 15-106. The entity or entities contracted by the department of public safety
20 may charge the applicant a fee for services provided pursuant to this
21 article. The entity or entities contracted by the department of public
22 safety shall comply with:

23 1. All information privacy and security measures and submission
24 standards established by the department of public safety.

25 2. The information technology security policy approved by the
26 department of public safety.

27 Sec. 29. Section 41-2571, Arizona Revised Statutes, is amended to
28 read:

29 41-2571. Definitions

30 In this article, unless the context otherwise requires:

31 1. "Architect services", "engineer services", "land surveying
32 services", ~~"assayer services"~~, "geologist services" and "landscape architect
33 services" ~~means~~ MEAN those professional services within the scope of the
34 practice of those services as provided in title 32, chapter 1, article 1.

35 2. "Cost" means the aggregate cost of all materials and services,
36 including labor performed by force account.

37 3. "Design professional service contract" means a written agreement
38 relating to the planning, design, construction administration, study,
39 evaluation, consulting, inspection, surveying, mapping, material sampling,
40 testing or other professional, scientific or technical services furnished in
41 connection with any actual or proposed study, planning, survey, environmental
42 remediation, construction, improvement, alteration, repair, maintenance,
43 relocation, moving, demolition or excavation of a structure, street or
44 roadway, appurtenance, facility or development or other improvement to land.

45 4. "Design professional services" means architect services, engineer
46 services, land surveying services, geologist services or landscape architect

1 services or any combination of those services performed by or under the
2 supervision of a design professional or employees or subconsultants of the
3 design professional.

4 5. "Subconsultant" means any person, firm, partnership, corporation,
5 association or other organization, or a combination of any of them, that has
6 a direct contract with a design professional or another subconsultant to
7 perform a portion of the work under a design professional service contract.

8 Sec. 30. Section 42-5075, Arizona Revised Statutes, is amended to
9 read:

10 42-5075. Prime contracting classification; exemptions;
11 definitions

12 A. The prime contracting classification is comprised of the business
13 of prime contracting and the business of manufactured building dealer. Sales
14 for resale to another manufactured building dealer are not subject to
15 tax. Sales for resale do not include sales to a lessor of manufactured
16 buildings. The sale of a used manufactured building is not taxable under
17 this chapter.

18 B. The tax base for the prime contracting classification is sixty-five
19 percent of the gross proceeds of sales or gross income derived from the
20 business. The following amounts shall be deducted from the gross proceeds of
21 sales or gross income before computing the tax base:

22 1. The sales price of land, which shall not exceed the fair market
23 value.

24 2. Sales and installation of groundwater measuring devices required
25 under section 45-604 and groundwater monitoring wells required by law,
26 including monitoring wells installed for acquiring information for a permit
27 required by law.

28 3. The sales price of furniture, furnishings, fixtures, appliances and
29 attachments that are not incorporated as component parts of or attached to a
30 manufactured building or the setup site. The sale of such items may be
31 subject to the taxes imposed by article 1 of this chapter separately and
32 distinctly from the sale of the manufactured building.

33 4. The gross proceeds of sales or gross income received from a
34 contract entered into for the modification of any building, highway, road,
35 railroad, excavation, manufactured building or other structure, project,
36 development or improvement located in a military reuse zone for providing
37 aviation or aerospace services or for a manufacturer, assembler or fabricator
38 of aviation or aerospace products within an active military reuse zone after
39 the zone is initially established or renewed under section 41-1531. To be
40 eligible to qualify for this deduction, before beginning work under the
41 contract, the prime contractor must have applied for a letter of
42 qualification from the department of revenue.

43 5. The gross proceeds of sales or gross income derived from a contract
44 to construct a qualified environmental technology manufacturing, producing or
45 processing facility, as described in section 41-1514.02, and from subsequent
46 construction and installation contracts that begin within ten years after the

1 start of initial construction. To qualify for this deduction, before
2 beginning work under the contract, the prime contractor must obtain a letter
3 of qualification from the department of revenue. This paragraph shall apply
4 for ten full consecutive calendar or fiscal years after the start of initial
5 construction.

6 6. The gross proceeds of sales or gross income from a contract to
7 provide for one or more of the following actions, or a contract for site
8 preparation, constructing, furnishing or installing machinery, equipment or
9 other tangible personal property, including structures necessary to protect
10 exempt incorporated materials or installed machinery or equipment, and
11 tangible personal property incorporated into the project, to perform one or
12 more of the following actions in response to a release or suspected release
13 of a hazardous substance, pollutant or contaminant from a facility to the
14 environment, unless the release was authorized by a permit issued by a
15 governmental authority:

16 (a) Actions to monitor, assess and evaluate such a release or a
17 suspected release.

