CHAPTER 59

HOUSE BILL 2612

AN ACT

AMENDING SECTIONS 3-2003, 3-2009, 3-2086, 4-210, 5-108, 5-404, 5-562, 5-1209, 5-1304, 5-1306, 6-147, 6-204, 6-326, 6-603, 6-605, 6-707, 6-817, 6-857, 6-863, 6-903, 6-905, 6-912, 6-943, 6-945, 6-974, 6-982, 6-991.05, 6-1107, 6-1209, 6-1216, 6-1404, 20-361, 20-411, 20-411.01, 20-485.12, 20-486.01, 20-1004, 20-1054, 20-1095.03, 20-1096.04, 28-3228 AND 28-3413, ARIZONA REVISED STATUTES; AMENDING SECTION 32-122, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2016, CHAPTER 167, SECTION 5; AMENDING SECTION 32-122, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2016, CHAPTER 352, SECTION 9 AND CHAPTER 371, SECTION 11; AMENDING SECTIONS 32-122.01, 32-122.02, 32-122.07, 32-721, 32-823, 32-921, 32-1004, 32-1023, 32-1051, 32-1053, 32-1122, 32-1232, 32-1234, 32-1284, 32-1296, 32-1522, 32-1523.01, 32-1529, 32-1682, 32-1683, 32-1722, 32-1723, 32-1822, 32-1829, 32-1854, 32-1901.01, 32-1922, 32-1923.01, 32-2022, 32-2024, 32-2091.02, 32-2091.04, 32-2108, 32-2123, 32-2124, 32-2153, 32-2215, 32-2217, 32-2242, 32-2248, 32-2371, 32-2812, 32-2912, 32-3275, 32-3423, 32-3429, 32-3611, 32-3668, 32-3669, 32-4021, 32-4122, 32-4222, 36-446.04, 36-446.06, 36-755, 36-1923, 36-1940, 36-1940.01, 36-1940.04, 41-271, 41-4025, 44-1961 AND 44-1962, ARIZONA REVISED STATUTES; RELATING TO OCCUPATIONAL REGULATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 3-2003, Arizona Revised Statutes, is amended to read:

3-2003. Grant of licenses; fees; expiration date
A. The division may grant a license to slaughter livestock, sheep, goats or swine as set forth in the license issued upon payment of the fees and presentation of proof that the applicant is law-abiding, trustworthy and of good moral character.

B. The fees shall be as follows:
1. For not to exceed forty-five head of livestock, and not to exceed fifty-five head of sheep, goats or swine in one calendar year, five dollars $5.
2. For more than forty-five and not to exceed one hundred fifty head of livestock and more than forty-five and not to exceed one hundred sixty head of sheep, goats or swine in one calendar year, fifteen dollars $15.
3. For more than one hundred fifty head of livestock and more than one hundred sixty head of sheep, goats or swine in any one calendar year, eighty dollars $80.

C. Licenses issued under the provisions of this section shall expire on December 31 of the year in which they are issued.

Sec. 2. Section 3-2009, Arizona Revised Statutes, is amended to read:

3-2009. Transfer of license without fee
If a person who is a licensee under the provisions of this article sells or otherwise disposes of his slaughtering business, together with the goodwill thereof, and the purchaser or transferee continues the business at the same location, substantially in the same manner and under the same business name as it was conducted by the seller, the license of the original licensee may be transferred to the new owner without payment of a license fee if the new owner submits to the division:
1. an affidavit stating, under penalty of perjury, that the new owner will comply with the law and will not slaughter animals or sell, exchange or expose meat for sale except according to law and the rules of the director.
2. Evidence that the new owner is law-abiding, trustworthy and of good moral character.

Sec. 3. Section 3-2086, Arizona Revised Statutes, is amended to read:

3-2086. Transfer of license without fee
If any person acquires a business licensed pursuant to this chapter to wholesale meat, with the goodwill of the business, and continues to operate the business in substantially the same manner, in the same location and under the same firm name, the division may transfer the
license to the new owner, on written application, without payment of a
license fee if the new owner submits:

1. AN affidavit stating, under penalty of perjury, that the new
owner will comply with the law and will not slaughter animals or sell,
exchange or expose meat for sale except according to law and the rules of
the director.

2. Evidence that the new owner is law-abiding, trustworthy and of
good moral character.

Sec. 4. Section 4-210, Arizona Revised Statutes, is amended to
read:

4-210. Grounds for revocation, suspension and refusal to
renew; notice; complaints; hearings; defense

A. After notice and hearing, the director may suspend, revoke or
refuse to renew any license, registration, lease or permit issued pursuant
to this chapter for any of the following reasons:
1. There occurs on the licensed premises repeated acts of violence.
2. The licensee, registrant, lessee or permittee fails to
satisfactorily maintain the capability, qualifications and reliability
requirements of an applicant for a license, registration, lease or permit
prescribed in section 4-202, 4-203, 4-203.06, 4-203.07 or 4-205.13.
3. The licensee, registrant, lessee, permittee or controlling
person knowingly files with the department an application or other
document that contains material information that is false or misleading or
while under oath knowingly gives testimony in an investigation or other
proceeding under this title that is false or misleading.
4. The licensee, registrant, lessee, permittee or controlling
person is on the premises habitually intoxicated.
5. The licensed, registered, leased or permitted business is
delinquent for more than one hundred twenty days in the payment of PAYING
taxes, penalties or interest in an amount that exceeds $250 to this state
or to any political subdivision of this state.
6. The licensee or controlling person obtains, assigns, transfers
or sells a spirituous liquor license without compliance COMPLYING with
this title or leases or subleases a license.
7. The licensee, registrant, lessee or permittee fails to keep for
two years and make available to the department on reasonable request all
invoices, records, bills or other papers and documents relating to the
purchase, sale and delivery of spirituous liquors and, in the case of a
restaurant or hotel-motel licensee, all invoices, records, bills or other
papers and documents relating to the purchase, sale and delivery of food.
8. The licensee, registrant, lessee, permittee or controlling
person is convicted of a felony, provided that for a conviction of a
corporation to serve as a reason for any action by the director, conduct
that constitutes the corporate offense and was the basis for the felony
conviction must have been engaged in, authorized, solicited, commanded or
recklessly tolerated by the directors of the corporation or by a high
managerial agent acting within the scope of employment.

9. The licensee, registrant, lessee, permittee or controlling
person violates or fails to comply with this title, any rule adopted
pursuant to this title or any liquor law of this state or any other state.

10. The licensee, registrant, lessee or permittee fails to take
reasonable steps to protect the safety of a customer of the licensee,
registrant, lessee or permittee or any other person entering, leaving or
remaining on the licensed premises when the licensee knew or reasonably
should have known of the danger to the person, or the licensee fails to
take reasonable steps to intervene by notifying law enforcement officials
or otherwise to prevent or break up an act of violence occurring on the
licensed premises or immediately adjacent to the premises when the
licensee knew or reasonably should have known of the acts of violence.

11. The licensee, registrant, lessee, permittee or controlling
person lacks good moral character.

12. The licensee, registrant, lessee, permittee or controlling
person knowingly associates with a person who has engaged in racketeering,
as defined in section 13-2301, or who has been convicted of a felony, and
the association is of a nature as to create a reasonable risk that the
licensee, registrant, lessee or permittee will fail to conform to the
requirements of this title or of any criminal statute of this state.

13. A licensee that is a liquor store as defined in section
46-297 violates the restrictions on use of automatic teller machines or
point-of-sale terminals regarding electronic benefit transfer cards
prescribed in section 4-242.01.

14. There occurs on the licensed premises a serious act of
violence. For the purposes of this paragraph, "serious act of violence"
means an act of violence in which a serious injury causes the death or
critical injury of a person and the injuries would be obvious to a
reasonable person.

15. The licensee fails to report a serious act of violence
that occurs on the licensed premises. For the purposes of this paragraph,
"serious act of violence" means an act of violence in which a serious
injury causes THE death or critical injury of a person and the injuries
would be obvious to a reasonable person.

16. The licensee, registrant, lessee or permittee violates an
order of the board.

B. For the purposes of:

1. Subsection A, paragraph 8 of this section, "high managerial
agent" means an officer of a corporation or any other agent of the
corporation in a position of comparable authority with respect to the
formulation of corporate policy.

2. Subsection A, paragraphs 9 and 10 of this section, acts or
omissions of an employee of a licensee that violate this title or rules
adopted pursuant to this title are deemed to be acts or omissions of the
licensee. Acts or omissions by an employee or licensee committed during
the time the licensed premises were operated pursuant to an interim permit
or without a license may be charged as if they had been committed during
the period the premises were duly licensed.

C. The director may suspend, revoke or refuse to issue, transfer or
renew a license, registration, lease or permit under this section based
solely on the unrelated conduct or fitness of any officer, director,
managing agent or other controlling person if the controlling person
retains any interest in or control of the licensee, registrant, lessee or
permittee after sixty days following written notice to the licensee,
registrant, lessee or permittee. If the controlling person holds stock in
a corporate licensee, registrant, lessee or permittee or is a partner in a
partnership licensee, registrant, lessee or permittee, the controlling
person may only divest himself of the controlling person's interest by
transferring the interest to the existing stockholders or partners who
must demonstrate to the department that they meet all the requirements for
licensure, registration, leasing or permitting. For the purposes of this
subsection, the conduct or fitness of a controlling person is unrelated if
it would not be attributable to the licensee, registrant, lessee or
permittee.

D. If the director finds, based on clear and convincing evidence in
the record, that a violation involves the use by the licensee, registrant,
lessee or permittee of a drive-through or walk-up service window or other
physical feature of the licensed premises that allows a customer to
purchase spirituous liquor without leaving the customer's vehicle or, with
respect to a walk-up service window that prevents the licensee,
registrant, lessee or permittee from fully observing the customer, and
that the use of that drive-through or walk-up service window or other
physical feature caused the violation, the director may suspend or
terminate the licensee's, registrant's, lessee's or permittee's use of the
drive-through or walk-up service window or other physical feature for the
sale of spirituous liquor, in addition to any other sanction.

E. The director may refuse to transfer any license, registration,
lease or permit or issue a new license, registration, lease or permit at
the same location if the director has filed a complaint against the
license, registration, lease, permit or location that has not been
resolved alleging a violation of any of the grounds stated in subsection A
of this section until the time the complaint has been finally adjudicated.

F. The director shall receive all complaints of alleged violations
of this chapter and is responsible for the investigation of INVESTIGATING
all allegations of a violation of, or noncompliance with, this title, any
rule adopted pursuant to this title or any condition imposed on the
licensee, registrant, lessee or permittee by the license, registration,
lease or permit. When the director receives three complaints from any law
enforcement agency resulting from three separate incidents at a licensed, leased or permitted establishment or by a registrant within a twelve-month period, the director shall transmit a written report to the board setting forth the complaints, the results of any investigation conducted by the law enforcement agency or the department relating to the complaints and a history of all prior complaints against the license, registration, lease or permit and their disposition. The board shall review the report and may direct the director to conduct further investigation of a complaint or to serve a licensee, registrant, lessee or permittee with a complaint and notice of a hearing pursuant to subsection G of this section.

G. On the director's initiation of an investigation or on the receipt of a complaint and an investigation of the complaint as deemed necessary, the director may cause a complaint and notice of a hearing to be directed to the licensee, registrant, lessee or permittee that states the violations alleged against the licensee, registrant, lessee or permittee and directing the licensee, registrant, lessee or permittee, within fifteen days after service of the complaint and notice of a hearing, to appear by filing with the director an answer to the complaint. Failure of the licensee, registrant, lessee or permittee to answer may be deemed an admission by the licensee, registrant, lessee or permittee of commission of the act charged in the complaint. The director may then vacate the hearing and impose any sanction provided by this article. The director may waive any sanction for good cause shown, including excusable neglect. With respect to any violation of this title or any rule adopted pursuant to this title that is based on the act or omission of a licensee's, registrant's, lessee's or permittee's employee, the director shall consider evidence of mitigation presented by the licensee, registrant, lessee or permittee and established by a preponderance of the evidence that the employee acted intentionally and in violation of the express direction or policy adopted by the licensee, registrant, lessee or permittee and communicated to the employee and that the employee successfully completed training in a course approved by the director pursuant to section 4-112, subsection G, paragraph 2. The director may set the hearing before the director or an administrative law judge on any of the grounds stated in subsection A of this section. Instead of issuing a complaint, the director may provide for informal disposition of the matter by consent agreement or may issue a written warning to the licensee, registrant, lessee or permittee. If a warning is issued, the licensee, registrant, lessee or permittee may reply in writing and the director shall keep a record of the warning and the reply.

H. A hearing shall conform to the requirements of title 41, chapter 6, article 10. At the hearing an attorney or corporate officer or employee of a corporation may represent the corporation. The revoking, suspending or refusing to renew a license, registration, lease or permit for unpaid taxes, penalties or interest pursuant to subsection A,
paragraph 5 of this section is a contested case with the department of revenue pursuant to section 42-1251.01.

I. The expiration, cancellation, revocation, reversion, surrender, acceptance of surrender or termination in any other manner of a license, registration, lease or permit does not prevent the initiation or completion of a disciplinary proceeding pursuant to this section against the licensee, registrant, lessee or permittee or license, registration, lease or permit. An order issued pursuant to a disciplinary proceeding against a license, registration, lease or permit is enforceable against other licenses, registrations, leases or permits or subsequent licenses, registrations, leases or permits in which the licensee, registrant, lessee, permittee or controlling person of the license, registration, lease or permit has a controlling interest.

J. The department shall provide the same notice as is provided to the licensee, registrant, lessee or permittee to a lienholder, which has provided a document under section 4-112, subsection B, paragraph 3, of all disciplinary or compliance action with respect to a license, registration, lease or permit issued pursuant to this title. The state is not liable for damages for any failure to provide any notice pursuant to this subsection.

K. In any disciplinary action pursuant to this title, a lienholder may participate in the determination of the action. The director shall consider mitigation on behalf of the lienholder if the lienholder proves all of the following by a preponderance of the evidence:

1. That the lienholder's interest is a bona fide security interest. For the purposes of this paragraph, "bona fide security interest" means the lienholder provides actual consideration to the licensee, registrant, lessee or permittee or the licensee's, registrant's, lessee's or permittee's predecessor in interest in exchange for the lienholder's interest. Bona fide security interest includes a lien taken by the seller of a license, registration, lease or permit as security for the seller's receipt of all or part of the purchase price of the license, registration, lease or permit.

2. That a statement of legal or equitable interest was filed with the department before the alleged conduct occurred that is the basis for the action against the license, registration, lease or permit.

3. That the lienholder took reasonable steps to correct the licensee's, registrant's, lessee's or permittee's prior actions, if any, or initiated an action pursuant to available contract rights against the licensee, registrant, lessee or permittee for the forfeiture of the license, registration, lease or permit after being provided with notice by the department of disciplinary action as provided in subsection J of this section.

4. That the lienholder was free of responsibility for the conduct that is the basis for the proposed revocation.
5. That the lienholder reasonably attempted to remain informed by
the licensee, registrant, lessee or permittee about the business's
conduct.

L. If the director decides not to revoke the license, registration,
lease or permit based on the circumstances provided in subsection K of
this section, the director may issue an order requiring either, or both,
of the following:
1. The forfeiture of all interest of the licensee, registrant,
lessee or permittee in the license, registration, lease or permit.
2. The lienholder to pay any civil monetary penalty imposed on the
licensee, registrant, lessee or permittee.

M. If any on-sale licensee proposes to provide large capacity
entertainment events or sporting events with an attendance capacity
exceeding a limit established by the director, the director may request a
security plan from the licensee that may include trained security
officers, lighting and other requirements. This subsection exclusively
prescribes the security requirements for a licensee and does not create
any civil liability for this state, its agencies, agents or employees or a
person licensed under this title or agents or employees of a licensee.

N. The director may consider as a mitigating factor or defense to a
complaint against a licensee for a violation of subsection A, paragraph 10
or 13 of this section that the licensee acted reasonably, responsibly
and as expeditiously as possible by asking for intervention by a peace
officer to prevent or to break up a riot, a fight, an altercation or
tumultuous conduct.

Sec. 5. Section 5-108, Arizona Revised Statutes, is amended to
read:

5-108. Issuance of permit or license; grounds for refusal to
issue; nontransferable; renewal

A. The department shall conduct a thorough investigation concerning
the application for a permit or a license and:
1. The department may refuse to issue or renew a license or the
commission may refuse to approve or renew a permit for any applicant if
there is substantial evidence to find that the applicant:
(a) Has been suspended or ruled off a recognized course in another
jurisdiction by the racing board or commission thereof.
(b) Is not of good repute and moral character.
(c) Has, when previously licensed or granted a permit,
violated the racing laws of this state or of any other state or the
regulations of the commission.
(d) Is a corporation, firm or association not duly qualified
and authorized to conduct business within this state.
(e) If an individual, has been convicted of a felony or any
crime involving moral turpitude, or, if a corporation, firm or
association, is controlled or operated directly or indirectly by a person
or persons who have been convicted of a felony or any crime involving moral turpitude.

(e) If an individual, is engaged in or has been convicted of wagering by other than the mutuel method or in pool selling or bookmaking in any state of the United States or foreign country where such other method, pool selling or bookmaking is illegal or, if a corporation, firm or association, is controlled or operated directly or indirectly by a person who is engaged in or has been convicted of wagering by other than the mutuel method or in pool selling or bookmaking in any state of the United States or foreign country where such other method, pool selling or bookmaking is illegal.

(f) Has wilfully violated any provision of this chapter or any of the rules and regulations of the commission.

(g) Should not, in the best interest of the safety, welfare, economy, health and peace of the people of the state, be granted a license or permit.

(h) Has entered into any contract or contracts that will not further the best interests of racing or be in the public interest or, in the case of permittees or applicants for permits to conduct racing meetings, has failed to file with the department a contract, as an addendum to an application for a permit to conduct a racing meeting, providing for food and beverage concession rights, if any, at that racing meeting. A food and beverage concessionaire contract filed with the department pursuant to this section shall be available to the public on request.

(i) Has failed to inform the department on or before May 15 of each year in writing of any material change, occurring during the immediately preceding year of the license or permit term, in the information supplied by the applicant in the application, for a license or permit. If a licensee or permittee fails to file such information, the department shall notify the licensee or permittee of the failure to file and the licensee or permittee shall have an additional fifteen days, after the notice is mailed to the last known address of the licensee or permittee, to file the information.

2. The commission may refuse to approve or renew a permit to conduct a racing meeting or a food and beverage concessionaire license for any ground set forth in paragraph 1 of this subsection or if there is substantial evidence to find that:

(a) The applicant is not possessed of or has not demonstrated financial responsibility sufficient to meet adequately the requirements of the enterprise proposed to be authorized.

(b) The applicant is not the true owner of the enterprise proposed to be granted a permit, that other persons have ownership in the enterprise which AND THAT fact has not been disclosed or, if the applicant is a corporation, that ten percent of the stock of the
corporation is subject to a contract or option to purchase at any time during the period for which the permit is issued unless the contract or option was disclosed to the department and the department approved the sale or transfer during the period of the permit.

(c) The granting of a permit or license in the locality set out in the application is not in the public interest or convenience.

d) The applicant, if a corporation or any holder of more than ten percent of the outstanding stock of any class, transferred, pledged or in any other way collateralized any of its stock after an application for a permit or license was filed with the department, without prior department approval. The provisions of Subdivision (b) of this paragraph and this subdivision shall not apply to day-to-day transfers of stock of a publicly held corporation unless the transfer, or a combination of transfers, involves a controlling interest in or affects the operational control of the corporation, or involves ten percent or more of any class of stock of the corporation owned by the controlling shareholders or the manager of any racing meeting.

e) The applicant has, or if the applicant is a corporation, its officers, managerial employees, directors or substantial stockholders have, committed acts of moral turpitude in this state or have wilfully violated a material racing statute of this state or a material rule or regulation of the commission. If the commission makes such a finding, with respect to an officer, managerial employee, director or substantial stockholder, the applicant may be denied a permit only on the failure to remove the officer, managerial employee or director or the failure of the substantial stockholder to sell its stock interest. For purposes of this subdivision a substantial stockholder is one who owns ten percent of the issued and outstanding stock of the applicant.

3. The department may deny or refuse to renew a license or the commission may refuse to approve or renew a permit for any person who has made a knowingly false statement of a material fact to the department.

4. The department may deny or refuse to renew a license or the commission may refuse to approve or renew a permit to any applicant if the applicant has failed to meet any monetary obligation in connection with any racing meeting held in this state.

5. The department shall refuse to issue or renew a license or the commission shall refuse to approve or renew a permit for any applicant if there is substantial evidence to find that the applicant, if an individual, has been convicted within the last five years of a felony or any crime involving moral turpitude or, if a corporation, firm or association, is controlled or operated directly or indirectly by a person or persons who have been convicted within the last five years of a felony or any crime involving moral turpitude.

B. The department, in conducting the investigation referred to in this section, shall have the full cooperation of all state agencies and
departments, including the department of public safety, and the agencies and departments shall make their personnel available to the department, on request.

C. If the commission determines that the applicant for a permit, whether such applicant is a lessee or an individual or corporate owner of the tracksite, meets the requirements prescribed by this article and the rules and regulations of the commission, it shall approve the permit. The permit shall be approved for a period of not to exceed MORE THAN three years. Any renewal of a permit shall be pursuant to subsection D of this section.

D. Except as provided by subsection C of this section, permits shall be renewed for successive periods of not more than three years unless the commission revokes the permit or refuses to renew the permit for any of the grounds enumerated in this section or section 5-108.03. The renewal of a permit shall be denied only after a full hearing and a finding of good cause for refusing renewal has been made by the commission.

E. The director shall suspend or revoke a license or the commission shall deny or revoke a permit of a person who intentionally provides false information to the department or any other governmental agency concerning the person's criminal history background. The director may suspend or revoke a license or the commission may deny or revoke a permit of a person who negligently or recklessly provides false information to the department or any other governmental agency concerning the person's criminal history background.

F. Except as provided by this subsection, the director may grant a license or the commission may approve a permit to engage in the racing industry in this state only after all necessary investigation of the background of the applicant required by this article has been completed. A temporary permit approved by the commission or a temporary license valid for a period of not to exceed MORE THAN ninety days may be issued by the director before the time the investigation of the background of the applicant for the license or permit has been completed. After a temporary license or permit has been issued, the director may suspend or revoke a temporary license or the commission may revoke a temporary permit for any reason that would be grounds to refuse to issue, approve or renew a license or permit under the provisions of subsection A of this section.

Sec. 6. Section 5-404, Arizona Revised Statutes, is amended to read:

5-404. Application for license

A. Each applicant for an initial license to be issued pursuant to the provisions of this section shall submit to the local governing body the local governing body fee and the license fee prescribed in section 5-414 together with a written application THAT IS in the form prescribed
by the licensing authority, THAT IS duly executed and verified, and in
which shall be stated THAT STATES:

1. The name, telephone number and address of the applicant.
2. Sufficient facts to enable the licensing authority to determine
whether or not the applicant is qualified for the specific class of
license for which the applicant is applying.
3. If the applicant is a qualified organization, the names and
addresses of its officers.
4. The place where and day and time when such games of bingo are to
be held, operated and conducted by the applicant, under the license
applied for.
5. The items of expense intended to be incurred or paid in
connection with the holding, operating and conducting of such games of
bingo and the names and addresses of the persons to whom, and the purposes
for which, they are to be paid.
6. The specific projected use of the net proceeds.
7. Such other information as shall be deemed advisable by the
licensing authority.

B. The applicant shall designate in the application:
1. One or two persons who will serve as manager.
2. One person who will serve as proceeds coordinator.
3. At least one person who will serve as supervisor.
4. At least one person who will serve as assistant.
C. A person WHO IS designated as a manager, proceeds coordinator or
supervisor on a license shall not serve in any of these positions under
any other license.
D. The applicant shall attach affidavits to the application which
THAT are executed by each manager and state that the manager:
1. Will conduct all bingo games in compliance with the license,
this article and the rules of the licensing authority.
2. IS of good moral character.
3. Has never been convicted of a misdemeanor involving moral
turpitude or a felony.
E. The applicant shall attach an affidavit to the application which
THAT is executed by the proceeds coordinator and states that the proceeds
coordinator:
1. Will use the net proceeds in compliance with the terms of the
license, this article and the rules of the licensing authority.
2. IS of good moral character.
3. Has never been convicted of a misdemeanor involving moral
turpitude or a felony.
F. A person may serve as supervisor for more than one occasion for
the same licensee. The supervisor shall be continuously present on the
premises during the bingo games and until all associated activities have
been completed. The applicant shall attach affidavits to the application which THAT are executed by each supervisor and state that the supervisor:
   1. Will comply with the terms of the license, this article and the rules of the licensing authority in supervising each occasion.
   2. Is of good moral character.
   3. Has never been convicted of a misdemeanor involving moral turpitude or a felony.

G. Except in an application for a class A license, the applicant shall attach affidavits to the application which THAT are executed by each assistant and state that the assistant:
   1. Will comply with the terms of the license, this article and the rules of the licensing authority in assisting in the conduct of all bingo games.
   2. Is of good moral character.
   3. Has never been convicted of a misdemeanor involving moral turpitude or a felony.

H. If any premises are to be leased or rented in connection with holding, operating or conducting any game of bingo pursuant to this article, an affidavit by the lessor shall accompany the application stating the lessor's name and address, the amount of rent, stated in a specific dollar amount and not relating to any percentage or portion of gross or net revenue, which THAT will be paid for such premises and that the lessor is HAS, or its officers and directors are HAVE, of good moral character and have not been convicted of any misdemeanor involving moral turpitude or a felony.

I. The local governing body, shall—upon receipt of the application, SHALL immediately set a hearing on the application to be held within forty-five days.

J. Following the receipt of the application and the hearing, the local governing body shall recommend approval or disapproval of the application and forward the original or a certified copy of the application endorsed with its approval or disapproval to the licensing authority. If the application is disapproved by the local governing body, the endorsement shall contain the specific reasons for disapproval.

Sec. 7. Section 5-562, Arizona Revised Statutes, is amended to read:

5-562. Licenses to sell tickets or shares; fee; conditions; definitions
   A. A license as an agent to sell lottery tickets or shares shall not be issued to any person to engage in business exclusively as a lottery sales agent. Before issuing a license as a lottery sales agent to any person, the director shall consider factors such as the financial responsibility and security of the person and the nature of the person's business activity, the person's background and reputation in the community, the accessibility of the person's place of business or activity.
to the public, the accessibility of existing licensees to serve the public
convenience and the volume of expected sales.

B. A person THAT IS lawfully engaged in nongovernmental business on
state property may be licensed as a lottery sales agent.

C. The director may establish by rule and collect a fee for a
license issued pursuant to this section.

D. A license is not assignable or transferrable.

E. A licensed agent or licensed agent's employee may sell lottery
tickets or shares only on the premises stated in the license of the agent.

F. The director may purchase a blanket bond covering the activities
of licensed agents.

G. A licensed agent shall display the licensed agent's license or a
copy of the license conspicuously in accordance with the rules prescribed
by the director.

H. If a licensed agent sells lottery tickets or shares on leased
premises and all or part of the agent's rental payments are based on the
total volume of sales made at the premises, the compensation paid by the
state lottery commission to the agent for the sale of tickets and shares
is the amount of the sale for the purposes of determining the agent's
rental payments. This subsection does not apply if the lease agreement
expressly provides that the total volume of sales made at the premises
includes sales of lottery tickets or shares.

I. The commission shall adopt rules to establish penalties for a
licensed agent who violates section 5-565 or 5-565.01. The penalty for a
subsequent violation within any twelve-month TWELVE-MONTH period shall be
more severe than the penalty for a prior violation.

J. The director shall not require a licensed agent, as a condition
of securing or continuing to hold a license to sell lottery tickets or
shares to the public, to sell such tickets or shares through or by the use
of a self-service vending machine at the licensed agent's premises.

K. For the purposes of this section, acts or omissions of an
employee at the premises of a licensed agent or sales of tickets or shares
by a self-service vending machine in violation of section 5-565 or
5-565.01 shall be deemed acts or omissions of the licensed agent only at
the premises where the acts, omissions or sales occurred.

L. For the purposes of this section:

1. "Person":
   (a) Means an individual, association, corporation, club, trust,
estate, society, company, joint stock company, receiver, trustee or
referee, any other person acting in a fiduciary or representative capacity
who is appointed by a court, or any combination of individuals. Person
   (b) Includes any department, commission, agency or instrumentality
of this state, including any county, city or town and any agency or
instrumentality of this state or of a county, city or town.
2. "Premises" means the physical location and address listed on the license of the licensed agent where lottery tickets or shares may be sold.

Sec. 8. Section 5-1209, Arizona Revised Statutes, is amended to read:

5-1209. Revocation, suspension or denial of license; grounds; definitions

A. The department may revoke, suspend or deny a license if an applicant or licensee meets any of the following criteria:

1. Violates, fails or refuses to comply with the provisions, requirements, conditions, limitations or duties imposed by law or rule, or if any such violation occurs on any fantasy sports contest platform operated by any such person or over which the person has substantial control.

2. Knowingly causes, aids, abets or conspires with another to cause any person to violate any of the laws of this state or the rules of the department.

3. Obtains a license by fraud, misrepresentation, concealment or through inadvertence or mistake.

4. Is convicted OF or forfeited bond on a charge of or pleads guilty to:

   (a) Forgery, larceny, extortion or conspiracy to defraud.

   (b) Wilful failure to make required payment or reports to any tribal, state or federal governmental agency, filing false reports with any tribal, state or federal governmental agency or any similar offense or offenses.

   (c) Bribing or otherwise unlawfully influencing a public official of this state or any other state or jurisdiction.

   (d) Any crime, whether a felony or misdemeanor, involving any gaming activity, physical harm to an individual or moral turpitude.

5. Makes a misrepresentation of or fails to disclose a material fact to the department.

6. Fails to prove, by clear and convincing evidence, that the person is qualified for licensure.

7. Is subject to current prosecution or pending charges or a conviction that is under appeal for any of the offenses included in this subsection. At the request of an applicant for an original license, the department may defer decision on the application during the pendency of the prosecution or appeal.

8. Has had a gaming license issued by any jurisdiction in the United States revoked or denied.

9. Demonstrates a wilful disregard for compliance with gaming regulatory authority in any jurisdiction, including suspension, revocation or denial of an application for a license or forfeiture of a license.

10. Has pursued or is pursuing economic gain in an occupational manner or context in violation of the criminal laws of any state if the
pursuit creates probable cause to believe that the person's participation in gaming or related activities would be detrimental to the proper operation of authorized gaming or a related activity in this state.

11. Is a career offender or a member of a career offender organization or an associate of a career offender or career offender organization thereby establishing probable cause to believe that the association is of such a nature as to be detrimental to the proper operation of authorized gaming or related activities in this state.

12. Is a person whose prior activities, criminal record, if any, reputation, habits and associations pose a threat to the public interest of this state or to the effective regulation and control of fantasy sports contests, or creates or enhances the dangers of unsuitable, unfair or illegal practices, methods and activities in the conduct of fantasy sports contests, or the carrying on of the business and financial arrangements incidental thereto.

13. Fails to provide any information requested by the department within seven days of the request for the information.

B. The department, pursuant to the laws of this state, may summarily suspend a license issued pursuant to this chapter if the continued licensure of a person constitutes an immediate threat to the public health, safety or welfare.

C. Any applicant for licensure agrees by making such application to be subject to state jurisdiction to the extent necessary to determine the applicant's qualification to hold such license, including all necessary administrative procedures, hearings and appeals pursuant to title 41, chapter 6 and the department's rules.

D. An applicant for licensure may not withdraw an application without the department's written permission. The department may not unreasonably withhold permission to withdraw an application.

E. For the purposes of this section:

1. "Career offender" means any individual who behaves in an occupational manner or context for the purposes of economic gain by violating federal law or the laws and public policy of this state.

2. "Career offender organization" means any group of individuals who operate together as career offenders.

3. "Occupational manner or context" means the systematic planning, administration, management or execution of an activity for financial gain.

Sec. 9. Section 5-1304, Arizona Revised Statutes, is amended to read:

5-1304. Licensure; application
A. The department may issue not more than ten event wagering operator licenses to applicants other than an Indian tribe. The department may issue not more than ten event wagering operator licenses to Indian tribes in this state if the Indian tribe receiving a license has signed the most recent tribal-state gaming compact and any applicable
appendices or amendments. The department shall issue event wagering licenses only to applicants that are either of the following in compliance with this chapter:

1. An owner of an Arizona professional sports team or franchise, operator of a sports facility that hosts an annual tournament on the PGA tour, promoter of a national association for stock car auto racing national touring race conducted in this state or the owner's, operator's or promoter's designee, contracted to operate event wagering for both retail event wagering at a sports facility or its complex as prescribed in subsection D of this section and mobile event wagering throughout the state. If a designee is used, the designee shall be considered the applicant and be subject to any requirements of the application process rather than the owner, operator or promoter.

2. An Indian tribe, or an entity fully owned by an Indian tribe, or its designee contracted to operate only mobile event wagering outside the boundaries of its Indian lands and throughout the state if it has signed the most recent tribal-state gaming compact and any applicable appendices or amendments.

B. An applicant for an event wagering license shall submit an application in a form prescribed by the department, including all of the following:

1. The identification of the applicant's principal owners that own more than five percent of the company, the partners, the members of its board of directors and the officers, the identification of any holding company, including its principals, THAT IS engaged by the applicant to assist in the management or operation of event wagering, if applicable, and information to verify that the applicant is qualified to hold a license under subsection A of this section.

2. A full set of fingerprints for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544. The department of public safety may exchange this fingerprint data with the federal bureau of investigation. The fingerprints shall be furnished by the applicant's officers and directors, if a corporation, members, if a limited liability company, and partners, if a partnership. An applicant convicted of a disqualifying offense may not be licensed.

3. Information, documentation and assurances as may be reasonably required to establish by clear and convincing evidence the applicant's good character, honesty and integrity, including information that pertains to family connections, criminal and arrest records, business activities, financial affairs and business, professional and personal associates covering at least the ten-year period immediately preceding the filing of the application.

4. A notice and description of civil judgments obtained against the applicant pertaining to antitrust or security regulation laws of the
federal government, of this state or of any other state, jurisdiction, province or country.

5. If the applicant has conducted gaming operations in a jurisdiction that allows such activity, letters of compliance from the regulatory body that regulates event wagering, sports wagering or any other gaming activity that the applicant is licensed for, conducts or operates under jurisdiction of the regulatory body.

