

State of Arizona
House of Representatives
Fifty-fifth Legislature
Second Regular Session
2022

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)

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

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

4 3-2003. Grant of licenses; fees; expiration date

5 A. The division may grant a license to slaughter livestock, sheep,
6 goats or swine as set forth in the license issued ~~upon~~ ON payment of the
7 fees ~~and presentation of proof that the applicant is law-abiding,~~
8 ~~trustworthy and of good moral character.~~

9 B. The fees shall be as follows:

10 1. For not to exceed forty-five head of livestock, and not to
11 exceed fifty-five head of sheep, goats or swine in one calendar year, ~~five~~
12 ~~dollars~~ \$5.

13 2. For more than forty-five and not to exceed one hundred fifty
14 head of livestock and more than forty-five and not to exceed one hundred
15 sixty head of sheep, goats or swine in one calendar year, ~~fifteen dollars~~
16 \$15.

17 3. For more than one hundred fifty head of livestock and more than
18 one hundred sixty head of sheep, goats or swine in any one calendar year,
19 ~~eighty dollars~~ \$80.

20 C. Licenses issued under ~~the provisions of~~ this section shall
21 expire on December 31 of the year in which THEY ARE issued.

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

24 3-2009. Transfer of license without fee

25 If a person who is a licensee under ~~the provisions of~~ this article
26 sells or otherwise disposes of ~~his~~ THE PERSON'S slaughtering business,
27 together with the goodwill thereof, and the purchaser or transferee
28 continues the business at the same location, substantially in the same
29 manner and under the same business name as it was conducted by the seller,
30 the license of the original licensee may be transferred to the new owner
31 without payment of a license fee if the new owner submits to the
32 division:

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

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

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

41 3-2086. Transfer of license without fee

42 If any person acquires a business licensed pursuant to this chapter
43 to wholesale meat, with the goodwill of the business, and continues to
44 operate the business in substantially the same manner, in the same
45 location and under the same firm name, the division may transfer the

1 license to the new owner, on written application, without payment of a
2 license fee if the new owner submits:—

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

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

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

11 4-210. Grounds for revocation, suspension and refusal to
12 renew; notice; complaints; hearings; defense

13 A. After notice and hearing, the director may suspend, revoke or
14 refuse to renew any license, registration, lease or permit issued pursuant
15 to this chapter for any of the following reasons:

16 1. There occurs on the licensed premises repeated acts of violence.

17 2. The licensee, registrant, lessee or permittee fails to
18 satisfactorily maintain the capability, qualifications and reliability
19 requirements of an applicant for a license, registration, lease or permit
20 prescribed in section 4-202, 4-203, 4-203.06, 4-203.07 or 4-205.13.

21 3. The licensee, registrant, lessee, permittee or controlling
22 person knowingly files with the department an application or other
23 document that contains material information that is false or misleading or
24 while under oath knowingly gives testimony in an investigation or other
25 proceeding under this title that is false or misleading.

26 4. The licensee, registrant, lessee, permittee or controlling
27 person is on the premises habitually intoxicated.

28 5. The licensed, registered, leased or permitted business is
29 delinquent for more than one hundred twenty days in ~~the payment of~~ PAYING
30 taxes, penalties or interest in an amount that exceeds \$250 to this state
31 or to any political subdivision of this state.

32 6. The licensee or controlling person obtains, assigns, transfers
33 or sells a spirituous liquor license without ~~compliance~~ COMPLYING with
34 this title or leases or subleases a license.

35 7. The licensee, registrant, lessee or permittee fails to keep for
36 two years and make available to the department on reasonable request all
37 invoices, records, bills or other papers and documents relating to the
38 purchase, sale and delivery of spirituous liquors and, in the case of a
39 restaurant or hotel-motel licensee, all invoices, records, bills or other
40 papers and documents relating to the purchase, sale and delivery of food.

41 8. The licensee, registrant, lessee, permittee or controlling
42 person is convicted of a felony, provided that for a conviction of a
43 corporation to serve as a reason for any action by the director, conduct
44 that constitutes the corporate offense and was the basis for the felony
45 conviction must have been engaged in, authorized, solicited, commanded or

1 recklessly tolerated by the directors of the corporation or by a high
2 managerial agent acting within the scope of employment.

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

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

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

17 ~~12.~~ 11. The licensee, registrant, lessee, permittee or controlling
18 person knowingly associates with a person who has engaged in racketeering,
19 as defined in section 13-2301, or who has been convicted of a felony, and
20 the association is of a nature as to create a reasonable risk that the
21 licensee, registrant, lessee or permittee will fail to conform to the
22 requirements of this title or of any criminal statute of this state.

23 ~~13.~~ 12. A licensee that is a liquor store as defined in section
24 46-297 violates the restrictions on use of automatic teller machines or
25 point-of-sale terminals regarding electronic benefit transfer cards
26 prescribed in section 4-242.01.

27 ~~14.~~ 13. There occurs on the licensed premises a serious act of
28 violence. For the purposes of this paragraph, "serious act of violence"
29 means an act of violence in which a serious injury causes the death or
30 critical injury of a person and the injuries would be obvious to a
31 reasonable person.

32 ~~15.~~ 14. The licensee fails to report a serious act of violence
33 that occurs on the licensed premises. For the purposes of this paragraph,
34 "serious act of violence" means an act of violence in which a serious
35 injury causes THE death or critical injury of a person and the injuries
36 would be obvious to a reasonable person.

37 ~~16.~~ 15. The licensee, registrant, lessee or permittee violates an
38 order of the board.

39 B. For the purposes of:

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

44 2. Subsection A, paragraphs 9 and 10 of this section, acts or
45 omissions of an employee of a licensee that violate this title or rules

1 adopted pursuant to this title are deemed to be acts or omissions of the
2 licensee. Acts or omissions by an employee or licensee committed during
3 the time the licensed premises were operated pursuant to an interim permit
4 or without a license may be charged as if they had been committed during
5 the period the premises were duly licensed.

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

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

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

40 F. The director shall receive all complaints of alleged violations
41 of this chapter and is responsible for ~~the investigation of~~ INVESTIGATING
42 all allegations of a violation of, or noncompliance with, this title, any
43 rule adopted pursuant to this title or any condition imposed on the
44 licensee, registrant, lessee or permittee by the license, registration,
45 lease or permit. When the director receives three complaints from any law

1 enforcement agency resulting from three separate incidents at a licensed,
2 leased or permitted establishment or by a registrant within a twelve-month
3 period, the director shall transmit a written report to the board setting
4 forth the complaints, the results of any investigation conducted by the
5 law enforcement agency or the department relating to the complaints and a
6 history of all prior complaints against the license, registration, lease
7 or permit and their disposition. The board shall review the report and
8 may direct the director to conduct further investigation of a complaint or
9 to serve a licensee, registrant, lessee or permittee with a complaint and
10 notice of a hearing pursuant to subsection G of this section.

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

41 H. A hearing shall conform to the requirements of title 41,
42 chapter 6, article 10. At the hearing an attorney or corporate officer or
43 employee of a corporation may represent the corporation. The revoking,
44 suspending or refusing to renew a license, registration, lease or permit
45 for unpaid taxes, penalties or interest pursuant to subsection A,

1 paragraph 5 of this section is a contested case with the department of
2 revenue pursuant to section 42-1251.01.

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

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

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

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

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

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

44 4. That the lienholder was free of responsibility for the conduct
45 that is the basis for the proposed revocation.

1 5. That the lienholder reasonably attempted to remain informed by
2 the licensee, registrant, lessee or permittee about the business's
3 conduct.

4 L. If the director decides not to revoke the license, registration,
5 lease or permit based on the circumstances provided in subsection K of
6 this section, the director may issue an order requiring either, or both,
7 of the following:

8 1. The forfeiture of all interest of the licensee, registrant,
9 lessee or permittee in the license, registration, lease or permit.

10 2. The lienholder to pay any civil monetary penalty imposed on the
11 licensee, registrant, lessee or permittee.

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

20 N. The director may consider as a mitigating factor or defense to a
21 complaint against a licensee for a violation of subsection A, paragraph 10
22 or ~~14~~ 13 of this section that the licensee acted reasonably, responsibly
23 and as expeditiously as possible by asking for intervention by a peace
24 officer to prevent or to break up a riot, a fight, an altercation or
25 tumultuous conduct.

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

28 5-108. Issuance of permit or license; grounds for refusal to
29 issue; nontransferable; renewal

30 A. The department shall conduct a thorough investigation concerning
31 the application for a permit or a license and:

32 1. The department may refuse to issue or renew a license or the
33 commission may refuse to approve or renew a permit for any applicant if
34 there is substantial evidence to find that the applicant:

35 (a) Has been suspended or ruled off a recognized course in another
36 jurisdiction by the racing board or commission thereof.

37 ~~(b) Is not of good repute and moral character.~~

38 ~~(c)~~ (b) Has, when previously licensed or granted a permit,
39 violated the racing laws of this state or of any other state or the
40 regulations of the commission.

41 ~~(d)~~ (c) Is a corporation, firm or association not duly qualified
42 and authorized to conduct business within this state.

43 ~~(e)~~ (d) If an individual, has been convicted of a felony or any
44 crime involving moral turpitude, or, if a corporation, firm or
45 association, is controlled or operated directly or indirectly by a person

1 or persons who have been convicted of a felony or any crime involving
2 moral turpitude.

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

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

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

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

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

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

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

42 (b) The applicant is not the true owner of the enterprise proposed
43 to be granted a permit, that other persons have ownership in the
44 enterprise ~~which~~ AND THAT fact has not been disclosed or, if the applicant
45 is a corporation, that ten ~~per cent~~ PERCENT of the stock of the

1 corporation is subject to a contract or option to purchase at any time
2 during the period for which the permit is issued unless the contract or
3 option was disclosed to the department and the department approved the
4 sale or transfer during the period of the permit.

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

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

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

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

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

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

44 B. The department, in conducting the investigation referred to in
45 this section, shall have the full cooperation of all state agencies and

1 departments, including the department of public safety, and the agencies
2 and departments shall make their personnel available to the department, on
3 request.

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

11 D. Except as provided by subsection C of this section, permits
12 shall be renewed for successive periods of not more than three years
13 unless the commission revokes the permit or refuses to renew the permit
14 for any of the grounds enumerated in this section or section
15 5-108.03. The renewal of a permit shall be denied only after a full
16 hearing and a finding of good cause for refusing renewal has been made by
17 the commission.

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

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

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

40 5-404. Application for license

41 A. Each applicant for an initial license to be issued pursuant to
42 ~~the provisions of~~ this section shall submit to the local governing body
43 the local governing body fee and the license fee prescribed in section
44 5-414 together with a written application THAT IS in the form prescribed

1 by the licensing authority, THAT IS duly executed and verified, and in
2 ~~which shall be stated~~ THAT STATES:

3 1. The name, telephone number and address of the applicant.

4 2. Sufficient facts to enable the licensing authority to determine
5 whether or not the applicant is qualified for the specific class of
6 license for which the applicant is applying.

7 3. If the applicant is a qualified organization, the names and
8 addresses of its officers.

9 4. The place where and day and time when such games of bingo are to
10 be held, operated and conducted by the applicant, under the license
11 applied for.

12 5. The items of expense intended to be incurred or paid in
13 connection with ~~the~~ holding, operating and conducting ~~of~~ such games of
14 bingo and the names and addresses of the persons to whom, and the purposes
15 for which, they are to be paid.

16 6. The specific projected use of the net proceeds.

17 7. Such other information as ~~shall be~~ deemed advisable by the
18 licensing authority.

19 B. The applicant shall designate in the application:

20 1. One or two persons who will serve as manager.

21 2. One person who will serve as proceeds coordinator.

22 3. At least one person who will serve as supervisor.

23 4. At least one person who will serve as assistant.