18 (b) Excavation, removal and transportation of contaminated soil and
19 its treatment or disposal.

20 (c) Treatment of contaminated soil by vapor extraction, chemical or
21 physical stabilization, soil washing or biological treatment to reduce the
22 concentration, toxicity or mobility of a contaminant.

23 (d) Pumping and treatment or in situ treatment of contaminated
24 groundwater or surface water to reduce the concentration or toxicity of a
25 contaminant.

26 (e) The installation of structures, such as cutoff walls or caps, to
27 contain contaminants present in groundwater or soil and prevent them from
28 reaching a location where they could threaten human health or welfare or the
29 environment.

30 This paragraph does not include asbestos removal or the construction or use
31 of ancillary structures such as maintenance sheds, offices or storage
32 facilities for unattached equipment, pollution control equipment, facilities
33 or other control items required or to be used by a person to prevent or
34 control contamination before it reaches the environment.

35 7. The gross proceeds of sales or gross income that is derived from a
36 contract for the installation, assembly, repair or maintenance of machinery,
37 equipment or other tangible personal property that is either deducted from
38 the tax base of the retail classification under section 42-5061, subsection B
39 or that is exempt from use tax under section 42-5159, subsection B and that
40 has independent functional utility, pursuant to the following provisions:

41 (a) The deduction provided in this paragraph includes the gross
42 proceeds of sales or gross income derived from all of the following:

43 (i) Any activity performed on machinery, equipment or other tangible
44 personal property with independent functional utility.

45 (ii) Any activity performed on any tangible personal property relating
46 to machinery, equipment or other tangible personal property with independent

1 functional utility in furtherance of any of the purposes provided for under
2 subdivision (d) of this paragraph.

3 (iii) Any activity that is related to the activities described in
4 items (i) and (ii) of this subdivision, including inspecting the installation
5 of or testing the machinery, equipment or other tangible personal property.

6 (b) The deduction provided in this paragraph does not include gross
7 proceeds of sales or gross income from the portion of any contracting
8 activity that consists of the development of, or modification to, real
9 property in order to facilitate the installation, assembly, repair,
10 maintenance or removal of machinery, equipment or other tangible personal
11 property that is either deducted from the tax base of the retail
12 classification under section 42-5061, subsection B or exempt from use tax
13 under section 42-5159, subsection B.

14 (c) The deduction provided in this paragraph shall be determined
15 without regard to the size or useful life of the machinery, equipment or
16 other tangible personal property.

17 (d) For the purposes of this paragraph, "independent functional
18 utility" means that the machinery, equipment or other tangible personal
19 property can independently perform its function without attachment to real
20 property, other than attachment for any of the following purposes:

21 (i) Assembling the machinery, equipment or other tangible personal
22 property.

23 (ii) Connecting items of machinery, equipment or other tangible
24 personal property to each other.

25 (iii) Connecting the machinery, equipment or other tangible personal
26 property, whether as an individual item or as a system of items, to water,
27 power, gas, communication or other services.

28 (iv) Stabilizing or protecting the machinery, equipment or other
29 tangible personal property during operation by bolting, burying or performing
30 other similar nonpermanent connections to either real property or real
31 property improvements.

32 8. The gross proceeds of sales or gross income attributable to the
33 purchase of machinery, equipment or other tangible personal property that is
34 exempt from or deductible from transaction privilege and use tax under:

35 (a) Section 42-5061, subsection A, paragraph 25, 29, 57 or 59.

36 (b) Section 42-5061, subsection B.

37 (c) Section 42-5159, subsection A, paragraph 13, subdivision (a), (b),
38 (c), (d), (e), (f), (j), (k), (m) or (n) or paragraph 54 or 56.

39 (d) Section 42-5159, subsection B.

40 9. The gross proceeds of sales or gross income received from a
41 contract for the construction of an environmentally controlled facility for
42 the raising of poultry for the production of eggs and the sorting, cooling
43 and packaging of eggs.

44 10. The gross proceeds of sales or gross income that is derived from a
45 contract entered into with a person who is engaged in the commercial
46 production of livestock, livestock products or agricultural, horticultural,

1 viticultural or floricultural crops or products in this state for the
2 modification of any building, highway, road, excavation, manufactured
3 building or other structure, project, development or improvement used
4 directly and primarily to prevent, monitor, control or reduce air, water or
5 land pollution.