6. Information, documentation and assurances concerning financial background and resources of the applicant or its management services provider as may be required to establish by clear and convincing evidence the financial stability, integrity and responsibility of the applicant or its management services provider, including bank references, business and personal income and disbursement schedules, tax returns and other reports filed with governmental agencies, and business and personal accounting and check records and ledgers. Each applicant or its management services provider, in writing, shall authorize the examination of all bank accounts and records as may be deemed necessary by the department. The department may consider any relevant evidence of financial stability. The applicant is presumed to be financially stable if the applicant or its management services provider establishes by clear and convincing evidence that it meets each of the following standards:

(a) The ability to ensure the financial integrity of event wagering operations by maintaining a bankroll or equivalent provisions adequate to pay winning wagers to bettors when due. An applicant is presumed to have met this standard if the applicant or its management services provider maintains, on a daily basis, a bankroll or equivalent provisions in an amount that is at least equal to the average daily minimum bankroll or equivalent provisions, calculated on a monthly basis, for the corresponding month in the previous year.

(b) The ability to meet ongoing operating expenses that are essential to maintaining continuous and stable event wagering operations.

(c) The ability to pay, as and when due, all state and federal taxes.

7. Information to establish by clear and convincing evidence that the applicant or its management services provider has sufficient business ability and gaming experience as to establish the likelihood of creating and maintaining a successful and stable event wagering operation.

8. Information regarding the financial standing of the applicant, including each person or entity that has provided loans or financing to the applicant or its management services provider.

9. Information on the amount of adjusted gross event wagering receipts and associated adjusted gross receipts that the applicant expects to generate.

10. A nonrefundable application fee or annual licensing fee as prescribed by section 5-1310.
H.B. 2612

10. Any additional information required by the department to
determine the financial and operational ability to fulfill its obligations
as an event wagering operator.

C. Any applicant for licensure agrees to be subject to state
jurisdiction to the extent necessary to determine the applicant's
qualification to hold a license, including all necessary administrative
procedures, hearings and appeals as provided in title 41, chapter 6 and
department rules.

D. A license issued by the department pursuant to this section
authorizes an event wagering operator identified in subsection A,
paragraph 2 of this section to operate only mobile event wagering or an
event wagering operator identified in subsection A, paragraph 1 of this
section to offer both:

1. Event wagering in this state through an event wagering facility
within a five-block radius of the event wagering operator's sports
facility or, in the case of a designee, the sports facility or the
designating owner, operator or promoter of a professional sports team,
event or franchise. An event wagering facility within one mile of a
tribal gaming facility must be:
   (a) Within a sports complex that includes retail centers that are
       adjacent to the sports facility.
   (b) Not more than one-fourth of a mile from a sports facility
       within the sports complex.

2. Event wagering through a mobile platform as specified by the
department. A licensed event wagering operator or its designated
management services provider may offer event wagering through an event
wagering platform as specified by the department.

E. A license issued under this section is valid for five years if
the licensee submits an annual license fee, maintains the qualifications
to obtain a license under this section and substantially complies with
this chapter and other laws and rules relating to event wagering. A
licensee may renew its license by submitting an application in a form
prescribed by department rule and the application fee. A license may not
be renewed if it is determined by the department that the event wagering
operator has not substantially complied with this chapter or any other law
regulating its event wagering operations or other operations licensed by
the department. A licensee shall submit the nonrefundable annual license
and application fees prescribed in section 5-1310 with its application for
the renewal of its license.

F. A person may not apply for or obtain more than one event
wagering operator license. A management services provider may offer
services to more than one event wagering operator.
Sec. 10. Section 5-1306, Arizona Revised Statutes, is amended to read:

5-1306. License revocation; suspension; denial; grounds; definitions
A. The department may revoke, suspend or deny a license when an applicant or licensee meets any of the following criteria:
1. Violates, fails or refuses to comply with the provisions, requirements, conditions, limitations or duties imposed by this chapter and other laws and rules, or if any such violation has occurred on any event wagering system operated by any such person or over which the person has substantial control.
2. Knowingly causes, aids, abets or conspires with another to cause any person to violate any of the laws of this state or the rules of the department.
3. Obtains a license by fraud, misrepresentation, concealment or through inadvertence or mistake.
4. Is convicted or forfeited bond on a charge of or pleads guilty to:
   (a) Forgery, larceny, extortion or conspiracy to defraud.
   (b) Wilful failure to make required payment or reports to any tribal, state or federal governmental agency, filing false reports with any tribal, state or federal governmental agency or any similar offense or offenses.
   (c) Bribing or otherwise unlawfully influencing a public official of this state or any other state or jurisdiction.
   (d) Any crime, whether a felony or misdemeanor, involving any gaming activity, physical harm to an individual or moral turpitude.
5. Misrepresents or fails to disclose a material fact to the department.
6. Fails to prove, by clear and convincing evidence, that the person is qualified for licensure.
7. Is subject to current prosecution or pending charges or a conviction that is under appeal for any of the offenses included in this subsection. At the request of an applicant for an original license, the department may defer decision on the application during the pendency of the prosecution or appeal.
8. Has had a gaming license issued by any jurisdiction in the United States revoked or denied.
9. Demonstrates a wilful disregard for compliance with gaming regulatory authority in any jurisdiction, including suspension, revocation or denial of an application for a license or forfeiture of a license.
10. Has pursued or is pursuing economic gain in an occupational manner or context in violation of the criminal laws of any state if the pursuit creates probable cause to believe that the person's participation
1. Is a career offender or a member of a career offender organization or an associate of a career offender or career offender organization thereby establishing probable cause to believe that the association is of such a nature as to be detrimental to the proper operation of the authorized gaming or related activities in this state.

2. Is a person whose prior activities, criminal record, if any, reputation, habits and associations pose a threat to the public interest of this state or to the effective regulation and control of event wagering, creates or enhances the dangers of unsuitable, unfair or illegal practices, methods and activities in the conduct of event wagering or the carrying on of the business and financial arrangements incidental thereto.

3. Fails to provide any information requested by the department within seven days after the request for the information, except for good cause as determined by the department.

B. Any applicant for licensure or holder of a license shall be entitled to a full hearing on any final action by the department that may result in the revocation, suspension or denial of licensure. The hearing shall be conducted in accordance with the procedures as provided in title 41, chapter 6 and the department's rules.

C. The department may summarily suspend any license if the continued licensing of the person constitutes an immediate threat to the public health, safety or welfare.

D. For the purposes of this section:

1. "Career offender" means any individual who behaves in an occupational manner or context for the purposes of economic gain by violating federal law or the laws and public policy of this state.

2. "Career offender organization" means any group of individuals who operate together as career offenders.

3. "Occupational manner or context" means the systematic planning, administration, management or execution of an activity for financial gain.

Sec. 11. Section 6-147, Arizona Revised Statutes, is amended to read:

6-147. Denial of application; grounds

A. With respect to the proposed acquisition of control of a bank, trust company, savings and loan association or controlling person, an application shall be denied if the deputy director finds any of the following:

1. That the financial condition of any person who would acquire control is such as may jeopardize the financial stability of the bank, trust company or savings and loan association, or prejudice the interests of the depositors, beneficiaries, creditors and shareholders of the bank, trust company or savings and loan association.
2. That a plan or proposal to liquidate the bank, trust company or savings and loan association, to merge or consolidate the bank, trust company or savings and loan association or to make any other major change in the business, corporate structure or management of the bank, trust company or savings and loan association is not fair and reasonable to the depositors, beneficiaries, creditors or shareholders of the bank, trust company or savings and loan association.

3. That the overall moral character or integrity of any person who would acquire control indicates that it would not be in the interest of the depositors, beneficiaries, creditors or shareholders of the bank, trust company or savings and loan association, or in the interest of the public, to allow such a person to control the bank, trust company or savings and loan association.

4. That the applicant neglects, fails or refuses to furnish to the deputy director any information required by the deputy director.

5. That the PROPOSED ACQUISITION is contrary to law.

B. The deputy director may, in approving a proposal to acquire control of a bank, trust company or savings and loan association, impose such conditions as the deputy director deems reasonable, necessary or advisable in the public interest.

Sec. 12. Section 6-204, Arizona Revised Statutes, is amended to read:

6-204. Issuance of banking permit; trust business; conditional approval; hearing; banker's bank; definitions

A. On the filing of an application for a banking permit, the deputy director shall make or cause to be made an investigation and examination of the facts concerning the applicant. Except as provided in subsection F of this section, the deputy director shall issue the permit if, but only if, the deputy director finds:

1. The applicant is a corporation organized under the laws of this state having powers and purposes to engage in the banking business.

2. The deposits of the bank will be insured by the federal deposit insurance corporation when the bank commences business.

3. The ability and integrity of the persons involved in the organization and management of the proposed bank are IS such as to demonstrate that it will be operated in a sound and lawful manner.

4. The applicant has paid in capital which THAT is adequate for its prospective business.

5. The need for the bank in the community or area where the bank will be located is such as to demonstrate the favorable prospect for a sound banking operation.

B. An application that is not denied or approved by the deputy director within ninety days after the application is filed with the deputy
director is deemed to be approved by the deputy director as of the first
day after the period.

C. A banking permit may initially or by amendment include the
authority of a bank to engage in the trust business.

D. The deputy director may approve the application conditioned on
specific requirements being met, but a permit shall not be issued unless
such conditions have been met within the time specified in the order or
any extension.

E. The permit may be granted or denied without a hearing, but the
deputy director may, and shall at the request of the applicant, fix a date
for a hearing on the application. At the hearing any person may be heard
with reference to the facts to be investigated.

F. The deputy director shall not issue a banking permit pursuant to
subsection A of this section for a banker's bank unless all of the
following apply:

1. The stock of the applicant is owned exclusively by one or more
state or nationally chartered banks or, if the stock is owned by a holding
company, the holding company's stock is owned exclusively by one or more
state or nationally chartered banks.

2. The applicant engages in or will engage exclusively in providing
banking services to or for other depository institutions or their holding
companies and the directors, officers or employees of the depository
institutions.

3. The applicant offers or will offer correspondent banking
services for other depository institutions or their holding companies.

4. The applicant is fully insured by the federal deposit insurance
corporation.

5. No single entity acquires or retains at any time ownership,
control or power to vote more than ten percent of any class of voting
securities of the banker's bank.

G. For purposes of this section:

1. "Banker's bank" means an entity that is owned exclusively by one
or more state or nationally chartered banks or bank holding companies and
that exclusively provides banking services to or for other depository
institutions and their holding companies.

2. "Nationally chartered bank" means a bank or savings bank
chartered by the office of the comptroller of the currency or the office
of thrift supervision.

Sec. 13. Section 6-326, Arizona Revised Statutes, is amended to
read:

6-326. Denial of application; grounds

The deputy director shall deny an application for acquisition of an
in-state financial institution if the deputy director finds any of the
following:
1. The financial condition of the acquiring out-of-state financial institution is such that it may jeopardize the financial stability of the in-state financial institution or prejudice the interests of the depositors, beneficiaries, creditors or shareholders of the in-state financial institution.

2. Any plan or proposal to liquidate the in-state financial institution, to merge or consolidate the in-state financial institution or to make any other major change in the business, corporate structure or management of the in-state financial institution is not fair and reasonable to the depositors, beneficiaries, creditors or shareholders of the in-state financial institution.

3. The applicant has exhibited, or has acquired a reputation for, such a lack of honesty or integrity to indicate that it would not be in the interest of the depositors, beneficiaries, creditors or shareholders of the in-state financial institution or in the interest of the public to allow such an applicant to control the in-state financial institution.

4. The applicant neglects, fails or refuses to furnish to the deputy director any information requested by the deputy director.

5. The applicant fails to obtain any required approval from a federal or state agency with authority over any of the financial institutions that are participating in the transaction.

Sec. 14. Section 6-603, Arizona Revised Statutes, is amended to read:

6-603. License; contents of application; fees; nontransferability

A. Unless exempt under section 6-602, a person, whether located in this state or in another state, shall not engage in the business of a consumer lender without first being licensed as a consumer lender by the deputy director.

B. This chapter applies to any person who seeks to avoid its application by any device, subterfuge or pretense.

C. Each applicant for a license shall submit an application in writing, under oath and in the form prescribed by the deputy director. The deputy director may require as part of an application any other information that the deputy director deems necessary.

D. At the time of filing an application for a license, an applicant shall pay to the deputy director the fee prescribed in section 6-126.

E. Before June 30 of each year, each licensee may obtain a renewal of a license by filing an application in the form prescribed by the deputy director and paying the fee prescribed in section 6-126.

F. The deputy director may deny a license to a person if the deputy director finds that an applicant:

1. Is insolvent as defined in section 47-1201.
2. Has failed to demonstrate the financial responsibility, character and general fitness to command the confidence of the public and to warrant the belief that the business will be operated lawfully, honestly, fairly and efficiently within the purposes of this chapter.

3. Has failed to pay the license fee.

4. Has failed to have at least $25,000 in assets readily available for use in the conduct of the business of each licensed office and branch office.

G. A consumer lender license is not transferable or assignable, and a person may NOT acquire control of a licensee through stock purchase or other device without the prior written consent of the deputy director. The deputy director may refuse consent if the deputy director finds that any of the grounds for denial of renewal, revocation or suspension of a license prescribed in section 6-605 are applicable to the acquiring person. For purposes of this subsection, “control” means the power to vote more than twenty percent of the outstanding voting shares of a licensed corporation, limited liability company, partnership, association or trust.

Sec. 15. Section 6-605, Arizona Revised Statutes, is amended to read:

6-605. Denial of renewal; suspension; revocation
A. The deputy director may deny renewal of a license or suspend or revoke a license if the deputy director finds that a licensee:

1. Is insolvent as defined in section 47-1201.

2. Has shown that the licensee is not a person of honesty, truthfulness and good character.

3. Has failed to pay the annual renewal fees.

4. Has failed to file an annual report when due or within any extension of time granted by the deputy director for good cause.

5. Has failed to have or maintain at least $25,000 in assets used or readily available for use in the conduct of the business of each licensed office and branch office.

6. Either knowingly or without the exercise of due care to prevent a violation, has violated any provision of this title or any rule or order adopted or made pursuant to this title.

7. Has failed to operate the business of making consumer lender loans for a continuous period of twelve months or more, except that the deputy director, on good cause shown, may extend the time for operating that business for a single fixed period of not more than twelve months.

B. The deputy director may also deny renewal of a license or suspend or revoke a license if the deputy director finds that any fact or condition exists that, if it had existed at the time of the original application for the license, would have clearly warranted the deputy director to refuse to issue the license.
Sec. 16. Section 6-707, Arizona Revised Statutes, is amended to read:

6-707. Issuance of license; display; renewal
A. On the filing of the application and the payment of the fees and the approval of the bond, or bonds, the deputy director shall investigate the facts, and if the deputy director finds that the financial responsibility, AND experience, character and general fitness of the applicant are such as to command the confidence of the community to warrant belief that the business will be operated fairly and honestly and within the purposes of this article, the deputy director shall issue the applicant a license to do business as a debt management company.
B. The license shall be kept conspicuously posted in the business office of the licensee. The license shall not be transferable or assignable.
C. Licenses shall expire on June 30 following the date of the issuance unless sooner surrendered, revoked or suspended, but may be renewed by filing an application with the deputy director on or before June 15 each year. The application for renewal shall be in the form prescribed by the deputy director and shall be accompanied by the fee prescribed in section 6-126. A separate application shall be made for each initial license of a principal place of business, agency or branch office.

Sec. 17. Section 6-817, Arizona Revised Statutes, is amended to read:

6-817. Refusal to license; suspension; revocation
A. The deputy director on investigation may refuse to license any applicant, or may suspend or revoke any license pursuant to title 41, chapter 6, article 10 by entering an order to that effect, together with findings in respect to the order and by notifying the applicant or escrow agent either personally or by certified mail, return receipt requested, sent to the agent's stated address, on the determination by the deputy director that the applicant or escrow agent:
1. Is unable to pay debts as they fall due in the regular course of business.
2. Has not conducted the applicant's or agent's business in accordance with law or has violated this chapter or the rules relating to this chapter.
3. Is in such a financial condition that the applicant or agent cannot continue in business with safety to the applicant's or agent's customers or the public.
4. Has been found guilty of fraud in a legal or administrative proceeding in this jurisdiction or any other jurisdiction.
5. Has made any material misrepresentations or false statements to, or concealed any essential or material fact from, any person in the course of the escrow business.
6. Has knowingly made or caused to be made to the deputy director any false representation of a material fact, or has suppressed or withheld from the deputy director any information that the applicant or agent possesses, and that if submitted by the applicant or agent would have caused the issuance of a license to be withheld or be grounds for the suspension or revocation of a license.

7. Has failed to account properly for escrow property as required by the terms of the escrow.

8. Refuses to allow an examination or investigation by the deputy director of the applicant's or agent's books and affairs or has refused or failed within a reasonable time to furnish any information or make any report required by the deputy director under this chapter or rules relating to this chapter.

9. Has been convicted of any criminal offense involving moral turpitude within the last fifteen years.

10. Does not have the financial resources, experience, character or competence to adequately serve the public or to warrant the belief that the business will be operated lawfully, honestly, fairly and efficiently pursuant to this chapter.

11. Has disbursed monies in violation of escrow instructions.

12. Has failed to maintain an adequate internal control structure as prescribed by section 6-841.

13. Has caused or allowed any overdraft or returned check for insufficient funds on any of the escrow agent's trust or fiduciary accounts.

14. Has failed to authorize each financial institution with which it has deposited trust or fiduciary funds to notify the deputy director of any overdraft or check returned for insufficient funds on any trust or fiduciary accounts of the escrow agent.

B. It is sufficient cause for refusal, suspension or revocation of a license, in case of a partnership, a corporation or any other group or association, if any member of such persons, or officer or director thereof, has been guilty of any act or omission that would be cause for refusing a license or suspending or revoking the license of an individual agent.

Sec. 18. Section 6-857, Arizona Revised Statutes, is amended to read:

6-857. Issuance of certificate; hearing

A. On the filing of an application for a certificate, the deputy director shall make or cause to be made an investigation and examination of the facts concerning the truth of the statements and the background of the management, controlling shareholder or shareholders, directors and executive officers and shall issue a certificate if the deputy director finds:
1. The applicant is a corporation having powers and purposes to engage in the trust business organized under the laws of this state or authorized to do business in this state as a foreign corporation.
2. The applicant has complied with all of the applicable provisions of this article.
3. The general character, reputation, financial standing, business qualifications, AND ability and integrity of the persons involved in the management of the applicant's business are such as to demonstrate that the trust company will be operated in a safe, sound and lawful manner.
4. The proposed capital meets the requirements of section 6-856.
5. The applicant has submitted a business plan demonstrating a knowledge of potential markets and the ability to generate business.
6. The applicant has procured a fidelity bond as prescribed in section 6-868.
7. The applicant has procured insurance as prescribed in section 6-859, subsections E and F.
B. The deputy director may conditionally accept the application on specific requirements being met, but a certificate shall not be issued until such conditions have been met.
C. The certificate may be granted or denied without a hearing, but the deputy director may, and shall at the request of the applicant, fix a date for a hearing on the application. At the hearing any person may be heard with reference to the facts to be investigated.
Sec. 19. Section 6-863, Arizona Revised Statutes, is amended to read:
6-863. Suspension or revocation of certificate
A. The deputy director may suspend or revoke the certificate of a trust company pursuant to title 41, chapter 6, article 10 if the deputy director determines that:
1. The trust company has failed or refused to comply with any order issued pursuant to section 6-137.
2. The application for a certificate or for renewal of a certificate or any report submitted to the deputy director contained a false representation or omission of a material fact.
3. Any officer or agent of the trust company, in connection with the submission of any report or information to the deputy director or an application for a certificate or for renewal of a certificate, knowingly made a false representation of a material fact or failed to disclose a material fact to the deputy director or the duly authorized agent of the deputy director.
4. The trust company has violated any applicable law, rule or order.
5. The trust company is impaired or insolvent and the trust company is unable to pay debts as they become due in the regular course of its business.
6. The trust company refuses to allow an examination or investigation by the deputy director of its books and affairs or has failed or refused to furnish within thirty days any information or to make any report that may be required by the deputy director.

7. The trust company is unable to maintain the amount of capital required by law.

8. The trust company failed to conduct business in a safe, sound and lawful manner.

9. Any officer, director, employee or agent of the trust company has been convicted in any state of a felony or a crime of moral turpitude, breach of trust, fraud, theft or dishonesty.

10. Any officer, director, employee or agent of the trust company is not honest or truthful and does not demonstrate good character.

11. The trust company's certificate or authorization to engage in trust business in any state or country has been revoked, suspended or denied.

12. A final judgment has been entered in a civil action against any officer, director, employee or agent of the trust company involving fraud, deceit or misrepresentation and the conduct is contrary to the interest of the public to allow the person to engage in a trust business, to control or manage a trust company or to work for a trust company handling trust funds.

13. An order by an administrative agency of this state, another state, the federal government, a territory of the United States or another country has been entered against any officer, director, employee or agent of the trust company involving fraud, deceit or misrepresentation and the conduct is contrary to the interest of the public to allow the person to engage in a trust business, to control or manage a trust company or to work for a trust company handling trust funds.

B. The deputy director may suspend the certificate if an indictment or information is issued against any officer, director, employee or agent of the trust company for forgery, embezzlement, retaining monies under false pretenses, extortion, criminal conspiracy to defraud or a like offense and a certified copy of the indictment or information or other proper evidence of the indictment or information is filed with the deputy director.

C. Pursuant to subsection A of this section, the deputy director may suspend or revoke the certificate for the acts and omissions of:

1. Any officer, director, employee or agent of the trust company while acting in the course of the trust business.

2. A person entitled to vote more than fifteen percent of the outstanding voting shares of the trust company.
Sec. 20. Section 6-903, Arizona Revised Statutes, is amended to read:

**6-903. Licensing of mortgage brokers required; qualifications; application; bond; fees; renewal**

A. A person shall not act as a mortgage broker if the person is not licensed under this article. A person who brokers only commercial mortgage loans shall obtain either a mortgage broker license or a commercial mortgage broker license. A person who brokers residential mortgage loans shall obtain a mortgage broker license.

B. The deputy director shall not grant a mortgage broker's license or a commercial mortgage broker's license to a person, other than a natural person, who is not registered to do business in this state on the date of granting the license.

C. An applicant for an original mortgage broker's license shall:
   1. Have not less than three years' experience as a mortgage broker or loan originator or equivalent lending experience in a related business during the five years immediately preceding the time of application.
   2. Have satisfactorily completed a course of study approved by the deputy director during the three years immediately preceding the time of application.
   3. Have passed a mortgage broker's test, pursuant to section 6-908.

D. An applicant for an original commercial mortgage broker's license shall:
   1. Have not less than three years' experience in the commercial mortgage broker business or equivalent lending experience in a related business during the five years immediately preceding the time of application.
   2. Have made in the past or intend to make or negotiate or offer to make or negotiate commercial mortgage loans.
   3. Provide the deputy director with the following:
      (a) A balance sheet prepared within the immediately preceding six months and certified by the licensee. The deputy director may require a more recent balance sheet.
      (b) If the applicant has begun operations, a statement of operations and retained earnings and a statement of changes in financial position.
      (c) Notes to the financial statement if applicable.

E. Notwithstanding subsection D, paragraph 3 of this section, commercial mortgage broker licensees and commercial mortgage broker license applicants whose own resources are derived exclusively from correspondent contracts with institutional investors shall provide the deputy director with a current financial statement or that of its parent company prepared according to generally accepted accounting principles, including:
1. A balance sheet prepared within the immediately preceding six months and certified by the licensee. The deputy director may require a more recent balance sheet.

2. If the applicant has begun operations, a statement of operations and retained earnings and a statement of changes in financial position.

3. Notes to the financial statement if applicable.

F. A person shall make an application APPLY for a license or for a renewal of a license in writing on the forms, in the manner and accompanied by the information prescribed by the deputy director. The deputy director may require additional information on the experience, background, honesty, truthfulness, integrity and competency of the applicant and any responsible individual designated by the applicant. If the applicant is a person other than a natural person, the deputy director may require information as to the honesty, truthfulness, integrity and competency of any officer, director, shareholder or other interested party of the association, corporation or group.

G. The nonrefundable application fee and annual renewal fee are as prescribed in section 6-126. The nonrefundable application fee shall accompany each application for an original license only. The deputy director shall deposit, pursuant to sections 35-146 and 35-147, the monies in the state general fund.

H. If a licensee is a person other than a natural person, the license issued to it entitles all officers, directors, members, partners, trustees and employees of the licensed corporation, partnership, association or trust to engage in the mortgage business if one officer, director, member, partner, employee or trustee of the person is designated in the license as the individual responsible for the person under this article. If a licensee is a natural person, the license entitles all employees of the licensee to engage in the mortgage business. If the natural person is not a resident of this state, an employee of the licensee shall be designated in the license as the individual responsible for the licensee under the provisions of this article. For the purposes of this subsection, an employee does not include an independent contractor. THE responsible individual shall be a resident of this state, shall be in active management of the activities of the licensee governed by this article and shall meet the qualifications set forth in subsection C or D of this section for a licensee.

I. A licensee shall notify the deputy director that its responsible individual will cease to be in active management of the activities of the licensee within ten days after learning that fact. The licensee has ninety days after the notification is received by the deputy director within which to replace the responsible individual with a qualified replacement and to so notify the deputy director. If the license is not placed under active management of a qualified responsible individual and
if notice is not given to the deputy director within the ninety-day period, the license of the licensee expires.

J. Every person licensed as a mortgage broker or a commercial mortgage broker shall deposit with the deputy director, before doing business as a mortgage broker or a commercial mortgage broker, a bond executed by the licensee as principal and a surety company authorized to do business in this state as surety. The bond shall be conditioned on the faithful compliance of the licensee, including the licensee's directors, officers, members, partners, trustees and employees, with this article. The bond is payable to any person injured by the wrongful act, default, fraud or misrepresentation of the licensee or the licensee's employees and to this state for the benefit of the person injured. Only one bond is required for any person, firm, association or corporation irrespective of the number of officers, directors, members, partners or trustees who are employed by or are members of such firm, association or corporation. A suit may NOT be commenced on the bond after the expiration of one year following the commission of the act on which the suit is based, except that claims for fraud or mistake are limited to the limitation period provided in section 12-543, paragraph 3. If an injured person commences an action for a judgment to collect from the bond, the injured person shall notify the deputy director of the action in writing at the time of the commencement of the action and shall provide copies of all documents relating to the action to the deputy director on request.

K. The bond required by this section shall be $10,000 for licensees whose investors are limited solely to institutional investors, and $15,000 for licensees whose investors include any noninstitutional investors.

L. For the purposes of subsection K of this section:
   1. "Institutional investor" means a state or national bank, a state or federal savings and loan association, a state or federal savings bank, a state or federal credit union, a federal government agency or instrumentality, a quasi-federal government agency, a financial enterprise, a licensed real estate broker or salesman, a profit sharing or pension trust, or an insurance company.
   2. "Investor" means any person who directly or indirectly provides to a mortgage broker funds that are, or are intended to be, used in the making of a loan and any person who purchases a loan, or any interest therein, from a mortgage broker or in a transaction that has been directly or indirectly arranged or negotiated by a mortgage broker.

M. Notwithstanding section 35-155, in lieu of the bond described in this section, an applicant for a license or a licensee may deposit with the deputy director a deposit in the form of cash or alternatives to cash in the same amount as the bond required under subsection J of this section. The deputy director may accept any of the following as an alternative to cash:
H.B. 2612

1. Certificates of deposits or investment certificates that are payable or assigned to the state treasurer, issued by banks or savings banks doing business in this state and fully insured by the federal deposit insurance corporation or any successor institution.

2. Certificates of deposit, investment certificates or share accounts that are payable or assigned to the state treasurer, issued by a savings and loan association doing business in this state and fully insured by the federal deposit insurance corporation or any successor institution.

3. Certificates of deposit, investment certificates or share accounts that are payable or assigned to the state treasurer, issued by a credit union doing business in this state and fully insured by the national credit union administration or any successor institution.

N. The deputy director shall deposit the cash or alternatives to cash received under this section with the state treasurer. The state treasurer shall hold the cash or alternatives to cash in the name of this state to guarantee the faithful performance of all legal obligations of the person required to post bond pursuant to this section. The person is entitled to receive any accrued interest earned from the alternatives to cash. The state treasurer may impose a fee to reimburse the state treasurer for administrative expenses. The fee shall not exceed $10 for each cash or alternatives to cash deposit and shall be paid by the applicant or licensee. The state treasurer may prescribe rules relating to the terms and conditions of each type of security provided by this section.

O. In addition to such other terms and conditions as the deputy director prescribes by rule or order, the principal amount of the deposit shall be released only on written authorization of the deputy director or on the order of a court of competent jurisdiction. The principal amount of the deposit shall not be released before the expiration of three years from the first to occur of any of the following:

1. The date of substitution of a bond for a cash alternative.
2. The surrender of the license.
3. The revocation of the license.
4. The expiration of the license.

P. A licensee or an employee of the licensee shall not advertise for or solicit mortgage business in any manner without using the name and license number as issued on the mortgage broker's principal place of business license, except that a licensee may employ or refer to the commonly used name and any trademarks or service marks of any affiliate. If a license is issued in the name of a natural person, nothing in the advertising or solicitation may imply the license is in the name of another person or entity. For the purposes of this subsection, "advertise" does not include business cards, radio and television advertising directed at national or regional markets and
promotional items except if those items contain rates or terms on which a mortgage loan may be obtained.

Q. A licensee shall not employ any person unless the licensee:
   1. Conducts a reasonable investigation of the background, honesty, truthfulness, integrity and competency of the employee before hiring.
   2. Keeps a record of the investigation for not less than two years after termination.

R. A license is not transferable or assignable and control of a licensee may not be acquired through a stock purchase or other device without the prior written consent of the deputy director. Written consent shall not be given if the deputy director finds that any of the grounds for denial, revocation or suspension of a license as set forth in section 6-905 are applicable to the acquiring person. For the purposes of this subsection, "control" means the power to vote more than twenty percent of outstanding voting shares of a licensed corporation, partnership, association or trust.

S. The licensee is liable for any damage caused by any of the licensee's employees while acting as an employee of the licensee.

T. A licensee shall comply with the requirements of section 6-114 relating to balloon payments.

U. The examination and course of study requirements of this section shall be waived by the deputy director for any person applying for a license who, within the six months immediately prior to the submission of application, has been a licensee or a responsible person pursuant to this chapter.

V. If the applicant for renewal of a mortgage broker license is a natural person, the applicant shall have satisfactorily completed twelve continuing education units by a continuing education provider approved by the deputy director before submitting the renewal application. If the applicant is other than a natural person, the designated responsible individual shall have satisfactorily completed twelve continuing education units by a continuing education provider approved by the deputy director before submitting the renewal application. An applicant for renewal of a commercial mortgage broker license is not subject to the continuing education requirements prescribed by this article.

W. A licensee who employs a loan originator shall comply with section 6-991.03.

Sec. 21. Section 6-905, Arizona Revised Statutes, is amended to read:

6-905. Denial, suspension or revocation of licenses
   A. The deputy director may deny a license to a person or suspend or revoke a license if the deputy director finds that an applicant or licensee:
      1. Is insolvent as defined in section 47-1201.
2. Has shown that the applicant or licensee is not a person of honesty, truthfulness and good character.

3. Has violated any applicable law, rule or order.

4. Refuses to allow an examination by the deputy director of the licensee's books and affairs or refuses or fails, within a reasonable time, to furnish any information or make any report that may be required by the deputy director.

5. Has been convicted in any state of a felony or any crime involving breach of trust or dishonesty.

6. Has had a final judgment entered against the applicant or licensee in a civil action on grounds of fraud, deceit or misrepresentation and the conduct on which the judgment is based indicates that it would be contrary to the interest of the public to allow such a person to be licensed or to control or manage a licensee.

7. Has had an order entered against the applicant or licensee involving fraud, deceit or misrepresentation by an administrative agency of this state, the federal government or any other state or territory of the United States and that the facts relating to the order indicate that it would be contrary to the interest of the public to allow such a person to be licensed or to control or manage a licensee.

8. Has made a material misstatement or suppressed or withheld information on the application for a license or any document required to be filed with the deputy director.

B. If a person to whom a license is issued or who has applied for a license under this article is indicted or informed against for forgery, embezzlement, obtaining money under false pretenses, extortion, criminal conspiracy to defraud or a like offense or offenses, and a certified copy of the indictment or information or other proper evidence of the indictment or information is filed with the deputy director, the deputy director may suspend the license issued to the licensee or refuse to grant a license to an applicant pending trial on the indictment.

C. If a licensee is other than a natural person, it is sufficient cause for the suspension or revocation of the license if an officer, director, member, partner, trustee, employee, while acting in the course of the mortgage broker business, or person entitled to vote more than twenty percent of the outstanding voting shares of the licensed corporation, partnership, association or trust has acted or failed to act in the same manner as would be cause for suspending or revoking a license of the party as an individual. If a licensee is a natural person, it is sufficient cause for the suspension or revocation of the license if an employee of the person, while acting as an employee, has acted or failed to act in the course of the mortgage broker business of the licensee in the same manner as would be cause for suspending or revoking a license of the party as an owner.
Sec. 22. Section 6-912, Arizona Revised Statutes, is amended to read:

6-912. Certificate of exemption

A. A person who is exempt from licensure pursuant to this article and articles 2 and 3 of this chapter as a federally chartered savings bank that is registered with the nationwide mortgage licensing system and registry may file a written application with the department for a certificate of exemption for the following purposes:

1. Registering with the department except that the registration shall not affect the exempt status of the applicant.
2. Sponsoring one or more mortgage loan originators.
3. Fulfilling any reporting requirements.
4. Reasonably supervising the activities of a mortgage loan originator who is licensed pursuant to article 4 of this chapter and who is employed by or under exclusive contract with the applicant.

B. A person shall apply for a certificate of exemption or renewal of a certificate of exemption in writing on the forms, in the manner and accompanied by the information prescribed by the deputy director. The deputy director may require additional information on the experience, background, honesty, truthfulness, integrity and competency of the applicant and the responsible individual designated by the applicant.

C. The department may charge a fee for processing the original or renewal application for a certificate of exemption and for other costs incurred by the department.

D. An exempt person shall notify the deputy director that the person has designated a responsible individual to actively manage the activities of the mortgage loan originator licensees. The responsible individual may be located in this state or in the state where the primary business of the bank is conducted and shall have at least three years of experience in the business of making mortgage loans or equivalent experience in a related business. The responsible individual may supervise one or more licensed mortgage loan originators in this state.

E. Within ten days after learning that a responsible individual will cease managing the licensees' activities, an exempt person must notify the deputy director. Within ninety days after the notification is received by the deputy director, the exempt person must replace the responsible individual with a person who meets the qualifications prescribed by subsection D of this section and must notify the deputy director of the replacement. A certificate of exemption expires if either of the following occurs:

1. The exempt person is not placed under active management of a qualified responsible individual.
2. The exempt person does not provide notice of replacement of the responsible individual to the deputy director as prescribed by this section.