24 C. A person WHO IS designated as a manager, proceeds coordinator or
25 supervisor on a license shall not serve in any of these positions under
26 any other license.

27 D. The applicant shall attach affidavits to the application ~~which~~
28 THAT are executed by each manager and state that the manager:

29 1. Will conduct all bingo games in compliance with the license,
30 this article and the rules of the licensing authority.

31 ~~2. Is of good moral character.~~

32 ~~3.~~ 2. Has never been convicted of a misdemeanor involving moral
33 turpitude or a felony.

34 E. The applicant shall attach an affidavit to the application ~~which~~
35 THAT is executed by the proceeds coordinator and states that the proceeds
36 coordinator:

37 1. Will use the net proceeds in compliance with the terms of the
38 license, this article and the rules of the licensing authority.

39 ~~2. Is of good moral character.~~

40 ~~3.~~ 2. Has never been convicted of a misdemeanor involving moral
41 turpitude or a felony.

42 F. A person may serve as supervisor for more than one occasion for
43 the same licensee. The supervisor shall be continuously present on the
44 premises during the bingo games and until all associated activities have

1 been completed. The applicant shall attach affidavits to the application
2 ~~which~~ THAT are executed by each supervisor and state that the supervisor:

3 1. Will comply with the terms of the license, this article and the
4 rules of the licensing authority in supervising each occasion.

5 ~~2. Is of good moral character.~~

6 ~~3.~~ 2. Has never been convicted of a misdemeanor involving moral
7 turpitude or a felony.

8 G. Except in an application for a class A license, the applicant
9 shall attach affidavits to the application ~~which~~ THAT are executed by each
10 assistant and state that the assistant:

11 1. Will comply with the terms of the license, this article and the
12 rules of the licensing authority in assisting in the conduct of all bingo
13 games.

14 ~~2. Is of good moral character.~~

15 ~~3.~~ 2. Has never been convicted of a misdemeanor involving moral
16 turpitude or a felony.

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

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

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

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

37 5-562. Licenses to sell tickets or shares; fee; conditions;
38 definitions

39 A. A license as an agent to sell lottery tickets or shares shall
40 not be issued to any person to engage in business exclusively as a lottery
41 sales agent. Before issuing a license as a lottery sales agent to any
42 person, the director shall consider factors such as the financial
43 responsibility and security of the person and the nature of the person's
44 business activity, the person's background ~~and reputation in the~~
45 ~~community~~, the accessibility of the person's place of business or activity

1 to the public, the accessibility of existing licensees to serve the public
2 convenience and the volume of expected sales.

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

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

7 D. A license is not assignable or transferrable.

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

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

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

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

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

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

31 K. For the purposes of this section, acts or omissions of an
32 employee at the premises of a licensed agent or sales of tickets or shares
33 by a self-service vending machine in violation of section 5-565 or
34 5-565.01 shall be deemed acts or omissions of the licensed agent only at
35 the premises where the acts, omissions or sales occurred.

36 L. For the purposes of this section:

37 1. "Person":

38 (a) Means an individual, association, corporation, club, trust,
39 estate, society, company, joint stock company, receiver, trustee or
40 referee, any other person acting in a fiduciary or representative capacity
41 who is appointed by a court, or any combination of individuals. ~~Person~~

42 (b) Includes any department, commission, agency or instrumentality
43 of this state, including any county, city or town and any agency or
44 instrumentality of this state or of a county, city or town.

1 2. "Premises" means the physical location and address listed on the
2 license of the licensed agent where lottery tickets or shares may be sold.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

44 10. Has pursued or is pursuing economic gain in an occupational
45 manner or context in violation of the criminal laws of any state if the

1 pursuit creates probable cause to believe that the person's participation
2 in gaming or related activities would be detrimental to the proper
3 operation of authorized gaming or a related activity in this state.

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

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

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

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

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

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

30 E. For the purposes of this section:

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

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

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

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

40 5-1304. Licensure; application

41 A. The department may issue not more than ten event wagering
42 operator licenses to applicants other than an Indian tribe. The
43 department may issue not more than ten event wagering operator licenses to
44 Indian tribes in this state if the Indian tribe receiving a license has
45 signed the most recent tribal-state gaming compact and any applicable

1 appendices or amendments. The department shall issue event wagering
2 operator licenses only to applicants that are either of the following in
3 compliance with this chapter:

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

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

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

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

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

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

43 ~~4.~~ 3. A notice and description of civil judgments obtained against
44 the applicant pertaining to antitrust or security regulation laws of the

1 federal government, of this state or of any other state, jurisdiction,
2 province or country.

3 ~~5.~~ 4. If the applicant has conducted gaming operations in a
4 jurisdiction that allows such activity, letters of compliance from the
5 regulatory body that regulates event wagering, sports wagering or any
6 other gaming activity that the applicant is licensed for, conducts or
7 operates under jurisdiction of the regulatory body.

8 ~~6.~~ 5. Information, documentation and assurances concerning
9 financial background and resources of the applicant or its management
10 services provider as may be required to establish by clear and convincing
11 evidence the financial stability, ~~integrity~~ and responsibility of the
12 applicant or its management services provider, including bank references,
13 business and personal income and disbursement schedules, tax returns and
14 other reports filed with governmental agencies, and business and personal
15 accounting and check records and ledgers. Each applicant or its
16 management services provider, in writing, shall authorize the examination
17 of all bank accounts and records as may be deemed necessary by the
18 department. The department may consider any relevant evidence of
19 financial stability. The applicant is presumed to be financially stable
20 if the applicant or its management services provider establishes by clear
21 and convincing evidence that it meets each of the following standards:

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

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

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

34 ~~7.~~ 6. Information to establish by clear and convincing evidence
35 that the applicant or its management services provider has sufficient
36 business ability and gaming experience as to establish the likelihood of
37 creating and maintaining a successful and stable event wagering operation.

38 ~~8.~~ 7. Information regarding the financial standing of the
39 applicant, including each person or entity that has provided loans or
40 financing to the applicant or its management services provider.

41 ~~9.~~ 8. Information on the amount of adjusted gross event wagering
42 receipts and associated adjusted gross receipts that the applicant expects
43 to generate.

44 ~~10.~~ 9. A nonrefundable application fee or annual licensing fee as
45 prescribed by section 5-1310.

1 ~~11~~ 10. Any additional information required by the department to
2 determine the financial and operational ability to fulfill its obligations
3 as an event wagering operator.

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

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

14 1. Event wagering in this state through an event wagering facility
15 within a five-block radius of the event wagering operator's sports
16 facility or, in the case of a designee, the sports facility or the
17 designating owner, operator or promoter of a professional sports team,
18 event or franchise. An event wagering facility within one mile of a
19 tribal gaming facility must be:

20 (a) Within a sports complex that includes retail centers that are
21 adjacent to the sports facility.

22 (b) Not more than one-fourth of a mile from a sports facility
23 within the sports complex.

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

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

40 F. A person may not apply for or obtain more than one event
41 wagering operator license. A management services provider may offer
42 services to more than one event wagering operator.

1 Sec. 10. Section 5-1306, Arizona Revised Statutes, is amended to
2 read:

3 5-1306. License revocation; suspension; denial; grounds;
4 definitions

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

7 1. Violates, fails or refuses to comply with the provisions,
8 requirements, conditions, limitations or duties imposed by this chapter
9 and other laws and rules, or if any such violation has occurred on any
10 event wagering system operated by any such person or over which the person
11 has substantial control.

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

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

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

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

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

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

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

28 5. Misrepresents or fails to disclose a material fact to the
29 department.

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

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

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

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

42 10. Has pursued or is pursuing economic gain in an occupational
43 manner or context in violation of the criminal laws of any state if the
44 pursuit creates probable cause to believe that the person's participation

1 in gaming or related activities would be detrimental to the proper
2 operation of an authorized gaming or related activity in this state.

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

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

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

17 B. Any applicant for licensure or holder of a license shall be
18 entitled to a full hearing on any final action by the department that may
19 result in the revocation, suspension or denial of licensure. The hearing
20 shall be conducted in accordance with the procedures as provided in title
21 41, chapter 6 and the department's rules.

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

25 D. For the purposes of this section:

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

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

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

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

35 6-147. Denial of application; grounds

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

40 1. That the financial condition of any person who would acquire
41 control is such as may jeopardize the financial stability of the bank,
42 trust company or savings and loan association, or prejudice the interests
43 of the depositors, beneficiaries, creditors and shareholders of the bank,
44 trust company or savings and loan association.

1 2. That a plan or proposal to liquidate the bank, trust company or
2 savings and loan association, to merge or consolidate the bank, trust
3 company or savings and loan association or to make any other major change
4 in the business, corporate structure or management of the bank, trust
5 company or savings and loan association is not fair and reasonable to the
6 depositors, beneficiaries, creditors or shareholders of the bank, trust
7 company or savings and loan association.

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

14 ~~4.~~ 3. That the applicant neglects, fails or refuses to furnish to
15 the deputy director any information required by the deputy director.

16 ~~5.~~ 4. That ~~it~~ THE PROPOSED ACQUISITION is contrary to law.

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

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

23 6-204. Issuance of banking permit; trust business;
24 conditional approval; hearing; banker's bank;
25 definitions

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

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

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

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

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

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

43 B. An application that is not denied or approved by the deputy
44 director within ninety days after the application is filed with the deputy

1 director is deemed to be approved by the deputy director as of the first
2 day after the period.

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

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

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

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

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

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

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

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

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

31 G. For purposes of this section:

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

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

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

41 6-326. Denial of application; grounds

42 The deputy director shall deny an application for acquisition of an
43 in-state financial institution if the deputy director finds any of the
44 following:

1 1. The financial condition of the acquiring out-of-state financial
2 institution is such that it may jeopardize the financial stability of the
3 in-state financial institution or prejudice the interests of the
4 depositors, beneficiaries, creditors or shareholders of the in-state
5 financial institution.

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

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

17 ~~4.~~ 3. The applicant neglects, fails or refuses to furnish to the
18 deputy director any information requested by the deputy director.

19 ~~5.~~ 4. The applicant fails to obtain any required approval from a
20 federal or state agency with authority over any of the financial
21 institutions that are participating in the transaction.

22 ~~6.~~ 5. The acquisition is contrary to law.

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

25 6-603. License; contents of application; fees;
26 nontransferability

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

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

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

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

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

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

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

1 2. Has failed to demonstrate the financial responsibility, ~~AND~~
2 experience, ~~character and general fitness~~ to command the confidence of the
3 public and to warrant the belief that the business will be operated
4 lawfully, honestly, fairly and efficiently within the purposes of this
5 chapter.

6 3. Has failed to pay the license fee.

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

10 G. A consumer lender license is not transferable or assignable, and
11 ~~no~~ A person may NOT acquire control of a licensee through stock purchase
12 or other device without the prior written consent of the deputy director.
13 The deputy director may refuse consent if the deputy director finds that
14 any of the grounds for denial of renewal, revocation or suspension of a
15 license prescribed in section 6-605 are applicable to the acquiring
16 person. For purposes of this subsection, "control" means the power to
17 vote more than twenty percent of the outstanding voting shares of a
18 licensed corporation, limited liability company, partnership, association
19 or trust.

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

22 6-605. Denial of renewal; suspension; revocation

23 A. The deputy director may deny renewal of a license or suspend or
24 revoke a license if the deputy director finds that a licensee:

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

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

28 ~~3.~~ 2. Has failed to pay the annual renewal fees.

29 ~~4.~~ 3. Has failed to file an annual report when due or within any
30 extension of time granted by the deputy director for good cause.

31 ~~5.~~ 4. Has failed to have or maintain at least \$25,000 in assets
32 used or readily available for use in ~~the conduct of~~ CONDUCTING the
33 business of each licensed office and branch office.