6 11. The gross proceeds of sales or gross income that is derived from
7 the installation, assembly, repair or maintenance of clean rooms that are
8 deducted from the tax base of the retail classification pursuant to section
9 42-5061, subsection B, paragraph 16.

10 12. For taxable periods beginning from and after June 30, 2001, the
11 gross proceeds of sales or gross income derived from a contract entered into
12 for the construction of a residential apartment housing facility that
13 qualifies for a federal housing subsidy for low income persons over sixty-two
14 years of age and that is owned by a nonprofit charitable organization that
15 has qualified under section 501(c)(3) of the internal revenue code.

16 13. For taxable periods beginning from and after December 31, 1996 and
17 ending before January 1, 2017, the gross proceeds of sales or gross income
18 derived from a contract to provide and install a solar energy device. The
19 contractor shall register with the department as a solar energy contractor.
20 By registering, the contractor acknowledges that it will make its books and
21 records relating to sales of solar energy devices available to the department
22 for examination.

23 14. The gross proceeds of sales or gross income derived from a
24 contract entered into for the construction of a launch site, as defined in 14
25 Code of Federal Regulations section 401.5.

26 15. The gross proceeds of sales or gross income derived from a
27 contract entered into for the construction of a domestic violence shelter
28 that is owned and operated by a nonprofit charitable organization that has
29 qualified under section 501(c)(3) of the internal revenue code.

30 16. The gross proceeds of sales or gross income derived from contracts
31 to perform postconstruction treatment of real property for termite and
32 general pest control, including wood destroying organisms.

33 17. The gross proceeds of sales or gross income received from
34 contracts entered into before July 1, 2006 for constructing a state
35 university research infrastructure project if the project has been reviewed
36 by the joint committee on capital review before the university enters into
37 the construction contract for the project. For the purposes of this
38 paragraph, "research infrastructure" has the same meaning prescribed in
39 section 15-1670.

40 18. The gross proceeds of sales or gross income received from a
41 contract for the construction of any building, or other structure, project,
42 development or improvement owned by a qualified business under section
43 41-1516 for harvesting or processing qualifying forest products removed from
44 qualifying projects as defined in section 41-1516 if actual construction
45 begins before January 1, 2024. To qualify for this deduction, the prime

1 contractor must obtain a letter of qualification from the Arizona commerce
2 authority before beginning work under the contract.

3 19. Any amount of the gross proceeds of sales or gross income
4 attributable to development fees that are incurred in relation to a contract
5 for construction, development or improvement of real property and that are
6 paid by a prime contractor or subcontractor. For the purposes of this
7 paragraph:

8 (a) The attributable amount shall not exceed the value of the
9 development fees actually imposed.

10 (b) The attributable amount is equal to the total amount of
11 development fees paid by the prime contractor or subcontractor, and the total
12 development fees credited in exchange for the construction of, contribution
13 to or dedication of real property for providing public infrastructure, public
14 safety or other public services necessary to the development. The real
15 property must be the subject of the development fees.

16 (c) "Development fees" means fees imposed to offset capital costs of
17 providing public infrastructure, public safety or other public services to a
18 development and authorized pursuant to section 9-463.05, section 11-1102 or
19 title 48 regardless of the jurisdiction to which the fees are paid.

20 20. The gross proceeds of sales or gross income derived from a
21 contract entered into for the construction of a mixed waste processing
22 facility that is located on a municipal solid waste landfill and that is
23 constructed for the purpose of recycling solid waste or producing renewable
24 energy from landfill waste. For the purposes of this paragraph:

25 (a) "Mixed waste processing facility" means a solid waste facility
26 that is owned, operated or used for the treatment, processing or disposal of
27 solid waste, recyclable solid waste, conditionally exempt small quantity
28 generator waste or household hazardous waste. For the purposes of
29 this subdivision, "conditionally exempt small quantity generator waste",
30 "household hazardous waste" and "solid waste facility" have the same meanings
31 prescribed in section 49-701, except that solid waste facility does include a
32 site that stores, treats or processes paper, glass, wood, cardboard,
33 household textiles, scrap metal, plastic, vegetative waste, aluminum, steel
34 or other recyclable material.

35 (b) "Municipal solid waste landfill" has the same meaning prescribed
36 in section 49-701.

37 (c) "Recycling" means collecting, separating, cleansing, treating and
38 reconstituting recyclable solid waste that would otherwise become solid
39 waste, but does not include incineration or other similar processes.

40 (d) "Renewable energy" has the same meaning prescribed in section
41 41-1511.

