

Senate Engrossed House Bill

~~military installation fund; property conveyance.~~
(now: contractors; qualifying party; liability)

State of Arizona
House of Representatives
Fifty-fifth Legislature
First Regular Session
2021

CHAPTER 297

HOUSE BILL 2760

AN ACT

AMENDING SECTIONS 32-1127 AND 32-1162, ARIZONA REVISED STATUTES; RELATING
TO CONTRACTORS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 32-1127, Arizona Revised Statutes, is amended to
3 read:

4 32-1127. Qualifying party; responsibility

5 A. While engaged as a qualifying party for a licensee, the
6 qualifying party may not take other employment that would conflict with
7 ~~his~~ THE PERSON'S duties as qualifying party or conflict with ~~his~~ THE
8 PERSON'S ability to adequately supervise the work performed by the
9 licensee. Such person may act in the capacity of the qualifying party for
10 one additional licensee if one of the following conditions exists:

11 1. There is a common ownership of at least twenty-five ~~per cent~~
12 PERCENT of each licensed entity for which the person acts in a qualifying
13 capacity.

14 2. One licensee is a subsidiary of another licensee for which the
15 same person acts in a qualifying capacity. FOR THE PURPOSES OF THIS
16 PARAGRAPH, "subsidiary" ~~as used in this paragraph~~ means a corporation of
17 which at least twenty-five percent is owned by the other licensee.

18 B. While engaged as the qualifying party for a licensee, the
19 qualifying party is responsible for any violation of this chapter by the
20 licensee FOR LICENSURE REGULATORY PURPOSES UNDER THIS CHAPTER. THIS
21 SUBSECTION DOES NOT IMPOSE PERSONAL LIABILITY ON THE QUALIFYING PARTY FOR
22 A LICENSEE'S VIOLATION OF THIS CHAPTER.

23 Sec. 2. Section 32-1162, Arizona Revised Statutes, is amended to
24 read:

25 32-1162. Statute of limitations; remedy violations

26 A. A person may file a written complaint pursuant to section
27 32-1155 with the registrar alleging a licensee has committed a violation
28 of this chapter. The complaint must be filed:

29 1. For new home builds or other new building construction, within
30 two years after the earlier of the close of escrow or actual occupancy.

31 2. For all other projects, within two years after the completion of
32 the specific project.

33 B. FOR LICENSURE REGULATORY PURPOSES UNDER THIS CHAPTER, a
34 licensee's qualifying party is responsible for any violation of this
35 chapter committed by the licensee during the period of time that the
36 qualifying party is named on the license. THIS SUBSECTION DOES NOT IMPOSE
37 PERSONAL LIABILITY ON THE QUALIFYING PARTY FOR A LICENSEE'S VIOLATION OF
38 THIS CHAPTER.

39 C. FOR LICENSURE REGULATORY PURPOSES UNDER THIS CHAPTER, a person
40 named on a license is responsible for any violation of this chapter
41 committed by the licensee during the period of time that person was named
42 on the license. THIS SUBSECTION DOES NOT IMPOSE PERSONAL LIABILITY ON A
43 PERSON NAMED ON A LICENSE FOR A LICENSEE'S VIOLATION OF THIS CHAPTER.

44 D. A LICENSEE DOING BUSINESS AS A SOLE PROPRIETOR MAY BE PERSONALLY
45 LIABLE TO THE REGISTRAR FOR THE PURPOSES OF ENFORCING THIS CHAPTER,

1 INCLUDING SUBROGATION PROCEEDINGS BROUGHT BY THIS STATE PURSUANT TO
2 SECTION 32-1138.

3 Sec. 3. Legislative Intent

4 The changes to sections 32-1127 and 32-1162, Arizona Revised
5 Statutes, as amended by this act, are intended to clarify that the term
6 "responsible" in these sections applies only for licensure regulatory
7 purposes under title 32, chapter 10, Arizona Revised Statutes, and does
8 not expose a qualifying party, as defined in section 32-1101, Arizona
9 Revised Statutes, or a person named on a license to personal liability for
10 a violation of title 32, chapter 10, Arizona Revised Statutes.

APPROVED BY THE GOVERNOR APRIL 28, 2021.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 28, 2021.