F. After reviewing the application for a certificate of exemption and after verifying the submitted information, the department shall issue the certificate of exemption.

G. An exempt person who sponsors a loan originator on an exclusive contract shall comply with section 6-991.03.

H. The deputy director may deny a certificate of exemption to a person or suspend or revoke a certificate of exemption if the deputy director finds that an applicant or certificate holder has done any of the following:

1. Shown that the applicant or certificate holder is not a person of honesty, truthfulness and good character.
2. Violated any applicable law, rule or order.
3. Refused or failed to furnish, within a reasonable time, any information or make any report that may be required by the deputy director.
4. Had a final judgment entered against the applicant or certificate holder in a civil action on grounds of fraud, deceit or misrepresentation and the conduct on which the judgment is based indicates that it would be contrary to the interest of the public to allow the applicant or certificate holder to manage a loan originator.
5. Had an order entered against the applicant or certificate holder involving fraud, deceit or misrepresentation by an administrative agency of this state, the federal government or any other state or territory of the United States and the facts relating to the order indicate that it would be contrary to the interest of the public to allow the applicant or certificate holder to manage a loan originator.
6. Made a material misstatement or suppressed or withheld information on the application for a certificate of exemption or any document required to be filed with the deputy director.

I. If a person to whom a certificate of exemption is issued or who has applied for a certificate of exemption under this article is indicted or informed against for forgery, embezzlement, obtaining money under false pretenses, extortion, criminal conspiracy to defraud or a like offense, and a certified copy of the indictment or information or other proper evidence of the indictment or information is filed with the deputy director, the deputy director may suspend the certificate of exemption issued to the exempt person or refuse to grant a certificate of exemption to an applicant pending trial on the indictment or information.

J. Every person to whom a certification of exemption is issued pursuant to this section shall deposit with the deputy director, before doing business as a registered exempt person, a bond executed by the registered exempt person as principal and a surety company authorized to
do business in this state as surety. The bond shall be conditioned on the
faithful compliance of the registered exempt person, including the
registered exempt person's directors, officers, members, partners,
trustees and employees, with this article. The bond is payable to any
person injured by the wrongful act, default, fraud or misrepresentation of
the registered exempt person, or the registered exempt person's directors,
officers, members, partners, trustees and employees and to this state for
the benefit of the person injured. Only one bond is required for any
person, firm, association or corporation irrespective of the number of
officers, directors, members, partners or trustees who are employed by or
are members of such firm, association or corporation. A suit may NOT
be commenced on the bond after the expiration of one year following the
commission of the act on which the suit is based, except that claims for
fraud or mistake are limited to the limitation provided in section 12-543,
paragraph 3. If an injured person commences an action for a judgment to
collect from the bond, the injured person shall notify the deputy director
of the action in writing at the time of the commencement of the action and
shall provide copies of all documents relating to the action to the deputy
director on request. The bond required by this section shall be IS
$200,000.

Sec. 23. Section 6-943, Arizona Revised Statutes, is amended to
read:

6-943. Licensing of mortgage bankers required; qualifications; application; bond; fees; renewal
A. A person shall not act as a mortgage banker if the person is not
licensed under this article.
B. The deputy director shall not grant a mortgage banker's license
to a person, other than a natural person, who is not registered to do
business in this state on the date of application for a license. The
deputy director shall not issue a mortgage banker's license or a renewal
of a license to an applicant unless the applicant meets all of the
requirements prescribed in subsection C of this section. The deputy
director shall determine whether the applicant meets the requirements
based on the application and evidence presented at a hearing, if any, or
any other evidence that the deputy director may have regarding
qualifications of the applicant.
C. In order to qualify for a mortgage banker license or a renewal
of a license, an applicant shall:
1. Have not fewer than three years' experience in the business of
making mortgage banking loans or equivalent lending experience in a
related business. If the applicant is a person other than a natural
person, the responsible individual shall meet this requirement.
2. Have engaged or intend to engage in the business of making
mortgage loans or mortgage banking loans.
3. Either:
   (a) Be authorized to do business with any of the following:
       (i) The federal housing administration.
       (ii) The United States department of veterans affairs.
       (iii) The federal national mortgage association.
       (iv) The federal home loan mortgage corporation.
   (b) Notwithstanding paragraph 5 of this subsection, at all times have and maintain a net worth of not less than $100,000.

4. Provide the deputy director with a current audited financial statement, or that of its parent company, prepared by an independent certified public accountant in accordance with generally accepted accounting principles including:
   (a) The certified public accountant's opinion as to the fairness of the presentation in conformity with generally accepted accounting principles.
   (b) A balance sheet prepared within the previous six months and certified by the licensee. The deputy director may require a more recent balance sheet.
   (c) A statement of operations and retained earnings and a statement of changes in financial position provided the applicant has commenced operations.
   (d) Notes to the financial statement, if applicable.

5. At all times have and maintain a net worth of not less than $100,000.

D. A person shall make an application for a license or for a renewal of a license in writing on the forms, in the manner and accompanied by the information prescribed by the deputy director, including the requirements prescribed in subsection C of this section. The deputy director may require additional information on the experience, background, honesty, truthfulness, integrity and competency of the applicant and any responsible individual designated by the applicant. If the applicant is a person other than a natural person, the deputy director may require information as to the honesty, truthfulness, integrity and competency of any officer, director, shareholder, member, partner, trustee, employee or other interested party of the association, corporation or group.

E. The nonrefundable application fee and annual renewal fee shall be as prescribed in section 6-126. The nonrefundable application fee shall accompany each application for an original license only.

F. If a licensee is a person other than a natural person, the license issued to it entitles all officers, directors, members, partners, trustees and employees of the licensed corporation, partnership, association or trust to engage in the mortgage banking business if one officer, director, member, partner, employee or trustee of the person is designated in the license as the individual responsible for the person
under this article. If a licensee is a natural person, the license
titles all employees of the licensee to engage in the mortgage banking
business. If the natural person is not a resident of this state, an
employee of the licensee shall be designated in the license as the
individual responsible for the licensee under this article. For the
purposes of this article, an employee does not include an independent
contractor. For the purposes of this article, THE responsible
individual shall be a resident of this state, shall be in active
management of the activities of the licensee governed by this article and
shall have not less than three years' experience in the business of making
mortgage banking loans or equivalent experience in a related business.

G. A licensee shall notify the deputy director that its responsible
individual will cease to be in active management of the licensee within
ten days after learning that fact. Not more than ninety days after the
deputy director receives the notice, the licensee shall place itself under
the active management of a qualified responsible person and notify the
deputy director. If the licensee is not placed under active management of
a qualified responsible individual and if notice is not received by the
deputy director within the ninety-day period, the license of the licensee
expires.

H. Every person licensed as a mortgage banker shall deposit with
the deputy director, before doing business as a mortgage banker, a bond
executed by the licensee as principal and a surety company authorized to
do business in this state as surety. The bond shall be conditioned on the
faithful compliance of the licensee, including THE LICENSEE'S
directors, officers, members, partners, trustees and employees, with this
article. Only one bond is required for a person, firm, association or
corporation irrespective of the number of officers, directors, members,
partners or trustees who are employed by or are members of the firm,
association or corporation. The bond is payable to any person injured by
the wrongful act, default, fraud or misrepresentation of the licensee and
to this state for the benefit of any injured person. The coverage shall
be maintained in the minimum amount prescribed in this subsection,
computed on a base consisting of the total assets of the licensee plus the
unpaid balance of loans it has contracted to service for others as of the
end of the licensee's fiscal year.

<table>
<thead>
<tr>
<th>Base</th>
<th>Minimum Bond</th>
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<tbody>
<tr>
<td>Not over $1,000,000</td>
<td>$25,000 for the first $500,000</td>
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<td></td>
<td>plus $5,000 for each $100,000 or fraction thereof over $500,000</td>
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<tr>
<td>$1,000,001 to $10,000,000</td>
<td>$50,000 plus $5,000 for each $1,800,000 or fraction thereof over $1,000,000</td>
</tr>
<tr>
<td>$10,000,001 to $100,000,000</td>
<td>$75,000 plus $5,000 for each $18,000,000 or fraction thereof over $10,000,000</td>
</tr>
<tr>
<td>$100,000,001 and over</td>
<td>$100,000</td>
</tr>
</tbody>
</table>
A suit may **NOT** be commenced on the bond after the expiration of one year following the commission of the act on which the suit is based, except that claims for fraud or mistake are limited to the limitation period provided in section 12-543, paragraph 3. If any injured person commences an action for a judgment to collect on the bond, the injured person shall notify the deputy director of the action in writing at the time of the commencement of the action and shall provide copies of all documents relating to the action to the deputy director on request.

I. Notwithstanding subsection H of this section, the bond required shall be $25,000 for licensees whose investors are limited solely to institutional investors.

J. For the purposes of subsection I of this section:
   1. "Institutional investor" means a state or national bank, a state or federal savings and loan association, a state or federal savings bank, a state or federal credit union, a federal government agency or instrumentality, a quasi-federal government agency, a financial enterprise, a licensed real estate broker or salesman, a profit sharing or pension trust, or an insurance company.
   2. "Investor" means any person who directly or indirectly provides to a mortgage banker funds that are, or are intended to be, used in the making of a loan, and any person who purchases a loan, or any interest therein, from a mortgage banker or in a transaction that has been directly or indirectly arranged or negotiated by a mortgage banker.

K. Notwithstanding section 35-155, in lieu of the bond described in this section, an applicant for a license or a licensee may deposit with the deputy director a deposit in the form of cash or alternatives to cash in the amount prescribed in subsection H or I of this section, as applicable. The deputy director may accept any of the following as an alternative to cash:
   1. Certificates of deposit or investment certificates that are payable or assigned to the state treasurer, issued by banks or savings banks doing business in this state and fully insured by the federal deposit insurance corporation or any successor institution.
   2. Certificates of deposit, investment certificates or share accounts that are payable or assigned to the state treasurer, issued by a savings and loan association doing business in this state and fully insured by the federal deposit insurance corporation or any successor institution.
   3. Certificates of deposit, investment certificates or share accounts that are payable or assigned to the state treasurer, issued by a credit union doing business in this state and fully insured by the national credit union administration or any successor institution.

L. The deputy director shall deposit the cash or alternatives to cash received under this section with the state treasurer. The state treasurer shall hold the cash or alternatives to cash in the name of this
state to guarantee the faithful performance of all legal obligations of
the person required to post bond pursuant to this section. The person is
entitled to receive any accrued interest earned from the alternatives to
cash. The state treasurer may impose a fee to reimburse the state
treasurer for administrative expenses. The fee shall not exceed $10 for
each cash or alternatives to cash deposit and shall be paid by the
applicant or licensee. The state treasurer may prescribe rules relating
to the terms and conditions of each type of security provided by this
section.

M. In addition to such other terms and conditions as the deputy
director prescribes by rule or order, the principal amount of the deposit
shall be released only on written authorization of the deputy director or
on the order of a court of competent jurisdiction. The principal amount
of the deposit shall not be released before the expiration of three years
from the first to occur of any of the following:

1. The date of substitution of a bond for a cash alternative.
2. The surrender of the license.
3. The revocation of the license.
4. The expiration of the license.

N. A licensee or an employee of the licensee shall not advertise
for or solicit mortgage banking business in any manner without using the
name and license number as issued on the mortgage banker's principal place
of business license, except that a licensee may also employ or refer to
the commonly used name and any trademarks or service marks of any
affiliate. If a license is issued in the name of a natural person,
nothing in the advertising or solicitation may imply that the license is
in the name of another person or entity. For the purposes of this
subsection, advertise does not include business cards, radio and
television advertising directed at national or regional markets and
promotional items except if those items contain rates or terms on which a
mortgage loan or mortgage banking loan may be obtained.

O. A licensee shall not employ any person unless the licensee:
1. Conducts a reasonable investigation of the background, honesty,
   truthfulness, integrity and competency of the employee before hiring.
2. Keeps a record of the investigation for not less than two years
   after termination.

P. The licensee is liable for any damage caused by any of THE
LICENSEE'S employees while engaged in the business of making mortgage
loans or mortgage banking loans.

Q. A licensee shall comply with the requirements of section 6-114
relating to balloon payments.

R. Notwithstanding subsection C, paragraph 4 of this section,
licensees and applicants whose own resources are derived exclusively from
correspondent contracts between mortgage bankers and banks, savings banks,
trust companies, savings and loan associations, credit unions, profit
sharing or pension trusts, consumer lenders or insurance companies shall provide the deputy director with a current financial statement, or that of its parent company, THAT IS prepared in accordance with generally accepted accounting principles including AND THAT INCLUDES:

1. A balance sheet prepared within the previous six months and certified by the licensee. The deputy director may require a more recent balance sheet.

2. A statement of operations and retained earnings and a statement of changes in financial position provided IF the applicant has commenced operations.

3. Notes to the financial statement if applicable.

S. In addition to the grounds specified in section 6-945, subsection A, failure of a licensee to operate the business of making mortgage loans or mortgage banking loans for a continuous period of twelve months or more shall constitute grounds for revocation of such A license. The deputy director, on good cause shown, may extend the time for operating such A business for a single fixed period, which shall not exceed twelve months.

T. If the applicant for renewal of a mortgage banker license is a natural person, the applicant shall have satisfactorily completed twelve continuing education units by a continuing education provider approved by the deputy director before submitting the renewal application. If the applicant is other than a natural person, the designated responsible individual shall have satisfactorily completed twelve continuing education units by a continuing education provider approved by the deputy director before submitting the renewal application.

U. A licensee who employs a loan originator shall comply with section 6-991.03.

Sec. 24. Section 6-945, Arizona Revised Statutes, is amended to read:

6-945. Denial, suspension or revocation of licenses
A. The deputy director may deny a license to a person or suspend or revoke a license if the deputy director finds that an applicant or licensee:

1. Is insolvent as defined in section 47-1201.

2. Has shown that the applicant or licensee is not a person of honesty, truthfulness and good character.

3. Refuses to allow an examination by the deputy director of the licensee's books and affairs or refuses or fails, within a reasonable time, to furnish any information or make any report that may be required by the deputy director.

4. Has been convicted in any state of a felony or any crime involving breach of trust or dishonesty.

5. Has had a final judgment entered against the applicant or licensee in a civil action on grounds of fraud, deceit or
misrepresentation and the conduct on which the judgment is based indicates
that it would be contrary to the interest of the public to allow the
person to be licensed or to control or manage a licensee.

6.  Has had an order entered against the applicant or licensee
involving fraud, deceit or misrepresentation by any administrative agency
of this state, the federal government or any other state or territory of
the United States and that the facts relating to the order indicate that
it would be contrary to the interest of the public to allow the person to
be licensed or to control or manage a licensee.

7.  Has violated any applicable law, rule or order.

B.  If any person to whom a license is issued or who has applied for
a license under this article is indicted or informed against for forgery,
embezzlement, obtaining money under false pretenses, extortion, criminal
conspiracy to defraud, or a like offense or offenses, and a certified
copy of the indictment or information or other proper evidence of such AN
indictment or information is filed with the deputy director, the deputy
director may suspend the license issued to the licensee or refuse to grant
a license to an applicant pending trial on the indictment or information.

C.  If a licensee is other than a natural person, it is sufficient
cause for the denial, suspension or revocation of the license if an
officer, director, member, partner, trustee, employee, while acting in the
course of the mortgage banker business, or person entitled to vote more
than twenty percent of the outstanding voting shares of the licensed
corporation, partnership, association or trust has acted or failed to act
in the same manner as would be cause for suspending or revoking a license
of the party as an individual. If a licensee is a natural person, it is
sufficient cause for the suspension or revocation of the license if an
employee of the person has acted or failed to act in the course of the
mortgage banker business of the licensee in the same manner as would be
cause for suspending or revoking a license of the party as an owner.

D.  The deputy director shall grant or deny a license within one
hundred twenty days after receipt of receiving the completed application
and fees.

Sec. 25.  Section 6-974, Arizona Revised Statutes, is amended to
read:

6-974.  Application for license; issuance or denial; fees
A.  A person shall apply for a license or for a renewal of a license
in writing on the forms, in the manner and accompanied by the information
prescribed by the deputy director. The deputy director may require
additional information on the experience, background, honesty,
truthfulness, integrity and competency of the applicant and any
responsible individual designated by the applicant. If the applicant is a
person other than a natural person, the deputy director may require this
information as to the honesty, truthfulness, integrity and competency of
any officer, director, shareholder, member, partner, trustee, employee or other interested party of the firm, association or corporation.

B. The deputy director, on determining that the applicant is qualified, shall issue a commercial mortgage banker's license to the applicant that is evidenced by a continuous certificate. The deputy director shall grant or deny a license within one hundred twenty days after receiving the completed application. An applicant who has been denied a license may not reapply for a license before one year after the date of the previous application.

C. The nonrefundable application fee and annual renewal fee are as prescribed by the deputy director. Application fees and annual renewal fees shall be based on the cost to the department to process the application and regulate licensees. The nonrefundable application fee shall accompany each application for an original license only. The deputy director shall deposit, pursuant to sections 35-146 and 35-147, the monies in the state general fund.

Sec. 26. Section 6-982, Arizona Revised Statutes, is amended to read:

6-982. Denial, suspension or revocation of licenses

A. The deputy director may deny a license to a person or suspend or revoke a license if the deputy director finds that an applicant or licensee:

1. Is insolvent as defined in section 47-1201.
2. Has shown that the licensee or any person acting under the license is not a person of honesty, truthfulness and good character.
3. Refuses to allow an examination by the deputy director of the licensee's books and affairs or refuses or fails, within a reasonable time, to furnish any information or make any report that may be required by the deputy director.
4. Has been convicted in any state of a felony or any crime of breach of trust or dishonesty.
5. Has had a final judgment entered against the licensee in a civil action on grounds of fraud, deceit or misrepresentation and the conduct on which the judgment is based indicates that it would be contrary to the interest of the public to allow the person to be licensed or to control or manage a licensee.
6. Has had an order entered against the licensee involving fraud, deceit or misrepresentation by any administrative agency of this state, the federal government or any other state or territory of the United States and that the facts relating to the order indicate that it would be contrary to the interest of the public to allow the person to be licensed or to control or manage a licensee.
7. Has violated any applicable law, rule or order.
B. If a person to whom a license is issued or who has applied for a license under this article is indicted or informed against for forgery,
embezzlement, obtaining money under false pretenses, extortion, criminal
conspiracy to defraud or a similar offense or offenses, and a certified
copy of the indictment or information is filed with the deputy director,
the deputy director may suspend the license issued to the licensee or deny
a license to an applicant pending trial on the indictment or information.

C. If a licensee is other than a natural person, it is sufficient
cause to suspend or revoke the license if an officer, director, member,
partner, trustee or employee, while acting in the course of the commercial
mortgage banker business, or a person entitled to vote more than twenty
percent of the outstanding voting shares of the licensed corporation,
partnership, association or trust has acted or failed to act in the same
manner as would be cause to suspend or revoke a license of the party as an
individual. If a licensee is a natural person, it is sufficient cause to
suspend or revoke the license if an employee of the person, while acting
as an employee, has acted or failed to act in the course of the commercial
mortgage banker business of the licensee in the same manner as would be
cause to suspend or revoke a license of the party as an owner.

Sec. 27. Section 6-991.05, Arizona Revised Statutes, is amended to
read:

6-991.05. Denial, suspension or revocation of licenses

A. The deputy director may deny a license to a person or suspend or
revoke a license if the deputy director finds that an applicant or
licensee:

1. Is not a person of honesty, truthfulness or good character.
2. Has violated any law, rule or order.
3. Has been convicted of or pled guilty or nolo contendere to a
misdemeanor if it involved an act of fraud, dishonesty or breach of trust
or money laundering at any time preceding the date of application.
4. Has had a final judgment entered against the applicant or
licensee in a civil action on grounds of fraud, deceit or
misrepresentation, and the conduct on which the judgment is based
indicates that it would be contrary to the interest of the public to allow
the person to be licensed.
5. Has had an administrative agency of this state, the federal
government or any other state or territory of the United States enter an
order against the applicant or licensee involving fraud, deceit or
misrepresentation, and the facts relating to the order indicate that it
would be contrary to the interest of the public to allow the person to be
licensed.
6. Has made a material misstatement or suppressed or withheld
information on the application for a license or any document required to
be filed with the deputy director.
7. Has had a loan originator license, consumer lender license,
mortgage broker license or mortgage banker license revoked or denied in
this state or any other state.
B. The deputy director shall deny a license to a person or suspend or revoke a license if the deputy director finds that either of the following applies:

1. The applicant or licensee has been convicted of or pled guilty or nolo contendere to a felony in a domestic, foreign or military court during the seven-year period immediately preceding the date of the application or at any time preceding the date of application if the felony involved an act of fraud, dishonesty or a breach of trust or money laundering.

2. The applicant or licensee does not have the financial responsibility, experience or competence to adequately serve the public or to warrant the belief that the applicant or licensee will act lawfully, honestly and fairly pursuant to this article.

C. If a licensee or applicant under this article is indicted or informed against for forgery, embezzlement, obtaining money under false pretenses, extortion, criminal conspiracy to defraud or a similar offense, and a certified copy of the indictment or information or other proper evidence of the indictment or information is filed with the deputy director, the deputy director may suspend the license or refuse to grant a license to the applicant pending trial on the indictment.

Sec. 28. Section 6-1107, Arizona Revised Statutes, is amended to read:

6-1107. Denial of application; grounds

A. The deputy director may deny an application if the deputy director finds any of the following:

1. The financial condition of the financial institution holding company that would acquire control will jeopardize the financial stability of the financial institution or controlling person or prejudice the interests of the depositors, beneficiaries, creditors and shareholders of the financial institution or controlling person.

2. A plan or proposal to liquidate or consolidate the financial institution or controlling person or to make any other major change in the business, corporate structure or management of the financial institution or controlling person is not fair and reasonable to the depositors, beneficiaries, creditors and shareholders of the financial institution or controlling person.

3. The overall moral character or integrity of any person who would acquire control indicates that it would not be in the interest of the depositors, beneficiaries, creditors and shareholders of the financial institution or controlling person, and in the interest of the public, to allow the person to control the financial institution or controlling person.

4. The applicant has neglected, failed or refused to furnish to the deputy director any required information.

5. THE PROPOSED ACQUISITION is contrary to law.
6. The acquisition would result in a monopoly or would be in furtherance of any combination or any conspiracy to monopolize or to attempt to monopolize the business of financial institutions and financial institution holding companies.

7. The effect of the proposed acquisition will be to substantially lessen competition, tend to create a monopoly or in any other manner be a restraint of trade, unless the deputy director finds that the effects of the proposed acquisition are clearly outweighed by its probable effect in meeting the convenience and needs of the community to be served and by the public interest.

8. The applicant has made a material false statement on the application.

B. The deputy director shall give the applicant written notification of the granting or denial of an application together with a statement in support of the decision. If the deputy director, based on the information available at the time, plans to deny the application and no hearing has been held in accordance with title 41, chapter 6, article 10, the deputy director shall send the applicant a written statement that specifies the reasons for such THE tentative denial. The applicant shall have fifteen days following the date of this statement within which to file a written request to amend its application. On the filing of the request, the applicant shall be given thirty days in which to amend its application.

C. The deputy director may approve an application subject to conditions the deputy director considers necessary and appropriate to protect the public interest and carry out the purposes of this title. The deputy director shall give the applicant written notification of the approval of an application which THAT is subject to conditions together with a statement in support of the decision.

Sec. 29. Section 6-1209, Arizona Revised Statutes, is amended to read:

6-1209. Cease and desist orders; examinations
A. In addition to the deputy director's authority under section 6-137, the deputy director may issue an order to cease and desist against a licensee, requiring the licensee to cease conducting its business through an authorized delegate and to take appropriate affirmative action, pursuant to section 6-137, if the deputy director finds that:

1. The authorized delegate has violated, is violating or is about to violate any applicable law or rule or order of the deputy director.

2. The authorized delegate has failed to cooperate with an examination or investigation by the deputy director or the attorney general authorized by this title.

3. The competence, OR experience, integrity or overall moral character of the authorized delegate or any controlling person of the authorized delegate indicates that it would not be in the interest of the
public to allow that person to participate in the business regulated under this chapter.

4. The financial condition of the authorized delegate is such that it might prejudice the interests of the public in the conduct of the business regulated under this chapter.

5. The authorized delegate has engaged, is engaging or is about to engage in any unsafe or unsound act, practice or transaction or an act, practice or transaction that constitutes a violation of this title or of any rule or order of the deputy director.

B. Any business for which a license is required by this chapter conducted by an authorized delegate outside the scope of authority conferred in the contract between the authorized delegate and the licensee is unlicensed activity. An authorized delegate of a licensee holds in trust for the benefit of the licensee all monies received from the sale or delivery of the licensee's payment instruments or monies received for transmission. If an authorized delegate commingles any such monies with any monies or other property owned or controlled by the authorized delegate, a trust against all commingled proceeds and other monies or property owned or controlled by the authorized delegate is imposed in favor of the licensee in an amount equal to the amount of the proceeds due the licensee.

C. An authorized delegate is subject to examination by the deputy director at the discretion of the deputy director. The licensee is responsible for the payment of an assessment for the examination of its authorized delegates to the extent that the examination relates to the activities conducted by the authorized delegate on behalf of the licensee. That assessment shall be made at the rate set by the deputy director for examination of an enterprise pursuant to section 6-125, subsection B, and payment of that assessment shall be made as prescribed by section 6-125.

Sec. 30. Section 6-1216, Arizona Revised Statutes, is amended to read:

6-1216. Acquisition of control

A. A person shall not directly or indirectly acquire control of a licensee or controlling person without the prior written approval of the deputy director, except as otherwise provided by this section.

B. An application for approval to acquire control of a licensee shall be in writing in a form prescribed by the deputy director and shall be accompanied by information as the deputy director may require. The application shall be accompanied by the fee prescribed in section 6-126. The deputy director shall act on the application within one hundred twenty days after the date on which the application is complete, unless the applicant consents in writing to an extended period. An application that is not denied or approved within that period shall be
deemed approved as of the first business day after the expiration of that period.

C. The deputy director shall deny the application to acquire control of a licensee if the deputy director finds that the acquisition of control is contrary to law or determines that disapproval is reasonably necessary to protect the interest of the public. In making that determination, the deputy director shall consider both of the following:

1. Whether the financial condition of the person that seeks to control the licensee might jeopardize the financial condition of the licensee or prejudice the interests of the public in the conduct of the business regulated under this chapter.

2. Whether the competence, AND experience, integrity and overall moral character of the person that seeks to control the licensee, or the officers, directors and controlling persons of the person that seeks to control the licensee, indicate that it would not be in the interest of the public to allow that person to control the licensee.

D. This section does not prohibit a person from negotiating or entering into agreements subject to the condition that the acquisition of control will not be effective until approval of the deputy director is obtained.

E. This section does not apply to any of the following persons or transactions:

1. A registered dealer who acts as an underwriter or member of a selling group in a public offering of the voting securities of a licensee or controlling person of a licensee.

2. A person who acts as proxy for the sole purpose of voting at a designated meeting of the security holders of a licensee or controlling person of a licensee.

3. A person who acquires control of a licensee or controlling person of a licensee by devise or descent.

4. A person who acquires control of a licensee or controlling person as a personal representative, custodian, guardian, conservator, trustee or any other officer appointed by a court of competent jurisdiction or by operation of law.

5. A pledgee of a voting security of a licensee or controlling person who does not have the right, as pledgee, to vote that security.

6. A person or transaction that the deputy director by rule or order exempts in the public interest.

F. Before filing an application for approval to acquire control, a person may request in writing a determination from the deputy director as to whether that person will be deemed in control on consummation of a proposed transaction. If the deputy director determines in response to that request that the person will not be in control within the meaning of this chapter, the deputy director shall enter an order to that effect and
the proposed transaction is not subject to the requirements of this section.

Sec. 31. Section 6-1404, Arizona Revised Statutes, is amended to read:

6-1404. Denial, suspension or revocation of licenses and branch office permits

A. The deputy director may deny a license to a person or suspend or revoke a license if the deputy director finds that an applicant or licensee:

1. Is insolvent as defined in section 47-1201.

2. Has shown that the person is not a person of honesty, truthfulness and good character.

3. Refuses to allow an examination by the deputy director of the licensee's books and affairs or refuses or fails, within a reasonable time, to furnish any information or make any report that may be required by the deputy director.

4. Has been convicted in any state of a felony or any crime of breach of trust or dishonesty.

5. Has had a final judgment entered against the person in a civil action on grounds of fraud, deceit or misrepresentation and the conduct on which the judgment is based indicates that it would be contrary to the interest of the public to allow that person to be licensed or to control or manage a licensee.

6. Has had an order entered against the person involving fraud, deceit or misrepresentation by any administrative agency of this state, the federal government or any other state or territory of the United States and that the facts relating to the order indicate that it would be contrary to the interest of the public to allow that person to be licensed or to control or manage a licensee.

7. Has violated any applicable law, rule or order.

8. Has failed to pay the license or annual renewal fees.

9. Has failed to file an annual report when due or within any extension of time that the deputy director, for good cause, may have granted.

10. Fails to have or maintain at least $25,000 in liquid assets available for use in the conduct of the business.

B. If any person to whom a license is issued or who has applied for a license is indicted or informed against for forgery, embezzlement, obtaining money under false pretenses, extortion, criminal conspiracy to defraud, or a like offense or offenses and a certified copy of the indictment or information or other proper evidence of that indictment or information is filed with the deputy director, the deputy director may suspend the license issued to the licensee or refuse to grant a license to an applicant pending trial on the indictment or information.
C. It is sufficient cause for the suspension or revocation of the license if an owner, officer, director, member, partner, trustee or employee, while acting in the course of the premium finance business, or a person who is entitled to vote more than twenty percent of the outstanding voting shares of the licensed corporation or a person who has a controlling interest in a licensed limited liability company, partnership, association or trust has acted or failed to act in the same manner as would be cause for suspending or revoking a license of the person to whom the license was issued.

D. The deputy director may deny a branch office permit to a person or suspend or revoke a branch office permit for the same reasons sufficient under this section for denial, suspension or revocation of a license.

Sec. 32. Section 20-361, Arizona Revised Statutes, is amended to read:

20-361. Licensing of rating organizations
A. A corporation, an unincorporated association, a partnership or an individual, whether located within or outside this state, may apply to the director for a license as a rating organization for insurance subject to this article and shall file ALL OF THE FOLLOWING WITH THE DIRECTOR:

1. A copy of its constitution, its articles of agreement or association or its certificate of incorporation, and a copy of its bylaws, rules and regulations governing the conduct of its business.

2. A list of its members.

3. The name and address of a resident of this state for service of process, notices and orders.

4. A statement of its qualifications as a rating organization.

5. A financial statement that is certified by an officer of the applicant, that is on a form acceptable to the director and that includes financial information that is current as of not more than ninety days before the date the application is filed with the director. The financial statement shall include an income statement and a balance sheet that is prepared according to generally accepted accounting principles and that is for the two years immediately preceding the date of the financial statement. The applicant shall not submit consolidated income statements or balance sheets.

6. A plan for the orderly and timely transfer to the designated statistical agent or the director of all data collected in accordance with the statistical plan in effect in this state from its member insurers in this state if the rating organization ceases to do business in this state.

B. If the director finds that the applicant is competent, trustworthy and otherwise qualified to act as a rating organization and that its constitution, articles of agreement or association or certificate of incorporation and its bylaws, rules and regulations governing the conduct of its business conform to the requirements of law, the director
shall issue a license specifying the kinds of insurance, or subdivisions
or classes of risks or parts or combinations thereof, for which the
applicant is authorized to act as a rating organization. The director
shall either grant or deny an application in whole or in part within sixty
days after its filing.

C. Licenses issued pursuant to this section shall remain in effect
until suspended or revoked by the director or the director has accepted
the surrender of the license. The director may suspend or revoke a
license after notice and a hearing if the rating organization ceases to
meet the requirements of this section.

Sec. 33. Section 20-411, Arizona Revised Statutes, is amended to
read:

20-411. Licensing of surplus lines broker; examination
A. A person shall not act as a surplus lines broker in this state
on behalf of an insured whose home state is Arizona unless the person has
a current surplus lines broker license issued by the director.

B. Any individual who is a resident of this state and who is
licensed as a resident insurance producer authorized for property or
casualty insurance in this state may also be licensed as a resident
surplus lines broker if the director determines that the insurance
producer is competent and trustworthy. The director shall prescribe and
furnish application forms.

C. Each individual applicant for an original license as a resident
surplus lines broker or for renewal of a resident surplus lines broker
license who has not previously taken and passed a surplus lines broker
license examination in this state shall take and pass to the director's
satisfaction a written examination given by or under the supervision of
the director. The examination shall reasonably test the applicant's
knowledge of surplus lines insurance and the legal responsibilities of a
surplus lines broker.

D. The director may issue a resident surplus lines broker license
to any business entity that is licensed as a resident property or casualty
insurance producer in this state and that satisfies all of the
requirements prescribed by section 20-285, subsections C and D.

E. At least one individual in each office or place where surplus
lines insurance is transacted in this state shall be licensed pursuant to
this title as an insurance producer authorized for property or casualty
insurance, and shall be licensed pursuant to this article as a surplus
lines broker.

F. The license prescribed in this section shall expire and be
subject to renewal coincidental to, and in the same manner as, other
insurance license authority as prescribed in section 20-289. The director
shall charge the surplus lines broker license fee prescribed in section
20-167, except that, from and after June 30, 2005, a licensee adding
surplus lines broker authority to an existing insurance license shall be
charged one-half the surplus lines broker license fee if less than two years remain in the term of the existing insurance license as of the date the director receives the application to add surplus lines broker authority to the existing insurance license.


H. For the purposes of implementing the nonadmitted and reinsurance reform act of 2010 (15 United States Code section 8201), the director shall participate in the national insurance producer database of the national association of insurance commissioners or any other equivalent national database for the licensure and license renewal of surplus lines brokers on and after July 21, 2012.

Sec. 34. Section 20-411.01, Arizona Revised Statutes, is amended to read:

20-411.01. Licensing of Mexican insurance surplus lines broker

A. Any resident or nonresident licensed insurance producer that maintains an office in this state may be licensed as a Mexican insurance surplus lines broker to transact insurance business as prescribed in section 20-422 if the director determines that the insurance producer is competent and trustworthy and the insurance producer complies with all of the requirements of section 20-411 except for section 20-411, subsection C. The director shall prescribe and provide application forms.

B. Any surplus lines broker licensed pursuant to section 20-411 or 20-411.02 may transact the insurance business prescribed in section 20-422 without being licensed under this section.