42 C. Entitlement to the deduction pursuant to subsection B, paragraph 7
43 of this section is subject to the following provisions:

44 1. A prime contractor may establish entitlement to the deduction by
45 both:

1 (a) Marking the invoice for the transaction to indicate that the gross
2 proceeds of sales or gross income derived from the transaction was deducted
3 from the base.

4 (b) Obtaining a certificate executed by the purchaser indicating the
5 name and address of the purchaser, the precise nature of the business of the
6 purchaser, the purpose for which the purchase was made, the necessary facts
7 to establish the deductibility of the property under section 42-5061,
8 subsection B, and a certification that the person executing the certificate
9 is authorized to do so on behalf of the purchaser. The certificate may be
10 disregarded if the prime contractor has reason to believe that the
11 information contained in the certificate is not accurate or complete.

12 2. A person who does not comply with paragraph 1 of this subsection
13 may establish entitlement to the deduction by presenting facts necessary to
14 support the entitlement, but the burden of proof is on that person.

15 3. The department may prescribe a form for the certificate described
16 in paragraph 1, subdivision (b) of this subsection. The department may also
17 adopt rules that describe the transactions with respect to which a person is
18 not entitled to rely solely on the information contained in the certificate
19 provided in paragraph 1, subdivision (b) of this subsection but must instead
20 obtain such additional information as required in order to be entitled to the
21 deduction.

22 4. If a prime contractor is entitled to a deduction by complying with
23 paragraph 1 of this subsection, the department may require the purchaser who
24 caused the execution of the certificate to establish the accuracy and
25 completeness of the information required to be contained in the certificate
26 that would entitle the prime contractor to the deduction. If the purchaser
27 cannot establish the accuracy and completeness of the information, the
28 purchaser is liable in an amount equal to any tax, penalty and interest that
29 the prime contractor would have been required to pay under article 1 of this
30 chapter if the prime contractor had not complied with paragraph 1 of this
31 subsection. Payment of the amount under this paragraph exempts the purchaser
32 from liability for any tax imposed under article 4 of this chapter. The
33 amount shall be treated as a transaction privilege tax to the purchaser and
34 as tax revenues collected from the prime contractor in order to designate the
35 distribution base for purposes of section 42-5029.

36 D. Subcontractors or others who perform modification activities are
37 not subject to tax if they can demonstrate that the job was within the
38 control of a prime contractor or contractors or a dealership of manufactured
39 buildings and that the prime contractor or dealership is liable for the tax
40 on the gross income, gross proceeds of sales or gross receipts attributable
41 to the job and from which the subcontractors or others were paid.

42 E. Amounts received by a contractor for a project are excluded from
43 the contractor's gross proceeds of sales or gross income derived from the
44 business if the person who hired the contractor executes and provides a
45 certificate to the contractor stating that the person providing the
46 certificate is a prime contractor and is liable for the tax under article 1

1 of this chapter. The department shall prescribe the form of the certificate.
2 If the contractor has reason to believe that the information contained on the
3 certificate is erroneous or incomplete, the department may disregard the
4 certificate. If the person who provides the certificate is not liable for
5 the tax as a prime contractor, that person is nevertheless deemed to be the
6 prime contractor in lieu of the contractor and is subject to the tax under
7 this section on the gross receipts or gross proceeds received by the
8 contractor.

9 F. Every person engaging or continuing in this state in the business
10 of prime contracting or dealership of manufactured buildings shall present to
11 the purchaser of such prime contracting or manufactured building a written
12 receipt of the gross income or gross proceeds of sales from such activity and
13 shall separately state the taxes to be paid pursuant to this section.

14 G. For the purposes of section 42-5032.01, the department shall
15 separately account for revenues collected under the prime contracting
16 classification from any prime contractor engaged in the preparation or
17 construction of a multipurpose facility, and related infrastructure, that is
18 owned, operated or leased by the tourism and sports authority pursuant to
19 title 5, chapter 8.

20 H. For the purposes of section 42-5032.02, from and after
21 September 30, 2013, the department shall separately account for revenues
22 reported and collected under the prime contracting classification from any
23 prime contractor engaged in the construction of any buildings and associated
24 improvements that are for the benefit of a manufacturing facility. For the
25 purposes of this subsection, "associated improvements" and "manufacturing
26 facility" have the same meanings prescribed in section 42-5032.02.