34 ~~6.~~ 5. Either knowingly or without the exercise of due care to
35 prevent a violation, has violated any provision of this title or any rule
36 or order adopted or made pursuant to this title.

37 ~~7.~~ 6. Has failed to operate the business of making consumer lender
38 loans for a continuous period of twelve months or more, except that the
39 deputy director, on good cause shown, may extend the time for operating
40 that business for a single fixed period of not more than twelve months.

41 B. The deputy director may also deny renewal of a license or
42 suspend or revoke a license if the deputy director finds that any fact or
43 condition exists that, if it had existed at the time of the original
44 application for the license, would have clearly warranted the deputy
45 director to refuse to issue the license.

1 Sec. 16. Section 6-707, Arizona Revised Statutes, is amended to
2 read:

3 6-707. Issuance of license; display; renewal

4 A. On the filing of the application and the payment of the fees and
5 the approval of the bond, or bonds, the deputy director shall investigate
6 the facts, and if the deputy director finds that the financial
7 responsibility, ~~AND~~ experience, ~~character and general fitness~~ of the
8 applicant are such as to command the confidence of the community to
9 warrant belief that the business will be operated fairly and honestly and
10 within the purposes of this article, the deputy director shall issue the
11 applicant a license to do business as a debt management company.

12 B. The license shall be kept conspicuously posted in the business
13 office of the licensee. The license ~~shall~~ IS not ~~be~~ transferable or
14 assignable.

15 C. Licenses ~~shall~~ expire on June 30 following the date of the
16 issuance unless sooner surrendered, revoked or suspended, ~~but~~ may be
17 renewed by filing an application with the deputy director on or before
18 June 15 each year. The application for renewal shall be in the form
19 prescribed by the deputy director and shall be accompanied by the fee
20 prescribed in section 6-126. A separate application shall be made for
21 each initial license of a principal place of business, agency or branch
22 office.

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

25 6-817. Refusal to license; suspension; revocation

26 A. The deputy director on investigation may refuse to license any
27 applicant, ~~or~~ may suspend or revoke any license pursuant to title 41,
28 chapter 6, article 10 by entering an order to that effect, together with
29 findings in respect to the order and by notifying the applicant or escrow
30 agent either personally or by certified mail, return receipt requested,
31 sent to the agent's stated address, on the determination by the deputy
32 director that the applicant or escrow agent:

33 1. Is unable to pay debts as they fall due in the regular course of
34 business.

35 2. Has not conducted the applicant's or agent's business in
36 accordance with law or has violated this chapter or the rules relating to
37 this chapter.

38 3. Is in such A financial condition that the applicant or agent
39 cannot continue in business with safety to the applicant's or agent's
40 customers or the public.

41 4. Has been found guilty of fraud in a legal or administrative
42 proceeding in this jurisdiction or any other jurisdiction.

43 5. Has made any material misrepresentations or false statements to,
44 or concealed any essential or material fact from, any person in the course
45 of the escrow business.

1 6. Has knowingly made or caused to be made to the deputy director
2 any false representation of a material fact, or has suppressed or withheld
3 from the deputy director any information that the applicant or agent
4 possesses, and that if submitted by the applicant or agent would have
5 caused the issuance of a license to be withheld or be grounds for the
6 suspension or revocation of a license.

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

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

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

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

20 11. Has disbursed monies in violation of escrow instructions.

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

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

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

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

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

38 6-857. Issuance of certificate; hearing

39 A. On the filing of an application for a certificate, the deputy
40 director shall make or cause to be made an investigation and examination
41 of the facts concerning the truth of the statements and the background of
42 the management, controlling shareholder or shareholders, directors and
43 executive officers and shall issue a certificate if the deputy director
44 finds:

1 1. The applicant is a corporation having powers and purposes to
2 engage in the trust business organized under the laws of this state or
3 authorized to do business in this state as a foreign corporation.

4 2. The applicant has complied with all of the applicable provisions
5 of this article.

6 3. The general ~~character, reputation,~~ financial standing, business
7 qualifications, ~~AND~~ ability ~~and integrity~~ of the persons involved in the
8 management of the applicant's business are such as to demonstrate that the
9 trust company will be operated in a safe, sound and lawful manner.

10 4. The proposed capital meets the requirements of section 6-856.

11 5. The applicant has submitted a business plan demonstrating a
12 knowledge of potential markets and the ability to generate business.

13 6. The applicant has procured a fidelity bond as prescribed in
14 section 6-868.

15 7. The applicant has procured insurance as prescribed in section
16 6-859, subsections E and F.

17 B. The deputy director may conditionally accept the application on
18 specific requirements being met, but a certificate shall not be issued
19 until such conditions have been met.

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

24 Sec. 19. Section 6-863, Arizona Revised Statutes, is amended to
25 read:

26 6-863. Suspension or revocation of certificate

27 A. The deputy director may suspend or revoke the certificate of a
28 trust company pursuant to title 41, chapter 6, article 10 if the deputy
29 director determines that:

30 1. The trust company has failed or refused to comply with any order
31 issued pursuant to section 6-137.

32 2. The application for a certificate or for renewal of a
33 certificate or any report submitted to the deputy director contained a
34 false representation or omission of a material fact.

35 3. Any officer or agent of the trust company, in connection with
36 the submission of any report or information to the deputy director or an
37 application for a certificate or for renewal of a certificate, knowingly
38 made a false representation of a material fact or failed to disclose a
39 material fact to the deputy director or the duly authorized agent of the
40 deputy director.

41 4. The trust company has violated any applicable law, rule or
42 order.

43 5. The trust company is impaired or insolvent and the trust company
44 is unable to pay debts as they become due in the regular course of its
45 business.

1 6. The trust company refuses to allow an examination or
2 investigation by the deputy director of its books and affairs or has
3 failed or refused to furnish within thirty days any information or to make
4 any report that may be required by the deputy director.

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

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

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

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

14 ~~11.~~ 10. The trust company's certificate or authorization to engage
15 in trust business in any state or country has been revoked, suspended or
16 denied.

17 ~~12.~~ 11. A final judgment has been entered in a civil action against
18 any officer, director, employee or agent of the trust company involving
19 fraud, deceit or misrepresentation and the conduct is contrary to the
20 interest of the public to allow the person to engage in a trust business,
21 to control or manage a trust company or to work for a trust company
22 handling trust funds.

23 ~~13.~~ 12. An order by an administrative agency of this state, another
24 state, the federal government, a territory of the United States or another
25 country has been entered against any officer, director, employee or agent
26 of the trust company involving fraud, deceit or misrepresentation and the
27 conduct is contrary to the interest of the public to allow the person to
28 engage in a trust business, to control or manage a trust company or to
29 work for a trust company handling trust funds.

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

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

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

41 2. A person entitled to vote more than fifteen percent of the
42 outstanding voting shares of the trust company.

1 Sec. 20. Section 6-903, Arizona Revised Statutes, is amended to
2 read:

3 6-903. Licensing of mortgage brokers required;
4 qualifications; application; bond; fees; renewal

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

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

14 C. An applicant for an original mortgage broker's license shall:

15 1. Have not less than three years' experience as a mortgage broker
16 or loan originator or equivalent lending experience in a related business
17 during the five years immediately preceding the time of application.

18 2. Have satisfactorily completed a course of study approved by the
19 deputy director during the three years immediately preceding the time of
20 application.

21 3. Have passed a mortgage broker's test, pursuant to section 6-908.

22 D. An applicant for an original commercial mortgage broker's
23 license shall:

24 1. Have not less than three years' experience in the commercial
25 mortgage broker business or equivalent lending experience in a related
26 business during the five years immediately preceding the time of
27 application.

28 2. Have made in the past or intend to make or negotiate or offer to
29 make or negotiate commercial mortgage loans.

30 3. Provide the deputy director with the following:

31 (a) A balance sheet prepared within the immediately preceding six
32 months and certified by the licensee. The deputy director may require a
33 more recent balance sheet.

34 (b) If the applicant has begun operations, a statement of
35 operations and retained earnings and a statement of changes in financial
36 position.

37 (c) Notes to the financial statement if applicable.

38 E. Notwithstanding subsection D, paragraph 3 of this section,
39 commercial mortgage broker licensees and commercial mortgage broker
40 license applicants whose own resources are derived exclusively from
41 correspondent contracts with institutional investors shall provide the
42 deputy director with a current financial statement or that of its parent
43 company prepared according to generally accepted accounting principles,
44 including:

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

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

6 3. Notes to the financial statement if applicable.

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

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

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

38 I. A licensee shall notify the deputy director that its responsible
39 individual will cease to be in active management of the activities of the
40 licensee within ten days after learning that fact. The licensee has
41 ninety days after the notification is received by the deputy director
42 within which to replace the responsible individual with a qualified
43 replacement and to so notify the deputy director. If the license is not
44 placed under active management of a qualified responsible individual and

1 if notice is not given to the deputy director within the ninety-day
2 period, the license of the licensee expires.

3 J. Every person licensed as a mortgage broker or a commercial
4 mortgage broker shall deposit with the deputy director, before doing
5 business as a mortgage broker or a commercial mortgage broker, a bond
6 executed by the licensee as principal and a surety company authorized to
7 do business in this state as surety. The bond shall be conditioned on the
8 faithful compliance of the licensee, including the licensee's directors,
9 officers, members, partners, trustees and employees, with this
10 article. The bond is payable to any person injured by the wrongful act,
11 default, fraud or misrepresentation of the licensee or the licensee's
12 employees and to this state for the benefit of the person injured. Only
13 one bond is required for any person, firm, association or corporation
14 irrespective of the number of officers, directors, members, partners or
15 trustees who are employed by or are members of such firm, association or
16 corporation. ~~No~~ A suit may ~~NOT~~ be commenced on the bond after the
17 expiration of one year following the commission of the act on which the
18 suit is based, except that claims for fraud or mistake are limited to the
19 limitation period provided in section 12-543, paragraph 3. If an injured
20 person commences an action for a judgment to collect from the bond, the
21 injured person shall notify the deputy director of the action in writing
22 at the time of the commencement of the action and shall provide copies of
23 all documents relating to the action to the deputy director on request.

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

28 L. For the purposes of subsection K of this section:

29 1. "Institutional investor" means a state or national bank, a state
30 or federal savings and loan association, a state or federal savings bank,
31 a state or federal credit union, a federal government agency or
32 instrumentality, a quasi-federal government agency, a financial
33 enterprise, a licensed real estate broker or salesman, a profit sharing or
34 pension trust, or an insurance company.

35 2. "Investor" means any person who directly or indirectly provides
36 to a mortgage broker funds that are, or are intended to be, used in ~~the~~
37 making ~~of~~ a loan, ~~and~~ any person who purchases a loan, or any interest
38 therein, from a mortgage broker or in a transaction that has been directly
39 or indirectly arranged or negotiated by a mortgage broker.

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

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

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

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

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

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

- 32 1. The date of substitution of a bond for a cash alternative.
- 33 2. The surrender of the license.
- 34 3. The revocation of the license.
- 35 4. The expiration of the license.

36 P. A licensee or an employee of the licensee shall not advertise
37 for or solicit mortgage business in any manner without using the name and
38 license number as issued on the mortgage broker's principal place of
39 business license, except that a licensee may employ or refer to the
40 commonly used name and any trademarks or service marks of any affiliate.
41 If a license is issued in the name of a natural person, nothing in the
42 advertising or solicitation may imply the license is in the name of
43 another person or entity. For the purposes of this
44 subsection, ~~advertising~~ does not include business cards, radio and
45 television advertising directed at national or regional markets and

1 promotional items except if those items contain rates or terms on which a
2 mortgage loan may be obtained.

3 Q. A licensee shall not employ any person unless the licensee:

4 1. Conducts a reasonable investigation of the background, honesty,
5 truthfulness, integrity and competency of the employee before hiring.