Sec. 35. Section 20-485.12, Arizona Revised Statutes, is amended to read:

20-485.12. Certificate of registration; fees; expiration; revocation; civil penalties; violations; classification; injunctive relief

A. A person may NOT claim to be an administrator in this state unless the person holds a valid certificate of registration as an administrator issued by the director.

B. An application for a certificate of registration and an application to renew a certificate shall be in the form prescribed by the director and shall be accompanied by the fee prescribed in section 20-167. The fee is not refundable if the application or renewal application is denied. Each application for a certificate shall include the following information and documents:

1. A financial statement that is certified by an officer of the applicant on a form acceptable to the director and that includes current
financial information covering the ninety days immediately preceding the
date that the application is filed with the director. The financial
statement shall include the following:
   (a) A disclosure of the total amount of Arizona monies projected to
be handled for the next calendar year.
   (b) An income statement and a balance sheet prepared in accordance
with generally accepted accounting principles for the two years
immediately preceding the date that the application is filed. The
applicant shall not submit consolidated income statements or balance
sheets.
2. All of the administrator's basic organization documents and
amendments to these documents, including any articles of incorporation,
articles of association, partnership agreement, trade name certificate,
trust agreement, shareholder agreement and other applicable document.
3. An organizational chart that identifies each member of the
holding company system that directly or indirectly controls the
administrator and every affiliate the administrator directly or indirectly
controls.
4. The ADMINISTRATOR'S bylaws, rules, OR regulations or similar
documents that regulate the administrator's internal affairs.
5. Biographical affidavits to be completed by the individuals
responsible for the administrator's affairs, including affidavits for all
members of the board of directors, the board of trustees, the executive
committee or any other governing board or committee, the principal
officers of the corporation or the partners or members of the partnership
or association, shareholders that directly or indirectly hold at least ten
percent PERCENT of the voting securities of the administrator and any
other person who exercises control or influence over the affairs of the
administrator. The biographical affidavits shall include information
concerning the personal history, business record, insurance experience and
other pertinent facts as the director may require, including whether the
affiant has been the subject of an investigation by any regulatory
authority or has had any license of any type denied, suspended or revoked
in any jurisdiction.
6. The administrator's complete name and address for all offices in
each jurisdiction.
7. A declaration that states whether the administrator has:
   (a) Been previously licensed to transact any kind of insurance in
this state or any other jurisdiction and whether that license has been
refused, suspended or revoked.
   (b) Been indebted to any person, including all of the relevant
details.
   (c) Had an administrative agreement canceled, including all of the
relevant details.
8. The details about the administrator's capacity to collect premiums or administer claims on behalf of the insurer in this state.

9. The written notice, approved by the insurer, that the administrator will provide to insured individuals and that advises the insured individuals of the administrator's identity and the relationship between the administrator and the insurer for each executed insurance administrative agreement filed in this state.

10. An affidavit signed by an officer of the administrator who is authorized by the administrator to verify the facts stated in the application.

C. The director shall issue the certificate of registration unless the director finds that the applicant is not competent, trustworthy, OR financially responsible or of good personal and business reputation, has had an insurance license denied for cause by any state or has failed to comply with any requirement of this article. The certificate remains in effect until the director suspends or revokes the certificate or until the director accepts the voluntary termination of the certificate. On revocation or termination, the administrator shall immediately deliver the certificate to the director.

D. Unless the certificate of registration is surrendered, suspended or revoked, a certificate of registration issued pursuant to this section to an administrator remains in effect for as long as the administrator continues in business in this state and the administrator remains in compliance with all of the requirements applicable to administrators prescribed by this title.

E. On or before March 1 of each year, each administrator that has an effective certificate of registration shall file a renewal application with the director, on a form approved by the director, that consists of a financial statement of the administrator's current financial condition, transactions and affairs as of December 31 of the preceding calendar year. The annual financial statement shall include a disclosure of the total amount of Arizona monies handled for the preceding year, including the income statement and balance sheet required by subsection B of this section and any additional information that the director may require. At least two officers of the administrator shall verify the annual financial statement. The administrator shall include with the annual financial statement the filing fee prescribed in section 20-167. The director may permit an administrator that has failed to file its annual financial statement or pay its fees on time to file the statement and pay the fees if the administrator pays an additional fee to be determined by the director of not more than twenty-five dollars $25 for each day of delinquency.

F. The director may request further information from the administrator at any time regarding a previously filed application or the annual financial statement prescribed by subsection E of this section.
G. Within thirty days after the change becomes effective, the administrator shall provide the director with written notice of any change in the application on which the certificate of registration was issued and of any change in the administrator's ownership or control.

H. After notice and a hearing, the director may either suspend or revoke a certificate of registration for any reason for which the issuance of a certificate could be denied or for any of the following reasons:

1. The administrator is in an unsound financial condition or in a condition that renders further administrative services in this state by the administrator hazardous to policyholders, claimants, beneficiaries or any other person.

2. The administrator knowingly failed to comply with any lawful order of the director.

3. The administrator violated any provision or requirement of this title or any rule adopted by the director pursuant to this title.

I. In lieu of or in addition to suspension or revocation, if the director finds grounds pursuant to subsection H of this section to suspend or revoke an administrator's certificate of registration, the director may impose a civil penalty of at least one thousand dollars $1,000 and not more than ten thousand dollars $10,000. The civil penalty is in addition to any other penalties that may be imposed for violations of this title or other laws of this state.

J. Any civil penalties imposed pursuant to this section shall be deposited, pursuant to sections 35-146 and 35-147, in the state general fund.

K. Any person who violates any provision of this article other than subsection A of this section is guilty of a class 3 misdemeanor. A person who violates subsection A of this section is guilty of a class 5 felony.

L. If the director believes from evidence satisfactory to the director that a person is violating or is about to violate subsection A of this section, the director may order the person to cease and desist and, through the attorney general, may file a complaint in the superior court in the county in which the person transacts insurance business to enjoin or restrain the person from continuing or engaging in the violation or doing any act in furtherance of the violation. If the director orders the person to cease and desist, the person may request a hearing pursuant to title 41, chapter 6, article 10. If a complaint is filed in superior court, the court has jurisdiction over the proceedings and may enter an order or judgment awarding appropriate relief.

Sec. 36. Section 20-486.01, Arizona Revised Statutes, is amended to read:

20-486.01. Licensure of reinsurance intermediaries

A. A person, firm, association or corporation shall not act as a reinsurance intermediary broker in this state unless:
1. With respect to a reinsurance intermediary broker who maintains an office in this state, whether directly or as a member or employee of a firm or association or as an officer, director or employee of a corporation, the reinsurance intermediary broker is a licensed producer in this state.

2. With respect to a reinsurance intermediary broker who does not maintain an office in this state, the reinsurance intermediary is a licensed producer in another state having a requirement that is substantially similar to this article or the reinsurance intermediary broker is licensed in this state as a nonresident reinsurance intermediary.

B. A person, firm, association or corporation shall not act as a reinsurance intermediary manager:

1. For a reinsurer domiciled in this state, unless the reinsurance intermediary manager is a licensed producer in this state.

2. In this state if the reinsurance intermediary manager maintains an office either directly or as a member or employee of a firm or association, or as an officer, director or employee of a corporation in this state, unless the reinsurance intermediary manager is a licensed producer in this state.

3. In another state for a nondomestic insurer, unless the reinsurance intermediary manager is a licensed producer in this state or another state under a similar law of that state or the reinsurance intermediary manager is licensed in this state as a nonresident reinsurance intermediary.

C. The director may require a reinsurance intermediary manager to:

1. File a bond from an insurer for the protection of the reinsurer in an amount that is acceptable to the director.

2. Maintain an errors and omissions policy in an amount that is acceptable to the director.

D. The director may issue a reinsurance intermediary license to a person, firm, association or corporation that complies with the requirements of this article. A license that is issued to a firm or association authorizes all the members and designated employees of the firm or association to act as reinsurance intermediaries under the license. Members and designated employees shall be named in the application and any supplements to the application. A license that is issued to a corporation authorizes all of the officers, designated employees and directors of the corporation to act as reinsurance intermediaries on behalf of the corporation. The officers, designated employees and directors shall be named in the application and any supplements to the application. If the applicant for a reinsurance intermediary license is a nonresident, as a condition precedent to receiving or holding a license the applicant shall designate the director as the agent for service of process pursuant to this article. The
applicant shall furnish the director with the name and address of a resident of this state on whom may be served notice, orders of the director or process affecting the nonresident reinsurance intermediary. The licensee shall notify promptly the director in writing of every change in its designated agent for service of process. The change does not become effective until it is acknowledged by the director.

E. The director may refuse to issue a reinsurance intermediary license if, in THE DIRECTOR'S judgment, the applicant, a person named on the application or a member, principal, officer or director of the applicant or controlling person of the applicant is not trustworthy to act as a reinsurance intermediary, gives cause for revocation or suspension of the license or fails to comply with any prerequisite for the issuance of the license. On written request, the director shall furnish a summary of the basis for refusal to issue a license. The summary is privileged and confidential.

F. Attorneys licensed to practice law in this state are exempt from this section when acting in their professional capacity.

G. The director may exempt from this section a reinsurance intermediary broker whose activities with respect to reinsurance comply with all of the following:

1. Has no authorization to bind any party.
2. Compensation is not dependent upon the sale or placement of reinsurance and the amount of compensation is not related to the amount of reinsurance or reinsurance premium.
3. Reinsurance related activities are infrequent and incidental to other professional services.
4. Does not handle or control the funds of any party directly or indirectly involved in the reinsurance activities of the reinsurance intermediary broker.

Sec. 37. Section 20-1004, Arizona Revised Statutes, is amended to read:

20-1004. Issuance of certificate of authority

Issuance of a certificate of authority shall be granted by the director if the director is satisfied that the following conditions are met:

1. The persons responsible for conducting the affairs of the prepaid dental plan organization are competent and trustworthy and are professionally capable of providing or arranging for the provision of services offered.
2. The prepaid dental plan organization constitutes an appropriate mechanism to achieve an effective prepaid dental plan, in accordance with regulations issued by the director, that shall include at least the basic dental services appropriate to that plan as determined by the director.
3. The prepaid dental plan organization is financially responsible and may reasonably be expected to meet its obligations to members and
prospective members. In making this determination, the director shall consider at least:

(a) The financial soundness of the prepaid dental plan's arrangements for services and the schedule of charges used.

(b) Any agreement with an insurer, a hospital or a medical service corporation, a government or any other organization for insuring the payment of the cost of prepaid dental services or the provisions for automatic applicability of an alternative coverage in the event of discontinuance of the plan.

(c) The sufficiency of an agreement with providers for the provision of prepaid dental services.

4. Each officer responsible for conducting the affairs of the prepaid dental plan organization has filed with the director, subject to the director's approval, a fidelity bond in the amount of fifty thousand dollars $50,000.

Sec. 38. Section 20-1054, Arizona Revised Statutes, is amended to read:

20-1054. Issuance of certificate of authority
A. Issuance of a certificate of authority shall be granted within the time prescribed in section 20-216 by the director if the director is satisfied that the following conditions are met:

1. The persons responsible for conducting the affairs of the health care services organization are competent and trustworthy and are professionally capable of providing or arranging for the provision of health and medical services being offered.

2. The health care services organization constitutes an appropriate mechanism to achieve an effective health care plan pursuant to this title and any rule that is adopted by the director.

3. The health care services organization is financially responsible and may reasonably be expected to meet its obligations to enrollees and prospective enrollees. In making this determination, the director may consider:

(a) The financial soundness of the health care plan's arrangements for health care services and the schedule of charges used in connection therewith.

(b) Any agreement with an insurer, a hospital or a medical service corporation, a government or any other organization for insuring the payment of the cost of health care services or the provision for automatic applicability of an alternative coverage in the event of discontinuance of the plan.

(c) Any agreement with providers for the provision of health care services.

4. Each officer responsible for conducting the affairs of the health care services organization has filed with the director, subject to
the director's approval, a fidelity bond in the amount of fifty thousand dollars $50,000.

B. Unless preempted under federal law or unless federal law imposes greater requirements than this section, this section applies to a provider sponsored health care services organization.

Sec. 39. Section 20-1095.03, Arizona Revised Statutes, is amended to read:

20-1095.03. Qualifications for permit

A. The director shall not issue a permit to a service company unless all of the following conditions are met:

1. The applicant is solvent and organized under the laws of this state or another state, district, territory or possession of the United States.

2. The applicant furnishes proof as necessary to the director that the directors and management of the service company are competent and trustworthy and are capable of successfully managing the service company's affairs in compliance with law.

3. The applicant either:
   (a) Files a surety bond or an alternative to a surety bond as required by section 20-1095.04.
   (b) Is insured by a mechanical reimbursement insurance policy issued by an insurer authorized to do business in this state and provides a copy of the policy to the director.

4. The applicant is in compliance and continues to be in compliance with all applicable laws.

5. The applicant pays the initial fee prescribed in section 20-167.

B. This article does not require the director to determine the actual financial condition or claims practices of any service company. The issuance of a service company permit indicates only that the entity appears to be financially sound and to have satisfactory claims practices and that the director has no credible evidence to the contrary.

Sec. 40. Section 20-1096.04, Arizona Revised Statutes, is amended to read:

20-1096.04. Qualifications

The director shall not issue a certificate of authority to a mechanical reimbursement reinsurer unless all of the following conditions are met:

1. The applicant is a corporation incorporated under the laws of this state.

2. The applicant furnishes such proof as necessary to the director that the directors and management of the reinsurer are competent and trustworthy and are capable of successfully managing its affairs in compliance with law.

3. The applicant makes the deposit as required by section 20-1096.06.
4. The applicant is in compliance and continues to be in compliance with all applicable laws.

5. The applicant pays the initial fee prescribed in section 20-167.

Sec. 41. Section 28-3228, Arizona Revised Statutes, is amended to read:

28-3228. School bus drivers; requirements; rules; cancellation of certificate

A. A person shall not operate a school bus transporting school children unless the person possesses the appropriate license class for the size of school bus being operated that is issued by the department of transportation, a bus endorsement that is issued by the department of transportation and a school bus certificate that is issued by the department of public safety.

B. To be certified as a school bus driver, a person shall do both of the following:

1. Meet and maintain the minimum standards prescribed by this section and rules adopted by the department of public safety in consultation with the school bus advisory council established by section 28-3053.

2. Complete an initial instructional course on school bus driver safety and training, including behind the wheel training.

C. The department of public safety in consultation with the school bus advisory council established by section 28-3053 shall adopt rules that establish minimum standards for the certification of school bus drivers. In cooperation with local school districts, the department of public safety shall provide for school bus driver safety and training courses. The standards established shall:

1. Include requirements concerning moral character, knowledge of school bus operation, pupil and motor vehicle safety, physical impairments that might affect the applicant's ability to safely operate a school bus or that might endanger the health or safety of school bus passengers, knowledge of first aid, establishment of school bus safety and training courses, a refresher course to be completed on at least a biennial basis and other matters as the department of public safety and the school bus advisory council established by section 28-3053 prescribe for the protection of the public.

2. Require tests to detect the presence of alcohol or the use of a drug in violation of title 13, chapter 34 that may adversely affect the ability of the applicant to safely operate a school bus.

3. Authorize the performance of hearing tests with or without the use of a hearing aid as provided in 49 Code of Federal Regulations section 391.41.

4. Require the applicant to possess a commercial driver license issued by the department, except that notwithstanding subsection A of this section the applicant may possess a commercial driver license issued by
another state if the applicant will be driving a school bus for a school
district that is adjacent to that state.

D. Each person who applies for a school bus driver certificate
shall have a valid fingerprint clearance card that is issued pursuant to
title 41, chapter 12, article 3.1 and shall submit an identity verified
fingerprint card as described in section 15-106 that the department of
public safety shall use to process the fingerprint clearance card as
outlined in section 15-106.

E. A person who is issued a school bus driver certificate shall
maintain a valid identity verified fingerprint clearance card for the
duration of any school bus driver certification period.

F. The department of public safety shall suspend a school bus
driver certificate if the fingerprint clearance card is invalid, suspended, canceled or revoked.

G. The department of public safety shall issue a school bus driver
certificate to an applicant who meets the requirements of this section.
The certificate is valid if the applicant maintains the minimum standards
established by this section.

H. The department of public safety may cancel the certificate if
the person's license to drive is suspended, canceled, revoked or
disqualified. The department of public safety shall cancel the
certificate if the person fails to maintain the minimum standards
established pursuant to this section. A person whose application for a
certificate is refused or whose certificate is canceled for failure to
meet or maintain the minimum standards may request and receive a hearing
from the department of public safety.

I. The department of public safety shall enforce the rules adopted
pursuant to this section.

Sec. 42. Section 28-3413, Arizona Revised Statutes, is amended to
read:

28-3413. License for schools; requirements; fingerprint
clearance card
A. A person may not act as a traffic survival school unless the
person applies for and obtains from the director a license in the manner
and form prescribed by the director.

B. Rules adopted by the director shall state the requirements for a
school license, including:

1. Requirements concerning location, equipment, courses of
instruction, instructors, previous records of the school and instructors,
character and reputation of the operators and instructors, insurance in an
amount and with provisions that the director deems necessary to protect
adequately the interests of the public and other matters prescribed by the
director.

2. A requirement that traffic survival school courses of
instruction must:
(a) Consist of at least eight hours of instruction and include information relating to aggressive driving as provided by section 28-695.
(b) Be offered and completed in person and may not be offered or completed online unless the governor declares a state of emergency. The department may grant a person who enrolls in a traffic survival school a onetime waiver of the in-person requirement if the person demonstrates to the department that completing the course in person would impose a substantial burden on the person.
C. Each applicant who owns twenty percent or more of an entity and each partner or stockholder who owns twenty percent or more of an entity and who seeks licensure pursuant to this article shall provide the department or a contracted private entity of the department pursuant to section 28-3411 with a valid fingerprint clearance card issued pursuant to section 41-1758.03.
Sec. 43. Section 32-122, Arizona Revised Statutes, as amended by Laws 2016, chapter 167, section 5, is amended to read:
32-122. Qualifications for in-training designation
A. An applicant for in-training designation as an engineer, geologist or land surveyor shall:
1. Be of good moral character and repute.
2. Be a graduate of a school approved by the board or have four years or more of education or experience, or both, in work in the profession in which registration is sought that meets standards specified by the board in its rules.
3. Unless exempt under section 32-126, subsection D, pass the in-training examination in the profession in which registration is sought.
B. An applicant for in-training designation as an assayer shall:
1. Be of good moral character and repute.
2. Be a graduate of a school and curriculum approved by the board or have four years or more of education or experience, or both, in work in the profession in which registration is sought that meets standards specified by the board in its rules.
3. Unless exempt under section 32-126, subsection D, pass the in-training examination in the profession in which registration is sought.
Sec. 44. Section 32-122, Arizona Revised Statutes, as amended by Laws 2016, chapter 352, section 9 and chapter 371, section 11, is amended to read:
32-122. Qualifications for in-training registration
A. An applicant for in-training registration as an architect, engineer, geologist or landscape architect shall:
1. Be of good moral character and repute.
2. Be a graduate of a school approved by the board or have four years or more, or if an applicant for in-training registration as an architect, five years or more, of education or experience, or both, in
work in the profession in which registration is sought that meets standards specified by the board in its rules.

2. Unless exempt under section 32-126, subsection D, pass the in-training examination in the profession in which registration is sought.

B. An applicant for in-training registration as a land surveyor shall:

1. Be a graduate of a school and curriculum approved by the board, or have four years or more of education or experience, or both, in work in the profession in which registration is sought that meets standards specified by the board in its rules.

2. Unless exempt under section 32-126, subsection D, pass the in-training examination in the profession in which registration is sought.

C. An applicant for in-training registration as a home inspector-in-training shall meet the requirements of section 32-122.02, subsection A, paragraphs 1 through 7.

Sec. 45. Section 32-122.01, Arizona Revised Statutes, is amended to read:

32-122.01. Qualifications for professional registration
A. An applicant for professional registration as an architect, engineer, geologist or landscape architect shall:

1. Be of good moral character and repute.

2. Be actively engaged in education or experience, or both, in the profession for which registration is sought for at least eight years.

3. Unless exempt under section 32-126, pass the applicable in-training and professional examinations in the profession in which registration is sought.

B. An applicant for professional registration as a land surveyor shall:

1. Be of good moral character and repute.

2. Be actively engaged in education or experience, or both, in the profession for which registration is sought for at least six years.

3. Unless exempt under section 32-126, pass the in-training and professional examinations in the profession in which registration is sought.

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

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

2. Each year of study satisfactorily completed in a land surveying curriculum and school approved by the board is considered equivalent to one year of active engagement up to a maximum of four years. One year or
more of teaching land surveying or other courses approved by the board as pertinent to the profession in which registration is sought in a school approved by the board is equivalent to one year of active engagement.

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

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

Sec. 46. Section 32-122.02, Arizona Revised Statutes, is amended to read:

32-122.02. Certification of home inspectors; insurance

A. An applicant for certification as a home inspector shall:

1. Be at least eighteen years of age.

2. Be of good moral character and repute.

3. Have passed within two years preceding application a written examination that is approved by the board and that meets the competency standards recommended by the home inspector rules and standards committee and adopted by the board.

4. Have passed a course of study that meets the standards recommended by the home inspector rules and standards committee and approved by the board.

5. Pay a fee as determined by the board and for initial certification shall provide to the board evidence of having a valid fingerprint clearance card issued pursuant to title 41, chapter 12, article 3.1.

6. Not have had a certificate denied or revoked pursuant to this chapter within one year immediately preceding the application.

7. Have received an absolute discharge from sentence at least five years before the application if the person has been convicted of one or more felonies, provided the board determines the applicant is of good moral character and repute.

8. Provide evidence of the applicant's ability to obtain financial assurance as provided by subsection B of this section.

B. Within sixty days after certification and before any fee-based home inspection is performed, a home inspector certified pursuant to this chapter shall file one of the following financial assurances pursuant to
rules recommended by the home inspector rules and standards committee and
adopted by the board:

1. Errors and omissions insurance for negligent acts committed in
   the course of a home inspection in an amount of two hundred thousand
dollars $200,000 in the aggregate and one hundred thousand dollars
$100,000 per occurrence.
2. A bond that is retroactive to the certification date in the
   amount of twenty-five thousand dollars $25,000 or proof that minimum net
   assets have a value of at least twenty-five thousand dollars $25,000.
C. If a home inspector loses or otherwise fails to maintain a
   required financial assurance, the certification shall be automatically
   suspended and shall be reinstated if a financial assurance is obtained
   within ninety days. If a financial assurance is not obtained within
   ninety days, the certification shall be automatically revoked.
D. A home inspector is subject to this chapter and rules adopted
   pursuant to this chapter.
E. Except as provided in subsection A, paragraph 5-4 of this
   section, the board may not require the submission of a fingerprint
   clearance card for certification renewal or any other purpose.

Sec. 47. Section 32-122.07, Arizona Revised Statutes, is amended to
read:

32-122.07. Denial of alarm business, controlling person or
alarm agent certification; appeal
A. The board may deny an application for certification as an alarm
   business, controlling person or alarm agent if a controlling person of an
   alarm business or an alarm agent lacks good moral character or has been
   convicted of an act involving moral turpitude. A lack of good moral
   character may be established by evidence of past criminal activity and
   shall be determined by the board.
B. If the board denies an application for certification as an alarm
   business, controlling person or alarm agent, the board shall send notice
   of its action by certified mail to the applicant, setting forth the
   reasons for the action taken.
C. Within thirty days after the date of the notice, the applicant
   may request a hearing before the board pursuant to title 41, chapter 6,
   article 10.

Sec. 48. Section 32-721, Arizona Revised Statutes, is amended to
read:

32-721. Certified public accountants; qualifications
A. The board shall issue a certificate of certified public
   accountant to any individual who complies with all of the following:
   1. Meets the requirements of section 41-1080.
   2. Is at least eighteen years of age.
   3. Is of good moral character.
4. Has not engaged in any conduct that would constitute grounds for revocation or suspension of a certificate or other disciplinary action pursuant to section 32-741.

5. Meets the requirements of subsection B, C or D of this section.

B. If the applicant passes the uniform certified public accountant examination and has never been certified, registered or licensed as a certified public accountant in this state or another jurisdiction, the applicant must comply with both of the following:

1. Have had at least two thousand hours of paid or unpaid experience, either before or after passing all sections of the uniform certified public accountant examination, that has exposed the applicant to and provided the applicant with experience in the practice of accounting. The applicant's experience must be sufficient to demonstrate the applicant's ability for critical inquiry and analysis of financial accounting information, including balance sheets, income statements, cash flow statements or tax returns and the applicant's ability to communicate, either orally or in writing, on the results of an inquiry or analysis of that information to an employer, client or third party.

2. Present satisfactory evidence that the person has successfully obtained a baccalaureate degree or higher degree from an accredited institution or a college or university that maintains standards comparable to those of an accredited institution and that the applicant has completed at least one hundred fifty semester hours of education of which:
   (a) At least thirty-six semester hours are nonduplicative accounting courses of which at least thirty semester hours are upper-level courses.
   (b) At least thirty semester hours are related courses.

C. If the applicant passes the uniform certified public accountant examination or the international qualification examination and has a certificate, registration or license to practice as a certified public accountant in another jurisdiction and the applicant has never had a certificate issued by the board expire or be relinquished or revoked, at least one of the following shall apply:

1. The certificate, registration or license is issued by a jurisdiction whose requirements are determined by the board to be substantially equivalent to the requirements prescribed in subsection B of this section.

2. The applicant has a baccalaureate degree or its equivalent or a higher degree from an accredited institution or a college or university that maintains standards comparable to those of an accredited institution and either of the following applies:
   (a) The applicant has been employed as a certified public accountant in the practice of accounting for at least three years and has
completed at least one hundred fifty semester hours of education that includes both of the following:

(i) At least twenty-four semester hours of nonduplicative accounting courses, of which twelve semester hours are upper-level courses.

(ii) At least eighteen semester hours in related courses.

(b) The applicant has been employed as a certified public accountant in the practice of accounting for at least five of the ten preceding years and has completed both of the following:

(i) At least twenty-four semester hours of nonduplicative accounting courses, of which twelve semester hours are upper-level courses.

(ii) At least eighteen semester hours in related courses.

3. The applicant has been employed as a certified public accountant in the practice of accounting for at least ten of the fifteen preceding years.

D. If an applicant passes the international uniform certified public accountant qualification examination of the American Institute of Certified Public Accountants, all of the following apply:

1. The applicant's country has a mutual recognition agreement with the national association of state boards of accountancy that has been adopted by the board.

2. The board recognizes that the applicant's qualifications are substantially equivalent to the qualifications of certified public accountants in the United States in the areas of education, examination and experience.

Sec. 49. Section 32-823, Arizona Revised Statutes, is amended to read:

32-823. Qualifications of applicant

A. An applicant shall prove to the board that the applicant:

1. Is of good moral character.

2. Is a graduate of an accredited podiatry school whose standards are recognized by the American Podiatry Medical Association.

3. Has a professional record that indicates that the applicant has not committed any act or engaged in any conduct that would constitute grounds for disciplinary action against a licensee under this chapter if the applicant has previously engaged in the practice of podiatry.

4. Has a professional record that indicates that the applicant has not had a license to practice podiatry refused, revoked, suspended or restricted in any way by any other state, federal jurisdiction or country for reasons that relate to the ability to competently and safely practice podiatry if the applicant has previously engaged in the practice of podiatry.
6. Has passed a national board written examination.

B. The board may require an applicant to submit such credentials or other evidence, written and oral, and may investigate as it deems necessary to adequately inform itself with respect to the applicant's ability to meet the requirements prescribed by this section, including a requirement that the applicant for licensure undergo a physical examination, a mental evaluation or an oral competence examination and interview, or any combination thereof, as the board deems proper.

C. Beginning September 1, 2022, an applicant for initial licensure, license renewal, license reinstatement or temporary licensure shall possess a valid fingerprint clearance card issued pursuant to title 41, chapter 12, article 3.1.

Sec. 50. Section 32-921, Arizona Revised Statutes, is amended to read:

32-921. Application for license; qualifications of applicant; fee; background investigations

A. A person who wishes to practice chiropractic in this state shall submit a complete application to the board at least forty-five days before the next scheduled examinations on a form and in the manner prescribed by the board.

B. To be eligible for an examination and licensure, the applicant shall:

1. Be a person of good character and reputation.

2. Be a graduate of a chiropractic college that both:
   (a) Is accredited by or has status with the council on chiropractic education or is accredited by an accrediting agency recognized by the United States department of education or the council on postsecondary accreditation.
   (b) Teaches a resident course of four years of not less than nine months each year, or the equivalent of thirty-six months of continuous study, and that comprises not less than four thousand credit hours of resident study required to receive a degree of doctor of chiropractic (D.C.).

3. Be physically and mentally able to practice chiropractic skillfully and safely.

4. Have a certificate of attainment for part I and part II and a score of three hundred seventy-five or more on part III or IV of the examination conducted by the national board of chiropractic examiners.

C. The board may refuse to give an examination or may deny licensure to an applicant who:

1. Fails to qualify for an examination or licensure under subsection B of this section.

2. Has had a license to practice chiropractic refused, revoked, suspended or restricted by a regulatory board in this or any other state.
jurisdiction for any act that constitutes unprofessional conduct pursuant to this chapter.

3. Is currently under investigation by a regulatory board in this or any other jurisdiction for an act that constitutes unprofessional conduct pursuant to this chapter.

4. Has surrendered a license to practice chiropractic in lieu of disciplinary action by a regulatory board in this or any other jurisdiction for an act that constitutes unprofessional conduct pursuant to this chapter.

5. Has engaged in any conduct that constitutes grounds for disciplinary action pursuant to section 32-924 or board rules.

D. On making application APPLYING, the applicant shall pay to the executive director of the board a nonrefundable fee of not more than three hundred twenty-five dollars $325 as established by the board. The board shall keep a register of all applicants and the result of each examination.

E. In order to determine an applicant's eligibility for examination and licensure, the board may require the applicant to submit a full set of fingerprints to the board. The board shall submit the fingerprints to the department of public safety for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544. The department of public safety may exchange this fingerprint data with the federal bureau of investigation. The board shall charge each applicant a fee that is necessary to cover the cost of the investigation. The board shall forward this fee to the department of public safety.

Sec. 51. Section 32-1004, Arizona Revised Statutes, is amended to read:

32-1004. Exemptions

A. The following persons are exempt from this chapter when engaged in the regular course of their respective businesses but shall comply with the requirements of section 32-1051, paragraphs 2 through 6 and section 32-1055, subsection C and subsection D, paragraphs 1, 2, 3 and 5:

1. Attorneys-at-law.

2. A person regularly employed on a regular wage or salary in the capacity of credit person or a similar capacity, except as an independent contractor.

3. Banks, including trust departments of a bank, fiduciaries and financing and lending institutions.


5. Title insurers, title insurance agents and abstract companies while doing an escrow business.


7. Employees of licensees under this chapter.
8. Substation payment offices employed by or serving as independent contractors or public utilities.

9. A person licensed pursuant to title 6, chapter 7.

10. A person licensed pursuant to title 6, chapter 9.

11. A person licensed pursuant to title 6, chapter 14, article 1.

12. A participant in a finance transaction in which a lender receives the right to collect commercial claims due the borrower by assignment, by purchase or by the taking of a security interest in those commercial claims.

13. An accounting, bookkeeping or billing service provider that complies with all of the following:
   (a) Does not accept accounts that are contractually past due at the time of receipt.
   (b) Does not initiate any contact with individual debtors except for the initial written notice of the amount owing and one written follow-up notice.
   (c) Does not give or send to any debtor a written communication that requests or demands payment.
   (d) Does not receive or have access to monies paid by debtors or their insurers.
   (e) All communications with the debtors are done in the name of the creditor.

14. A person collecting claims owed, due or asserted to be owed or due to a financial institution OF WHICH the deposits OF WHICH are insured by an agency of the federal government, or any affiliate of the financial institution, if the person is related by common ownership or affiliated by corporate control with the financial institution and collects the claims only for the financial institution or any affiliate of the financial institution.

15. A person who is licensed pursuant to title 20, chapter 2, article 3, 3.1, 3.2, 3.3 or 3.5 and who is authorized to collect premiums under an insurance policy financed by a premium finance agreement as defined in section 6-1401.

16. A person that is licensed pursuant to title 20, chapter 2, article 9, that is authorized to act as an administrator for an insurer as defined in section 20-485 and that collects charges pursuant to section 20-485.09, subsection B.

B. For the purposes of subsection A, paragraph 12 of this section:
   1. A transaction shall not be deemed a finance transaction if the primary purpose is to facilitate the collection of claims.
   2. Commercial claim does not include an account arising from the purchase of a service or product intended for personal, family or household use.
C. For the purposes of subsection A, paragraph 13, subdivision (b) of this section, the initial written notice and follow-up notice may contain only the following information:

1. The name, address and telephone and telefacsimile numbers of the creditor.
2. The amount due and an itemization of that amount.
3. The date payment is due.
4. The address or place where payment is to be made.
5. If the payment is past due, that payment is past due.

D. For a person who is exempt under subsection A, paragraph 14 of this section, the deputy director shall investigate complaints of residents of this state relating to any violations of section 32-1051, paragraphs 2 through 7 or section 32-1055, subsection C or subsection D, paragraph 1, 2, 3 or 5 and may examine the books, accounts, claims and files of a person that relate to the complaint. A person who is exempt and who violates section 32-1051, paragraphs 2 through 6 or section 32-1055, subsection C or subsection D, paragraph 1, 2, 3 or 5 is subject to sections 6-132, 6-136 and 6-137.

Sec. 52. Section 32-1023, Arizona Revised Statutes, is amended to read:

32-1023. Qualifications of applicants
A. An applicant for a license issued under this chapter shall:
1. Be a citizen of the United States and be of good moral character.
2. Not have been convicted of a crime involving moral turpitude.
3. Not have defaulted on payment of money collected or received for another.
4. Not have been a former licensee under this chapter whose license was suspended or revoked and not subsequently reinstated.
B. If the applicant for a license is a firm, partnership, association or corporation, the qualifications required by subsection A of this section shall be required of the individual in active management of the firm, partnership, association or corporation.
C. When a licensed agency ceases to be under the active management of a qualified person, as defined in rules, notice of this fact shall be given to the deputy director within ten days. The licensee shall have ninety days after the termination of the services of the acting manager to replace the qualified person and notify the deputy director of the qualified replacement. If the agency is not placed under the active management of a new qualified person and notice is not given to the deputy director within the ninety-day period, the license of the agency expires unless a provisional license has been granted under section 32-1027.
Sec. 53. Section 32-1051, Arizona Revised Statutes, is amended to read:

32-1051. Duties of licensees

An individual, firm, partnership, association or corporation to whom a license is to be issued under this chapter shall:

1. Meet the financial responsibility and bonding requirements of this chapter.

2. Not have been a former licensee under the provisions of this chapter whose license was suspended or revoked and not subsequently reinstated.