27 I. The gross proceeds of sales or gross income derived from a contract
28 for lawn maintenance services are not subject to tax under this section if
29 the contract does not include landscaping activities. Lawn maintenance
30 service is a service pursuant to section 42-5061, subsection A, paragraph 1,
31 and includes lawn mowing and edging, weeding, repairing sprinkler heads or
32 drip irrigation heads, seasonal replacement of flowers, refreshing gravel,
33 lawn de-thatching, seeding winter lawns, leaf and debris collection and
34 removal, tree or shrub pruning or clipping, garden and gravel raking and
35 applying pesticides, as defined in section 3-361, and fertilizer materials,
36 as defined in section 3-262.

37 J. Except as provided in subsection 0 of this section, the gross
38 proceeds of sales or gross income derived from landscaping activities are
39 subject to tax under this section. Landscaping includes installing lawns,
40 grading or leveling ground, installing gravel or boulders, planting trees and
41 other plants, felling trees, removing or mulching tree stumps, removing other
42 imbedded plants, building irrigation berms, installing railroad ties and
43 installing underground sprinkler or watering systems.

44 K. The portion of gross proceeds of sales or gross income attributable
45 to the actual direct costs of providing architectural or engineering services
46 that are incorporated in a contract is not subject to tax under this section.

1 For the purposes of this subsection, "direct costs" means the portion of the
2 actual costs that are directly expended in providing architectural or
3 engineering services.

4 L. Operating a landfill or a solid waste disposal facility is not
5 subject to taxation under this section, including filling, compacting and
6 creating vehicle access to and from cell sites within the landfill.
7 Constructing roads to a landfill or solid waste disposal facility and
8 constructing cells within a landfill or solid waste disposal facility may be
9 deemed prime contracting under this section.

10 M. The following apply in determining the taxable situs of sales of
11 manufactured buildings:

12 1. For sales in this state where the manufactured building dealer
13 contracts to deliver the building to a setup site or to perform the setup in
14 this state, the taxable situs is the setup site.

15 2. For sales in this state where the manufactured building dealer does
16 not contract to deliver the building to a setup site or does not perform the
17 setup, the taxable situs is the location of the dealership where the building
18 is delivered to the buyer.

19 3. For sales in this state where the manufactured building dealer
20 contracts to deliver the building to a setup site that is outside this state,
21 the situs is outside this state and the transaction is excluded from tax.

22 N. The gross proceeds of sales or gross income attributable to a
23 written contract for design phase services or professional services, executed
24 before modification begins and with terms, conditions and pricing of all of
25 these services separately stated in the contract from those for construction
26 phase services, is not subject to tax under this section, regardless of
27 whether the services are provided sequential to or concurrent with prime
28 contracting activities that are subject to tax under this section. This
29 subsection does not include the gross proceeds of sales or gross income
30 attributable to construction phase services. For the purposes of this
31 subsection:

32 1. "Construction phase services" means services for the execution and
33 completion of any modification, including the following:

34 (a) Administration or supervision of any modification performed on the
35 project, including team management and coordination, scheduling, cost
36 controls, submittal process management, field management, safety program,
37 close-out process and warranty period services.

38 (b) Administration or supervision of any modification performed
39 pursuant to a punch list. For the purposes of this subdivision, "punch list"
40 means minor items of modification work performed after substantial completion
41 and before final completion of the project.

42 (c) Administration or supervision of any modification performed
43 pursuant to change orders. For the purposes of this subdivision, "change
44 order" means a written instrument issued after execution of a contract for
45 modification work, providing for all of the following:

1 (i) The scope of a change in the modification work, contract for
2 modification work or other contract documents.

3 (ii) The amount of an adjustment, if any, to the guaranteed maximum
4 price as set in the contract for modification work. For the purposes of this
5 item, "guaranteed maximum price" means the amount guaranteed to be the
6 maximum amount due to a prime contractor for the performance of all
7 modification work for the project.

8 (iii) The extent of an adjustment, if any, to the contract time of
9 performance set forth in the contract.

10 (d) Administration or supervision of any modification performed
11 pursuant to change directives. For the purposes of this subdivision, "change
12 directive" means a written order directing a change in modification work
13 before agreement on an adjustment of the guaranteed maximum price or contract
14 time.

15 (e) Inspection to determine the dates of substantial completion or
16 final completion.

17 (f) Preparation of any manuals, warranties, as-built drawings, spares
18 or other items the prime contractor must furnish pursuant to the contract for
19 modification work. For the purposes of this subdivision, "as-built drawing"
20 means a drawing that indicates field changes made to adapt to field
21 conditions, field changes resulting from change orders or buried and
22 concealed installation of piping, conduit and utility services.