6 2. Keeps a record of the investigation for not less than two years
7 after termination.

8 R. A license is not transferable or assignable and control of a
9 licensee may not be acquired through a stock purchase or other device
10 without the prior written consent of the deputy director. Written consent
11 shall not be given if the deputy director finds that any of the grounds
12 for denial, revocation or suspension of a license as set forth in section
13 6-905 are applicable to the acquiring person. For the purposes of this
14 subsection, "control" means the power to vote more than twenty percent of
15 outstanding voting shares of a licensed corporation, partnership,
16 association or trust.

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

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

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

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

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

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

40 6-905. Denial, suspension or revocation of licenses

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

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

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

3 ~~3.~~ 2. Has violated any applicable law, rule or order.

4 ~~4.~~ 3. Refuses to allow an examination by the deputy director of
5 the licensee's books and affairs or refuses or fails, within a reasonable
6 time, to furnish any information or make any report that may be required
7 by the deputy director.

8 ~~5.~~ 4. Has been convicted in any state of a felony or any crime
9 involving breach of trust or dishonesty.

10 ~~6.~~ 5. Has had a final judgment entered against the applicant or
11 licensee in a civil action on grounds of fraud, deceit or
12 misrepresentation and the conduct on which the judgment is based indicates
13 that it would be contrary to the interest of the public to allow such a
14 person to be licensed or to control or manage a licensee.

15 ~~7.~~ 6. Has had an order entered against the applicant or licensee
16 involving fraud, deceit or misrepresentation by an administrative agency
17 of this state, the federal government or any other state or territory of
18 the United States and that the facts relating to the order indicate that
19 it would be contrary to the interest of the public to allow such a person
20 to be licensed or to control or manage a licensee.

21 ~~8.~~ 7. Has made a material misstatement or suppressed or withheld
22 information on the application for a license or any document required to
23 be filed with the deputy director.

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

32 C. If a licensee is other than a natural person, it is sufficient
33 cause for the suspension or revocation of the license if an officer,
34 director, member, partner, trustee, employee, while acting in the course
35 of the mortgage broker business, or person entitled to vote more than
36 twenty percent of the outstanding voting shares of the licensed
37 corporation, partnership, association or trust has acted or failed to act
38 in the same manner as would be cause for suspending or revoking a license
39 of the party as an individual. If a licensee is a natural person, it is
40 sufficient cause for the suspension or revocation of the license if an
41 employee of the person, while acting as an employee, has acted or failed
42 to act in the course of the mortgage broker business of the licensee in
43 the same manner as would be cause for suspending or revoking a license of
44 the party as an owner.

1 Sec. 22. Section 6-912, Arizona Revised Statutes, is amended to
2 read:

3 6-912. Certificate of exemption

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

9 1. Registering with the department except that the registration
10 shall not affect the exempt status of the applicant.

11 2. Sponsoring one or more mortgage loan originators.

12 3. Fulfilling any reporting requirements.

13 4. Reasonably supervising the activities of a mortgage loan
14 originator who is licensed pursuant to article 4 of this chapter and who
15 is employed by or under exclusive contract with the applicant.

16 B. A person shall ~~make an application~~ APPLY for a certificate of
17 exemption or renewal of a certificate of exemption in writing on the
18 forms, in the manner and accompanied by the information prescribed by the
19 deputy director. The deputy director may require additional information
20 on the experience, background, ~~honesty, truthfulness, integrity~~ and
21 competency of the applicant and the responsible individual designated by
22 the applicant.

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

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

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

42 1. The exempt person is not placed under active management of a
43 qualified responsible individual.

1 2. The exempt person does not provide notice of replacement of the
2 responsible individual to the deputy director as prescribed by this
3 section.

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

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

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

13 ~~1. Shown that the applicant or certificate holder is not a person
14 of honesty, truthfulness and good character.~~

15 ~~2.~~ 1. Violated any applicable law, rule or order.

16 ~~3.~~ 2. Refused or failed to furnish, within a reasonable time, any
17 information or make any report that may be required by the deputy
18 director.

19 ~~4.~~ 3. Had a final judgment entered against the applicant or
20 certificate holder in a civil action on grounds of fraud, deceit or
21 misrepresentation and the conduct on which the judgment is based indicates
22 that it would be contrary to the interest of the public to allow the
23 applicant or certificate holder to manage a loan originator.

24 ~~5.~~ 4. Had an order entered against the applicant or certificate
25 holder involving fraud, deceit or misrepresentation by an administrative
26 agency of this state, the federal government or any other state or
27 territory of the United States and the facts relating to the order
28 indicate that it would be contrary to the interest of the public to allow
29 the applicant or certificate holder to manage a loan originator.

30 ~~6.~~ 5. Made a material misstatement or suppressed or withheld
31 information on the application for a certificate of exemption or any
32 document required to be filed with the deputy director.

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

42 J. Every person to whom a certification of exemption is issued
43 pursuant to this section shall deposit with the deputy director, before
44 doing business as a registered exempt person, a bond executed by the
45 registered exempt person as principal and a surety company authorized to

1 do business in this state as surety. The bond shall be conditioned on the
2 faithful compliance of the registered exempt person, including the
3 registered exempt person's directors, officers, members, partners,
4 trustees and employees, with this article. The bond is payable to any
5 person injured by the wrongful act, default, fraud or misrepresentation of
6 the registered exempt person, or the registered exempt person's directors,
7 officers, members, partners, trustees and employees and to this state for
8 the benefit of the person injured. Only one bond is required for any
9 person, firm, association or corporation irrespective of the number of
10 officers, directors, members, partners or trustees who are employed by or
11 are members of such firm, association or corporation. ~~No~~ A suit may NOT
12 be commenced on the bond after the expiration of one year following the
13 commission of the act on which the suit is based, except that claims for
14 fraud or mistake are limited to the limitation provided in section 12-543,
15 paragraph 3. If an injured person commences an action for a judgment to
16 collect from the bond, the injured person shall notify the deputy director
17 of the action in writing at the time of the commencement of the action and
18 shall provide copies of all documents relating to the action to the deputy
19 director on request. The bond required by this section ~~shall be~~ IS
20 \$200,000.

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

23 6-943. Licensing of mortgage bankers required;
24 qualifications; application; bond; fees; renewal

25 A. A person shall not act as a mortgage banker if the person is not
26 licensed under this article.

27 B. The deputy director shall not grant a mortgage banker's license
28 to a person, other than a natural person, who is not registered to do
29 business in this state on the date of application for a license. The
30 deputy director shall not issue a mortgage banker's license or a renewal
31 of a license to an applicant unless the applicant meets all of the
32 requirements prescribed in subsection C of this section. The deputy
33 director shall determine whether the applicant meets the requirements
34 based on the application and evidence presented at a hearing, if any, or
35 any other evidence that the deputy director may have regarding
36 qualifications of the applicant.

37 C. In order to qualify for a mortgage banker license or a renewal
38 of a license, an applicant shall:

39 1. Have not fewer than three years' experience in the business of
40 making mortgage banking loans or equivalent lending experience in a
41 related business. If the applicant is a person other than a natural
42 person, the responsible individual shall meet this requirement.

43 2. Have engaged or intend to engage in the business of making
44 mortgage loans or mortgage banking loans.

1 3. Either:

2 (a) Be authorized to do business with any of the following:

3 (i) The federal housing administration.

4 (ii) The United States department of veterans affairs.

5 (iii) The federal national mortgage association.

6 (iv) The federal home loan mortgage corporation.

7 (b) Notwithstanding paragraph 5 of this subsection, at all times
8 have and maintain a net worth of not less than \$100,000.

9 4. Provide the deputy director with a current audited financial
10 statement, or that of its parent company, **THAT IS** prepared by an
11 independent certified public accountant in accordance with generally
12 accepted accounting principles ~~including~~ **AND THAT INCLUDES:**

13 (a) The certified public accountant's opinion as to the fairness of
14 the presentation in conformity with generally accepted accounting
15 principles.

16 (b) A balance sheet prepared within the previous six months and
17 certified by the licensee. The deputy director may require a more recent
18 balance sheet.

19 (c) A statement of operations and retained earnings and a statement
20 of changes in financial position ~~provided~~ **IF** the applicant has commenced
21 operations.

22 (d) Notes to the financial statement, if applicable.

23 5. At all times have and maintain a net worth of not less than
24 \$100,000.

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

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

40 F. If a licensee is a person other than a natural person, the
41 license issued to it entitles all officers, directors, members, partners,
42 trustees and employees of the licensed corporation, partnership,
43 association or trust to engage in the mortgage banking business if one
44 officer, director, member, partner, employee or trustee of the person is
45 designated in the license as the individual responsible for the person

1 under this article. If a licensee is a natural person, the license
2 entitles all employees of the licensee to engage in the mortgage banking
3 business. If the natural person is not a resident of this state, an
4 employee of the licensee shall be designated in the license as the
5 individual responsible for the licensee under this article. For the
6 purposes of this article, an employee does not include an independent
7 contractor. For the purposes of this article, ~~a~~ THE responsible
8 individual shall be a resident of this state, shall be in active
9 management of the activities of the licensee governed by this article and
10 shall have not less than three years' experience in the business of making
11 mortgage banking loans or equivalent experience in a related business.

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

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

<u>Base</u>	<u>Minimum Bond</u>
38 Not over \$1,000,000	\$25,000 for the first \$500,000 plus 39 \$5,000 for each \$100,000 or fraction 40 thereof over \$500,000
41 \$1,000,001 to \$10,000,000	\$50,000 plus \$5,000 for each \$1,800,000 42 or fraction thereof over \$1,000,000
43 \$10,000,001 to \$100,000,000	\$75,000 plus \$5,000 for each \$18,000,000 44 or fraction thereof over \$10,000,000
45 \$100,000,001 and over	\$100,000

1 ~~No~~ A suit may NOT be commenced on the bond after the expiration of one
2 year following the commission of the act on which the suit is based,
3 except that claims for fraud or mistake are limited to the limitation
4 period provided in section 12-543, paragraph 3. If any injured person
5 commences an action for a judgment to collect on the bond, the injured
6 person shall notify the deputy director of the action in writing at the
7 time of the commencement of the action and shall provide copies of all
8 documents relating to the action to the deputy director on request.

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

12 J. For the purposes of subsection I of this section:

13 1. "Institutional investor" means a state or national bank, a state
14 or federal savings and loan association, a state or federal savings bank,
15 a state or federal credit union, a federal government agency or
16 instrumentality, a quasi-federal government agency, a financial
17 enterprise, a licensed real estate broker or salesman, a profit sharing or
18 pension trust, or an insurance company.

19 2. "Investor" means any person who directly or indirectly provides
20 to a mortgage banker funds that are, or are intended to be, used in the
21 making of a loan, and any person who purchases a loan, or any interest
22 therein, from a mortgage banker or in a transaction that has been directly
23 or indirectly arranged or negotiated by a mortgage banker.

24 K. Notwithstanding section 35-155, in lieu of the bond described in
25 this section, an applicant for a license or a licensee may deposit with
26 the deputy director a deposit in the form of cash or alternatives to cash
27 in the amount prescribed in subsection H or I of this section, as
28 applicable. The deputy director may accept any of the following as an
29 alternative to cash:

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

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

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

43 L. The deputy director shall deposit the cash or alternatives to
44 cash received under this section with the state treasurer. The state
45 treasurer shall hold the cash or alternatives to cash in the name of this

1 state to guarantee the faithful performance of all legal obligations of
2 the person required to post bond pursuant to this section. The person is
3 entitled to receive any accrued interest earned from the alternatives to
4 cash. The state treasurer may impose a fee to reimburse the state
5 treasurer for administrative expenses. The fee shall not exceed \$10 for
6 each cash or alternatives to cash deposit and shall be paid by the
7 applicant or licensee. The state treasurer may prescribe rules relating
8 to the terms and conditions of each type of security provided by this
9 section.

