

REFERENCE TITLE: **contracts; licensure requirements; exemption; exclusion.**

State of Arizona
Senate
Fifty-fourth Legislature
Second Regular Session
2020

SB 1279

Introduced by
Senators Mesnard: Carter

AN ACT

AMENDING SECTION 44-171, ARIZONA REVISED STATUTES; RELATING TO EXEMPTION FROM LICENSURE REQUIREMENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 44-171, Arizona Revised Statutes, is amended to
3 read:

4 44-171. Exemption from licensure, certification, registration
5 or other authorization to act

6 A. Notwithstanding any other law, if the requirements prescribed by
7 subsection B of this section are met, a person is exempt from state law
8 relating to licensure, certification, registration or other authorization
9 to act under the following:

10 1. Title 6, not including title 6, chapter 9, except that a party
11 is not exempt from the requirements prescribed in section 6-114, 6-632,
12 6-635 or 6-637.

13 2. Title 9.

14 3. Title 10.

15 4. Title 11.

16 5. Title 23.

17 6. Title 32, chapter 9, ~~30~~ or 46.

18 7. This title, except that this paragraph does not apply to a sales
19 finance company that is licensed pursuant to chapter 2.1 of this title or
20 a party that is subject to chapter 9, article 6 of this title.

21 B. Subsection A of this section applies only if all of the
22 following apply:

23 1. The person is a party to a contract between two or more private
24 parties.

25 2. The subject of the contract is substantially delivered by
26 electronic means.

27 3. The contract specifies the laws from which the person is exempt.

28 4. The subject of the contract is lawful.

29 5. The exemption does not materially affect a third party.

30 6. The exemption does not clearly harm or damage public health or
31 safety.

32 7. The subject of the contract does not exceed \$6,000 per
33 transaction between any two parties and \$150,000 in total aggregate profit
34 in the previous calendar year for all parties related to the services
35 provided in the contract.

36 C. A person is not guilty of failure to procure or exhibit a
37 business license pursuant to section 13-3706 if the person is exempt from
38 the business license requirement under this section.

39 D. If a state agency notifies a person described in subsection A of
40 this section that the person is in violation of a state law relating to
41 licensure, certification, ~~or~~ registration or other authorization to act,
42 within six months after receiving the notice the person shall do either of
43 the following:

44 1. Become licensed, certified or registered or receive another
45 authorization to act, as applicable.

1 2. Amend the contract described in subsection B of this section to
2 exempt the person from the state law relating to licensure, certification,
3 ~~or~~ registration or other authorization to act.

4 E. If the total aggregate profit related to services provided in a
5 contract pursuant to subsection B of this section exceeds \$150,000, the
6 parties may agree to amend the contract to comply with state law relating
7 to licensure, certification, ~~or~~ registration or other authorization to
8 act, as applicable. After exceeding \$150,000 in total aggregate profit,
9 the parties ~~shall~~ have until July 1 of the following calendar year to
10 amend the contract or become licensed, certified,~~;~~ or registered or to
11 receive another ~~authority~~ AUTHORIZATION to act before the state agency may
12 commence or take disciplinary action against any party to the contract.

13 F. If a state agency notifies a party to a contract of a violation
14 of a state law pursuant to subsection D of this section, the state agency
15 may not commence or take disciplinary action against the party during
16 either of the following time periods:

17 1. The six-month period in which the party is working either to
18 become licensed, certified or registered or to receive another
19 authorization to act, as applicable, or to amend the contract to exempt
20 the party from the state law relating to licensure, certification or
21 registration or the other authorization to act.

22 2. The time period after the party has submitted an application to
23 become licensed, certified or registered or to receive another
24 authorization to act and before the state agency has approved or denied
25 the application.

26 G. A violation of this section is an unlawful practice pursuant to
27 section 44-1522. The attorney general may investigate and take
28 appropriate action as prescribed by chapter 10, article 7 of this title.