23 (g) Preparation of status reports after modification work has begun
24 detailing the progress of work performed, including preparation of any of the
25 following:

26 (i) Master schedule updates.

27 (ii) Modification work cash flow projection updates.

28 (iii) Site reports made on a periodic basis.

29 (iv) Identification of discrepancies, conflicts or ambiguities in
30 modification work documents that require resolution.

31 (v) Identification of any health and safety issues that have arisen in
32 connection with the modification work.

33 (h) Preparation of daily logs of modification work, including
34 documentation of personnel, weather conditions and on-site occurrences.

35 (i) Preparation of any submittals or shop drawings used by the prime
36 contractor to illustrate details of the modification work performed.

37 (j) Administration or supervision of any other activities for which a
38 prime contractor receives a certificate for payment or certificate for final
39 payment based on the progress of modification work performed on the project.

40 2. "Design phase services" means services for developing and
41 completing a design for a project that are not construction phase services,
42 including the following:

43 (a) Evaluating surveys, reports, test results or any other information
44 on-site conditions for the project, including physical characteristics, legal
45 limitations and utility locations for the site.

1 (b) Evaluating any criteria or programming objectives for the project
2 to ascertain requirements for the project, such as physical requirements
3 affecting cost or projected utilization of the project.

4 (c) Preparing drawings and specifications for architectural program
5 documents, schematic design documents, design development documents,
6 modification work documents or documents that identify the scope of or
7 materials for the project.

8 (d) Preparing an initial schedule for the project, excluding the
9 preparation of updates to the master schedule after modification work has
10 begun.

11 (e) Preparing preliminary estimates of costs of modification work
12 before completion of the final design of the project, including an estimate
13 or schedule of values for any of the following:

14 (i) Labor, materials, machinery and equipment, tools, water, heat,
15 utilities, transportation and other facilities and services used in the
16 execution and completion of modification work, regardless of whether they are
17 temporary or permanent or whether they are incorporated in the modifications.

18 (ii) The cost of labor and materials to be furnished by the owner of
19 the real property.

20 (iii) The cost of any equipment of the owner of the real property to
21 be assigned by the owner to the prime contractor.

22 (iv) The cost of any labor for installation of equipment separately
23 provided by the owner of the real property that has been designed, specified,
24 selected or specifically provided for in any design document for the project.

25 (v) Any fee paid by the owner of the real property to the prime
26 contractor pursuant to the contract for modification work.

27 (vi) Any bond and insurance premiums.

28 (vii) Any applicable taxes.

29 (viii) Any contingency fees for the prime contractor that may be used
30 before final completion of the project.

31 (f) Reviewing and evaluating cost estimates and project documents to
32 prepare recommendations on site use, site improvements, selection of
33 materials, building systems and equipment, modification feasibility,
34 availability of materials and labor, local modification activity as related
35 to schedules and time requirements for modification work.

36 (g) Preparing the plan and procedures for selection of subcontractors,
37 including any prequalification of subcontractor candidates.

38 3. "Professional services" means architect services, ~~assayer services,~~
39 engineer services, geologist services, land surveying services or landscape
40 architect services that are within the scope of those services as provided in
41 title 32, chapter 1 and for which gross proceeds of sales or gross income has
42 not otherwise been deducted under subsection K of this section.

43 0. The gross proceeds of sales or gross income derived from a contract
44 with the owner of real property or improvements to real property for the
45 maintenance, repair, replacement or alteration of existing property is not
46 subject to tax under this section if the contract does not include

1 modification activities, except as specified in this subsection. The gross
2 proceeds of sales or gross income derived from a de minimis amount of
3 modification activity does not subject the contract or any part of the
4 contract to tax under this section. For the purposes of this subsection:

5 1. Tangible personal property that is incorporated or fabricated into
6 a project described in this subsection may be subject to the amount
7 prescribed in section 42-5008.01.

8 2. Each contract is independent of any other contract, except that any
9 change order that directly relates to the scope of work of the original
10 contract shall be treated the same as the original contract under this
11 chapter, regardless of the amount of modification activities included in the
12 change order. If a change order does not directly relate to the scope of
13 work of the original contract, the change order shall be treated as a new
14 contract, with the tax treatment of any subsequent change order to follow the
15 tax treatment of the contract to which the scope of work of the subsequent
16 change order directly relates.