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

- 16 1. The date of substitution of a bond for a cash alternative.
- 17 2. The surrender of the license.
- 18 3. The revocation of the license.
- 19 4. The expiration of the license.

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

32 O. A licensee shall not employ any person unless the licensee:

- 33 1. Conducts a reasonable investigation of the background, honesty,
34 truthfulness, integrity and competency of the employee before hiring.
- 35 2. Keeps a record of the investigation for not less than two years
36 after termination.

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

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

42 R. Notwithstanding subsection C, paragraph 4 of this section,
43 licensees and applicants whose own resources are derived exclusively from
44 correspondent contracts between mortgage bankers and banks, savings banks,
45 trust companies, savings and loan associations, credit unions, profit

1 sharing or pension trusts, consumer lenders or insurance companies shall
2 provide the deputy director with a current financial statement, or that of
3 its parent company, THAT IS prepared in accordance with generally accepted
4 accounting principles ~~including~~ AND THAT INCLUDES:

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

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

11 3. Notes to the financial statement if applicable.

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

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

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

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

31 6-945. Denial, suspension or revocation of licenses

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

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

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

38 ~~3.~~ 2. Refuses to allow an examination by the deputy director of
39 the licensee's books and affairs or refuses or fails, within a reasonable
40 time, to furnish any information or make any report that may be required
41 by the deputy director.

42 ~~4.~~ 3. Has been convicted in any state of a felony or any crime
43 involving breach of trust or dishonesty.

44 ~~5.~~ 4. Has had a final judgment entered against the applicant or
45 licensee in a civil action on grounds of fraud, deceit or

1 misrepresentation and the conduct on which the judgment is based indicates
2 that it would be contrary to the interest of the public to allow the
3 person to be licensed or to control or manage a licensee.

4 ~~6.~~ 5. Has had an order entered against the applicant or licensee
5 involving fraud, deceit or misrepresentation by any administrative agency
6 of this state, the federal government or any other state or territory of
7 the United States and ~~that~~ the facts relating to the order indicate that
8 it would be contrary to the interest of the public to allow the person to
9 be licensed or to control or manage a licensee.

10 ~~7.~~ 6. Has violated any applicable law, rule or order.

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

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

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

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

36 6-974. Application for license; issuance or denial; fees

37 A. A person shall apply for a license or for a renewal of a license
38 in writing on the forms, in the manner and accompanied by the information
39 prescribed by the deputy director. The deputy director may require
40 additional information on the experience, background, ~~honesty,~~
41 ~~truthfulness,~~ ~~integrity~~ and competency of the applicant and any
42 responsible individual designated by the applicant. If the applicant is a
43 person other than a natural person, the deputy director may require this
44 information as to the ~~honesty, truthfulness, integrity and~~ competency of

1 any officer, director, shareholder, member, partner, trustee, employee or
2 other interested party of the firm, association or corporation.

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

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

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

19 6-982. Denial, suspension or revocation of licenses

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

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

24 ~~2. Has shown that the licensee or any person acting under the~~
25 ~~license is not a person of honesty, truthfulness and good character.~~

26 ~~3.~~ 2. Refuses to allow an examination by the deputy director of
27 the licensee's books and affairs or refuses or fails, within a reasonable
28 time, to furnish any information or make any report that may be required
29 by the deputy director.

30 ~~4.~~ 3. Has been convicted in any state of a felony or any crime of
31 breach of trust or dishonesty.

32 ~~5.~~ 4. Has had a final judgment entered against the licensee in a
33 civil action on grounds of fraud, deceit or misrepresentation and the
34 conduct on which the judgment is based indicates that it would be contrary
35 to the interest of the public to allow the person to be licensed or to
36 control or manage a licensee.

37 ~~6.~~ 5. Has had an order entered against the licensee involving
38 fraud, deceit or misrepresentation by any administrative agency of this
39 state, the federal government or any other state or territory of the
40 United States and ~~that~~ the facts relating to the order indicate that it
41 would be contrary to the interest of the public to allow the person to be
42 licensed or to control or manage a licensee.

43 ~~7.~~ 6. Has violated any applicable law, rule or order.

44 B. If a person to whom a license is issued or who has applied for a
45 license under this article is indicted or informed against for forgery,

1 embezzlement, obtaining money under false pretenses, extortion, criminal
2 conspiracy to defraud or a similar offense or offenses, and a certified
3 copy of the indictment or information is filed with the deputy director,
4 the deputy director may suspend the license issued to the licensee or deny
5 a license to an applicant pending trial on the indictment or information.

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

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

20 6-991.05. Denial, suspension or revocation of licenses

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

24 ~~1. Is not a person of honesty, truthfulness or good character.~~

25 ~~2.~~ 1. Has violated any law, rule or order.

26 ~~3.~~ 2. Has been convicted of or pled guilty or nolo contendere to a
27 misdemeanor if it involved an act of fraud, dishonesty or breach of trust
28 or money laundering at any time preceding the date of application.

29 ~~4.~~ 3. Has had a final judgment entered against the applicant or
30 licensee in a civil action on grounds of fraud, deceit or
31 misrepresentation, and the conduct on which the judgment is based
32 indicates that it would be contrary to the interest of the public to allow
33 the person to be licensed.

34 ~~5.~~ 4. Has had an administrative agency of this state, the federal
35 government or any other state or territory of the United States enter an
36 order against the applicant or licensee involving fraud, deceit or
37 misrepresentation, and the facts relating to the order indicate that it
38 would be contrary to the interest of the public to allow the person to be
39 licensed.

40 ~~6.~~ 5. Has made a material misstatement or suppressed or withheld
41 information on the application for a license or any document required to
42 be filed with the deputy director.

43 ~~7.~~ 6. Has had a loan originator license, consumer lender license,
44 mortgage broker license or mortgage banker license revoked or denied in
45 this state or any other state.

1 B. The deputy director shall deny a license to a person or suspend
2 or revoke a license if the deputy director finds that either of the
3 following applies:

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

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

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

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

23 **6-1107. Denial of application; grounds**

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

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

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

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

43 ~~4.~~ 3. The applicant has neglected, failed or refused to furnish to
44 the deputy director any required information.

45 ~~5.~~ 4. **it THE PROPOSED ACQUISITION** is contrary to law.

1 ~~6-~~ 5. The acquisition would result in a monopoly or would be in
2 furtherance of any combination or any conspiracy to monopolize or to
3 attempt to monopolize the business of financial institutions and financial
4 institution holding companies.

5 ~~7-~~ 6. The effect of the proposed acquisition will be to
6 substantially lessen competition, tend to create a monopoly or in any
7 other manner be a restraint of trade, unless the deputy director finds
8 that the effects of the proposed acquisition are clearly outweighed by its
9 probable effect in meeting the convenience and needs of the community to
10 be served and by the public interest.

11 ~~8-~~ 7. The applicant has made a material false statement on the
12 application.

13 B. The deputy director shall give the applicant written
14 notification of the granting or denial of an application together with a
15 statement in support of the decision. If the deputy director, based on
16 the information available at the time, plans to deny the application and
17 no hearing has been held in accordance with title 41, chapter 6, article
18 10, the deputy director shall send the applicant a written statement that
19 specifies the reasons for ~~such~~ THE tentative denial. The applicant shall
20 have fifteen days following the date of this statement within which to
21 file a written request to amend its application. On the filing of the
22 request, the applicant shall be given thirty days in which to amend its
23 application.

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

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

32 6-1209. Cease and desist orders; examinations

33 A. In addition to the deputy director's authority under section
34 6-137, the deputy director may issue an order to cease and desist against
35 a licensee, requiring the licensee to cease conducting its business
36 through an authorized delegate and to take appropriate affirmative action,
37 pursuant to section 6-137, if the deputy director finds that:

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

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

43 3. The competence, ~~OR~~ experience, ~~integrity or overall moral~~
44 ~~character~~ of the authorized delegate or any controlling person of the
45 authorized delegate indicates that it would not be in the interest of the

1 public to allow that person to participate in the business regulated under
2 this chapter.

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

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

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

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

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

33 6-1216. Acquisition of control

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

37 B. An application for approval to acquire control of a licensee
38 shall be in writing in a form prescribed by the deputy director and shall
39 be accompanied by information as the deputy director may require. The
40 application shall be accompanied by the fee prescribed in section
41 6-126. The deputy director shall act on the application within one
42 hundred twenty days after the date on which the application is complete,
43 unless the applicant consents in writing to an extended period. An
44 application that is not denied or approved within that period shall be

1 deemed approved as of the first business day after the expiration of that
2 period.

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

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

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

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

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

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

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

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

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

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

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

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

1 the proposed transaction is not subject to the requirements of this
2 section.

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

5 6-1404. Denial, suspension or revocation of licenses and
6 branch office permits

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

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

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

13 ~~3.~~ 2. Refuses to allow an examination by the deputy director of
14 the licensee's books and affairs or refuses or fails, within a reasonable
15 time, to furnish any information or make any report that may be required
16 by the deputy director.

17 ~~4.~~ 3. Has been convicted in any state of a felony or any crime of
18 breach of trust or dishonesty.

19 ~~5.~~ 4. Has had a final judgment entered against the person in a
20 civil action on grounds of fraud, deceit or misrepresentation and the
21 conduct on which the judgment is based indicates that it would be contrary
22 to the interest of the public to allow that person to be licensed or to
23 control or manage a licensee.

24 ~~6.~~ 5. Has had an order entered against the person involving fraud,
25 deceit or misrepresentation by any administrative agency of this state,
26 the federal government or any other state or territory of the United
27 States and ~~that~~ the facts relating to the order indicate that it would be
28 contrary to the interest of the public to allow that person to be licensed
29 or to control or manage a licensee.

30 ~~7.~~ 6. Has violated any applicable law, rule or order.

31 ~~8.~~ 7. Has failed to pay the license or annual renewal fees.

32 ~~9.~~ 8. Has failed to file an annual report when due or within any
33 extension of time that the deputy director, for good cause, may have
34 granted.

35 ~~10.~~ 9. Fails to have or maintain at least \$25,000 in liquid assets
36 available for use in ~~the conduct of~~ CONDUCTING the business.

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

1 C. It is sufficient cause for the suspension or revocation of the
2 license if an owner, officer, director, member, partner, trustee or
3 employee, while acting in the course of the premium finance business, or a
4 person who is entitled to vote more than twenty percent of the outstanding
5 voting shares of the licensed corporation or a person who has a
6 controlling interest in a licensed limited liability company, partnership,
7 association or trust has acted or failed to act in the same manner as
8 would be cause for suspending or revoking a license of the person to whom
9 the license was issued.

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

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

16 20-361. Licensing of rating organizations

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

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

24 2. A list of its members.

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

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

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

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

41 B. If the director finds that the applicant is competent,
42 ~~trustworthy~~ and otherwise qualified to act as a rating organization and
43 that its constitution, articles of agreement or association or certificate
44 of incorporation and its bylaws, rules and regulations governing the
45 conduct of its business conform to the requirements of law, the director

1 shall issue a license specifying the kinds of insurance, or subdivisions
2 or classes of risks or parts or combinations thereof, for which the
3 applicant is authorized to act as a rating organization. The director
4 shall either grant or deny an application in whole or in part within sixty
5 days after its filing.

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

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

13 20-411. Licensing of surplus lines broker; examination

14 A. A person shall not act as a surplus lines broker in this state
15 on behalf of an insured whose home state is Arizona unless the person has
16 a current surplus lines broker license issued by the director.