3. Deal openly, fairly and honestly in the conduct of the collection agency business.

4. Except for attorneys licensed to practice law, not attempt to collect any collection fee, attorney's fee, court cost or expenses unless the fees, charges or expenses are justly due from and legally chargeable against the debtor, or have been judicially determined.

5. Except for attorneys licensed to practice law, not engage in any unfair or misleading practices or resort to any oppressive, vindictive or illegal means or methods of collection.

6. Except for attorneys licensed to practice law, not give or send to any debtor, or cause to be given or sent to any debtor, any notice, letter, message or form which:

   (a) Simulates any legal process.

   (b) Is ambiguous as to or misrepresents the character, extent or amount of the obligation of the debtor.

   (c) Represents or infers that the existing obligation of the debtor may be increased by the addition of attorneys' fees, investigation fees, service fees or any other fees or charges when in fact these fees or charges may not legally be added to the existing obligation of the debtor.

   (d) Threatens to sell the obligation of the debtor to any person, firm or group.

   (e) Uses or sets forth the name of or purports to be from any attorney at law or legal firm.

7. Except for attorneys licensed to practice law, not use any letterhead or literature bearing any heading, slogan or statement representing or inferring that the licensee practices law, renders legal services or advice, or maintains a legal department.

8. Not by the use of any letterhead, advertisement, agreement, form, circular or other printed matter, or otherwise, to convey the impression that the individual, firm, partnership, association or corporation is vouched for or is an instrumentality of the state, a political subdivision of the state, or the department.
Sec. 54.  Section 32-1053, Arizona Revised Statutes, is amended to read:

32-1053. Denial, revocation or suspension of license

A. The deputy director may deny a license to a person or suspend or revoke a license pursuant to title 41, chapter 6, article 10 if the deputy director finds that an applicant or licensee:

1. Is insolvent as defined in section 47-1201.

2. Has shown that the applicant or licensee is not a person of honesty, truthfulness or good character.

3. Has violated any applicable law, rule or order.

4. Has been convicted in any state of any felony or other crime involving breach of trust or dishonesty.

5. Has had an order entered against the applicant or licensee by an administrative agency of this state, the federal government or any other state of the United States and that order is based on conduct involving fraud, deceit or misrepresentation by the licensee or applicant.

6. Has made a material misstatement or omission on the application for a license or on any document required to be filed with the deputy director.

B. It is sufficient cause for the denial, suspension or revocation of a license if an officer, director, partner, employee or controlling person of the collection agency has acted or failed to act in a manner that would be cause for denial, suspension or revocation of a license. For purposes of this subsection, "controlling person" means a person who owns more than a twenty percent equity interest in the collection agency and has the power to actively participate in the conduct of the collection agency.

Sec. 55.  Section 32-1122, Arizona Revised Statutes, is amended to read:

32-1122. Qualifications for license

A. A contractor's license may be issued only by act of the registrar of contractors. The registrar shall:

1. Classify and qualify applicants for a license.

2. If necessary, change the license classification of a licensee in the case of a title reclassification, with or without a bond rider for the purpose of continuing liability on the bond.

3. Conduct investigations the registrar deems necessary.

4. Establish written examinations to protect the health and safety of the public.

B. To obtain, renew or maintain a license under this chapter, the applicant or licensee shall:

1. Submit to the registrar of contractors a verified application on forms that are prescribed by the registrar of contractors and that contain the following information:
(a) A designation of the classification of license that is sought by the applicant.

(b) If the applicant is a sole proprietorship, the applicant's name and address.

(c) If the applicant is a partnership, the names and addresses of all partners with a designation of any limited partners.

(d) If the applicant is a limited liability company, the names and addresses of all of the following, as applicable:
   (i) If the applicant is a manager-managed limited liability company, all managers.
   (ii) If the applicant is a member-managed limited liability company, all members.
   (iii) All owners of twenty-five percent or more of the stock or beneficial interest.

(e) If the applicant is a corporation, an association or any other organization, the names and addresses of all of the following:
   (i) The president, vice president, secretary and treasurer or the names and addresses of the functional equivalent of all of these officers.
   (ii) The directors.
   (iii) The owners of twenty-five percent or more of the stock or beneficial interest.

(f) The name and address of the qualifying party.

(g) If the applicant is a limited liability company or corporation, an attestation that the limited liability company or corporation is in good standing with the corporation commission.

(h) The address or location of the applicant's place of business and the mailing address if it is different from the applicant's place of business.

(i) An attestation that the applicant has complied with the statutes and rules governing workers' compensation insurance. If the applicant is required by law to secure workers' compensation insurance pursuant to section 23-961 TITLE 23, CHAPTER 6, the attestation must contain the workers' compensation insurance policy number or be accompanied by proof of self-insurance.

(j) If the applicant is a trust, the names and addresses of all trustees.

2. Submit the appropriate fee required under this chapter.

3. Submit and maintain the appropriate bond required under this chapter.

4. Notify the registrar of any change in the information required by this section within thirty days after the change occurs.

C. To obtain, renew or maintain a license under this chapter, each person who is named on a license must be of good character and reputation. Lack of good character and reputation may be established by showing that a person NOT HAVE engaged in contracting without a license or
committed any act that, if committed or done by any licensed contractor, would be grounds for suspension or revocation of a contractor's license or by showing that the person was named on a license that was suspended or revoked in this state or another state.

D. To obtain a license under this chapter, a person may not have had a license denied, refused or revoked within one year before the person's application. The registrar may find circumstances behind the denial, refusal or revocation excusable if the applicant's actions did not result in an unremedied hardship or danger or loss to the public. A person who has been convicted of contracting without a license is not eligible to obtain a license under this chapter for one year after the date of the last conviction.

E. Before a license is issued, the qualifying party must:

1. Have a minimum of four years' practical or management trade experience, at least two of which must have been within the last ten years, dealing specifically with the type of construction, or its equivalent, for which the applicant is applying for a license. Technical training in an accredited college or university or in a manufacturer's accredited training program may be substituted for a portion of such experience, but in no case may credited technical training exceed two years of the required four years' experience. The registrar of contractors may reduce the four years' practical or management experience requirement if in the registrar's opinion it has been conclusively shown by custom and usage in the particular industry or craft involved that the four-year requirement is excessive. The registrar shall waive the work experience documentation and verification if the records reflect that the qualifying party is currently or has previously been a qualifying party for a licensee in this state in the same classification and meets all other qualifications.

2. Successfully show, by written examination taken not more than two years before application, if required, qualification in the kind of work for which the applicant proposes to contract, the applicant's general knowledge of the building, safety, health and lien laws of the state, administrative principles of the contracting business and the rules adopted by the registrar of contractors pursuant to this chapter, demonstrate knowledge and understanding of construction plans and specifications applicable to the particular industry or craft and of the standards of construction work and techniques and practices in the particular industry or craft and demonstrate a general understanding of other related construction trades, in addition to any other matters as may be deemed appropriate by the registrar to determine that the qualifying party meets the requirements of this chapter.

F. The registrar shall maintain multiple versions of examinations for each type of license that requires an examination. The registrar shall waive the examination requirement if the records reflect that the
qualifying party is currently or has previously been a qualifying party  
for a licensee in this state in the same classification within the  
preceding five years.

G. A license may not be issued to a minor, to any partnership in  
which one of the partners is a minor or to any corporation in which a  
corporate officer is a minor.

H. Before receiving, renewing and holding a license pursuant to  
this chapter, the registrar may require a license applicant or licensee to  
submit to the registrar a full set of fingerprints and the fees required  
in section 41-1750. The registrar shall submit the fingerprints and fees  
to the department of public safety for the purpose of obtaining a state  
and federal criminal records check pursuant to section 41-1750 and Public  
Law 92-544. The department of public safety may exchange this fingerprint  
data with the federal bureau of investigation.

Sec. 56. Section 32-1232, Arizona Revised Statutes, is amended to  
read:

32-1232. Qualifications of applicant; application; fee;  
fingerprint clearance card

A. An applicant for licensure shall be of good moral character,  
shall meet the requirements of section 32-1233 and shall hold a diploma  
conferring a degree of doctor of dental medicine or doctor of dental  
surgery from a recognized dental school.

B. Each candidate shall submit a written application to the board  
accompanied by a nonrefundable Arizona dental jurisprudence examination  
fee of $300. The board shall waive this fee for  
candidates who are holders of valid restricted permits. Each candidate  
shall also obtain a valid fingerprint clearance card issued pursuant to  
section 41-1758.03.

C. The board may deny an application for a license, for license  
renewal or for a restricted permit if the applicant:  
1. Has committed any act that would be cause for censure, probation  
or suspension or revocation of a license under this chapter.

2. While unlicensed, committed or aided and abetted the commission  
of any act for which a license is required by this chapter.

3. Knowingly made any false statement in the application.

4. Has had a license to practice dentistry revoked by a dental  
regulatory board in another jurisdiction in the United States for an act  
that occurred in that jurisdiction and that constitutes unprofessional  
conduct pursuant to this chapter.

5. Is currently under suspension or restriction by a dental  
regulatory board in another jurisdiction in the United States for an act  
that occurred in that jurisdiction and that constitutes unprofessional  
conduct pursuant to this chapter.

6. Has surrendered, relinquished or given up a license to practice  
dentistry in lieu of disciplinary action by a dental regulatory board in
another jurisdiction in the United States for an act that occurred in that
jurisdiction and that constitutes unprofessional conduct pursuant to this
chapter.

D. The board shall suspend an application for a license, for
license renewal or for a restricted permit if the applicant is currently
under investigation by a dental regulatory board in another jurisdiction.
The board shall not issue or deny a license to the applicant until the
investigation is resolved.

Sec. 57. Section 32-1234, Arizona Revised Statutes, is amended to
read:

32-1234. Dental consultant license
A. A person may apply for a dental consultant license if the
applicant demonstrates to the board's satisfaction that the applicant:
1. Has continuously held a license to practice dentistry for at
least twenty-five years issued by one or more states or territories of the
United States or the District of Columbia, but is not currently licensed
to practice dentistry in Arizona.
2. Is of good moral character.
3. Has not had a license to practice dentistry revoked by a
dental regulatory board in another jurisdiction in the United States for
an act that occurred in that jurisdiction and that constitutes
unprofessional conduct pursuant to this chapter.
4. Is not currently under suspension or restriction by a dental
regulatory board in another jurisdiction in the United States for an act
that occurred in that jurisdiction and that constitutes unprofessional
conduct pursuant to this chapter.
5. Has not surrendered, relinquished or given up a license to
practice dentistry in lieu of disciplinary action by a dental regulatory
board in another jurisdiction in the United States for an act that
occurred in that jurisdiction and that constitutes unprofessional conduct
pursuant to this chapter.
6. Meets the applicable requirements of section 32-1232.
7. Meets the requirements of section 32-1233, paragraphs 1 and
3. If an applicant has taken a state written theory examination instead
of the written national dental board examinations, the applicant must
provide the board with official documentation of passing the written
theory examinations in the state where the applicant holds a current
license. The board shall then determine the applicant's eligibility for a
license pursuant to this section.
8. Meets the application requirements as prescribed in rule by
the board.

B. The board shall suspend an application for a dental consultant
license if the applicant is currently under investigation by a dental
regulatory board in another jurisdiction in the United States. The board
H.B. 2612

shall not issue or deny a license to the applicant until the investigation
is resolved.

C. A person to whom a dental consultant license is issued shall
practice dentistry only in the course of the person's employment or on
behalf of an entity licensed under title 20 with the practice limited to
supervising or conducting utilization review or other claims or case
management activity on behalf of the entity licensed pursuant to title 20.
A person who holds a dental consultant license is prohibited from
providing direct patient care.

D. This section shall **not be deemed to** require a person to
apply for or hold a dental consultant license in order for that person to
serve as a consultant to or engage in claims review activity for an entity
licensed pursuant to title 20.

E. Except as provided in subsection B of this section, a dental
consultant licensee is subject to all of the provisions of this chapter
that are applicable to licensed dentists.

Sec. 58. Section 32-1284, Arizona Revised Statutes, is amended to
read:

32-1284. **Qualifications of applicant; application; fee;**
**fingerprint clearance card; rules; denial or**
**suspension of application**

A. An applicant for licensure as a dental hygienist shall be at
least eighteen years of age, shall be of good moral character, shall meet
the requirements of section 32-1285 and shall present to the board
evidence of graduation or a certificate of satisfactory completion in a
course or curriculum in dental hygiene from a recognized dental hygiene
school. A candidate shall make written application to the board
accompanied by a nonrefundable Arizona dental jurisprudence examination
fee of **one-hundred-dollars $100.** The board shall waive this fee for
candidates who are holders of valid restricted permits. Each candidate
shall also obtain a valid fingerprint clearance card issued pursuant to
section 41-1758.03.

B. The board shall adopt rules that govern the practice of dental
hygienists and that are not inconsistent with this chapter.

C. The board may deny an application for licensure or an
application for license renewal if the applicant:

1. Has committed an act that would be cause for censure, probation
or suspension or revocation of a license under this chapter.

2. While unlicensed, committed or aided and abetted the commission
of an act for which a license is required by this chapter.

3. Knowingly made any false statement in the application.

4. Has had a license to practice dental hygiene revoked by a
regulatory board in another jurisdiction in the United States for an act
that occurred in that jurisdiction and that constitutes unprofessional
conduct pursuant to this chapter.
5. Is currently under suspension or restriction by a regulatory board in another jurisdiction in the United States for an act that occurred in that jurisdiction and that constitutes unprofessional conduct pursuant to this chapter.

6. Has surrendered, relinquished or given up a license to practice dental hygiene instead of disciplinary action by a regulatory board in another jurisdiction in the United States for an act that occurred in that jurisdiction and that constitutes unprofessional conduct pursuant to this chapter.

D. The board shall suspend an application for a license if the applicant is currently under investigation by a dental regulatory board in another jurisdiction. The board shall not issue or deny a license to the applicant until the investigation is resolved.

Sec. 59. Section 32-1296, Arizona Revised Statutes, is amended to read:

32-1296. Qualifications of applicant
A. To be eligible for certification to practice denture technology an applicant shall:
   1. Be of good moral character.
   2. Hold a high school diploma or its equivalent.
   3. Present to the board evidence of graduation from a recognized denturist school or a certificate of satisfactory completion of a course or curriculum in denture technology from a recognized denturist school.
   4. Pass a board-approved BOARD-APPROVED examination.

B. A candidate for certification shall submit a written application to the board that includes a nonrefundable Arizona dental jurisprudence examination fee as prescribed by the board.

Sec. 60. Section 32-1522, Arizona Revised Statutes, is amended to read:

32-1522. Basic qualifications for license
A. To be eligible for a license to practice naturopathic medicine pursuant to this chapter, the applicant shall:
   1. Be a graduate of an approved school of naturopathic medicine.
   2. Have satisfactorily completed an approved internship, preceptorship or clinical training program in naturopathic medicine.
   3. Possess a good moral and professional reputation.
   4. Be physically and mentally fit to practice as a doctor of naturopathic medicine.
   5. Not be guilty of any act of unprofessional conduct or any other conduct that would be grounds for refusal, suspension or revocation of a license under this chapter.
   6. Not have had a license to practice any profession refused, revoked or suspended by any other state, district or territory of the United States or another country for reasons that relate to the
applicant's ability to skillfully and safely practice as a physician in this state.

7. File a completed application pursuant to section 32-1524 and meet the examination requirements provided for in section 32-1525.

B. The board may:
1. Require an applicant to submit credentials or other written or oral proof.
2. Make investigations it deems proper to adequately advise itself with respect to the qualifications of an applicant.

C. Within ninety days after it receives a completed application for initial licensure, the board shall issue a license if the application demonstrates to the board's satisfaction that the applicant complies with this chapter and board rules.

Sec. 61. Section 32-1523.01, Arizona Revised Statutes, is amended to read:

32-1523.01. Foreign graduates; additional qualifications
A. An applicant for a license to practice as a doctor of naturopathic medicine who received naturopathic medical training from an institution outside of the United States or Canada and who is not licensed by any other state, district or territory of the United States shall meet all of the following requirements:
1. Be a graduate of an approved school of naturopathic medicine.
2. Have successfully completed a clinical training program.
3. Possess a good moral and professional reputation.
4. Be physically and mentally fit to practice as a doctor of naturopathic medicine.
5. Not be guilty of an act of unprofessional conduct or any other conduct which is grounds for refusal, suspension or revocation of a license under this chapter.
6. Not have had a license to practice any profession refused, revoked or suspended by any other state, district or territory of the United States or another country for reasons which relate to that person's ability to skillfully and safely practice as a doctor of naturopathic medicine.
7. Have successfully completed either a two-year internship training program approved by the board or a postdoctoral training program approved by the board.

B. The applicant shall file a complete application and pay the required fees as provided in section 32-1527 and, in addition, shall pay for any costs incurred by the board for investigations or verification of an applicant's credentials and qualifications.

C. The applicant shall pass the examination as required pursuant to section 32-1525, subsection B.
D. The board may:
1. Require the applicant to submit credentials or other written or oral proof that the applicant meets the requirements of this section.
2. Make investigations it deems proper to adequately determine the qualifications of the applicant.

Sec. 62. Section 32-1529, Arizona Revised Statutes, is amended to read:

32-1529. Specialists; certification; qualifications
A. To be eligible for a certificate to practice as a specialist, an applicant shall:
1. Hold a current valid license to practice naturopathic medicine under this chapter.
2. Have satisfactorily completed an approved postdoctoral training program in the specialty.
3. Be board certified in the specialty by a specialty board of examiners that is recognized by the board.
4. Possess a good moral and professional reputation.
5. Be physically and mentally fit to practice the specialty.
6. Not be guilty of any act of unprofessional conduct or any other conduct that would be grounds for refusal, suspension or revocation of a license under this chapter.
7. Not have had any license to practice any profession refused, revoked or suspended by any other state, district or territory of the United States or another country for reasons that relate to the person's ability to skillfully and safely practice as a physician in this state.
8. File a completed application pursuant to section 32-1524.
B. The board may:
1. Require an applicant to submit credentials or other written or oral proof.
2. Make investigations it deems necessary to adequately advise it with respect to an applicant's qualifications.
C. A certificate issued to a physician pursuant to this section shall be concurrently renewed, suspended or revoked with that physician's license to practice naturopathic medicine.

Sec. 63. Section 32-1682, Arizona Revised Statutes, is amended to read:

32-1682. Applications for a dispensing optician license; original and renewal; examination
A. An applicant for licensure shall submit a verified application to the board on a form prescribed by the board. The application shall contain information the board determines is necessary to assist the board in determining the applicant's ability to meet the requirements of this chapter and board rules.
B. A person who wishes to renew a license shall submit a verified renewal application to the board each year on a form prescribed by the
board. The renewal application shall contain information the board determines is necessary to assist the board in determining that the applicant is not in default of or in violation of this chapter or board rules and that the licensee continues to meet the requirements of this chapter.

C. The board may require from all applicants any additional information that in its judgment is necessary to assist the board in determining whether the applicant is entitled to initial or continued licensure.

D. To assist it in determining \textbf{WHETHER} an applicant has acquired the minimum basic skills required for optical dispensing, the board shall require a written and practical examination of all applicants for an initial license. This requirement does not apply to applicants who qualify pursuant to section 32-1683, paragraph \textit{5-4}, subdivision (a). The board may prescribe other reasonable rules relating to the examination of applicants as it determines necessary for the performance of its duties. The board may accept the results of a written or practical examination prepared by a nationally recognized body as determined by the board in lieu of those portions of an examination prepared by the board if they are at least substantially equivalent to those prepared by the board. The board may keep all procedures relating to the administration of the examination and the answer keys confidential.

Sec. 64. Section 32-1683, Arizona Revised Statutes, is amended to read:

\begin{verbatim}
32-1683. Qualifications of applicants
An applicant for a license issued under this chapter shall:
  1. Be of good moral character.
  2. Not have been convicted of a crime involving moral turpitude.
  3. Not be a former licensee under this chapter whose license was suspended or revoked and not subsequently reinstated.
  4. Be a high school graduate or the equivalent as prescribed by rules of the board.
  5. Establish that the applicant has the required technical skill and training necessary for licensing by any one of the following means:
     (a) Submit evidence of having a valid and subsisting license in good standing from another state that licenses dispensing opticians or ophthalmic dispensers and whose requirements are substantially equivalent to the requirements of this chapter.
     (b) Submit evidence of having served an apprenticeship in optical dispensing for three of the six years immediately preceding the date of application under the direct supervision of a dispensing optician, optometrist or an allopathic or osteopathic physician who holds an active license in good standing issued by any state. The apprenticeship must
\end{verbatim}
include all principal phases of optical dispensing in order to result in
the applicant acquiring the minimum basic skills required for optical
dispensing. The board may accept a maximum of one thousand hours of
alternative optical laboratory experience toward satisfying the
apprenticeship requirements if that experience meets the standards
established by the board.

(c) Submit evidence of graduation from a school of optical
dispensing that presently meets the standards required for approval by a
nationally recognized body on opticianry accreditation as determined by
the board. The applicant must also have served an apprenticeship in
optical dispensing as prescribed in subdivision (b) OF THIS PARAGRAPH for
one of the six years immediately preceding the date of application.

(d) Submit evidence of having worked as a dispensing optician or
having served as an apprentice to a dispensing optician, a physician or an
optometrist in a nonlicensing state for three of the six years immediately
preceding the date of application. This work or apprenticeship must
include all principal phases of optical dispensing in order to result in
the applicant acquiring the minimum basic skills required for optical
dispensing.

Sec. 65. Section 32-1722, Arizona Revised Statutes, is amended to
read:

32-1722. Qualifications of applicant; applications
A. A person of good moral character who wishes to engage in the
practice of the profession of optometry shall file with the board a
verified application with the required application fee that includes:
1. The applicant's name, age and address.
2. Documentation of graduation from a university or college that
teaches the profession of optometry and that is accredited by a nationally
accepted accrediting body on optometric education.
3. Documentation of satisfactory completion of an equivalent course
of study that is approved by the board in didactic education, pharmacology
and clinical training in the examination, diagnosis and treatment of
conditions of the human eye and its adnexa and that either:
   (a) Meets the contemporary educational requirements at colleges of
       optometry in the United States.
   (b) Totals at least one hundred twenty hours.
4. Documentation of the successful passage of a written examination
as prescribed by the board.
5. Background information on a form prescribed by the attorney
general for the purpose of conducting an investigation into the existence
of prior arrests and convictions.
6. Disclosure of any investigation conducted or pending by an
optometric regulatory board in another jurisdiction in the United States.
B. On receipt of an application in proper form and containing the information prescribed in subsection A of this section, the board may investigate the applicant's character, ability and experience.

C. For the purposes of an investigation that is conducted pursuant to subsection B of this section, the board may subpoena witnesses, administer oaths and take testimony with respect to the character of the applicant or to any matter affecting the application at a hearing held after sufficient notice has been given.

D. If the board finds that the applicant has passed the examination provided for under section 32-1724 and that the applicant's character, ability and experience are satisfactory, the board shall issue a license.

Sec. 66. Section 32-1723, Arizona Revised Statutes, is amended to read:

32-1723. Licensure by endorsement
The board shall waive the written examination requirements of this chapter if all of the following are true:
1. The applicant submits a license or a certified copy of a license to practice optometry issued by the regulatory board of another jurisdiction of the United States that has licensure requirements that the board determines meet or exceed the requirements of this chapter.
2. The license of the applicant has not been suspended or revoked by any other licensing jurisdiction of the United States for any cause that is a ground for suspension or revocation of a license under this chapter.
3. The applicant has been engaged in the practice of the profession of optometry continuously in the other licensing jurisdiction or in a United States military branch of service for not less than four of the five years immediately preceding the application.
4. The information provided by national data banks designated by the board has successfully verified the applicant.
5. The applicant meets the requirements of section 32-1722 concerning good moral character.

Sec. 67. Section 32-1822, Arizona Revised Statutes, is amended to read:

32-1822. Qualifications of applicant; application; fingerprinting; fees
A. On a form and in a manner prescribed by the board, an applicant for licensure shall submit proof that the applicant:
1. Is the person named on the application and on all supporting documents submitted.
2. Is a citizen of the United States or a resident alien.
3. Is a graduate of a school of osteopathic medicine approved by the American osteopathic association.
4. Has successfully completed an approved internship, the first year of an approved multiple-year residency or a board-approved equivalency.

5. Has passed the approved examinations for licensure within seven years of application or has the board-approved equivalency of practice experience.

6. Has not engaged in any conduct that, if it occurred in this state, would be considered unprofessional conduct or, if the applicant has engaged in unprofessional conduct, is rehabilitated from the underlying conduct.

7. Is physically, mentally and emotionally able to practice medicine, or, if limited, restricted or impaired in the ability to practice medicine, consents to contingent licensure pursuant to subsection E of this section or to entry into a program prescribed in section 32-1861.

8. Is of good moral character.

9. Beginning September 1, 2017, Has submitted a full set of fingerprints to the board for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544. The department of public safety may exchange this fingerprint data with the federal bureau of investigation.

B. An applicant must submit with the application the nonrefundable application fee prescribed in section 32-1826 and pay the prescribed license issuance fee to the board at the time the license is issued.

C. The board or the executive director may require an applicant to submit to a personal interview, a physical examination or a mental evaluation or any combination of these, at the applicant's expense, at a reasonable time and place as prescribed by the board if the board determines that this is necessary to provide the board adequate information regarding the applicant's ability to meet the licensure requirements of this chapter. An interview may include medical knowledge questions and other matters that are relevant to licensure.

D. The board may deny a license for any unprofessional conduct that would constitute grounds for disciplinary action pursuant to this chapter or as determined by a competent domestic or foreign jurisdiction.

E. The board may issue a license that is contingent on the applicant entering into a stipulated order that may include a period of probation or a restriction on the licensee's practice.

F. The executive director may issue licenses to applicants who meet the requirements of this section.

G. A person whose license has been revoked, denied or surrendered in this or any other state may apply for licensure not sooner than five years after the revocation, denial or surrender.
H. A license issued pursuant to this section is valid for the remainder of the calendar year in which it was issued, at which time it is eligible for renewal.

Sec. 68. Section 32-1829, Arizona Revised Statutes, is amended to read:

32-1829. Training permits; issuance of permits
A. The board may grant a one-year renewable training permit to a person who is participating in a teaching hospital's accredited internship, residency or clinical fellowship training program to allow that person to practice medicine only in the supervised setting of that program. Before the board issues the permit, the person shall:
1. Submit an application on a form and in a manner prescribed by the board and proof that the applicant:
   (a) Is the person named on the application and on all supporting documentation.
   (b) Is a citizen of the United States or a resident alien.
   (c) Is a graduate of a school approved by the American osteopathic association.
   (d) Participated in postgraduate training, if any.
   (e) Has passed approved examinations appropriate to the applicant's level of education and training.
   (f) Has not engaged in any conduct that, if it occurred in this state, would be considered unprofessional conduct or, if the applicant has engaged in unprofessional conduct, is rehabilitated from the underlying conduct.
   (g) Is of good moral character.
2. Pay the nonrefundable application fee prescribed by the board.
B. If a permittee who is participating in a teaching hospital's accredited internship, residency or clinical fellowship training program must repeat or make up time in the program due to resident progression or for other reasons, the board may grant that person an extension of the training permit if requested to do so by the program's director of medical education or a person who holds an equivalent position. The extended permit limits the permittee to practicing only in the supervised setting of that program for a period of time sufficient to repeat or make up the training.
C. The board may grant a training permit to a person who is not licensed in this state and who is participating in a short-term training program of four months or less for continuing medical education conducted in an approved school of osteopathic medicine or a hospital that has an accredited hospital internship, residency or clinical fellowship training
program in this state. Before the board issues the permit, the person shall:

1. Submit an application on a form and in a manner prescribed by the board and proof that the applicant meets the requirements prescribed in subsection A, paragraph 1 of this section.

2. Pay the nonrefundable application fee prescribed by the board.

D. A permittee is subject to the disciplinary provisions of this chapter.

E. The executive director may issue a permit to an applicant who meets the requirements of this chapter.

F. If a permit is not issued pursuant to subsection E of this section, the board may issue a permit or may:

1. Issue a permit that is contingent on the applicant entering into a stipulated agreement that may include a period of probation or a restriction on the permittee's practice.

2. Deny a permit to an applicant who does not meet the requirements of this chapter.

Sec. 69. Section 32-1854, Arizona Revised Statutes, is amended to read:

32-1854. Definition of unprofessional conduct

For the purposes of this chapter, "unprofessional conduct" includes the following acts, whether occurring in this state or elsewhere:

1. Knowingly betraying a professional secret or wilfully violating a privileged communication except as either of these may otherwise be required by law. This paragraph does not prevent members of the board from exchanging information with the licensing and disciplinary boards of other states, territories or districts of the United States or with foreign countries or with osteopathic medical organizations located in this state or in any state, district or territory of this country or in any foreign country.

2. Committing a felony or a misdemeanor involving moral turpitude. In either case conviction by any court of competent jurisdiction is conclusive evidence of the commission of the offense.

3. Practicing medicine while under the influence of alcohol, a dangerous drug as defined in section 13-3401, narcotic or hypnotic drugs or any substance that impairs or may impair the licensee's ability to safely and skillfully practice medicine.

4. Being diagnosed by a physician licensed under this chapter or chapter 13 of this title or a psychologist licensed under chapter 19.1 of this title as excessively or illegally using alcohol or a controlled substance.

5. Prescribing, dispensing or administering controlled substances or prescription-only drugs for other than accepted therapeutic purposes.
6. Engaging in the practice of medicine in a manner that harms or may harm a patient or that the board determines falls below the community standard.

7. Impersonating another physician.

8. Acting or assuming to act as a member of the board if this is not true.

9. Procuring, renewing or attempting to procure or renew a license to practice osteopathic medicine by fraud or misrepresentation.

10. Having professional connection with or lending one's name to an illegal practitioner of osteopathic medicine or any of the other healing arts.

11. Representing that a manifestly incurable disease, injury, ailment or infirmity can be permanently cured or that a curable disease, injury, ailment or infirmity can be cured within a stated time if this is not true.

12. Failing to reasonably disclose and inform the patient or the patient's representative of the method, device or instrumentality the licensee uses to treat the patient's disease, injury, ailment or infirmity.

13. Refusing to divulge to the board on demand the means, method, device or instrumentality used in the treatment of TO TREAT a disease, injury, ailment or infirmity.

14. Charging a fee for services not rendered or dividing a professional fee for patient referrals. This paragraph does not apply to payments from a medical researcher to a physician in connection with identifying and monitoring patients for clinical trial regulated by the United States food and drug administration.

15. Knowingly making any false or fraudulent statement, written or oral, in connection with the practice of medicine or when applying for or renewing privileges at a health care institution or a health care program.

16. Advertising in a false, deceptive or misleading manner.

17. Representing or claiming to be an osteopathic medical specialist if the physician has not satisfied the applicable requirements of this chapter or board rules.

18. Having a license denied or disciplinary action taken against a license by any other state, territory, district or country, unless it can be shown that this occurred for reasons that did not relate to the person's ability to safely and skillfully practice osteopathic medicine or to any act of unprofessional conduct as provided in this section.

19. Committing any conduct or practice contrary to recognized standards of ethics of the osteopathic medical profession.

20. Violating or attempting to violate, directly or indirectly, or assisting in or abetting the violation of or conspiring to violate any of the provisions of this chapter.
21. Failing or refusing to establish and maintain adequate records on a patient as follows:
   (a) If the patient is an adult, for at least six years after the last date the licensee provided the patient with medical or health care services.
   (b) If the patient is a child, either for at least three years after the child's eighteenth birthday or for at least six years after the last date the licensee provided that patient with medical or health care services, whichever date occurs later.
22. Using controlled substances or prescription-only drugs unless they are provided by a medical practitioner, as defined in section 32-1901, as part of a lawful course of treatment.
23. Prescribing controlled substances to members of one's immediate family unless there is no other physician available within fifty miles to treat a member of the family and an emergency exists.
24. Committing nontherapeutic use of injectable amphetamines.
25. Violating a formal order, probation or a stipulation issued by the board under this chapter.
26. Charging or collecting an inappropriate fee. This paragraph does not apply to a fee that is fixed in a written contract between the physician and the patient and entered into before treatment begins.
27. Using experimental forms of therapy without adequate informed patient consent or without conforming to generally accepted criteria and complying with federal and state statutes and regulations governing experimental therapies.
28. Failing to make patient medical records in the physician's possession promptly available to a physician assistant, a nurse practitioner, a person licensed pursuant to this chapter or a podiatrist, chiropractor, naturopathic physician, physician or homeopathic physician licensed under chapter 7, 8, 13, 14 or 29 of this title on receipt of proper authorization to do so from the patient, a minor patient's parent, the patient's legal guardian or the patient's authorized representative or failing to comply with title 12, chapter 13, article 7.1.
29. Failing to allow properly authorized board personnel to have, on presentation of a subpoena, access to any documents, reports or records that are maintained by the physician and that relate to the physician's medical practice or medically related activities pursuant to section 32-1855.01.
30. Signing a blank, undated or predated prescription form.
31. Obtaining a fee by fraud, deceit or misrepresentation.
32. Failing to report to the board an osteopathic physician and surgeon who is or may be guilty of unprofessional conduct or is or may be mentally or physically unable safely to engage in the practice of medicine.
33. Referring a patient to a diagnostic or treatment facility or
prescribing goods and services without disclosing that the physician has a
direct pecuniary interest in the facility, goods or services to which the
patient has been referred or prescribed. This paragraph does not apply to
a referral by one physician to another physician within a group of
physicians practicing together.

34. Exhibiting a lack of or inappropriate direction, collaboration
or supervision of a licensed, certified or registered health care provider
or office personnel employed by or assigned to the physician in the
medical care of patients.

35. Violating a federal law, a state law or a rule applicable to
the practice of medicine.

36. Prescribing or dispensing controlled substances or
prescription-only medications without establishing and maintaining
adequate patient records.

37. Dispensing a schedule II controlled substance that is an
opioid, except as provided in section 32-1871.

38. Failing to dispense drugs and devices in compliance with
article 4 of this chapter.

39. Committing any conduct or practice that endangers a patient's
or the public's health or may reasonably be expected to do so.

40. Committing any conduct or practice that impairs the licensee's
ability to safely and skillfully practice medicine or that may reasonably
be expected to do so.