17 P. Notwithstanding subsection O of this section, a contract that
18 primarily involves surface or subsurface improvements to land and that is
19 subject to title 28, chapter 19, 20 or 22 or title 34, chapter 2 or 6 is
20 taxable under this section, even if the contract also includes vertical
21 improvements. Agencies that are subject to procurement processes under those
22 provisions shall include in the request for proposals a notice to bidders
23 when those projects are subject to this section. This subsection does not
24 apply to contracts with:

25 1. Community facilities districts, fire districts, county television
26 improvement districts, community park maintenance districts, cotton pest
27 control districts, hospital districts, pest abatement districts, health
28 service districts, agricultural improvement districts, county free library
29 districts, county jail districts, county stadium districts, special health
30 care districts, public health services districts, theme park districts,
31 regional attraction districts or revitalization districts.

32 2. Any special taxing district not specified in paragraph 1 of this
33 subsection if the district does not substantially engage in the modification,
34 maintenance, repair, replacement or alteration of surface or subsurface
35 improvements to land.

36 Q. Notwithstanding subsection R, paragraph 10 of this section, a
37 person owning real property who enters into a contract for sale of the real
38 property, who is responsible to the new owner of the property for
39 modifications made to the property in the period subsequent to the transfer
40 of title and who receives a consideration for the modifications is considered
41 a prime contractor solely for purposes of taxing the gross proceeds of sale
42 or gross income received for the modifications made subsequent to the
43 transfer of title. The original owner's gross proceeds of sale or gross
44 income received for the modifications shall be determined according to the
45 following methodology:

1 1. If any part of the contract for sale of the property specifies
2 amounts to be paid to the original owner for the modifications to be made in
3 the period subsequent to the transfer of title, the amounts are included in
4 the original owner's gross proceeds of sale or gross income under this
5 section. Proceeds from the sale of the property that are received after
6 transfer of title and that are unrelated to the modifications made subsequent
7 to the transfer of title are not considered gross proceeds of sale or gross
8 income from the modifications.

9 2. If the original owner enters into an agreement separate from the
10 contract for sale of the real property providing for amounts to be paid to
11 the original owner for the modifications to be made in the period subsequent
12 to the transfer of title to the property, the amounts are included in the
13 original owner's gross proceeds of sale or gross income received for the
14 modifications made subsequent to the transfer of title.

15 3. If the original owner is responsible to the new owner for
16 modifications made to the property in the period subsequent to the transfer
17 of title and derives any gross proceeds of sale or gross income from the
18 project subsequent to the transfer of title other than a delayed disbursement
19 from escrow unrelated to the modifications, it is presumed that the amounts
20 are received for the modifications made subsequent to the transfer of title
21 unless the contrary is established by the owner through its books, records
22 and papers kept in the regular course of business.

23 4. The tax base of the original owner is computed in the same manner
24 as a prime contractor under this section.

25 R. For the purposes of this section:

26 1. "Alteration" means an activity or action that causes a direct
27 physical change to existing property. For the purposes of this paragraph:

28 (a) For existing property that is properly classified as class two
29 property under section 42-12002, paragraph 1, subdivision (c) or paragraph 2,
30 subdivision (c) and that is used for residential purposes, class three
31 property under section 42-12003 or class four property under 42-12004, this
32 paragraph does not apply if the contract amount is more than twenty-five
33 percent of the most recent full cash value established under chapter 13,
34 article 2 of this title as of the date of any bid for the work or the date of
35 the contract, whichever value is higher.

36 (b) For all existing property other than existing property described
37 in subdivision (a) of this paragraph, this paragraph does not apply if any of
38 the following is true:

39 (i) The contract amount is more than seven hundred fifty thousand
40 dollars.

41 (ii) The scope of work directly relates to more than forty percent of
42 the existing square footage of the existing property.

43 (iii) The scope of work involves expanding the square footage of more
44 than ten percent of the existing property.

45 (c) Project elements may not be artificially separated from a contract
46 to cause a project to qualify as an alteration. The department has the

1 burden of proof that project elements have been artificially separated from a
2 contract.

3 (d) If a project for which the owner and the person performing the
4 work reasonably believed, at the inception of the contract, would be treated
5 as an alteration under this paragraph and, on completion of the project, the
6 project exceeded the applicable threshold described in either subdivision (a)
7 or (b) of this paragraph by no more than twenty-five percent of the
8 applicable threshold for any reason, the work performed under the contract
9 qualifies as an alteration.

10 (e) A change order that directly relates to the scope of work of the
11 original contract shall be treated as part of the original contract, and the
12 contract amount shall include any amount attributable to a change order that
13 directly relates to the scope of work of the original contract.

14 (f) Alteration does not include maintenance, repair or replacement.

15 2. "Contracting" means engaging in business as a contractor.