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

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

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

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

40 F. The license prescribed in this section shall expire and be
41 subject to renewal coincidental to, and in the same manner as, other
42 insurance license authority as prescribed in section 20-289. The director
43 shall charge the surplus lines broker license fee prescribed in section
44 20-167, except that, from and after June 30, 2005, a licensee adding
45 surplus lines broker authority to an existing insurance license shall be

1 charged one-half the surplus lines broker license fee if less than two
2 years remain in the term of the existing insurance license as of the date
3 the director receives the application to add surplus lines broker
4 authority to the existing insurance license.

5 G. To the extent not inconsistent with this article, section
6 20-281, section 20-283, subsection B, paragraph 6, section 20-286,
7 subsection C and sections 20-287, 20-289, 20-291, 20-292, 20-295, 20-296,
8 20-297, 20-298, 20-299, 20-300, 20-301 and 20-302 apply to surplus lines
9 brokers.

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

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

18 20-411.01. Licensing of Mexican insurance surplus lines
19 broker

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

27 B. Any surplus lines broker licensed pursuant to section 20-411 or
28 20-411.02 may transact the insurance business prescribed in section 20-422
29 without being licensed under this section.

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

32 20-485.12. Certificate of registration; fees; expiration;
33 revocation; civil penalties; violations;
34 classification; injunctive relief

35 A. ~~No~~ A person may NOT claim to be an administrator in this state
36 unless the person holds a valid certificate of registration as an
37 administrator issued by the director.

38 B. An application for a certificate of registration and an
39 application to renew a certificate shall be in the form prescribed by the
40 director and shall be accompanied by the fee prescribed in section
41 20-167. The fee is not refundable if the application or renewal
42 application is denied. Each application for a certificate shall include
43 the following information and documents:

44 1. A financial statement that is certified by an officer of the
45 applicant on a form acceptable to the director and that includes current

1 financial information covering the ninety days immediately preceding the
2 date that the application is filed with the director. The financial
3 statement shall include the following:

4 (a) A disclosure of the total amount of Arizona monies projected to
5 be handled for the next calendar year.

6 (b) An income statement and a balance sheet prepared in accordance
7 with generally accepted accounting principles for the two years
8 immediately preceding the date that the application is filed. The
9 applicant shall not submit consolidated income statements or balance
10 sheets.

11 2. All of the administrator's basic organization documents and
12 amendments to these documents, including any articles of incorporation,
13 articles of association, partnership agreement, trade name certificate,
14 trust agreement, shareholder agreement and other applicable document.

15 3. An organizational chart that identifies each member of the
16 holding company system that directly or indirectly controls the
17 administrator and every affiliate the administrator directly or indirectly
18 controls.

19 4. The ADMINISTRATOR'S bylaws, rules, ~~OR~~ OR regulations or similar
20 documents that regulate the administrator's internal affairs.

21 5. Biographical affidavits to be completed by the individuals
22 responsible for the administrator's affairs, including affidavits for all
23 members of the board of directors, the board of trustees, the executive
24 committee or any other governing board or committee, the principal
25 officers of the corporation or the partners or members of the partnership
26 or association, shareholders that directly or indirectly hold at least ten
27 ~~per cent~~ PERCENT of the voting securities of the administrator and any
28 other person who exercises control or influence over the affairs of the
29 administrator. The biographical affidavits shall include information
30 concerning the personal history, business record, insurance experience and
31 other pertinent facts as the director may require, including whether the
32 affiant has been the subject of an investigation by any regulatory
33 authority or has had any license of any type denied, suspended or revoked
34 in any jurisdiction.

35 6. The administrator's complete name and address for all offices in
36 each jurisdiction.

37 7. A declaration that states whether the administrator has:

38 (a) Been previously licensed to transact any kind of insurance in
39 this state or any other jurisdiction and whether that license has been
40 refused, suspended or revoked.

41 (b) Been indebted to any person, including all of the relevant
42 details.

43 (c) Had an administrative agreement canceled, including all of the
44 relevant details.

1 8. The details about the administrator's capacity to collect
2 premiums or administer claims on behalf of the insurer in this state.

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

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

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

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

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

43 F. The director may request further information from the
44 administrator at any time regarding a previously filed application or the
45 annual financial statement prescribed by subsection E of this section.

1 G. Within thirty days after the change becomes effective, the
2 administrator shall provide the director with written notice of any change
3 in the application on which the certificate of registration was issued and
4 of any change in the administrator's ownership or control.

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

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

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

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

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

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

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

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

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

42 20-486.01. Licensure of reinsurance intermediaries

43 A. A person, firm, association or corporation shall not act as a
44 reinsurance intermediary broker in this state unless:

1 1. With respect to a reinsurance intermediary broker who maintains
2 an office in this state, whether directly or as a member or employee of a
3 firm or association or as an officer, director or employee of a
4 corporation, the reinsurance intermediary broker is a licensed producer in
5 this state.

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

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

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

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

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

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

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

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

31 D. The director may issue a reinsurance intermediary license to a
32 person, firm, association or corporation that complies with the
33 requirements of this article. A license that is issued to a firm or
34 association authorizes all the members and designated employees of the
35 firm or association to act as reinsurance intermediaries under the
36 license. Members and designated employees shall be named in the
37 application and any supplements to the application. A license that is
38 issued to a corporation authorizes all of the officers, designated
39 employees and directors of the corporation to act as reinsurance
40 intermediaries on behalf of the corporation. The officers, designated
41 employees and directors shall be named in the application and any
42 supplements to the application. If the applicant for a reinsurance
43 intermediary license is a nonresident, as a condition precedent to
44 receiving or holding a license the applicant shall designate the director
45 as the agent for service of process pursuant to this article. The

1 applicant shall furnish the director with the name and address of a
2 resident of this state on whom may be served notice, orders of the
3 director or process affecting the nonresident reinsurance intermediary.
4 The licensee shall notify promptly the director in writing of every change
5 in its designated agent for service of process. The change does not
6 become effective until it is acknowledged by the director.

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

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

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

21 1. Has no authorization to bind any party.

22 2. Compensation is not dependent ~~upon~~ ON the sale or placement of
23 reinsurance and the amount of compensation is not related to the amount of
24 reinsurance or reinsurance premium.

25 3. Reinsurance related activities are infrequent and incidental to
26 other professional services.

27 4. Does not handle or control the funds of any party directly or
28 indirectly involved in the reinsurance activities of the reinsurance
29 intermediary broker.

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

32 20-1004. Issuance of certificate of authority

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

36 1. The persons responsible for conducting the affairs of the
37 prepaid dental plan organization are competent ~~and trustworthy~~ and are
38 professionally capable of providing or arranging for the provision of
39 services offered.

40 2. The prepaid dental plan organization constitutes an appropriate
41 mechanism to achieve an effective prepaid dental plan, in accordance with
42 regulations issued by the director, that shall include at least the basic
43 dental services appropriate to that plan as determined by the director.

44 3. The prepaid dental plan organization is financially responsible
45 and may reasonably be expected to meet its obligations to members and

1 prospective members. In making this determination, the director shall
2 consider at least:

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

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

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

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

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

18 20-1054. Issuance of certificate of authority

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

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

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

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

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

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

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

43 4. Each officer responsible for conducting the affairs of the
44 health care services organization has filed with the director, subject to

1 the director's approval, a fidelity bond in the amount of ~~fifty thousand~~
2 ~~dollars~~ \$50,000.

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

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

8 20-1095.03. Qualifications for permit

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

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

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

18 3. The applicant either:

19 (a) Files a surety bond or an alternative to a surety bond as
20 required by section 20-1095.04.

21 (b) Is insured by a mechanical reimbursement insurance policy
22 issued by an insurer authorized to do business in this state and provides
23 a copy of the policy to the director.

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

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

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

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

34 20-1096.04. Qualifications

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

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

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

44 3. The applicant makes the deposit as required by section
45 20-1096.06.

1 another state if the applicant will be driving a school bus for a school
2 district that is adjacent to that state.

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

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

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

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

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

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

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

31 28-3413. License for schools; requirements; fingerprint
32 clearance card

33 A. A person may not act as a traffic survival school unless the
34 person applies for and obtains from the director a license in the manner
35 and form prescribed by the director.

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

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

44 2. A requirement that traffic survival school courses of
45 instruction must:

1 (a) Consist of at least eight hours of instruction and include
2 information relating to aggressive driving as provided by section 28-695.

3 (b) Be offered and completed in person and may not be offered or
4 completed online unless the governor declares a state of emergency. The
5 department may grant a person who enrolls in a traffic survival school a
6 onetime waiver of the in-person requirement if the person demonstrates to
7 the department that completing the course in person would impose a
8 substantial burden on the person.

9 C. Each applicant who owns twenty percent or more of an entity and
10 each partner or stockholder who owns twenty percent or more of an entity
11 and who seeks licensure pursuant to this article shall provide the
12 department or a contracted private entity of the department pursuant to
13 section 28-3411 with a valid fingerprint clearance card issued pursuant to
14 section 41-1758.03.

15 Sec. 43. Section 32-122, Arizona Revised Statutes, as amended by
16 Laws 2016, chapter 167, section 5, is amended to read:

17 32-122. Qualifications for in-training designation

18 A. An applicant for in-training designation as an engineer,
19 geologist or land surveyor shall:

20 ~~1. Be of good moral character and repute.~~

21 ~~2.~~ 1. Be a graduate of a school approved by the board or have four
22 years or more of education or experience, or both, in work in the
23 profession in which registration is sought that meets standards specified
24 by the board in its rules.

25 ~~3.~~ 2. Unless exempt under section 32-126, subsection D, pass the
26 in-training examination in the profession in which registration is sought.

27 B. An applicant for in-training designation as an assayer shall:

28 ~~1. Be of good moral character and repute.~~

29 ~~2.~~ 1. Be a graduate of a school and curriculum approved by the
30 board or have four years or more of education or experience, or both, in
31 work in the profession in which registration is sought that meets
32 standards specified by the board in its rules.

33 ~~3.~~ 2. Unless exempt under section 32-126, subsection D, pass the
34 in-training examination in the profession in which registration is sought.

35 Sec. 44. Section 32-122, Arizona Revised Statutes, as amended by
36 Laws 2016, chapter 352, section 9 and chapter 371, section 11, is amended
37 to read:

38 32-122. Qualifications for in-training registration

39 A. An applicant for in-training registration as an architect,
40 engineer, geologist or landscape architect shall:

41 ~~1. Be of good moral character and repute.~~

42 ~~2.~~ 1. Be a graduate of a school approved by the board or have four
43 years or more, or if an applicant for in-training registration as an
44 architect, five years or more, of education or experience, or both, in

1 work in the profession in which registration is sought that meets
2 standards specified by the board in its rules.

3 ~~3.~~ 2. Unless exempt under section 32-126, subsection D, pass the
4 in-training examination in the profession in which registration is sought.

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

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

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

13 C. An applicant for in-training registration as a home
14 inspector-in-training shall meet the requirements of section 32-122.02,
15 subsection A, paragraphs 1 through ~~7~~ 6.

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

18 32-122.01. Qualifications for professional registration

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

21 ~~1. Be of good moral character and repute.~~

22 ~~2.~~ 1. Be actively engaged in education or experience, or both, in
23 the profession for which registration is sought for at least eight years.

24 ~~3.~~ 2. Unless exempt under section 32-126, pass the applicable
25 in-training and professional examinations in the profession in which
26 registration is sought.

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

29 ~~1. Be of good moral character and repute.~~

30 ~~2.~~ 1. Be actively engaged in education or experience, or both, in
31 the profession for which registration is sought for at least six years.

32 ~~3.~~ 2. Unless exempt under section 32-126, pass the in-training and
33 professional examinations in the profession in which registration is
34 sought.

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

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

43 2. Each year of study satisfactorily completed in a land surveying
44 curriculum and school approved by the board is considered equivalent to
45 one year of active engagement up to a maximum of four years. One year or

1 more of teaching land surveying or other courses approved by the board as
2 pertinent to the profession in which registration is sought in a school
3 approved by the board is equivalent to one year of active engagement.