41. With the exception of heavy metal poisoning, using chelation
therapy in the treatment of arteriosclerosis or as any other form of
therapy without adequate informed patient consent and without conforming
to generally accepted experimental criteria, including protocols, detailed
records, periodic analysis of results and periodic review by a medical
peer review committee.

42. Prescribing, dispensing or administering anabolic-androgenic
steroids to a person for other than therapeutic purposes.

43. Engaging in sexual conduct with a current patient or with a
former patient within six months after the last medical consultation
unless the patient was the licensee's spouse at the time of the contact
or, immediately preceding the physician-patient relationship, was in a
dating or engagement relationship with the licensee. For the purposes of
this paragraph, "sexual conduct" includes:

(a) Engaging in or soliciting sexual relationships, whether
consensual or nonconsensual.

(b) Making sexual advances, requesting sexual favors or engaging in
any other verbal conduct or physical conduct of a sexual nature.

44. Committing conduct that is in violation of section 36-2302.
45. Committing conduct that the board determines constitutes gross negligence, repeated negligence or negligence that results in harm or death of a patient.

46. Committing conduct in the practice of medicine that evidences moral unfitness to practice medicine.

47. Engaging in disruptive or abusive behavior in a professional setting.

48. Failing to disclose to a patient that the licensee has a direct financial interest in a prescribed treatment, good or service if the treatment, good or service is available on a competitive basis. This paragraph does not apply to a referral by one licensee to another licensee within a group of licensees who practice together. A licensee meets the disclosure requirements of this paragraph if both of the following are true:

(a) The licensee makes the disclosure on a form prescribed by the board.

(b) The patient or the patient's guardian or parent acknowledges by signing the form that the licensee has disclosed the licensee's direct financial interest.

49. Prescribing, dispensing or furnishing a prescription medication or a prescription-only device to a person if the licensee has not conducted a physical or mental health status examination of that person or has not previously established a physician-patient relationship. The physical or mental health status examination may be conducted through telehealth as defined in section 36-3601 with a clinical evaluation that is appropriate for the patient and the condition with which the patient presents, unless the examination is for the purpose of obtaining a written certification from the physician for the purposes of title 36, chapter 28.1. This paragraph does not apply to:

(a) Emergencies.

(b) A licensee who provides patient care on behalf of the patient's regular treating licensed health care professional or provides a consultation requested by the patient's regular treating licensed health care professional.

(c) Prescriptions written or antimicrobials dispensed to a contact as defined in section 36-661 who is believed to have had significant exposure risk as defined in section 36-661 with another person who has been diagnosed with a communicable disease as defined in section 36-661 by the prescribing or dispensing physician.

(d) Prescriptions for epinephrine auto-injectors written or dispensed for a school district or charter school to be stocked for emergency use pursuant to section 15-157 or for an authorized entity to be stocked pursuant to section 36-2226.01.
(e) Prescriptions written by a licensee through a telehealth program that is covered by the policies and procedures adopted by the administrator of a hospital or outpatient treatment center.

(f) Prescriptions for naloxone hydrochloride or any other opioid antagonist approved by the United States food and drug administration that are written or dispensed for use pursuant to section 36-2228 or 36-2266.

50. If a licensee provides medical care by computer, failing to disclose the licensee's license number and the board's address and telephone number.

Sec. 70. Section 32-1901.01, Arizona Revised Statutes, is amended to read:

32-1901.01. **Definition of unethical and unprofessional conduct; permittees; licensees**

A. In this chapter, unless the context otherwise requires, for the purposes of disciplining a permittee, "unethical conduct" means the following, whether occurring in this state or elsewhere:

1. Committing a felony, whether or not involving moral turpitude, or a misdemeanor involving moral turpitude or any drug-related offense. In either case, conviction by a court of competent jurisdiction or a plea of no contest is conclusive evidence of the commission.

2. Committing an act that is substantially related to the qualifications, functions or duties of a permittee and that demonstrates either a lack of good moral character or an actual or potential unfitness to hold a permit in light of the public's safety.

3. Working under the influence of alcohol or other drugs.

4. Using alcohol or other drugs to such a degree as to render the permittee unfit to perform the permittee's employment duties.

5. Violating a federal or state law or administrative rule relating to the manufacture, sale or distribution of drugs, devices, poisons, hazardous substances or precursor chemicals.

6. Violating a federal or state law or administrative rule relating to marijuana, prescription-only drugs, narcotics, dangerous drugs, controlled substances or precursor chemicals.

7. Violating state or federal reporting or recordkeeping requirements on transactions relating to precursor chemicals.

8. Failing to report in writing to the board any evidence that a pharmacist or pharmacy intern is or may be professionally incompetent, is or may be guilty of unprofessional conduct or is or may be mentally or physically unable safely to engage in the practice of pharmacy.

9. Failing to report in writing to the board any evidence that a pharmacy technician or pharmacy technician trainee is or may be professionally incompetent, is or may be guilty of unprofessional conduct or is or may be mentally or physically unable safely to engage in the permissible activities of a pharmacy technician or pharmacy technician trainee.
10. Failing to report in writing to the board any evidence that appears to show that a permittee or permittee's employee is or may be guilty of unethical conduct, is or may be mentally or physically unable safely to engage in employment duties related to manufacturing, selling, distributing or dispensing drugs, devices, poisons, hazardous substances, controlled substances or precursor chemicals or is or may be violating this chapter or a rule adopted under this chapter.

11. Intending to sell, transfer or distribute, or to offer for sale, transfer or distribution, or selling, transferring, distributing or dispensing or offering for sale, transfer or distribution an imitation controlled substance, imitation over-the-counter drug or imitation prescription-only drug as defined in section 13-3451.

12. Having the permittee's permit to manufacture, sell, distribute or dispense drugs, devices, poisons, hazardous substances or precursor chemicals denied or disciplined in another jurisdiction.

13. Committing an offense in another jurisdiction that if committed in this state would be grounds for discipline.

14. Obtaining or attempting to obtain a permit or a permit renewal by fraud, by misrepresentation or by knowingly taking advantage of the mistake of another person or an agency.

15. Wilfully making a false report or record that is required by this chapter, that is required by federal or state laws pertaining to drugs, devices, poisons, hazardous substances or precursor chemicals or that is required to pay for drugs, devices, poisons or hazardous substances or precursor chemicals or for services pertaining to such drugs or substances.

16. Knowingly filing with the board any application, renewal or other document that contains false or misleading information.

17. Providing false or misleading information or omitting material information in any communication to the board or the board's employees or agents.

18. Violating or attempting to violate, directly or indirectly, or assisting in or abetting the violation of, or conspiring to violate this chapter.

19. Violating a formal order, terms of probation, a consent agreement or a stipulation issued or entered into by the board or its executive director pursuant to this chapter.

20. Failing to comply with a board subpoena or failing to comply in a timely manner with a board subpoena without providing any explanation to the board for not complying with the subpoena.

21. Failing to provide the board or its employees or agents or an authorized federal or state official conducting a site investigation, inspection or audit with access to any place for which a permit has been issued or for which an application for a permit has been submitted.
22. Failing to notify the board of a change of ownership, management or pharmacist in charge.
23. Failing to promptly produce on the request of the official conducting a site investigation, inspection or audit any book, record or document.
24. Overruling or attempting to overrule a pharmacist in matters of pharmacy ethics or interpreting laws pertaining to the practice of pharmacy or the distribution of drugs or devices.
25. Distributing premiums or rebates of any kind in connection with the sale of prescription medication, other than to the prescription medication recipient.
26. Failing to maintain effective controls against the diversion of controlled substances or precursor chemicals to unauthorized persons or entities.
27. Fraudulently claiming to have performed a service.
28. Fraudulently charging a fee for a service.
29. Advertising drugs or devices, or services pertaining to drugs or devices, in a manner that is untrue or misleading in any particular, and that is known, or that by the exercise of reasonable care should be known, to be untrue or misleading.

B. In this chapter, unless the context otherwise requires, for the purposes of disciplining a pharmacist or pharmacy intern, "unprofessional conduct" means the following, whether occurring in this state or elsewhere:

1. Using alcohol or other drugs to such a degree as to render the licensee unfit to practice the profession of pharmacy.
2. Violating any federal or state law, rule or regulation relating to the manufacture or distribution of drugs and devices or the practice of pharmacy.
3. Dispensing a different drug or brand of drug in place of the drug or brand of drug ordered or prescribed without the express permission in each case of the orderer, or in the case of a prescription order, the medical practitioner. The conduct prohibited by this paragraph does not apply to substitutions authorized pursuant to section 32-1963.01.
4. Obtaining or attempting to obtain a license to practice pharmacy or a license renewal by fraud, by misrepresentation or by knowingly taking advantage of the mistake of another person or an agency.
5. Having the licensee's license to practice pharmacy denied or disciplined in another jurisdiction.
6. Claiming professional superiority in compounding or dispensing prescription orders.
7. Failing to comply with the mandatory continuing professional pharmacy education requirements of sections 32-1936 and 32-1937 and rules adopted by the board.
8. Committing a felony, whether or not involving moral turpitude, or a misdemeanor involving moral turpitude or any drug-related offense. In either case, conviction by a court of competent jurisdiction or a plea of no contest is conclusive evidence of the commission.

9. Working under the influence of alcohol or other drugs.

10. Violating a federal or state law or administrative rule relating to marijuana, prescription-only drugs, narcotics, dangerous drugs, controlled substances or precursor chemicals when determined by the board or by conviction in a federal or state court.

11. Knowingly dispensing a drug without a valid prescription order as required pursuant to section 32-1968, subsection A.

12. Knowingly dispensing a drug on a prescription order that was issued in the course of the conduct of business of dispensing drugs pursuant to diagnosis by mail or the internet, unless the order was any of the following:
   (a) Made by a physician who provides temporary patient supervision on behalf of the patient's regular treating licensed health care professional or provides a consultation requested by the patient's regular treating licensed health care professional.
   (b) Made in an emergency medical situation as defined in section 41-1831.
   (c) Written to prepare a patient for a medical examination.
   (d) Written or the prescription medications were issued for use by a county or tribal public health department for immunization programs or emergency treatment or in response to an infectious disease investigation, a public health emergency, an infectious disease outbreak or an act of bioterrorism. For the purposes of this subdivision, “bioterrorism” has the same meaning prescribed in section 36-781.
   (e) Written or antimicrobials were dispensed by the prescribing or dispensing physician to a contact as defined in section 36-661 who is believed to have had significant exposure risk as defined in section 36-661 with another person who has been diagnosed with a communicable disease as defined in section 36-661.
   (f) Written or the prescription medications were issued for administering immunizations or vaccines listed in the United States centers for disease control and prevention's recommended immunization schedule to a household member of a patient.
   (g) For epinephrine auto-injectors that are written or dispensed for a school district or charter school and that are to be stocked for emergency use pursuant to section 15-157 or for an authorized entity to be stocked pursuant to section 36-2226.01.
   (h) Written by a licensee through a telehealth program that is covered by the policies and procedures adopted by the administrator of a hospital or outpatient treatment center.
(i) Written pursuant to a physical or mental health status examination that was conducted through telehealth as defined in section 36-3601 and consistent with federal law.

(j) For naloxone hydrochloride or any other opioid antagonist approved by the United States food and drug administration and written or dispensed for use pursuant to section 36-2228 or 36-2266.

13. Failing to report in writing to the board any evidence that a pharmacist or pharmacy intern is or may be professionally incompetent, is or may be guilty of unprofessional conduct or is or may be mentally or physically unable to safely engage in the practice of pharmacy.

14. Failing to report in writing to the board any evidence that a pharmacy technician or pharmacy technician trainee is or may be professionally incompetent, is or may be guilty of unprofessional conduct or is or may be mentally or physically unable to safely engage in the permissible activities of a pharmacy technician or pharmacy technician trainee.

15. Failing to report in writing to the board any evidence that a permittee or a permittee's employee is or may be guilty of unethical conduct or is or may be violating this chapter or a rule adopted under this chapter.

16. Committing an offense in another jurisdiction that if committed in this state would be grounds for discipline.

17. Knowingly filing with the board any application, renewal or other document that contains false or misleading information.

18. Providing false or misleading information or omitting material information in any communication to the board or the board's employees or agents.

19. Violating or attempting to violate, directly or indirectly, or assisting in or abetting in the violation of, or conspiring to violate this chapter.

20. Violating a formal order, terms of probation, a consent agreement or a stipulation issued or entered into by the board or its executive director pursuant to this chapter.

21. Failing to comply with a board subpoena or failing to comply in a timely manner with a board subpoena without providing any explanation to the board for not complying with the subpoena.

22. Refusing without just cause to allow authorized agents of the board to examine documents that are required to be kept pursuant to this chapter or title 36.

23. Participating in an arrangement or agreement to allow a prescription order or a prescription medication to be left at, picked up from, accepted by or delivered to a place that is not licensed as a pharmacy. This paragraph does not prohibit a pharmacist or a pharmacy from using an employee or a common carrier to pick up prescription orders.
at or deliver prescription medications to the office or home of a medical practitioner, the residence of a patient or a patient's hospital.

24. Paying rebates or entering into an agreement for paying rebates to a medical practitioner or any other person in the health care field.

25. Providing or causing to be provided to a medical practitioner prescription order blanks or forms bearing the pharmacist's or pharmacy's name, address or other means of identification.

26. Fraudulently claiming to have performed a professional service.

27. Fraudulently charging a fee for a professional service.

28. Failing to report a change of the licensee's home address, contact information, employer or employer's address as required by section 32-1926.

29. Failing to report a change in the licensee's residency status as required by section 32-1926.01.

30. Failing to maintain effective controls against the diversion of controlled substances or precursor chemicals to unauthorized persons or entities.

C. In this chapter, unless the context otherwise requires, for the purposes of disciplining a pharmacy technician or pharmacy technician trainee, "unprofessional conduct" means the following, whether occurring in this state or elsewhere:

1. Using alcohol or other drugs to such a degree as to render the licensee unfit to perform the licensee's employment duties.

2. Violating a federal or state law or administrative rule relating to the manufacture or distribution of drugs or devices.

3. Obtaining or attempting to obtain a pharmacy technician or pharmacy technician trainee license or a pharmacy technician license renewal by fraud, by misrepresentation or by knowingly taking advantage of the mistake of another person or an agency.

4. Having the licensee's license to practice as a pharmacy technician denied or disciplined in another jurisdiction.

5. Failing to comply with the mandatory continuing professional education requirements of section 32-1925, subsection H and rules adopted by the board.

6. Committing a felony, whether or not involving moral turpitude, or a misdemeanor involving moral turpitude or any drug-related offense. In either case, conviction by a court of competent jurisdiction or a plea of no contest is conclusive evidence of the commission.

7. Working under the influence of alcohol or other drugs.

8. Violating a federal or state law or administrative rule relating to marijuana, prescription-only drugs, narcotics, dangerous drugs, controlled substances or precursor chemicals when determined by the board or by conviction in a federal or state court.

9. Failing to report in writing to the board any evidence that a pharmacist or pharmacy intern is or may be professionally incompetent, is
or may be guilty of unprofessional conduct or is or may be mentally or physically unable to safely engage in the practice of pharmacy.

10. Failing to report in writing to the board any evidence that a pharmacy technician or pharmacy technician trainee is or may be professionally incompetent, is or may be guilty of unprofessional conduct or is or may be mentally or physically unable to safely engage in the permissible activities of a pharmacy technician or pharmacy technician trainee.

11. Failing to report in writing to the board any evidence that a permittee or a permittee's employee is or may be guilty of unethical conduct or is or may be violating this chapter or a rule adopted under this chapter.

12. Committing an offense in another jurisdiction that if committed in this state would be grounds for discipline.

13. Knowingly filing with the board any application, renewal or other document that contains false or misleading information.

14. Providing false or misleading information or omitting material information in any communication to the board or the board's employees or agents.

15. Violating or attempting to violate, directly or indirectly, or assisting in or abetting in the violation of, or conspiring to violate this chapter.

16. Violating a formal order, terms of probation, a consent agreement or a stipulation issued or entered into by the board or its executive director pursuant to this chapter.

17. Failing to comply with a board subpoena or failing to comply in a timely manner with a board subpoena without providing any explanation to the board for not complying with the subpoena.

18. Failing to report a change of the licensee's home address, contact information, employer or employer's address as required by section 32-1926.

19. Failing to report a change in the licensee's residency status as required by section 32-1926.01.

Sec. 71. Section 32-1922, Arizona Revised Statutes, is amended to read:

32-1922. Qualifications of applicant; reciprocity; preliminary equivalency examination; honorary certificate; fee

A. An applicant for licensure as a pharmacist shall:

1. Be of good moral character.

2. 1. Be a graduate of a school or college of pharmacy or department of pharmacy of a university recognized by the board or the accreditation council for pharmacy education; or qualify under subsection D of this section.
3. Have successfully completed, as substantiated by proper affidavits, a program of practical experience under the direct supervision of a licensed pharmacist who is approved by the board.

4. Pass the pharmacist licensure examination and jurisprudence examination approved by the board. An applicant who fails an examination three times shall petition the board for permission before retaking the examination. The board shall evaluate the petition and determine whether to require additional educational training before approving each additional retake of the examination.

5. Pay an application fee prescribed by the board of not more than $500. An applicant for reciprocal licensure shall pay the fee prescribed in section 32-1924, subsection D.

B. The board may license as a pharmacist, without a pharmacist licensure examination, a person who is licensed as a pharmacist by a pharmacist licensure examination in some other jurisdiction if that person:
   1. Produces satisfactory evidence to the board of having had the required secondary and professional education and training.
   2. Is possessed of good morals as demanded of applicants for licensure and relicensure under this chapter.
   3. Presents proof to the board's satisfaction that the person is licensed by a pharmacist licensure examination and that the person holds the license in good standing.
   4. Presents proof to the board's satisfaction that any other license granted to the applicant by any other jurisdiction has not been suspended, revoked or otherwise restricted for any reason except nonrenewal or for failure to obtain the required continuing education credits in any jurisdiction where the applicant is currently licensed but not engaged in the practice of pharmacy.
   5. Passes a board-approved jurisprudence examination.

C. Subsection B of this section applies only if the jurisdiction in which the person is licensed grants, under like conditions, reciprocal licensure as a pharmacist to a pharmacist who is licensed by examination in this state and the person holds a license in good standing issued by an active member board of the national association of boards of pharmacy.

D. If an applicant for licensure is a graduate of a pharmacy degree program at a school or college of pharmacy that was not recognized by the board at the time of the person's graduation, the applicant shall pass a preliminary equivalency examination approved by the board in order to qualify to take the examinations prescribed in subsection A of this section.

E. The preliminary equivalency examination required pursuant to subsection D of this section shall cover proficiency in English and academic areas the board deems essential to a satisfactory pharmacy curriculum.
F. An applicant who fails the preliminary equivalency examination required pursuant to subsection D of this section shall not retake the preliminary equivalency examination until the applicant files written proof with the board that the applicant has completed additional remedial academic work previously approved by the board to correct deficiencies in the applicant’s education that were indicated by the results of the applicant’s last preliminary equivalency examination.

G. A pharmacist who has been licensed in this state for at least fifty years shall be granted an honorary certificate of licensure by the board without the payment of the usual renewal fee, but that certificate of licensure does not confer an exemption from any other requirement of this chapter.

H. The board may require a pharmacist who has not been actively engaged in the practice of pharmacy for over one year to serve not more than four hundred hours in an internship training program approved by the board or its designee before the pharmacist may resume the active practice of pharmacy.

I. An applicant must complete the application process within twelve months after submitting the application.

Sec. 72. Section 32-1923.01, Arizona Revised Statutes, is amended to read:

32-1923.01. Pharmacy technicians; pharmacy technician trainees; qualifications; remote dispensing site pharmacies

A. An applicant for licensure as a pharmacy technician must:
   1. Be of good moral character.
   2. 1. Be at least eighteen years of age.
   3. 2. Have a high school diploma or the equivalent of a high school diploma.
   4. 3. Complete a training program prescribed by board rules.
   5. 4. Pass a board-approved pharmacy technician examination.

B. An applicant for licensure as a pharmacy technician trainee must:
   1. Be of good moral character.
   2. 1. Be at least eighteen years of age.
   3. 2. Have a high school diploma or the equivalent of a high school diploma.

C. Before a pharmacy technician prepares, compounds or dispenses prescription medications at a remote dispensing site pharmacy, the pharmacy technician shall:
   1. Complete, in addition to any other board-approved mandatory continuing professional education requirements, a two-hour continuing education program on remote dispensing site pharmacy practices provided by an approved provider.
2. Have at least one thousand hours of experience working as a pharmacy technician in an outpatient pharmacy setting under the direct supervision of a pharmacist.

D. A pharmacy technician working at a remote dispensing site pharmacy:
   1. Shall maintain an active, nationally recognized pharmacy technician certification approved by the board.
   2. May not perform extemporaneous sterile or nonsterile compounding but may prepare commercially available medications for dispensing, including the reconstitution of orally administered powder antibiotics.

Sec. 73. Section 32-2022, Arizona Revised Statutes, is amended to read:

32-2022. Qualifications for licensure and certification; fingerprint clearance card
A. An applicant for a license as a physical therapist who has been educated in the United States shall:
   1. Be of good moral character.
   2. 1. Complete the application process.
   3. 2. Be a graduate of a professional physical therapy education program that is accredited by a national accreditation agency approved by the board.
   4. 3. Have successfully passed the national examination approved by the board.
   5. 4. Have successfully passed a jurisprudence examination that tests the applicant's knowledge of board statutes and rules.
   6. 5. Obtain a valid fingerprint clearance card issued pursuant to section 41-1758.03.

B. An applicant for a license as a physical therapist who has been educated outside of the United States shall:
   1. Be of good moral character.
   2. 1. Complete the application process.
   3. 2. Provide satisfactory evidence that the applicant's education is substantially equivalent to the requirements of physical therapists educated in accredited educational programs as determined by the board. If the board determines that a foreign-educated applicant's education is not substantially equivalent, it may require the person to complete additional coursework before it proceeds with the application process. It is not necessary that coursework completed by the applicant be identical in all respects to that required by an education program in the United States for an entry-level physical therapy degree, but all required content areas must be evident as required by board rules. Deficiencies may occur only in coursework and not in essential areas of professional education and shall not be of a magnitude that would cause the education to be deemed below entry-level preparation for practice in this state.
H.B. 2612

4. Provide written proof of legal authorization to practice as a physical therapist without limitation in the country where the professional education occurred. The board may waive this requirement on receipt of written proof that the applicant cannot demonstrate legal authorization based on the citizenship requirements of the country where the professional education occurred.

5. Provide proof of legal authorization to reside and seek employment in the United States or its territories.

6. Have passed the board-approved English proficiency examinations if the applicant's native language is not English.

7. Have participated in an interim supervised clinical practice period before licensure as approved by the board or shall have already met this requirement to the board's satisfaction by virtue of the applicant's clinical practice in another jurisdiction of the United States.

8. Have successfully passed the national examination approved by the board.

9. Have successfully passed a jurisprudence examination that tests the applicant's knowledge of board statutes and rules.

10. Obtain a valid fingerprint clearance card issued pursuant to section 41-1758.03.

C. Notwithstanding the requirements of subsection B of this section, if the foreign-educated physical therapist applicant is a graduate of an accredited educational program as determined by the board, the board may waive the requirements of subsection B, paragraphs 3 and 7 of this section.

D. An applicant for certification as a physical therapist assistant shall meet the following requirements:

1. Be of good moral character.

2. Complete the application process.

3. Be a graduate of a physical therapist assistant education program accredited by an agency approved by the board.

4. Have successfully passed a jurisprudence examination that tests the applicant's knowledge of board statutes and rules.

5. Obtain a valid fingerprint clearance card issued pursuant to section 41-1758.03.

E. For the purposes of subsection B, paragraph 2 of this section, "substantially equivalent" means that the applicant provides documentation satisfactory to the board that:

1. The applicant graduated from a physical therapist education program that prepares the applicant to engage without restriction in the practice of physical therapy.
2. The applicant's school of physical therapy education is recognized by its own ministry of education. The board may waive this requirement for good cause shown.

3. The applicant has undergone a credentials evaluation as directed by the board that determines that the applicant has met uniform criteria for educational requirements pursuant to board rules.

4. The applicant has completed any additional education required by the board.

Sec. 74. Section 32-2024, Arizona Revised Statutes, is amended to read:

32-2024. Examinations
A. The board shall prescribe examinations for licensure and certification and determine the passing score.
B. An applicant may take the examinations for licensure if either of the following applies:
   1. The applicant has met all of the requirements of section 32-2022, subsection A, paragraphs 1, 2 AND 3 and has paid the fees prescribed by this chapter.
   2. The applicant has:
      (a) Met all of the requirements of section 32-2022, subsection A, paragraphs PARAGRAPH 1 and 2.
      (b) Paid the fees prescribed by this chapter.
      (c) Submitted with the application a letter on the official letterhead of the accredited educational institution where the applicant is completing an accredited educational program that includes the signature of the program director, the department chairperson or a similarly authorized person of the university or college and that states:
         (i) The applicant is a candidate for a degree as a physical therapist at the next scheduled graduation date.
         (ii) The date the national examination for licensure is to be taken by the applicant is the one nearest to and before the applicant's expected graduation date and is not more than one hundred twenty days before the date of the applicant's expected graduation date.
         (iii) The applicant meets any other established requirements of the accredited educational program, if applicable.
C. An applicant may take the examinations for licensure if the applicant has met all of the requirements of section 32-2022, subsection B, paragraphs 1 through 6 AND 3 and has paid the fees prescribed by this chapter.
D. An applicant may take the examinations for certification if either of the following applies:
   1. The applicant has met all of the requirements of section 32-2022, subsection D, paragraphs 1, 2 AND 3 and has paid the fees prescribed by this chapter.
2. The applicant has:
   (a) Met all of the requirements of section 32-2022, subsection D, paragraphs PARAGRAPH 1 and 2.
   (b) Paid the fees prescribed by this chapter.
   (c) Submitted with the application a letter on the official letterhead of the accredited educational institution where the applicant is completing an accredited educational program that includes the signature of the program director, the department chairperson or a similarly authorized person of the university, school or college and that states that:
      (i) The applicant is a candidate for a certificate or degree as a physical therapist assistant at the next scheduled graduation date.
      (ii) The date the national examination for certification is to be taken by the applicant is the one nearest to and before the applicant's expected graduation date and is not more than one hundred twenty days before the date of the applicant's expected graduation date.
      (iii) The applicant meets any other established requirements of the accredited educational program, if applicable.
   E. An applicant for licensure or certification who does not pass the national examination after the first attempt may retake the examination one additional time within six months after the first failure without reapplication for licensure or certification. An applicant may retake the examinations as prescribed by the organization that administers the examinations.
   F. The board shall not issue a license or certificate to a person who passes an examination through fraud.
   G. The national examination for licensure as a physical therapist shall test entry-level ENTRY-LEVEL competence related to physical therapy theory, examination and evaluation, diagnosis, prognosis, treatment intervention, prevention and consultation. The national examination for certification as a physical therapist assistant shall test for requisite knowledge and skills in the technical application of physical therapy services.

Sec. 75. Section 32-2091.02, Arizona Revised Statutes, is amended to read:

32-2091.02. Qualifications of applicant
A person who wishes to practice as a behavior analyst must be licensed pursuant to this article. An applicant for licensure must meet all of the following requirements:
1. Submit an application as prescribed by the board.
2. Be at least twenty-one years of age.
3. Be of good moral character. The board's standard to determine good moral character shall not violate federal discrimination laws.
   #. 3. Pay all applicable fees prescribed by the board.
5. Have the physical and mental capability to safely and competently engage in the practice of behavior analysis.

6. Not have committed any act or engaged in any conduct that would constitute grounds for disciplinary action against a licensee pursuant to this article.

7. Not have had a professional license or certificate refused, revoked, suspended or restricted in any regulatory jurisdiction in the United States or in another country for reasons that relate to unprofessional conduct. If the board finds that the applicant committed an act or engaged in conduct that would constitute grounds for disciplinary action in this state, the board shall determine to its satisfaction that the conduct has been corrected, monitored and resolved. If the matter has not been resolved, the board shall determine to its satisfaction that mitigating circumstances exist that prevent its resolution.

8. Not have voluntarily surrendered a license or certificate in another regulatory jurisdiction in the United States or in another country while under investigation for reasons that relate to unprofessional conduct. If another jurisdiction has taken disciplinary action against an applicant, the board shall determine to its satisfaction that the cause for the action was corrected and the matter resolved. If the matter has not been resolved by that jurisdiction, the board shall determine to its satisfaction that mitigating circumstances exist that prevent its resolution.

9. Not have a complaint, allegation or investigation pending before another regulatory jurisdiction in the United States or another country that relates to unprofessional conduct. If an applicant has any such complaints, allegations or investigations pending, the board shall suspend the application process and may not issue or deny a license to the applicant until the complaint, allegation or investigation is resolved.

10. Beginning January 1, 2022, have applied for a fingerprint clearance card pursuant to title 41, chapter 12, article 3.1.

Sec. 76. Section 32-2091.04, Arizona Revised Statutes, is amended to read:

32-2091.04. Reciprocity

The board may issue a license to a person as a behavior analyst if the person is licensed or certified by a regulatory agency of another state that imposes requirements that are substantially equivalent to those imposed by this article at an equivalent or higher practice level as determined by the board, pays the fee prescribed by the board and meets all of the following requirements:

1. Submits a written application prescribed by the board.

2. Is of good moral character. The board's standard to determine good moral character shall not violate federal discrimination laws.
3. Documents to the board's satisfaction proof of initial licensure or certification at an equivalent designation for which the applicant is seeking licensure in this state and proof that the license or certificate is current and in good standing.

4. Documents to the board's satisfaction proof that any other license or certificate issued to the applicant by another state has not been suspended or revoked. If a licensee or certificate holder has been subjected to any other disciplinary action, the board may assess the magnitude of that action and make a decision regarding reciprocity based on this assessment.

5. Meets any other requirements prescribed by the board by rule.

Sec. 77. Section 32-2108, Arizona Revised Statutes, is amended to read:

32-2108. Powers and duties of commissioner to make investigations and require information

A. The commissioner on the commissioner's own motion may, and upon a verified complaint in writing shall, investigate the actions of any natural person or entity engaged in the business or acting in the capacity of a broker, salesperson or developer and may at any time examine the books and records used in connection with the business insofar as the commissioner reasonably believes the books or records pertain to the transfer, sale, rental, lease, use or management of real property. In connection with an investigation, the commissioner or the commissioner's representative may take testimony and may examine and copy documents and other physical evidence that relate to the investigation. If necessary, the commissioner or the commissioner's representative may issue subpoenas to compel the testimony of witnesses and the production of documents and other evidence. If a person refuses to comply with a subpoena, the commissioner or the commissioner's representative may apply to the superior court for an order to compel compliance.

B. The commissioner shall establish a certification and enforcement unit that is charged with investigative duties relevant to the rules of the commissioner and the laws of this state, including applications for certification, investigations and enforcement and other duties as the commissioner prescribes.

C. The commissioner may require any REASONABLY NECESSARY additional information and documents that are reasonably necessary to determine the good moral character of ABOUT an applicant for or holder of a license or public report or renewal or amendment of a license or public report. For the purposes of this subsection, "applicant" or "holder" means a person and, if an entity, any officer, director, member, manager, partner, owner, trust beneficiary holding ten per cent PERCENT or more beneficial interest, stockholder owning ten per cent PERCENT or more stock and person exercising control of the entity. The information may include:
1. Prior criminal records.
2. A valid fingerprint clearance card issued pursuant to section 41-1758.03.
3. An affidavit setting out whether the applicant or holder has:
   (a) Been convicted of a felony or a misdemeanor.
   (b) Had any business or professional license denied, suspended or revoked or had any other disciplinary action taken or administrative order entered against the applicant or holder by any regulatory agency.
   (c) Had a public report denied or suspended.
   (d) Been permanently or temporarily enjoined by order, judgment or decree from engaging in or continuing any conduct or practice in connection with the sale or purchase of real estate, cemetery property, time-share intervals, membership camping campgrounds or contracts or securities or involving consumer fraud or the racketeering laws of this state.
   (e) Had any adverse decision or judgment entered against the applicant or holder arising out of the conduct of any business in or involving a transaction in real estate, cemetery property, time-share intervals or membership camping campgrounds or contracts involving fraud, dishonesty or moral turpitude.
   (f)Filed, or is subject to, a petition under any chapter of the federal bankruptcy act.
   (g) Participated in, operated or held an interest or exercised control in any entity to which subdivision (b), (c), (d), (e) or (f) OF THIS PARAGRAPH applies.

Sec. 78. Section 32-2123, Arizona Revised Statutes, is amended to read:

32-2123. Application for license as broker or salesperson

A. Every application for an original license shall be either submitted in writing and signed by the applicant or submitted electronically and contain an electronic or digital identifier that the commissioner deems appropriate. The application shall be accompanied by all applicable fees.

B. An application for an original license as a broker or salesperson shall set forth:
   1. The applicant's residence address and legal name and any derivative of the applicant's first name or middle name or a nickname that the applicant regularly uses for advertising purposes.
   2. The applicant's employers and employment history for the immediately preceding ten years and any experience in real estate sales, appraisals, transfers or similar business in which the applicant previously engaged, if the commissioner determines that this information is needed to reasonably evaluate the good moral character of the applicant.
3. The name and place of business of the applicant's present employer, if any.

4. Whether the applicant has ever been convicted of a felony and, if so, the nature of the felony, where and when committed and the disposition of the conviction, or whether the applicant has been disbarred or suspended from the practice of law.

5. Whether the applicant has ever been refused a broker's or salesperson's license or any other occupational license in this or any other state, whether the applicant's license as a broker or salesperson has been revoked or suspended in this or any other state or whether the applicant has had any other occupational or professional license, certificate or registration revoked or suspended in this or any other state.

6. The name of any corporation, company or partnership that is or ever has been licensed by the department in which the applicant exercised any control.

7. If the applicant is a natural person, the applicant's social security number. If the applicant, due to bona fide religious convictions or other bona fide reasons that the applicant documents on the application to the satisfaction of the commissioner, does not have a social security number, the applicant may provide the applicant's federal tax identification number with the application. The state real estate department shall use the applicant's social security number or federal tax identification number to aid the department of economic security in locating noncustodial parents or the assets of noncustodial parents, and for no other purpose.

C. An application for a license as a broker additionally shall set forth:

1. The name under which the business is to be conducted.

2. The situs and mailing address of the applicant's place of business, or if more than one, the situs and mailing addresses of each.

D. An applicant for a broker's or salesperson's license shall provide information that the commissioner determines is reasonably necessary to establish the character of the applicant. The information may include but shall not be limited to:

1. Prior criminal records.

2. A valid fingerprint clearance card issued pursuant to section 41-1758.03.

3. An affidavit setting out whether the applicant has participated in, operated or held an interest in any land development company that has filed, or is subject to, a petition under any chapter of the federal bankruptcy act.