16 3. "Contractor" is synonymous with the term "builder" and means any
17 person or organization that undertakes to or offers to undertake to, or
18 purports to have the capacity to undertake to, or submits a bid to, or does
19 personally or by or through others, modify any building, highway, road,
20 railroad, excavation, manufactured building or other structure, project,
21 development or improvement, or to do any part of such a project, including
22 the erection of scaffolding or other structure or works in connection with
23 such a project, and includes subcontractors and specialty contractors. For
24 all purposes of taxation or deduction, this definition shall govern without
25 regard to whether or not such contractor is acting in fulfillment of a
26 contract.

27 4. "Manufactured building" means a manufactured home, mobile home or
28 factory-built building, as defined in section 41-2142.

29 5. "Manufactured building dealer" means a dealer who either:

30 (a) Is licensed pursuant to title 41, chapter 16 and who sells
31 manufactured buildings to the final consumer.

32 (b) Supervises, performs or coordinates the excavation and completion
33 of site improvements or the setup or moving of a manufactured building,
34 including the contracting, if any, with any subcontractor or specialty
35 contractor for the completion of the contract.

36 6. "Modification" means construction, grading and leveling ground,
37 wreckage or demolition. Modification does not include:

38 (a) Any project described in subsection 0 of this section.

39 (b) Any wreckage or demolition of existing property, or any other
40 activity that is a necessary component of a project described in subsection 0
41 of this section.

42 (c) Any mobilization or demobilization related to a project described
43 in subsection 0 of this section, such as the erection or removal of temporary
44 facilities to be used by those persons working on the project.

45 7. "Modify" means to make a modification or cause a modification to be
46 made.

1 8. "Owner" means the person that holds title to the real property or
2 improvements to real property that is the subject of the work, as well as an
3 agent of the title holder and any person with the authority to perform or
4 authorize work on the real property or improvements, including a tenant and a
5 property manager. For the purposes of subsection O of this section, a person
6 who is hired by a general contractor that is hired by an owner, or a
7 subcontractor of a general contractor that is hired by an owner, is
8 considered to be hired by the owner.

9 9. "Prime contracting" means engaging in business as a prime
10 contractor.

11 10. "Prime contractor" means a contractor who supervises, performs or
12 coordinates the modification of any building, highway, road, railroad,
13 excavation, manufactured building or other structure, project, development or
14 improvement, including the contracting, if any, with any subcontractors or
15 specialty contractors and who is responsible for the completion of the
16 contract. Except as provided in subsections E and Q of this section, a
17 person who owns real property, who engages one or more contractors to modify
18 that real property and who does not itself modify that real property is not a
19 prime contractor within the meaning of this paragraph regardless of the
20 existence of a contract for sale or the subsequent sale of that real
21 property.

22 11. "Replacement" means the removal from service of one component or
23 system of existing property or tangible personal property installed in
24 existing property, including machinery or equipment, and the installation of
25 a new component or system or new tangible personal property, including
26 machinery or equipment, that provides the same similar or upgraded design or
27 functionality, regardless of the contract amount and regardless of whether
28 the existing component or system or existing tangible personal property is
29 physically removed from the existing property.

30 12. "Sale of a used manufactured building" does not include a lease of
31 a used manufactured building.

32 Sec. 31. Department of administration; transfer of nonhealth
33 regulatory boards and occupational licenses; study;
34 report

35 A. The department of administration shall conduct a study relating to
36 the transfer of all nonhealth regulatory boards and occupational licenses
37 issued by state agencies to a new licensing and regulatory division in the
38 department of administration. The study shall include the costs and benefits
39 associated with the transfer. The department may consult with any board,
40 agency or industry group necessary to complete the study.

41 B. The department of administration shall submit a report of its
42 findings and recommendations to the governor, the president of the senate and
43 the speaker of the house of representatives on or before September 1, 2016
44 and shall provide a copy of this report to the secretary of state.

45 Sec. 32. Retention of members

1 Notwithstanding section 32-102, Arizona Revised Statutes, as amended by
2 this act, all persons serving as members of the state board of technical
3 registration on the effective date of this act may continue to serve until
4 the expiration of their normal terms. The governor shall make all subsequent
5 appointments as prescribed by statute.

6 Sec. 33. Effective date

7 Section 32-3021, Arizona Revised Statutes, as amended by Laws 2015,
8 chapter 262, section 20 and this act, is effective from and after June 30,
9 2016.

APPROVED BY THE GOVERNOR MAY 19, 2016.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 19, 2016.