4 D. Except as provided in subsection E of this section, experience
5 credited by the board under this section and sections 32-101, 32-122 and
6 32-126 must be attained under the direct supervision of a professional who
7 is satisfactory to the board and registered in this state, another state
8 or a foreign country in the profession in which the applicant is seeking
9 registration, except that up to one year's experience may be attained
10 under the direct supervision of a professional who is satisfactory to the
11 board and registered in another profession regulated under this chapter in
12 this state, another state or a foreign country.

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

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

20 32-122.02. Certification of home inspectors; insurance

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

22 1. Be at least eighteen years of age.

23 ~~2. Be of good moral character and repute.~~

24 ~~3.~~ 2. Have passed within two years preceding application a written
25 examination that is approved by the board and that meets the competency
26 standards recommended by the home inspector rules and standards committee
27 and adopted by the board.

28 ~~4.~~ 3. Have passed a course of study that meets the standards
29 recommended by the home inspector rules and standards committee and
30 approved by the board.

31 ~~5.~~ 4. Pay a fee as determined by the board and for initial
32 certification shall provide to the board evidence of having a valid
33 fingerprint clearance card issued pursuant to title 41, chapter 12,
34 article 3.1.

35 ~~6.~~ 5. Not have had a certificate denied or revoked pursuant to
36 this chapter within one year immediately preceding the application.

37 ~~7.~~ 6. Have received an absolute discharge from sentence at least
38 five years before the application if the person has been convicted of one
39 or more felonies, ~~provided the board determines the applicant is of good~~
40 ~~moral character and repute.~~

41 ~~8.~~ 7. Provide evidence of the applicant's ability to obtain
42 financial assurance as provided by subsection B of this section.

43 B. Within sixty days after certification and before any fee-based
44 home inspection is performed, a home inspector certified pursuant to this
45 chapter shall file one of the following financial assurances pursuant to

1 rules recommended by the home inspector rules and standards committee and
2 adopted by the board:

3 1. Errors and omissions insurance for negligent acts committed in
4 the course of a home inspection in an amount of ~~two hundred thousand~~
5 ~~dollars~~ \$200,000 in the aggregate and ~~one hundred thousand dollars~~
6 \$100,000 per occurrence.

7 2. A bond that is retroactive to the certification date in the
8 amount of ~~twenty-five thousand dollars~~ \$25,000 or proof that minimum net
9 assets have a value of at least ~~twenty-five thousand dollars~~ \$25,000.

10 C. If a home inspector loses or otherwise fails to maintain a
11 required financial assurance, the certification shall be automatically
12 suspended and shall be reinstated if a financial assurance is obtained
13 within ninety days. If a financial assurance is not obtained within
14 ninety days, the certification shall be automatically revoked.

15 D. A home inspector is subject to this chapter and rules adopted
16 pursuant to this chapter.

17 E. Except as provided in subsection A, paragraph ~~5~~ 4 of this
18 section, the board may not require the submission of a fingerprint
19 clearance card for certification renewal or any other purpose.

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

22 32-122.07. Denial of alarm business, controlling person or
23 alarm agent certification; appeal

24 A. The board may deny an application for certification as an alarm
25 business, controlling person or alarm agent if a controlling person of an
26 alarm business or an alarm agent ~~lacks good moral character or~~ has been
27 convicted of an act involving moral turpitude. ~~A lack of good moral~~
28 ~~character may be established by evidence of past criminal activity and~~
29 ~~shall be determined by the board.~~

30 B. If the board denies an application for certification as an alarm
31 business, controlling person or alarm agent, the board shall send notice
32 of its action by certified mail to the applicant, setting forth the
33 reasons for the action taken.

34 C. Within thirty days after the date of the notice, the applicant
35 may request a hearing before the board pursuant to title 41, chapter 6,
36 article 10.

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

39 32-721. Certified public accountants; qualifications

40 A. The board shall issue a certificate of certified public
41 accountant to any individual who complies with all of the following:

- 42 1. Meets the requirements of section 41-1080.
- 43 2. Is at least eighteen years of age.

44 ~~3. Is of good moral character.~~

1 ~~4.~~ 3. Has not engaged in any conduct that would constitute grounds
2 for revocation or suspension of a certificate or other disciplinary action
3 pursuant to section 32-741.

4 ~~5.~~ 4. Meets the requirements of subsection B, C or D of this
5 section.

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

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

20 2. Present satisfactory evidence that the person has successfully
21 obtained a baccalaureate degree or higher degree from an accredited
22 institution or a college or university that maintains standards comparable
23 to those of an accredited institution and that the applicant has completed
24 at least one hundred fifty semester hours of education of which:

25 (a) At least thirty-six semester hours are nonduplicative
26 accounting courses of which at least thirty semester hours are upper-level
27 courses.

28 (b) At least thirty semester hours are related courses.

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

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

39 2. The applicant has a baccalaureate degree or its equivalent or a
40 higher degree from an accredited institution or a college or university
41 that maintains standards comparable to those of an accredited institution
42 and either of the following applies:

43 (a) The applicant has been employed as a certified public
44 accountant in the practice of accounting for at least three years and has

1 completed at least one hundred fifty semester hours of education that
2 includes both of the following:

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

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

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

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

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

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

17 D. If an applicant passes the international uniform certified
18 public accountant qualification examination of the American institute of
19 certified public accountants, all of the following apply:

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

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

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

29 32-823. Qualifications of applicant

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

31 ~~1. Is of good moral character.~~

32 ~~2.~~ 1. Is a graduate of an accredited podiatry school whose
33 standards are recognized by the American podiatry medical association.

34 ~~3.~~ 2. Has the physical and mental capability to engage safely in
35 the practice of podiatry.

36 ~~4.~~ 3. Has a professional record that indicates that the applicant
37 has not committed any act or engaged in any conduct that would constitute
38 grounds for disciplinary action against a licensee under this chapter if
39 the applicant has previously engaged in the practice of podiatry.

40 ~~5.~~ 4. Has a professional record that indicates that the applicant
41 has not had a license to practice podiatry refused, revoked, suspended or
42 restricted in any way by any other state, federal jurisdiction or country
43 for reasons that relate to the ability to competently and safely practice
44 podiatry if the applicant has previously engaged in the practice of
45 podiatry.

1 jurisdiction for any act that constitutes unprofessional conduct pursuant
2 to this chapter.

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

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

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

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

17 E. In order to determine an applicant's eligibility for examination
18 and licensure, the board may require the applicant to submit a full set of
19 fingerprints to the board. The board shall submit the fingerprints to the
20 department of public safety for the purpose of obtaining a state and
21 federal criminal records check pursuant to section 41-1750 and Public Law
22 92-544. The department of public safety may exchange this fingerprint
23 data with the federal bureau of investigation. The board shall charge
24 each applicant a fee that is necessary to cover the cost of the
25 investigation. The board shall forward this fee to the department of
26 public safety.

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

29 32-1004. Exemptions

30 A. The following persons are exempt from this chapter when engaged
31 in the regular course of their respective businesses but shall comply with
32 the requirements of section 32-1051, paragraphs 2 through ~~7~~ 6 and section
33 32-1055, subsection C and subsection D, paragraphs 1, 2, 3 and 5:

34 1. Attorneys-at-law.

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

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

40 4. Common carriers.

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

43 6. Licensed real estate brokers.

44 7. Employees of licensees under this chapter.

- 1 8. Substation payment offices employed by or serving as independent
2 contractors or public utilities.
- 3 9. A person licensed pursuant to title 6, chapter 7.
- 4 10. A person licensed pursuant to title 6, chapter 9.
- 5 11. A person licensed pursuant to title 6, chapter 14, article 1.
- 6 12. A participant in a finance transaction in which a lender
7 receives the right to collect commercial claims due the borrower by
8 assignment, by purchase or by the taking of a security interest in those
9 commercial claims.
- 10 13. An accounting, bookkeeping or billing service provider that
11 complies with all of the following:
- 12 (a) Does not accept accounts that are contractually past due at the
13 time of receipt.
- 14 (b) Does not initiate any contact with individual debtors except
15 for the initial written notice of the amount owing and one written
16 follow-up notice.
- 17 (c) Does not give or send to any debtor a written communication
18 that requests or demands payment.
- 19 (d) Does not receive or have access to monies paid by debtors or
20 their insurers.
- 21 (e) All communications with the debtors are done in the name of the
22 creditor.
- 23 14. A person collecting claims owed, due or asserted to be owed or
24 due to a financial institution **OF WHICH** the deposits ~~of which~~ are insured
25 by an agency of the federal government, or any affiliate of the financial
26 institution, if the person is related by common ownership or affiliated by
27 corporate control with the financial institution and collects the claims
28 only for the financial institution or any affiliate of the financial
29 institution.
- 30 15. A person who is licensed pursuant to title 20, chapter 2,
31 article 3, 3.1, 3.2, 3.3 or 3.5 and who is authorized to collect premiums
32 under an insurance policy financed by a premium finance agreement as
33 defined in section 6-1401.
- 34 16. A person that is licensed pursuant to title 20, chapter 2,
35 article 9, that is authorized to act as an administrator for an insurer as
36 defined in section 20-485 and that collects charges pursuant to section
37 20-485.09, subsection B.
- 38 B. For the purposes of subsection A, paragraph 12 of this section:
- 39 1. A transaction shall not be deemed a finance transaction if the
40 primary purpose is to facilitate the collection of claims.
- 41 2. Commercial claim does not include an account arising from the
42 purchase of a service or product intended for personal, family or
43 household use.

1 C. For the purposes of subsection A, paragraph 13, subdivision (b)
2 of this section, the initial written notice and follow-up notice may
3 contain only the following information:

4 1. The name, address and telephone and telefacsimile numbers of the
5 creditor.

6 2. The amount due and an itemization of that amount.

7 3. The date payment is due.

8 4. The address or place where payment is to be made.

9 5. If the payment is past due, that payment is past due.

10 D. For a person who is exempt under subsection A, paragraph 14 of
11 this section, the deputy director shall investigate complaints of
12 residents of this state relating to any violations of section 32-1051,
13 paragraphs 2 through 7 or section 32-1055, subsection C or subsection D,
14 paragraph 1, 2, 3 or 5 and may examine the books, accounts, claims and
15 files of a person that relate to the complaint. A person who is exempt
16 and who violates section 32-1051, paragraphs 2 through ~~7~~ 6 or section
17 32-1055, subsection C or subsection D, paragraph 1, 2, 3 or 5 is subject
18 to sections 6-132, 6-136 and 6-137.

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

21 32-1023. Qualifications of applicants

22 A. An applicant for a license issued under this chapter shall:

23 1. Be a citizen of the United States ~~and be of good moral~~
24 ~~character.~~

25 2. Not have been convicted of a crime involving moral turpitude.

26 3. Not have defaulted on payment of money collected or received for
27 another.

28 4. Not have been a former licensee under this chapter whose license
29 was suspended or revoked and not subsequently reinstated.

30 B. If the applicant for a license is a firm, partnership,
31 association or corporation, the qualifications required by subsection A of
32 this section shall be required of the individual in active management of
33 the firm, partnership, association or corporation.

34 C. When a licensed agency ceases to be under the active management
35 of a qualified person, as defined in rules, notice of this fact shall be
36 given to the deputy director within ten days. The licensee shall have
37 ninety days after the termination of the services of the acting manager to
38 replace the qualified person and notify the deputy director of the
39 qualified replacement. If the agency is not placed under the active
40 management of a new qualified person and notice is not given to the deputy
41 director within the ninety-day period, the license of the agency expires
42 unless a provisional license has been granted under section 32-1027.