E. Each person licensed pursuant to this article, whether the license is active or inactive, shall have available for the licensee's use a current copy of the department's statutes, rules and annotations
pertaining to real estate laws. Failure to comply with this requirement shall not be deemed grounds for a civil penalty or for denial, suspension or revocation of a license.

Sec. 79. Section 32-2124, Arizona Revised Statutes, is amended to read:

32-2124. Qualifications of licensees
A. Except as otherwise provided in this chapter, the commissioner shall require proof, through the application or otherwise, as the commissioner deems advisable with due regard to the interests of the public, as to the honesty, truthfulness, good character and competency of the applicant and shall require that the applicant has:

1. If for an original real estate broker's license, at least three years' actual experience as a licensed real estate salesperson or real estate broker during the five years immediately preceding the time of application.

2. If for an original cemetery broker's license, either a current real estate broker's license, or if the applicant does not have a current real estate broker's license, at least three years' actual experience as a cemetery salesperson or broker or as a licensed real estate salesperson or broker during the five years immediately preceding the time of application.

3. If for an original membership camping broker's license, either a current real estate broker's license, or if the applicant does not have a current real estate broker's license, at least three years' actual experience as a licensed membership camping salesperson or broker or as a licensed real estate salesperson or broker during the five years immediately preceding the time of application.

4. If for any type of broker's or salesperson's license, not had a license denied within one year immediately preceding application in this state pursuant to section 32-2153 or a similar statute in any other state.

5. If for any type of broker's or salesperson's license, not had a license revoked within the two years immediately preceding application in this state pursuant to section 32-2153 or a similar statute in any other state.

6. If reapplying for a license that expired more than one year before the date of application, met all current education and experience requirements and retakes the examination the same as if the applicant were applying for the license for the first time.

7. If for a real estate, cemetery or membership camping broker's license, other than a renewal application, an equivalent amount of active experience within the immediately preceding five years in the field in which the applicant is applying for the broker's license, as a substitute for the licensed active experience otherwise required in paragraphs 1, 2 and 3 of this subsection. The licensed active experience required may be met if the applicant can demonstrate to the commissioner's satisfaction
that the applicant has an equivalent amount of experience in the past five years that, if the applicant had held a license, would have been sufficient to fulfill the licensed experience requirement.

B. All applicants other than renewal applicants under section 32-2130 for a real estate salesperson's license shall show evidence satisfactory to the commissioner that they have completed a real estate salesperson's course that is prescribed and approved by the commissioner and that is at least ninety classroom hours, or its equivalent, of instruction in a real estate school certified by the commissioner and have satisfactorily passed an examination on the course. An applicant may complete the real estate salesperson's course prescribed by this subsection through an online course if the online course is offered by a real estate school that is certified by the commissioner, but the applicant must complete an examination on the online course in person. In no case shall The real estate salesperson's course completion or its equivalent MAY NOT be more than ten years before the date of application unless, at the time of application, the commissioner determines in the commissioner's discretion that the applicant has work experience in a real estate-related field and education that together are equivalent to the prelicensure education requirement. The commissioner may waive all or a portion of the prelicensure course requirement, other than the twenty-seven-hour Arizona-specific course, for an applicant who holds a current real estate license in another state.

C. All applicants other than renewal applicants under section 32-2130 for a real estate broker's license shall show evidence satisfactory to the commissioner that they have completed a real estate broker's course that is prescribed and approved by the commissioner and that is at least ninety classroom hours, or the equivalent, of instruction in a real estate school certified by the commissioner and have satisfactorily passed an examination on the course. An applicant may complete the real estate broker's course prescribed by this subsection through an online course if the online course is offered by a real estate school that is certified by the commissioner, but the applicant must complete an examination on the online course in person. In no case shall The real estate broker's course completion or its equivalent MAY NOT be more than ten years before the date of application unless, at the time of application, the commissioner determines in the commissioner's discretion that the applicant has work experience in a real estate-related field and education that together are equivalent to the prelicensure education requirement. The commissioner may waive all or a portion of the prelicensure course requirement, other than the twenty-seven-hour Arizona-specific course, for an applicant who holds a current real estate license in another state.

D. Before receiving any license provided for by this chapter, an applicant must be at least eighteen years of age.
E. The commissioner shall ascertain by a written, electronic or other examination method that an applicant for a real estate license has:
   1. An appropriate knowledge of the English language, including reading, writing and spelling, and of arithmetical computations common to real estate practices.
   2. At a minimum, an understanding of the general purpose and legal effect of any real estate practices, principles and related forms, including agency contracts, real estate contracts, deposit receipts, deeds, mortgages, deeds of trust, security agreements, bills of sale, land contracts of sale and property management, and of any other areas that the commissioner deems necessary and proper.
   3. A thorough understanding of the obligations between principal and agent, the principles of real estate and business opportunity practice, the applicable canons of business ethics, the provisions of this chapter and rules adopted pursuant to this chapter.
   4. An appropriate knowledge of other real estate practices and principles as determined by the commissioner.

F. The commissioner shall ascertain by a written, electronic or other examination method that an applicant for a license as a cemetery broker or a cemetery salesperson has:
   1. Appropriate knowledge of the English language, including reading, writing and spelling, and of elementary arithmetic.
   2. A general understanding of:
      (a) Cemetery associations, cemetery corporations and duties of cemetery directors and officers.
      (b) Plot ownership, deeds, certificates of ownership, contracts of sale, liens and leases.
      (c) Establishing, dedicating, maintaining, managing, operating, improving, preserving and conducting a cemetery.
      (d) The provisions of this chapter and rules adopted pursuant to this chapter relating to the organization and regulation of cemeteries and the licensing and regulation of cemetery brokers and cemetery salespersons.
   3. A general understanding of the obligations between principal and agent, the principles of cemetery practice and the canons of business ethics pertaining to the operation of cemeteries and the sale of cemetery property.

G. The commissioner shall ascertain by a written, electronic or other examination method that an applicant for a license as a membership camping broker or a membership camping salesperson has:
   1. An appropriate knowledge of the English language, including reading, writing and spelling, and of elementary arithmetic.
   2. A general understanding of:
      (a) The general purposes and legal effect of contracts and agency contracts.
(b) Establishing, maintaining, managing and operating a membership campground.

(c) The provisions of this chapter and rules adopted pursuant to this chapter relating to the organization and regulation of membership campgrounds and the licensing and regulation of membership camping brokers and membership camping salespersons.

3. A general understanding of the obligations between principal and agent and the canons of business ethics pertaining to the operation and promotion of membership campgrounds.

H. A renewal applicant for a real estate, cemetery or membership camping broker's or salesperson's license is not required to submit to an examination if the application is made within twelve months after the license expires and the license is not canceled, terminated or suspended at the time of application.

I. The examination for a broker's license shall be more exacting and stringent and of a broader scope than the examination for a salesperson's license.

J. An applicant for a real estate salesperson's or broker's license who currently holds at least an equivalent license in another state may be exempt from taking the national portion of the real estate examination if the applicant can demonstrate passing a national examination within the past five years that is satisfactorily similar to the one administered by the department.

K. Identification of each applicant whose licensing requirement was allowed to be met by an equivalent alternative pursuant to this section shall be included in the annual performance report presented by the board to the governor pursuant to section 32-2104.

L. An applicant for an original real estate salesperson's license, after completing the requirements of subsection B of this section, shall provide certification to the department at the time of application evidencing completion of six hours of instruction in real estate contract law and contract writing. This instruction shall include participation by the applicant in the drafting of contracts to purchase real property, listing agreements and lease agreements.

M. The commissioner shall not issue a license to a person who has been convicted of a felony offense and who is currently incarcerated for the conviction, paroled or under community supervision and under the supervision of a parole or community supervision officer or who is on probation as a result of the conviction.

N. The commissioner shall require an out-of-state applicant for a license that is issued pursuant to section 32-4302 to pass an examination specific to the laws of this state relating to this chapter before the commissioner issues the license to the applicant.
Sec. 80. Section 32-2153, Arizona Revised Statutes, is amended to read:

32-2153. Grounds for denial, suspension or revocation of licenses; letters of concern; provisional license; retention of jurisdiction by commissioner; definitions

A. The commissioner may suspend or revoke a license, deny the issuance of a license, issue a letter of concern to a licensee, issue a provisional license or deny the renewal or the right of renewal of a license issued under this chapter if it appears that the holder or applicant, within five years immediately preceding, in the performance of or attempt to perform any acts authorized by the license or by this chapter, has:

1. Pursued a course of misrepresentation or made false promises, either directly or through others, whether acting in the role of a licensee or a principal in a transaction.

2. Acted for more than one party in a transaction without the knowledge or consent of all parties to the transaction.

3. Disregarded or violated any of the provisions of this chapter or any rules adopted by the commissioner.

4. Knowingly authorized, directed, connived at or aided in the publication, advertisement, distribution or circulation of any material false or misleading statement or representation concerning the licensee's business or any land, cemetery property, subdivision or membership campground or camping contract offered for sale in this or any other state.

5. Knowingly used the term "real estate broker", "cemetery broker" or "membership camping broker" without THE legal right to do so.

6. Employed any unlicensed salesperson or unlicensed associate broker.

7. Accepted compensation as a licensee for the performance of any of the acts specified in this chapter from any person other than the licensed broker to whom the licensee is licensed, the licensed professional corporation of which the licensee is an officer and shareholder or the licensed professional limited liability company of which the licensee is a member or manager.

8. Represented or attempted to represent a broker other than the broker to whom the salesperson or associate broker is licensed.

9. Failed, within a reasonable time, to account for or to remit any monies, to surrender to the rightful owner any documents or other valuable property coming into the licensee's possession and that belongs to others, or to issue an appraisal report on real property or cemetery property in which the licensee has an interest, unless the nature and extent of the interest are fully disclosed in the report.
10. Paid or received any rebate, profit, compensation or commission in violation of this chapter.

11. Induced any party to a contract to break the contract for the purpose of substituting a new contract with the same or a different principal, if the substitution is motivated by the personal gain of the licensee.

12. Placed a sign on any property offering it for sale or for rent without the written authority of the owner or the owner’s authorized agent.

13. Solicited, either directly or indirectly, prospects for the sale, lease or use of real property, cemetery property or membership camping contracts through a promotion of a speculative nature involving a game of chance or risk or through conducting lotteries or contests that are not specifically authorized under this chapter.

14. Failed to pay to the commissioner the renewal fee as specified in this chapter promptly and before the time specified.

15. Failed to keep an escrow or trust account or other record of funds deposited with the licensee relating to a real estate transaction.

16. Commingled the money or other property of the licensee's principal or client with the licensee's own or converted that money or property to the licensee or another.

17. Failed or refused upon demand to produce any document, contract, book, record, information, compilation or report that is in the licensee's possession or that the licensee is required by law to maintain concerning any real estate, cemetery or membership camping business, services, activities or transactions involving or conducted by the licensee for inspection by the commissioner or the commissioner's representative.

18. Failed to maintain a complete record of each transaction which comes within this chapter.

19. Violated the federal fair housing law, the Arizona civil rights law or any local ordinance of a similar nature.

20. Tendered to a buyer a wood infestation report in connection with the transfer of residential real property or an interest in residential real property knowing that wood infestation exists or that the wood infestation report was inaccurate or false as of the date of the tender or that an inspection was not done in conjunction with the preparation of the wood infestation report.

21. As a licensed broker, failed to exercise reasonable supervision over the activities of salespersons, associate brokers or others under the broker's employ or failed to exercise reasonable supervision and control over the activities for which a license is required of a corporation, limited liability company or partnership on behalf of which the broker acts as designated broker under section 32-2125.
22. Demonstrated negligence in performing any act for which a license is required.
23. Sold or leased a property to a buyer or lessee that was not the property represented to the buyer or lessee.
24. Violated any condition or term of a commissioner's order.
25. Signed the name of another person on any document or form without the express written consent of the person.
26. As a licensed school, failed to exercise reasonable supervision over the activities for which a license is required for an owner, director, administrator or instructor in the school's employ.

B. The commissioner may suspend or revoke a license, deny the issuance of a license, issue a letter of concern to a licensee, issue a provisional license or deny the renewal or the right of renewal of a license issued under this chapter when it appears that the holder or applicant has:
1. Procured or attempted to procure a license under this chapter for the holder or applicant or another by fraud, misrepresentation or deceit, or by filing an original or renewal application which is false or misleading.
2. Been convicted in a court of competent jurisdiction in this or any other state of a felony or of any crime of forgery, theft, extortion, conspiracy to defraud, a crime of moral turpitude or any other like offense.
3. Made any substantial misrepresentation.
4. Made any false promises of a character likely to influence, persuade or induce.
5. Been guilty of any conduct, whether of the same or a different character than specified in this section, which constitutes fraud or dishonest dealings.
6. Engaged in the business of a real estate, cemetery or membership camping broker or real estate, cemetery or membership camping salesperson without holding a license as prescribed in this chapter.
7. Not shown that the holder or applicant is a person of honesty, truthfulness and good character.

8. Demonstrated incompetence to perform any duty or requirement of a licensee under or arising from this chapter. For the purposes of this paragraph, "incompetence" means a lack of basic knowledge or skill appropriate to the type of license the person holds or a failure to appreciate the probable consequences of the licensee's action or inaction.
9. Violated the terms of any criminal or administrative order, decree or sentence.
10. Violated any federal or state law, regulation or rule that relates to real estate or securities or that involves forgery, theft, extortion, fraud, substantial misrepresentation, dishonest dealings or violence against another person or failure to deal fairly with any party.
to a transaction that materially and adversely affected the transaction. This paragraph applies equally to violations of which the licensee was convicted in any lawful federal or state tribunal and to any admissions made in any settlement agreement by the licensee to violations.

10. Failed to respond in the course of an investigation or audit by providing documents or written statements.

C. A judgment based on a court's finding or stipulation of fraud by a licensee following a trial on the merits or a criminal conviction of a licensee that results in a payment from the real estate recovery fund is prima facie evidence of a violation and grounds for discipline under this section.

D. The commissioner may deny, suspend or revoke the issuance of a license upon application by a corporation, a limited liability company or a partnership if it appears that an owner, officer, director, member, manager, partner, stockholder owning ten percent or more of the stock in the corporation or limited liability company or person exercising control of the entity is a current or former licensee whose license as a broker or a salesperson has been denied, suspended or revoked.

E. The lapsing or suspension of a license by operation of law or by order or decision of the commissioner or a court of law or the voluntary surrender of a license by a licensee shall not deprive the commissioner of jurisdiction to do any of the following:

1. Proceed with any investigation of or action or disciplinary proceeding against the licensee.
2. Render a decision suspending or revoking the license, or denying the renewal or right of renewal of the license.
3. Assess a civil penalty pursuant to section 32-2160.01.

F. For the purposes of this section:

1. "Letter of concern" means an advisory letter to notify a licensee that, while the conduct or evidence does not warrant other disciplinary action, the commissioner believes that the licensee should modify or eliminate certain practices and that continuation of the activities may result in further disciplinary action against the licensee.

2. "Provisional license" means a license that the department issues and that allows a licensee to practice subject to either a consent order as prescribed in section 32-2153.01 or the commissioner's terms, conditions and restrictions.

Sec. 81. Section 32-2215, Arizona Revised Statutes, is amended to read:

32-2215. Qualifications for license to practice veterinary medicine

A. An applicant for a license issued under this chapter shall:

1. Be of good moral character.
2. Be a graduate of a veterinary college that is accredited by the American veterinary medical association or hold a certificate issued
by the educational commission for foreign veterinary graduates, the
program for the assessment of veterinary education equivalence or a
foreign graduate testing program approved by the board. This paragraph
does not apply to an applicant for a veterinary faculty member license who
has graduated from a veterinary college.

3. Satisfactorily pass both a state examination approved by the
board as provided in this chapter and the North American veterinary
licensing examination. This paragraph does not apply to an applicant for
a veterinary faculty member license.

B. An applicant may be denied licensure either before or after an
examination if the applicant has committed any act that if committed by a
licensee would be grounds for suspension or revocation of a license to
practice veterinary medicine under this chapter.

C. The board may waive the examination requirement pursuant to
section 32-2214, subsection A, paragraph 2 and, except as provided in
subsection E of this section, may issue a license by endorsement to an
applicant to practice veterinary medicine if the applicant provides all
required documentation pursuant to section 32-2213 and meets the following
requirements:

1. Holds an active license in one or more other states or in Canada
and submits verification that the applicant has previously taken and
passed the examination required by section 32-2214, with a score at least
equal to the score required to pass in this state. An applicant who
received original licensure before the examination required by section
32-2214 was required in the state in which the applicant was originally
licensed may be eligible for licensure without having taken that
examination as required pursuant to this chapter if all other requirements
are met.

2. Lawfully and actively engages in the practice of veterinary
medicine for at least three of the preceding five years or six of the
preceding ten years in one or more states in this country or in Canada
before filing an application for licensure in this state.

3. Has graduated from a veterinary college recognized by the board.

4. Successfully passes a state examination approved by the board
with a grade of at least seventy-five percent.

5. Pays a fee for the license of \textdollar{750}.

D. The board may waive the examination requirement pursuant to
section 32-2214, subsection A, paragraph 2 and, except as provided in
subsection E of this section, may issue a specialty license to an
applicant to practice veterinary medicine if the applicant provides all
required documentation pursuant to section 32-2213 and meets the following
requirements:

1. Holds a current certification as a specialist of a national
specialty board or college recognized by the American veterinary medical
association.
2. Limits the applicant's practice to the scope of the applicant's board certification.
3. Successfully passes a state examination approved by the board with a score of at least seventy-five percent.
4. Pays a fee for the specialty license of seven hundred fifty dollars $750.

E. The board shall determine whether previous disciplinary action prevents licensure by endorsement or specialty licensure of an applicant to practice veterinary medicine, and the board may discipline the licensee at the time of licensure as a result of the previous disciplinary action.

F. Any veterinary faculty member who is employed by a veterinary college that is accredited by the American veterinary medical association, if applicable, is subject to the requirements under the veterinary faculty member license.

Sec. 82. Section 32-2217, Arizona Revised Statutes, is amended to read:

32-2217. Employees of the state or political subdivisions; licensure

The board shall issue a license to any person who is not licensed by examination to practice veterinary medicine in the THIS state and who is employed as a veterinarian by the THIS state or any political subdivision thereof. An applicant for a license under the terms of this section shall make written application therefor APPLY IN WRITING to the board as required by section 32-2213 and shall meet the qualifications prescribed by section 32-2215 with the exception of SECTION 32-2215, subsection A, paragraph 3-2. The holder of a license issued under the terms of this section shall engage only in such actions of the practice of veterinary medicine as shall be authorized by the board, and in no event shall acts of practice MAY NOT be performed for any person or firm other than the THIS state or the political subdivision employing the licensee. The licensee shall be subject to the rules of the board and the provisions of this chapter relating to unprofessional or dishonorable conduct. A license expires on December 31 of every even-numbered EVEN-NUMBERED year unless suspended or revoked. A license is renewable for two years on payment of the renewal fee. The fee for issuance of the license shall be five dollars $5 in even-numbered EVEN-NUMBERED years and ten dollars $10 in odd-numbered ODD-NUMBERED years, and the biennial renewal fee shall be ten-dollars $10. The license shall be revoked upon termination of employment of the licensee.
Sec. 83. Section 32-2242, Arizona Revised Statutes, is amended to read:

32-2242. Application for certification as veterinary technician; qualifications

A. A person desiring to be certified as a veterinary technician shall make written application APPLY IN WRITING to the board upon a form furnished by the board.

B. The applicant shall be of good moral character and at least eighteen years of age and shall furnish satisfactory evidence of graduation from a two-year curriculum in veterinary technology, or the equivalent of such graduation as determined by the board, in a college or other institution approved by the board.

C. The application shall be accompanied by the application and examination fee established by the board.

D. An applicant from another state is not required to retake the veterinary technician national examination if the applicant can provide all of the following:
   1. Proof that the applicant's original score meets the minimum score required by the board.
   2. Proof that the applicant holds an active license in good standing in another state or in Canada.
   3. Proof of employment as a veterinary technician in two of the preceding four years or four of the preceding seven years.

Sec. 84. Section 32-2248, Arizona Revised Statutes, is amended to read:

32-2248. Renewal of certification; certificates expired three years or more

Except as provided in section 32-4301, a person who fails to renew a certificate within three years after its expiration may not renew it, and it shall not be restored, reissued or reinstated thereafter, but such THE person may apply for and obtain a new certificate if:

1. The applicant is of good moral character.

2. 1. No fact, circumstance or condition exists which THAT, if the certificate were issued, would justify its revocation or suspension.

3. 2. The applicant takes and passes the examination, if any, which would be required on application for certification for the first time.

4. 3. All fees are paid which THAT would be required on application for certification for the first time.

Sec. 85. Section 32-2371, Arizona Revised Statutes, is amended to read:

32-2371. License for schools; requirements; fingerprint clearance card

A. No A professional driver training school shall NOT be established nor shall ANY such existing school SHALL NOT be continued
on or after March 13, 1968 unless such THE school applies for and obtains
from the director a license in the manner and form prescribed by the
director.

B. Rules adopted by the director shall state the requirements for a
school license, including requirements concerning location, equipment,
courses of instruction, instructors, previous records of the school and
instructors, schedule of fees and charges, character and reputation of the
operators and instructors, insurance in such A sum and with such
provisions as the director deems necessary to protect adequately the
interests of the public, and such other matters as the director may
prescribe for the protection of the public.

C. Each applicant who owns twenty per cent PERCENT or more of an
entity, and each partner or stockholder who owns twenty per cent PERCENT
or more of an entity, and who seeks licensure pursuant to this chapter
shall provide the department or a contracted private entity of the
department pursuant to section 32-2352 with a valid fingerprint clearance
card issued pursuant to section 41-1758.03.

Sec. 86. Section 32-2812, Arizona Revised Statutes, is amended to
read:

32-2812. Applications for certificate; qualifications; fees;
examining; denial

A. An applicant for a certificate shall submit an application for
certification or an application for examination for certification,
accompanied by a nonrefundable fee established by the director. An
applicant who has practiced radiography without certification shall pay a
prorated fee retroactively to the earliest date of uncertified
practice. The fee for a replacement certificate is ten-dollars $10. The
application for examination fee is seventy-dollars $70 and shall not be
prorated. An application shall contain information that the applicant:

1. Is at least eighteen years of age.
2. Is of good moral character.
3. Meets one of the following requirements:
   (a) In the case of an application for radiologic technologist,
radiation therapy technologist or nuclear medicine technologist
certification, has successfully completed a course of study at a school of
radiologic technology that is approved by the department or an
out-of-state school of radiologic technology that is approved by the joint
review committee on education in radiologic technology, the American
registry of radiologic technologists or the nuclear medicine technology
certification board.
   (b) In the case of an application for practical technologist in
podiatry certification, practical technologist in bone densitometry
certification and practical technologist in radiology certification,
satisfactorily meets the basic requisites determined by the department
pursuant to section 32-2803.
(c) In the case of an application for radiologist assistant certification, has obtained a baccalaureate degree or postbaccalaureate certificate from an advanced academic program that encompasses a nationally recognized radiologist assistant curriculum that includes a radiologist-directed clinical preceptorship. An applicant for certification before April 1, 2009 is not required to have a baccalaureate degree or postbaccalaureate certificate, but must have completed an advanced academic program that encompasses a nationally recognized radiologist assistant curriculum that includes a radiologist-directed clinical preceptorship.

B. If the application is in proper form and it appears that the applicant meets the eligibility requirements, the applicant shall be notified of the time and place of the next examination.

C. The department may accept, in lieu of its own examination, a certificate issued on the basis of an examination by a certificate-granting body recognized by the department or a certificate, registration or license issued by another state if that state's standards for certification, registration or licensure are satisfactory to the department.

D. The department may deny a certificate to an applicant who has committed an act or engaged in conduct in any jurisdiction that resulted in a disciplinary action against the applicant or that would constitute grounds for disciplinary action under this chapter.

Sec. 87. Section 32-2912, Arizona Revised Statutes, is amended to read:

32-2912. Qualifications of applicant; applications; scope of practice

A. The board shall grant a license to practice pursuant to this chapter to an applicant who meets all of the following requirements:

1. Is a person of good moral character.

2. Holds a degree from an approved school of medicine or has received a medical education that the board determines is of equivalent quality.

2. Holds a license in good standing to practice medicine or osteopathic medicine that is issued under chapter 13 or 17 of this title or by another state, district or territory of the United States.

3. Has a professional record that indicates that the applicant has not had a license to practice medicine refused, revoked, suspended or restricted in any way by any state, territory, district or country for reasons that relate to the applicant's ability to competently and safely practice medicine.

4. Has a professional record that indicates that the applicant has not committed any act or engaged in any conduct that would constitute grounds for disciplinary action against a licensee under this chapter.
6. Has the physical and mental capacity to safely engage in the practice of medicine.
7. Pays all fees and costs required by the board.
8. Completes the application required by the board.

B. Notwithstanding subsection A, paragraphs 2—1 and 3—2 of this section, the board shall issue a license pursuant to this chapter to an applicant who meets the requirements of subsection A, paragraphs 1–3, 4, 5, 6— AND 7 and 8 of this section and who holds a degree from an approved school of medicine.

C. The board may require an applicant to submit additional written or oral information and may conduct additional investigations if it determines that this is necessary to adequately inform itself of the applicant's ability to meet the requirements of this chapter. If an applicant has had a license revoked by or has surrendered a license to another jurisdiction, the applicant may attempt to demonstrate to the board's satisfaction that the applicant is completely rehabilitated with respect to the conduct that was the basis for the revocation or surrender of the license.

D. The board shall vacate its previous order to deny or revoke a license if that denial or revocation was based on the applicant's conviction of a felony or an offense involving moral turpitude and that conviction has been reversed on appeal. The applicant may resubmit an application for licensure as soon as the court enters the reversal.

E. If the board finds that an applicant has committed an act or engaged in conduct that would constitute grounds for disciplinary action, the board shall determine to its satisfaction that the conduct has been corrected, monitored and resolved. If the matter has not been resolved, before it issues a license the board shall determine to its satisfaction that mitigating circumstances exist that prevent its resolution.

F. Except as provided in subsection D of this section, a person shall not submit an application for reinstatement or a new application within five years after the person has completely corrected the conduct and made full legal restitution to the board's satisfaction.

G. An applicant shall submit a verified completed application to the board in a form and within a period of time prescribed by the board. The application shall include:

1. The application fee.
2. Affidavits from three persons who are actively licensed to practice allopathic, osteopathic or homeopathic medicine in any state or district of the United States and who are able to attest to the applicant's good moral character and fitness to practice pursuant to this chapter.
3. A diploma or certificate issued by a homeopathic college or any other educational institution approved by the board or documentation of
the applicant's successful completion of preceptorships or formal postgraduate courses approved by the board.

4. If the person is applying for licensure pursuant to subsection A of this section, proof that the applicant has served a board-approved internship.

5. The applicant's oath that:
   (a) All of the information contained in the application and the accompanying evidence or other credentials is correct.
   (b) The applicant submitted the credentials without fraud or misrepresentation and that the applicant is the lawful holder of the credentials.
   (c) The applicant authorizes the release to the board of any information from any source that the board determines is necessary for it to act on the application.

H. The board shall promptly inform an applicant in writing of any deficiency in the application that prevents the board from acting on it.

I. The board shall consider an application withdrawn if any of the following is true:
   1. The applicant submits a written request to withdraw the application.
   2. The applicant without good cause fails to appear for a board interview.
   3. The applicant fails to submit information to the board within one year of the board's request for that information.
   4. The applicant fails to complete the required examination or personal interview within one year of submitting the application.

J. A person who is issued a license pursuant to subsection B of this section shall practice only within the scope of practice as prescribed by this chapter. A licensee who acts outside that scope of practice commits an act of unprofessional conduct. In addition to all other available remedies, the board may seek injunctive relief pursuant to section 32-2940.

Sec. 88. Section 32-3275, Arizona Revised Statutes, is amended to read:

32-3275. Requirements for licensure; withdrawal of application

A. An applicant for licensure must meet all of the following requirements:
   1. Submit an application as prescribed by the board.
   2. Be at least twenty-one years of age.
   3. Be of good moral character. The board’s standard to determine good moral character shall not violate federal discrimination laws.
   4. Pay all applicable fees prescribed by the board.
   5. Have the physical and mental capability to safely and competently engage in the practice of behavioral health.
6. Not have committed any act or engaged in any conduct that would constitute grounds for disciplinary action against a licensee pursuant to this chapter.

7. Not have had a professional license or certificate refused, revoked, suspended or restricted by this state or any other regulatory jurisdiction in the United States or any other country for reasons that relate to unprofessional conduct.

8. Not have voluntarily surrendered a professional license or certificate in this state or another regulatory jurisdiction in the United States or any other country while under investigation for conduct that relates to unprofessional conduct.

9. Not have voluntarily surrendered a professional license or certificate in this state or another regulatory jurisdiction in the United States or any other country while under investigation for conduct that relates to unprofessional conduct.

B. Before the board considers denial of a license based on a deficiency pursuant to subsection A, paragraph 4, 5, 6 OR 7 of this section, the applicant shall be given thirty-five days' notice of the time and place of the meeting, WHICH the applicant may provide in person, by counsel or in written form information and evidence related to any deficiency relating to subsection A, paragraph 4, 5, 6 OR 7 of this section, including any evidence that the deficiency has been corrected or monitored or that a mitigating circumstance exists. In any notice of denial, the board shall provide notice of the applicant's right to a hearing pursuant to title 41, chapter 6, article 10.

C. If the board finds that an applicant is subject to subsection A, paragraphs 4, 5, 6 OR 7 of this section, the board may determine to its satisfaction that the conduct or condition has been corrected, monitored and resolved and may issue a license. If the conduct or condition has not been resolved, the board may determine to its satisfaction that mitigating circumstances exist that prevent its resolution and may issue a license.

D. An applicant for licensure may withdraw the application unless the board has sent to the applicant notification that the board has initiated an investigation concerning professional misconduct. Following that notification, the applicant may request that the board review the applicant's request to withdraw the application. In considering the request the board shall determine whether it is probable that the investigation would result in an adverse action against the applicant.

E. After a final board order of denial has been issued, the board shall report the denial if required by the health care quality improvement
act of 1986 (42 United States Code chapter 117). For the purposes of this subsection and except as required by federal law, “final board order” means:

1. For an applicant who seeks a hearing pursuant to title 41, chapter 6, article 10, when a final administrative decision has been made.
2. For an applicant who does not timely file a notice of appeal, after the time for the filing expires pursuant to section 41-1092.03.

Sec. 89. Section 32-3423, Arizona Revised Statutes, is amended to read:

32-3423. Application for licensure; qualifications
A. An applicant for licensure as an occupational therapist or as an occupational therapy assistant shall:
   1. Be of good moral character.
   2. Successfully complete the academic and fieldwork requirements of an educational program subject to board review and standards prescribed by the board. The board shall require:
      (a) For an occupational therapist, a minimum of nine hundred twenty-eight hours of supervised fieldwork experience as determined by the supervising institution, organization or sponsor.
      (b) For an occupational therapy assistant, a minimum of six hundred eight hours of supervised fieldwork experience as determined by the supervising institution, organization or sponsor.
   3. Pass an examination administered pursuant to section 32-3424.
   4. Complete the application process and pay all fees required pursuant to this chapter.
B. The board may deny a license to an applicant who:
   1. Commits a felony, whether or not involving moral turpitude, or a misdemeanor involving moral turpitude. In either case conviction by a court of competent jurisdiction is conclusive evidence of the commission.
   2. Engages in any conduct that violates section 32-3401.
C. An applicant who is denied a license may request a hearing pursuant to title 41, chapter 6, article 10.

Sec. 90. Section 32-3429, Arizona Revised Statutes, is amended to read:

32-3429. Foreign trained applicants
Foreign trained occupational therapists and occupational therapy assistants shall:
   1. Satisfy the examination requirements of section 32-3424.
   2. Provide proof of good moral character.
   3. Complete the academic and supervised fieldwork requirements THAT ARE substantially equal to those contained PRESCRIBED in section 32-3423 before taking the examination.
   4. Submit a completed application as prescribed by the board.
5. 4. Pay all applicable fees prescribed pursuant to section 32-3427.

Sec. 91. Section 32-3611, Arizona Revised Statutes, is amended to read:

32-3611. Registration, licensure and certification process
A. Applications for original registration, licensure or certification, renewals and examinations shall be made in writing to the deputy director on forms approved by the deputy director.
B. Appropriate fees, as fixed by the deputy director pursuant to section 32-3607, shall accompany all applications for original registration, licensure or certification, renewal and examination.
C. At the time of filing an application for registration, licensure or certification, each applicant shall sign a pledge to comply with the standards set forth in this chapter and shall state that the applicant understands the types of misconduct for which disciplinary proceedings may be initiated against a registered trainee appraiser or a state-licensed or state-certified appraiser, as set forth in this chapter.
D. Except as otherwise provided in this chapter, the deputy director shall require such other proof and request such documents, through the application or otherwise, as the deputy director deems necessary for the interests of the public and to verify the honesty, truthfulness, reputation and competency of the applicant and shall require that the applicant for registration, licensure or certification:
   1. Be at least eighteen years of age and a citizen of the United States or a qualified alien as defined in 8 United States Code section 1641.
   2. Not have had a license or certificate denied pursuant to this chapter within one year immediately preceding the application.
   3. Not have had a license or certificate revoked pursuant to this chapter within five years immediately preceding the application.
   4. State whether or not the applicant has ever been convicted in a court of competent jurisdiction in this or any other state of a felony or of forgery, theft, extortion or conspiracy to defraud or any other crime involving dishonesty or moral turpitude.
E. Applications for registration, licensure or certification by persons who are charged or under indictment for fraud involving appraisal of real property may be denied pending final disposition of the charge or indictment. On final disposition, the deputy director shall review the proceedings and act on the application.

Sec. 92. Section 32-3668, Arizona Revised Statutes, is amended to read:

32-3668. Owner requirements
A. An appraisal management company applying for registration may not be owned by a person or have any principal of the company who has had any financial, real estate or mortgage lending industry license or
certificate refused, denied, canceled, revoked or voluntarily surrendered in this state or in any other state. This requirement may be waived at the discretion of the deputy director.

B. Each person that owns, is an officer of or has a financial interest in an appraisal management company in this state shall:

1. Be of good moral character.

2. Apply for a valid fingerprint clearance card issued pursuant to section 41-1758.03.

3. Certify to the deputy director that the person has never had any financial, real estate or mortgage lending industry license or certificate refused, denied, canceled, revoked or voluntarily surrendered in this state or in any other state. This requirement may be waived by appeal and at the discretion of the deputy director.

Sec. 93. Section 32-3669, Arizona Revised Statutes, is amended to read:

32-3669. Controlling person requirements
A. Each appraisal management company applying to the deputy director for registration in this state shall designate one controlling person who will be the main contact for all communication between the deputy director and the appraisal management company.

B. To serve as a controlling person of an appraisal management company, a person shall:

1. Certify to the deputy director that the person has never had any financial, real estate or mortgage lending industry license or certificate issued by this state, or any other state, refused, denied, canceled, revoked or voluntarily surrendered. This requirement may be waived by appeal and at the discretion of the deputy director.

2. Be of good moral character.

3. Apply for a valid fingerprint clearance card issued pursuant to section 41-1758.03.

Sec. 94. Section 32-4021, Arizona Revised Statutes, is amended to read:

32-4021. Standard certification qualifications; application
A. An applicant for standard certification as a certified reporter shall apply on approved forms and, at a minimum, shall:

1. Be at least eighteen years of age.

2. Be a citizen or legal resident of the United States.

3. Satisfy the requirements of section 32-4022.

4. Be of good moral character.

5. Possess a high school diploma or general equivalency diploma or a similar document or certificate.

6. Pursuant to rules adopted by the supreme court, demonstrate reasonable proficiency in making verbatim records of trial or judicial or related proceedings.
Comply with the laws and rules and orders adopted by the supreme court governing certified reporters in this state.

Pay the fees established pursuant to section 32-4008.

Submit a full set of fingerprints with the fee prescribed in section 41-1750 to the supreme court for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544.

If the board is satisfied that an applicant meets the requirements of this section and section 32-4022, the supreme court shall issue a certificate to the applicant. The board may refuse to issue a certificate if section 32-4024 applies.

An applicant for a license as an athletic trainer shall:

1. Be of good moral character. To determine if a person is of good moral character, the board may consider if the person has been convicted of a felony or a misdemeanor involving moral turpitude.

2. Have successfully completed the application process.

3. Possess a minimum of a baccalaureate degree from an accredited institution with coursework and supervised clinical experience as required and approved by the board.

4. Have passed a national examination approved by the board within one year before the date of application or currently possess certification as an athletic trainer from a nationally recognized board of certification.

5. Pay the application fee prescribed in section 32-4126.

An applicant for a license as a massage therapist shall:

1. Be at least eighteen years of age.

2. Be a citizen or legal resident of the United States.

3. Satisfy the requirements of section 32-4224.

4. Be of good moral character.

4. Receive either a high school diploma or general equivalency diploma or a similar document or certificate or submit proof that the applicant has passed an ability to benefit examination recognized by the United States department of education.

5. Pay the fees established pursuant to section 32-4227.

6. Within five years preceding the date of the application, not have been convicted of:

   (a) A class 1, 2 or 3 felony.

   (b) A class 4, 5 or 6 felony offense involving moral turpitude that has a reasonable relationship to the practice of massage therapy.
(c) A misdemeanor involving prostitution or solicitation or other similar offense involving moral turpitude that has a reasonable relationship to the practice of massage therapy.

8. Within the past PRECEDING five years, not have voluntarily surrendered a license under section 32-4254 or not have had a license to practice massage therapy or another similar license revoked by a political subdivision of this state or a regulatory agency in another jurisdiction in the United States for an act that occurred in that jurisdiction and that would be subject to discipline pursuant to this chapter.

9. Not be currently under investigation, suspension or restriction by a political subdivision of this state or a regulatory agency in another jurisdiction of this state or a regulatory agency in another jurisdiction for an act that occurred in that jurisdiction and that would be subject to discipline pursuant to this chapter. If the applicant is under investigation by a regulatory agency in another jurisdiction, the board shall suspend the application process and may not issue or deny a license to the applicant until the investigation is resolved.

10. Submit a full set of fingerprints to the board for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544. The department of public safety may exchange this fingerprint data with the federal bureau of investigation. The board may charge the cost of each criminal background check to the applicant.

B. In addition to the requirements of subsection A of this section, an applicant for licensure as a massage therapist shall either:

1. Have successfully completed a course of study of massage therapy or bodywork therapy consisting of a minimum of five hundred classroom and clinical hours of supervised instruction at a board recognized school in this state that is accredited by an agency recognized by the secretary of the United States department of education.

2. Have done both of the following:
   (a) Successfully completed a course of study in massage therapy or bodywork therapy consisting of a minimum of five hundred classroom and clinical hours of supervised instruction at a school in this state that is licensed by the state board for private postsecondary education or at a school outside of this state that is recognized by the board pursuant to section 32-4228.
   (b) Successfully passed an examination administered by a national board accredited by the certifying agency that has been approved by the national commission on competency assurance and that is in good standing with that agency or have successfully passed an examination that is administered or approved by the board.

C. The board may adopt rules to allow it to consider the education and experience of an applicant who came from a foreign country. The board by rule may increase the minimum number of classroom hours of supervised
instruction at a board recognized school that an applicant for licensure must successfully have completed.

D. If the board is satisfied that an applicant meets the requirements of this section, the board shall issue a license to the applicant.

E. The board, by rule, shall establish communication proficiency requirements related to an applicant's ability to protect health and safety in connection with the practice of massage therapy.

F. Subject to the board's approval, the executive director may issue licenses to applicants who meet the requirements of this chapter.

G. The board may deny an application for a license if the applicant committed an act that would subject a person licensed under this chapter to disciplinary action.

Sec. 97. Section 36-446.04, Arizona Revised Statutes, is amended to read:

36-446.04. Qualifications; period of validity; exemption
A. The board shall issue a license as a nursing care institution administrator pursuant to its rules to any person who meets the following qualifications:

1. Is of good character.
2. Has satisfactorily completed a course of instruction and training approved by the board that:
   (a) Is designed and sufficiently administered to give the applicant knowledge of the proper needs to be served by nursing care institutions.
   (b) Includes a thorough background in the laws and rules governing the operation of nursing care institutions and the protection of the interests of the patients in nursing care institutions.
   (c) Includes thorough training in elements of good health care facilities administration.
3. Has passed an examination administered by the board designed to test for competency in the subject matter referred to in this subsection.
4. Has met one of the following fingerprinting requirements:
   (a) Has a valid fingerprint clearance card issued pursuant to title 41, chapter 12, article 3.1.
   (b) Has provided proof of the submission of an application for a fingerprint clearance card. An applicant who has been denied a fingerprint clearance card must also provide proof that the applicant qualifies for a good cause exception hearing pursuant to section 41-619.55.

B. A person who is licensed pursuant to this section must maintain a valid fingerprint clearance card during the valid period of the person's license.
C. The board shall issue a certificate as an assisted living facility manager pursuant to its rules to a person who meets the following qualifications:

1. Is of good character.
2. Has satisfactorily completed a course of instruction and training approved by the board that:
   a. Is designed and sufficiently administered to give the applicant knowledge of the proper needs to be served by an assisted living facility.
   b. Includes a thorough background in the laws governing the operation of assisted living facilities and the protection of the interests of the patients in assisted living facilities.
   c. Includes thorough training in elements of assisted living facility administration.
3. Has passed an examination administered by the board that is designed to test for competency in the subject matter prescribed in this subsection.
4. Provides documentation satisfactory to the board that the applicant has completed two thousand eighty hours of paid work experience in a health related field within the preceding five years as prescribed by board rule.
5. Has met one of the following fingerprinting requirements:
   a. Has a valid fingerprint clearance card issued pursuant to title 41, chapter 12, article 3.1.
   b. Has provided proof of the submission of an application for a fingerprint clearance card. An applicant who has been denied a fingerprint clearance card must also provide proof that the applicant qualifies for a good cause exception hearing pursuant to section 41-619.55.

D. Notwithstanding any other provision of this article, beginning July 1, 2021, all new licenses and certifications issued by the board must be approved by both the board and the department of health services.

E. A person who is certified pursuant to this section must maintain a valid fingerprint clearance card during the valid period of the person's certificate.

F. In lieu of the requirements contained in subsection A, paragraph 1 or subsection C, paragraph 1 of this section, an applicant may present satisfactory evidence to the board of sufficient education and training in the areas listed in that respective paragraph.

G. A license is nontransferable and remains in effect until the following June 30 of an even-numbered EVEN-NUMBERED year, at which time the license may be renewed if the licensee otherwise complies with this article and unless the license has been surrendered, suspended or revoked.

H. A certificate is nontransferable and remains in effect until the following June 30 of an odd-numbered ODD-NUMBERED year, at which time the certificate may be renewed if the certificate holder otherwise complies
with this article and the certificate has not been surrendered, suspended or revoked.

I. This section does not apply to managers of adult foster care homes as defined in section 36-401.

Sec. 98. Section 36-446.06, Arizona Revised Statutes, is amended to read:

36-446.06. Temporary licenses and certificates
A. The board may issue a temporary nursing care institution administrator's license or temporary assisted living facility manager's certificate to individuals who are determined to meet standards established by the board and may revoke or suspend temporary licenses or certificates previously issued by the board in any case where the individual holding a license or certificate is determined to have substantially failed to conform to the requirements of such standards during the term of the temporary license or certificate.
B. A temporary license or certificate is automatically revoked if the licensee or certificate holder fails either the state or national examination during the term of the license or certificate.
C. Temporary licenses or certificates may be issued without examination, for a single nonrenewable period of one hundred fifty days, to a qualified individual for the purpose of enabling the individual to fill a nursing care institution administrator or assisted living facility manager position. Qualifications for a temporary license or certificate shall include good character and the ability to meet such other standards as are established by the board.
D. An applicant for a temporary license or certificate shall not have failed a state or national examination either before or after applying for the temporary license or certificate.

Sec. 99. Section 36-755, Arizona Revised Statutes, is amended to read:

36-755. Powers and duties of the director
A. The director may adopt rules necessary for the proper administration and enforcement of this article.
B. The director shall, by rule:
1. Define and describe, consistent with this article and the laws of this state, the duties and limitations of the practice of midwifery.
2. Adopt standards with respect to the practice of midwifery designed to safeguard the health and safety of the mother and child.
3. Establish the criteria for granting, denying, suspending and revoking a license in order to protect the health and safety of the mother and child.
4. Describe and define reasonable and necessary minimum qualifications for midwives, including:
   (a) The ability to read and write.
(b) Knowledge of the fundamentals of hygiene.
(c) The ability to recognize abnormal or potentially abnormal conditions during pregnancy, labor and delivery and following birth.
(d) Knowledge of the laws of this state concerning reporting of births, prenatal blood tests and newborn screening and of the rules pertaining to midwifery.
(e) Education requirements.
(f) Age requirements.

Sec. 100. Section 36-1923, Arizona Revised Statutes, is amended to read:

36-1923. Hearing aid dispensers; licensure requirements
A. An applicant for a hearing aid dispenser license shall pay to the director a nonrefundable application fee and shall show to the satisfaction of the director that the applicant:
1. Is a person of good moral character.
2. Has an education equivalent to a four-year course in an accredited high school or has continuously engaged in the practice of fitting and dispensing hearing aids during the three years preceding August 11, 1970.
3. Has not had the applicant's license revoked or suspended by a state within the two years and is presently not ineligible for licensure in any state due to prior revocation or suspension.
B. An applicant for a hearing aid dispenser license who is notified by the director that the applicant has fulfilled the requirements of subsection A of this section shall appear to be examined by written and practical tests as designated by the director in order to demonstrate that the applicant is qualified to practice the fitting and dispensing of hearing aids.
C. The director shall give at least two and not exceeding four examinations of the type described in this section in each calendar year unless there is an insufficient number of applicants for the second annual examination.

Sec. 101. Section 36-1940, Arizona Revised Statutes, is amended to read:

36-1940. Audiologists; licensure requirements
A. A person who wishes to be licensed as an audiologist shall:
1. Submit a nonrefundable application fee as prescribed by section 36-1908.
2. Submit evidence satisfactory to the director that the applicant has:
   (a) A doctoral degree with an emphasis in audiology from a nationally or regionally accredited college or university in an accredited program consistent with the standards of this state's universities.
(b) Completed supervised clinical rotations in audiology from a nationally or regionally accredited college or university in an accredited program consistent with the standards of this state's universities.

3. Pass an examination pursuant to section 36-1902, subsection G. The applicant must have completed the examination within three years before the date of application for licensure pursuant to this article.

4. Be of good moral character.

5. Not have had a license revoked or suspended by a state within the past PRECEDING two years and not be presently ineligible for licensure in any state because of a prior revocation or suspension.

B. A person who has a doctoral degree in audiology and who wishes to be licensed as an audiologist to fit and dispense hearing aids shall:

1. Submit a nonrefundable application fee as prescribed by section 36-1908.

2. Submit evidence satisfactory to the director that the applicant has:

   (a) A doctoral degree with an emphasis in audiology from a nationally or regionally accredited college or university in a program consistent with the standards of this state's universities.

   (b) Completed supervised clinical rotations in audiology from a nationally or regionally accredited college or a university in an accredited program that is consistent with the standards of this state's universities.

3. Pass an examination pursuant to section 36-1902, subsection G. The applicant must have completed the examination within three years before the date of application for licensure pursuant to this article.

4. Pass an examination approved by the director in jurisprudence and ethics related to this chapter within six months after initial licensure. The director shall offer the examination at least four times each calendar year.

5. Be of good moral character.

6. Not have had a license revoked or suspended by a state within the past PRECEDING two years and not be presently ineligible for licensure in any state because of a prior revocation or suspension.

C. A person who wishes to be licensed as an audiologist to fit and dispense hearing aids and who was awarded a master's degree in audiology before December 31, 2007 must:

1. Submit a nonrefundable application fee as prescribed pursuant to section 36-1908.

2. Submit evidence satisfactory to the director that the applicant meets the requirements prescribed in section 36-1940.02, subsection C for a waiver of the educational and clinical rotation requirements of this article.

3. Pass an audiology examination pursuant to section 36-1902, subsection E. The applicant must have completed the examination within
three years before the date of application for licensure pursuant to this article unless the applicant is currently practicing audiology and meets the audiology examination waiver requirements of section 36-1940.02, subsection D.

4. Pass the hearing aid dispenser's examination pursuant to section 36-1924.

5. Be of good moral character.

6. Not have had a license to practice as an audiologist or hearing aid dispenser revoked or suspended by another state within the past two years and not currently be ineligible for licensure in any state because of a prior revocation or suspension.

D. The director shall adopt rules prescribing criteria for approved postgraduate professional experience.

Sec. 102. Section 36-1940.01, Arizona Revised Statutes, is amended to read:

36-1940.01. Speech-language pathologist; licensure requirements

A. A person who wishes to be licensed as a speech-language pathologist shall:

1. Submit a nonrefundable application fee as prescribed by section 36-1908.

2. Submit evidence satisfactory to the director that the applicant has:

   (a) A master's degree in speech-language pathology or the equivalent from a nationally or regionally accredited college or university in a program consistent with the standards of this state's universities.

   (b) Completed a supervised clinical practicum in speech-language pathology from a nationally or regionally accredited college or university in a program consistent with the standards of this state's universities.

   (c) Completed postgraduate professional experience in the field of speech-language pathology approved by the director.

3. Pass an examination pursuant to section 36-1902, subsection G.

4. Be of good moral character.

5. Not have had a license revoked or suspended by a state within the past two years and not be presently ineligible for licensure in any state because of a prior revocation or suspension.

B. A person who wishes to be licensed as a speech-language pathologist whose practice is limited to providing services to pupils under the authority of a local education agency or state-supported institution shall:

1. Submit a nonrefundable application fee as provided by section 36-1908.

2. Submit proof of an employee or contractor relationship with a local education agency or a state-supported institution.
3. Hold a certificate in speech and language therapy awarded by the state board of education.

C. The director shall adopt rules prescribing criteria for approved postgraduate professional experience.

Sec. 103. Section 36-1940.04, Arizona Revised Statutes, is amended to read:

36-1940.04. Speech-language pathology assistants; licensure requirements; scope of practice; supervision

A. A person who wishes to be licensed as a speech-language pathology assistant shall:

1. Submit a nonrefundable application fee as prescribed by section 36-1908.

2. Submit written evidence satisfactory to the director that the applicant has completed:
   (a) An approved training program for speech-language pathology assistants or the equivalent from a nationally or regionally accredited college or university that consisted of a minimum of sixty semester credit hours of coursework with the following curriculum content:
      (i) Twenty to forty semester credit hours of general education or a bachelor's degree.
      (ii) Twenty to forty semester credit hours of speech-language pathology technical coursework.
   (b) A minimum of one hundred hours of clinical interaction that does not include observation, under the supervision of a licensed master's level speech-language pathologist.

3. Be of good moral character.

4. Not have had a license revoked or suspended by a state within the past PRECEDING two years and not be presently ineligible for licensure in any state because of a prior revocation or suspension.

B. The director may waive the requirements of subsection A, paragraph 2 of this section if the applicant holds certification as a speech-language pathology assistant from a nationally recognized speech-language hearing association approved by the department in the field for which the applicant is applying for licensure.

C. A speech-language pathology assistant may do the following under the supervision of a licensed speech-language pathologist:

1. Conduct speech and language screenings without interpretation, using screening protocols specified by the supervising speech-language pathologist.

2. Provide direct treatment assistance, including feeding for nutritional purposes to patients, clients or students except for patients, clients or students with dysphagia, identified by the supervising speech-language pathologist by following written treatment plans, individualized education programs, individual support plans or protocols developed by the supervising speech-language pathologist.
3. Document patient, client or student progress toward meeting established objectives as stated in the treatment plan, individual support plan or individualized education program without interpreting the findings, and report this information to the supervising speech-language pathologist.

4. Assist the speech-language pathologist in collecting and tallying data for assessment purposes, without interpreting the data.

5. Act as a second-language interpreter during assessments.

6. Assist with informal documentation during an intervention session by collecting and tallying data as directed by the speech-language pathologist, preparing materials and assisting with other clerical duties as specified by the supervising speech-language pathologist.

7. Schedule activities and prepare charts, records, graphs or other displays of data.

8. Perform checks and maintenance of equipment.

9. Participate with the speech-language pathologist in research projects, in-service training and public relations programs.

10. Sign and initial treatment notes for review and cosignature by the supervising speech-language pathologist.

A speech-language pathology assistant shall not:

1. Conduct swallowing screening, assessment and intervention protocols, including modified barium swallow studies.

2. Administer standardized or nonstandardized diagnostic tests or formal or informal evaluations or interpret test results.

3. Participate in parent conferences, case conferences or any interdisciplinary team meeting without the presence of the supervising speech-language pathologist, except for individualized education program or individual support plan meetings if the licensed speech-language pathologist has been excused by the individualized education program team or the individual support plan team.

4. Write, develop or modify a patient's, client's or student's treatment plan, individual support plan or individualized education program in any way.

5. Provide intervention for patients, clients or students without following the treatment plan, individual support plan or individualized education program prepared by the supervising speech-language pathologist.

6. Sign any formal documents, including treatment plans, individual support plans, individualized education programs, reimbursement forms or reports.

7. Select patients, clients or students for services.

8. Discharge patients, clients or students from services.

9. Unless required by law, disclose clinical or confidential information orally or in writing to anyone not designated by the speech-language pathologist.

10. Make a referral for any additional service.
11. Communicate with the patient, client or student or with family or others regarding any aspect of the patient, client or student status without the specific consent of the supervising speech-language pathologist.

12. Claim to be a speech-language pathologist.

13. Write a formal screening, diagnostic, progress or discharge note.

14. Perform any task without the express knowledge and approval of the supervising speech-language pathologist.

E. All services provided by a speech-language pathology assistant shall be performed under the direction and supervision of a speech-language pathologist who is licensed pursuant to this chapter.

F. A licensed speech-language pathologist who supervises or directs the services provided by a speech-language pathology assistant shall:

1. Have at least two years of full-time professional experience as a licensed speech-language pathologist.

2. Provide direction and supervision to not more than two full-time or three part-time speech-language pathology assistants at one time.

3. Ensure that the amount and type of supervision and direction provided to a speech-language pathology assistant is consistent with the individual's skills and experience, the needs of the patient, client or student served, the setting in which services are provided and the tasks assigned and provide:

   (a) At least twenty percent direct supervision and ten percent indirect supervision of all the time that the speech-language pathology assistant is providing services during the individual's first ninety days of employment. After the first ninety days of the speech-language pathology assistant's employment, the supervising speech-language pathologist may adjust the amount of supervision if the supervising speech-language pathologist determines that the speech-language pathology assistant meets appropriate competencies and skill levels regarding various disorders of communication and related disorders. Minimum ongoing supervision after the first ninety days shall include documentation of direct and indirect supervision provided by the supervising speech-language pathologist and shall include at least one hour of direct supervision weekly and as much indirect supervision as needed to maintain the delivery of quality services. Minimum ongoing supervision after the first ninety days shall include documentation by the supervising speech-language pathologist of the supervisor's direct contact with at least ten percent of the speech-language pathology assistant's patients, clients or students served each quarter. The supervising speech-language pathologist shall ensure that the ten percent direct client contact varies each quarter. The supervising speech-language pathologist shall require direct supervision of a speech-language pathology assistant when services are provided to a medically fragile individual.
(b) At least ten percent direct supervision and ten percent indirect supervision of all the time that the speech-language pathology assistant is providing services during the individual's first thirty days of employment if the speech-language pathology assistant completed supervision pursuant to subdivision (a) of this paragraph at a previous employer and provides documentation of that supervision to the supervising speech-language pathologist. After the first thirty days of the speech-language pathology assistant's employment, the supervising speech-language pathologist may adjust the amount of supervision if the speech-language pathology assistant meets appropriate competencies and skill levels regarding various disorders of communication and related disorders. Minimum ongoing supervision after the first thirty days of employment shall include documentation of direct and indirect supervision provided by the supervising speech-language pathologist and shall include at least one hour of direct supervision weekly and as much indirect supervision as needed to maintain the delivery of quality services. Minimum ongoing supervision after the first ninety days shall include documentation by the supervising speech-language pathologist of the supervisor's direct contact with at least ten percent of the speech-language pathology assistant's patients, clients or students served each quarter. The supervising speech-language pathologist shall ensure that the ten percent direct client contact varies each quarter. The supervising speech-language pathologist shall require direct supervision of a speech-language pathology assistant when services are provided to a medically fragile individual.

4. Inform a patient, client or student when the services of a speech-language pathology assistant are being provided.

5. Document all periods of direct supervision and indirect supervision provided to a speech-language pathology assistant.

6. If more than one speech-language pathologist provides supervision to a speech-language pathology assistant, one of the speech-language pathologists shall be designated as the primary supervisor who is responsible for coordinating any supervision provided by other speech-language pathologists.

Sec. 104. Section 41-271, Arizona Revised Statutes, is amended to read:

41-271. Grounds to deny, refuse to renew, revoke, suspend or condition commission of notary public

A. The secretary of state may deny, refuse to renew, revoke, suspend or impose a condition on a commission as notary public for any act or omission that demonstrates the individual lacks the honesty, integrity, competence or reliability to act as a notary public, including any of the following:

1. Failure to comply with this article.
2. A fraudulent, dishonest or deceitful misstatement or omission in
the application for a commission as a notary public submitted to the
secretary of state.

3. A conviction of the applicant or notary public of any felony or
a crime involving fraud, dishonesty or deceit. A conviction after a plea
of no contest is deemed to be a conviction for the purposes of this
paragraph.

4. A finding against or admission of liability by the applicant or
notary public in any legal proceeding or disciplinary action based on the
applicant's or notary public's fraud, dishonesty or deceit.

5. Failure by the notary public to discharge any duty required of a
notary public, whether by this article, rules of the secretary of state or
federal or state law.

6. Use of false or misleading advertising or representation by the
notary public representing that the notary has a duty, right or privilege
that the notary does not have.

7. Violation by the notary public of a rule of the secretary of
state regarding a notary public.

8. Denial, refusal to renew, revocation, suspension or conditioning
of a notary public commission in another state.

9. Failure of the notary public to maintain an assurance as
provided in section 41-269, subsection D.

10. Charging more than the fees authorized by this article or rule.

11. The return for insufficient funds or for any other reason for
nonpayment of a check issued for the assurance filing fees or application
fees to the secretary of state.

12. Failure to respond to any request for information or to comply
with any investigation initiated by the secretary of state or the attorney
general.

13. The prior revocation of a notary public commission in this
state.

B. If the secretary of state denies, refuses to renew, revokes,
suspends or imposes conditions on a commission as a notary public, the
applicant or notary public is entitled to timely notice and a hearing in
accordance with chapter 6, article 10 of this title. The denial of an
application or revocation or suspension of a commission is an appealable
agency action. If an applicant appeals the denial of an application, the
applicant may not submit a new application for consideration while the
appeal is pending. If an individual's commission as a notary public in
this state is revoked, the individual may not submit a new application for
commission for one year after the date of revocation.

C. The authority of the secretary of state to deny, refuse to
renew, suspend, revoke or impose conditions on a commission as a notary
public does not prevent a person from seeking and obtaining other criminal
or civil remedies provided by law.
Sec. 105. Section 41-4025, Arizona Revised Statutes, is amended to read:

41-4025. Qualifications and requirements for licensure
A. A manufacturer, dealer, broker, salesperson or installer license shall be issued by the director.
B. The director shall:
1. Qualify applicants for a license.
2. Conduct such investigations as the director deems necessary.
3. Establish and administer written examinations for the applicable license classifications.
C. The director may establish experience requirements for installers of manufactured homes, mobile homes, residential factory-built buildings and accessory structures.
D. To obtain a license pursuant to this article, the applicant shall submit to the director a notarized application on forms prescribed by the department together with the required license fee. Such THE application shall contain the following information:
1. A designation of the classification of license sought by the applicant.
2. The name, birth date and address of an individual applicant.
3. If the applicant is a partnership, the name, birth date and address of all partners with a designation of any limited partners.
4. If the applicant is a corporation, association or other organization, the names, birth dates and addresses of the president, vice president, secretary and treasurer.
5. For all licenses, except those for salespersons, the name, birth date and address of the qualifying party. The qualifying party must reside within the state of the principal place of the licensee's business and shall not act in the capacity of a qualifying party for more than one license in the same classification.
6. If the applicant is a corporation, association or other organization, evidence that the corporation, association or other organization is in good standing with the Arizona corporation commission.
7. Whether the owner, if the applicant is a sole proprietorship, all partners, if the applicant is a partnership, all officers, if the applicant is a corporation or other type of association, the managers or managing members, if the applicant is a limited liability company, the general partner, if the applicant is a limited partnership, or the individual, if the applicant is a salesperson, has ever been charged or convicted of a felony, or has ever received an adverse final decision in a civil action alleging fraud or misrepresentation, and, if so, the nature of the action and the final disposition of the case.
8. For corporations, the name and address of a statutory agent appointed by the licensee on whom legal notices, summonses or other
processes may be served, which service shall be deemed personal service on
the licensee.

9. If it is an application for a salesperson's license, the
applicant shall designate an employing dealer or broker and the
application shall include the signature of the qualifying party or the
qualifying party's designee.

10. Other information as the director may deem necessary.

E. Before the issuance of any license pursuant to this article, the
owner, if the applicant is a sole proprietorship, all partners, if the
applicant is a partnership, the general partner, if the applicant is a
limited partnership, the president, vice president, secretary, and
treasurer, if the applicant is a corporation or other type of association,
the manager or managing members, if the applicant is a limited liability
company, the individual, if the applicant is a salesperson, and the
qualifying party shall be of good character and reputation and shall
submit a fingerprint card for background analysis. Lack of good character
and reputation may be established by showing that such person has
committed any act that, if committed by any licensee, would be grounds for
suspension or revocation of such license.

F. To obtain a license pursuant to this article, a person shall not
have had a license refused or revoked within one year before the date of
the application, nor shall not have engaged in the business without first
having been licensed nor shall not act as a licensee between
the filing of the application and actual issuance of the license. For the
purposes of this subsection, "person" means an applicant, an individual, a
qualifying party, any partner of a partnership, any manager or managing
member of a limited liability company, or any officer, director,
qualifying party or owner of forty percent or more of the stock or
beneficial interest of a corporation.

G. Before issuance of a dealer, broker or installer license, the
qualifying party, in addition to meeting the requirements provided in
subsection D of this section, shall successfully show, by written
examination within three attempts, qualification in the kind of work or
business in which the applicant proposes to engage. Before the issuance
of an installer license, the qualifying party shall also provide the
department with evidence of successful completion of the online installer
course that is administered by the manufactured housing educational
institute and proof of three years of practical or field experience or
training that is deemed acceptable by the department.

H. A license shall not be issued to a minor or to any partnership
in which one of the partners is a minor.

I. Every salesperson who holds an active license shall maintain on
file with the department a current residence address and shall notify the
department within five working days of any change of address, of any
discontinued employment, and where, if anywhere, the salesperson is currently working.

J. The license of a salesperson who is no longer employed by the dealer of record is deemed inactive. The salesperson shall turn the license into the department until the salesperson is employed by another dealer and a written notification of the change has been received by the department. On notification, the department shall return the license to the salesperson.

Sec. 106. Section 44-1961, Arizona Revised Statutes, is amended to read:

44-1961. Grounds for denial, revocation or suspension of dealer registration; administrative remedies

A. After a hearing or notice and opportunity for a hearing as provided in article 11 of this chapter, the commission may enter an order suspending for a period of not to exceed one year, denying or revoking the registration of a dealer if the commission finds that:

1. The application for registration of the dealer, any financial statement, document or other exhibit filed with the application or any supplement or amendment to the application is incomplete, inaccurate or misleading.

2. The dealer is insolvent or is in an unsound financial condition.

3. The dealer has violated this chapter or any rule or order of the commission under this chapter.

4. The dealer purchases or sells securities at such variations from current market prices as, in the light of all the circumstances, are unconscionable.

5. The dealer has failed to file with the commission any record, report, financial statement or other information required under this chapter or any rule or order of the commission under this chapter or has refused to permit an examination into the dealer's affairs.

6. The dealer is lacking in integrity, is not of good business reputation or is not qualified by training or experience.

7. The dealer has knowingly retained a salesman after notice that the salesman has committed an offense under this chapter.

8. The dealer has been convicted within ten years preceding the date of filing the application for registration as a dealer, or at anytime thereafter, of a felony or misdemeanor involving a transaction in securities, of which fraud is an essential element or arising out of the conduct of any business in securities.

9. The dealer is permanently or temporarily enjoined by order, judgment or decree of an administrative tribunal or a court of competent jurisdiction from engaging in or continuing any conduct or practice in connection with the sale or purchase of securities.

10. The dealer is subject to an order of an administrative tribunal, an SRO or the SEC denying, suspending or revoking membership or
registration as a broker or dealer in securities or an investment adviser or investment adviser representative for at least six months.

11. The dealer has been guilty of any fraudulent act or practice in connection with the purchase or sale of securities.

12. The dealer has failed to reasonably supervise its salesmen.

13. The dealer has engaged in dishonest or unethical practices in the securities industry.

14. The dealer has engaged in dishonest or unethical practices in business or financial matters.

B. In addition to denying, revoking or suspending the registration, if the commission finds that a dealer has engaged in an act, practice or transaction described in subsection A, paragraph 4, 12 or 13 of this section, the commission may do one or more of the following:

1. Assess administrative penalties.

2. Order the dealer to cease and desist from engaging in the act, practice or transaction or doing any other act in furtherance of the act, practice or transaction.

3. Take appropriate affirmative action, as prescribed by the commission, to correct the conditions resulting from the act, practice or transaction, including a requirement to provide restitution.

C. It is sufficient cause for denial, revocation or suspension of registration of a dealer as provided in this section, if the dealer is a partnership, corporation, unincorporated association or trust, that a member of the partnership, an officer or director of the corporation or unincorporated association, a trustee or other fiduciary of such trust or a person controlling, controlled by or under common control with the dealer has been guilty of any act or omission which would be a sufficient ground for denying or revoking the registration of an individual dealer.

D. If the registration of a dealer is revoked or denied, that dealer may not file with the commission an application for registration under this chapter or for licensure under chapter 13 of this title for at least one year after the date of the revocation or denial.

Sec. 107. Section 44-1962, Arizona Revised Statutes, is amended to read:

44-1962. Grounds for denial, revocation or suspension of registration of salesman; administrative remedies

A. After a hearing or notice and opportunity for a hearing as provided by article 11 of this chapter, the commission may enter an order suspending for a period of not to exceed one year, denying or revoking the registration of a salesman if the commission finds that:

1. The application for registration of the salesman, any statement, document or other exhibit filed with the application or any supplement or amendment to the application is incomplete, inaccurate or misleading.
2. The salesman has violated this chapter or any rule or order of
the commission under this chapter.

3. The salesman has failed to file with the commission any record,
report or other information required under this chapter or any rule or
order of the commission under this chapter or has refused to allow
an examination into the salesman’s affairs.

4. The salesman is lacking in integrity, is not of good business
reputation or is not qualified by training or experience.

5. The salesman is not employed by a registered dealer.

6. The salesman has been convicted within ten years preceding the
date of filing the application for registration as a salesman, or at
any time thereafter, of a felony or misdemeanor involving a transaction in
securities, of which fraud is an essential element or arising out of the
conduct of any business in securities.

7. The salesman is permanently or temporarily enjoined by order,
judgment or decree of an administrative tribunal or a court of competent
jurisdiction from engaging in or continuing any conduct or practice in
connection with the sale or purchase of securities.

8. The salesman is subject to an order of an administrative
tribunal, an SRO or the SEC denying, suspending or revoking membership or
registration as a broker or dealer in securities or an investment adviser
or investment adviser representative for at least six months.

9. The salesman has been guilty of any fraudulent act or practice
in connection with the purchase or sale of securities.

10. The salesman has engaged in dishonest or unethical practices in
the securities industry.

11. The salesman has failed to reasonably supervise salesmen under
the salesman’s supervisory control.

12. The salesman has engaged in dishonest or unethical practices in
business or financial matters.

B. In addition to denying, revoking or suspending the registration,
if the commission finds that a salesman has engaged in an act, practice or
transaction described in subsection A, paragraph 10 or 11 of this section,
the commission may do one or more of the following:

1. Assess administrative penalties.

2. Order the salesman to cease and desist from engaging in the act,
practice or transaction or doing any other act in furtherance of the act,
practice or transaction.

3. Take appropriate affirmative action, as prescribed by the
commission, to correct the conditions resulting from the act, practice or
transaction, including a requirement to provide restitution.

C. If the registration of a salesman is revoked or denied, that
salesman may not file with the commission an application for registration
under this chapter or for licensure under chapter 13 of this title for at
least one year after the date of the revocation or denial.
APPROVED BY THE GOVERNOR MARCH 24, 2022.