1 Sec. 53. Section 32-1051, Arizona Revised Statutes, is amended to
2 read:

3 32-1051. Duties of licensees

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

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

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

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

13 ~~4.~~ 3. Except for attorneys licensed to practice law, not attempt
14 to collect any collection fee, ~~attorney's~~ ATTORNEY fee, court cost or
15 expenses unless the fees, charges or expenses are justly due from and
16 legally chargeable against the debtor, ~~or~~ have been judicially
17 determined. ~~nor shall any~~ A licensee MAY NOT engage in any unfair or
18 misleading practices or resort to any oppressive, vindictive or illegal
19 means or methods of collection.

20 ~~5.~~ 4. Except for attorneys licensed to practice law, not give or
21 send to any debtor, or cause to be given or sent to any debtor, any
22 notice, letter, message or form ~~which~~ THAT:

23 (a) Simulates any legal process.

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

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

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

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

35 ~~6.~~ 5. Except for attorneys licensed to practice law, not use any
36 letterhead, ~~or~~ literature bearing any heading, slogan or statement
37 representing or ~~inferring~~ IMPLYING that the licensee practices law,
38 renders legal services or advice, ~~or~~ maintains a legal department.

39 ~~7.~~ 6. Not ~~by the~~ use ~~of~~ any letterhead, advertisement, agreement,
40 form, circular or other printed matter, or otherwise, ~~to~~ convey the
41 impression that the individual, firm, partnership, association or
42 corporation is vouched for or is an instrumentality of ~~the~~ THIS state, a
43 political subdivision of ~~the~~ THIS state, ~~or~~ the department.

1 Sec. 54. Section 32-1053, Arizona Revised Statutes, is amended to
2 read:

3 32-1053. Denial, revocation or suspension of license

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

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

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

10 ~~3.~~ 2. Has violated any applicable law, rule or order.

11 ~~4.~~ 3. Has been convicted in any state of any felony or other crime
12 involving breach of trust or dishonesty.

13 ~~5.~~ 4. Has had an order entered against the applicant or licensee
14 by an administrative agency of this state, the federal government or any
15 other state of the United States and that order is based on conduct
16 involving fraud, deceit or misrepresentation by the licensee or applicant.

17 ~~6.~~ 5. Has made a material misstatement or omission on the
18 application for a license or on any document required to be filed with the
19 deputy director.

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

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

30 32-1122. Qualifications for license

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

33 1. Classify and qualify applicants for a license.

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

37 3. Conduct investigations the registrar deems necessary.

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

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

42 1. Submit to the registrar of contractors a verified application on
43 forms that are prescribed by the registrar of contractors and that contain
44 the following information:

- 1 (a) A designation of the classification of license that is sought
2 by the applicant.
- 3 (b) If the applicant is a sole proprietorship, the applicant's name
4 and address.
- 5 (c) If the applicant is a partnership, the names and addresses of
6 all partners with a designation of any limited partners.
- 7 (d) If the applicant is a limited liability company, the names and
8 addresses of all of the following, as applicable:
- 9 (i) If the applicant is a manager-managed limited liability
10 company, all managers.
- 11 (ii) If the applicant is a member-managed limited liability
12 company, all members.
- 13 (iii) All owners of twenty-five percent or more of the stock or
14 beneficial interest.
- 15 (e) If the applicant is a corporation, an association or any other
16 organization, the names and addresses of all of the following:
- 17 (i) The president, vice president, secretary and treasurer or the
18 names and addresses of the functional equivalent of all of these officers.
- 19 (ii) The directors.
- 20 (iii) The owners of twenty-five percent or more of the stock or
21 beneficial interest.
- 22 (f) The name and address of the qualifying party.
- 23 (g) If the applicant is a limited liability company or corporation,
24 an attestation that the limited liability company or corporation is in
25 good standing with the corporation commission.
- 26 (h) The address or location of the applicant's place of business
27 and the mailing address if it is different from the applicant's place of
28 business.
- 29 (i) An attestation that the applicant has complied with the
30 statutes and rules governing workers' compensation insurance. If the
31 applicant is required by law to secure workers' compensation insurance
32 pursuant to ~~section 23-961~~ TITLE 23, CHAPTER 6, the attestation must
33 contain the workers' compensation insurance policy number or be
34 accompanied by proof of self-insurance.
- 35 (j) If the applicant is a trust, the names and addresses of all
36 trustees.
- 37 2. Submit the appropriate fee required under this chapter.
- 38 3. Submit and maintain the appropriate bond required under this
39 chapter.
- 40 4. Notify the registrar of any change in the information required
41 by this section within thirty days after the change occurs.
- 42 C. To obtain, renew or maintain a license under this chapter, each
43 person who is named on a license must ~~be of good character and~~
44 ~~reputation. Lack of good character and reputation may be established by~~
45 ~~showing that a person~~ NOT HAVE engaged in contracting without a license or

1 committed any act that, if committed or done by any licensed contractor,
2 would be grounds for suspension or revocation of a contractor's license or
3 ~~by showing that the person was~~ BE named on a license that was suspended or
4 revoked in this state or another state.

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

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

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

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

43 F. The registrar shall maintain multiple versions of examinations
44 for each type of license that requires an examination. The registrar
45 shall waive the examination requirement if the records reflect that the

1 qualifying party is currently or has previously been a qualifying party
2 for a licensee in this state in the same classification within the
3 preceding five years.

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

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

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

17 32-1232. Qualifications of applicant; application; fee;
18 fingerprint clearance card

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

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

29 C. The board may deny an application for a license, for license
30 renewal or for a restricted permit if the applicant:

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

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

35 3. Knowingly made any false statement in the application.

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

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

44 6. Has surrendered, relinquished or given up a license to practice
45 dentistry in lieu of disciplinary action by a dental regulatory board in

1 another jurisdiction in the United States for an act that occurred in that
2 jurisdiction and that constitutes unprofessional conduct pursuant to this
3 chapter.

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

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

11 32-1234. Dental consultant license

12 A. A person may apply for a dental consultant license if the
13 applicant demonstrates to the board's satisfaction that the applicant:

14 1. Has continuously held a license to practice dentistry for at
15 least twenty-five years issued by one or more states or territories of the
16 United States or the District of Columbia, but is not currently licensed
17 to practice dentistry in Arizona.

18 ~~2. Is of good moral character.~~

19 ~~3.~~ 2. Has not had a license to practice dentistry revoked by a
20 dental regulatory board in another jurisdiction in the United States for
21 an act that occurred in that jurisdiction and that constitutes
22 unprofessional conduct pursuant to this chapter.

23 ~~4.~~ 3. Is not currently under suspension or restriction by a dental
24 regulatory board in another jurisdiction in the United States for an act
25 that occurred in that jurisdiction and that constitutes unprofessional
26 conduct pursuant to this chapter.

27 ~~5.~~ 4. Has not surrendered, relinquished or given up a license to
28 practice dentistry in lieu of disciplinary action by a dental regulatory
29 board in another jurisdiction in the United States for an act that
30 occurred in that jurisdiction and that constitutes unprofessional conduct
31 pursuant to this chapter.

32 ~~6.~~ 5. Meets the applicable requirements of section 32-1232.

33 ~~7.~~ 6. Meets the requirements of section 32-1233, paragraphs 1 and
34 3. If an applicant has taken a state written theory examination instead
35 of the written national dental board examinations, the applicant must
36 provide the board with official documentation of passing the written
37 theory examinations in the state where the applicant holds a current
38 license. The board shall then determine the applicant's eligibility for a
39 license pursuant to this section.

40 ~~8.~~ 7. Meets the application requirements as prescribed in rule by
41 the board.

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

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

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

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

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

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

19 32-1284. Qualifications of applicant; application; fee;
20 fingerprint clearance card; rules; denial or
21 suspension of application

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

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

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

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

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

41 3. Knowingly made any false statement in the application.

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

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

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

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

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

16 32-1296. Qualifications of applicant

17 A. To be eligible for certification to practice denture technology
18 an applicant shall:

19 ~~1. Be of good moral character.~~

20 ~~2.~~ 1. Hold a high school diploma or its equivalent.

21 ~~3.~~ 2. Present to the board evidence of graduation from a
22 recognized denturist school or a certificate of satisfactory completion of
23 a course or curriculum in denture technology from a recognized denturist
24 school.

25 ~~4.~~ 3. Pass a ~~board approved~~ BOARD-APPROVED examination.

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

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

31 32-1522. Basic qualifications for license

32 A. To be eligible for a license to practice naturopathic medicine
33 pursuant to this chapter, the applicant shall:

34 1. Be a graduate of an approved school of naturopathic medicine.

35 2. Have satisfactorily completed an approved internship,
36 preceptorship or clinical training program in naturopathic medicine.

37 ~~3. Possess a good moral and professional reputation.~~

38 ~~4.~~ 3. Be physically and mentally fit to practice as a doctor of
39 naturopathic medicine.

40 ~~5.~~ 4. Not be guilty of any act of unprofessional conduct or any
41 other conduct that would be grounds for refusal, suspension or revocation
42 of a license under this chapter.

43 ~~6.~~ 5. Not have had a license to practice any profession refused,
44 revoked or suspended by any other state, district or territory of the
45 United States or another country for reasons that relate to the

1 applicant's ability to skillfully and safely practice as a physician in
2 this state.

3 ~~7.~~ 6. File a completed application pursuant to section 32-1524 and
4 meet the examination requirements provided for in section 32-1525.

5 B. The board may:

6 1. Require an applicant to submit credentials or other written or
7 oral proof.

8 2. Make investigations it deems proper to adequately advise itself
9 with respect to the qualifications of an applicant.

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

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

16 32-1523.01. Foreign graduates; additional qualifications

17 A. An applicant for a license to practice as a doctor of
18 naturopathic medicine who received naturopathic medical training from an
19 institution outside of the United States or Canada and who is not licensed
20 by any other state, district or territory of the United States shall meet
21 all of the following requirements:

22 1. Be a graduate of an approved school of naturopathic medicine.

23 2. Have successfully completed a clinical training program.

24 ~~3. Possess a good moral and professional reputation.~~

25 ~~4.~~ 3. Be physically and mentally fit to practice as a doctor of
26 naturopathic medicine.

27 ~~5.~~ 4. Not be guilty of an act of unprofessional conduct or any
28 other conduct ~~which~~ THAT is grounds for refusal, suspension or revocation
29 of a license under this chapter.

30 ~~6.~~ 5. Not have had a license to practice any profession refused,
31 revoked or suspended by any other state, district or territory of the
32 United States or another country for reasons ~~which~~ THAT relate to that
33 person's ability to skillfully and safely practice as a doctor of
34 naturopathic medicine.

35 ~~7.~~ 6. Have successfully completed either a ~~two-year~~ TWO-YEAR
36 internship training program approved by the board or a postdoctoral
37 training program approved by the board.

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

42 C. The applicant shall pass the examination as required pursuant to
43 section 32-1525, subsection B.

1 D. The board may:

2 1. Require the applicant to submit credentials or other written or
3 oral proof that the applicant meets the requirements of this section.

4 2. Make investigations it deems proper to adequately determine the
5 qualifications of the applicant.

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

8 32-1529. Specialists; certification; qualifications

9 A. To be eligible for a certificate to practice as a specialist, an
10 applicant shall:

11 1. Hold a current valid license to practice naturopathic medicine
12 under this chapter.

13 2. Have satisfactorily completed an approved postdoctoral training
14 program in the specialty.

15 3. Be board certified in the specialty by a specialty board of
16 examiners that is recognized by the board.

17 ~~4. Possess a good moral and professional reputation.~~

18 ~~5.~~ 4. Be physically and mentally fit to practice the specialty.

19 ~~6.~~ 5. Not be guilty of any act of unprofessional conduct or any
20 other conduct that would be grounds for refusal, suspension or revocation
21 of a license under this chapter.

22 ~~7.~~ 6. Not have had any license to practice any profession refused,
23 revoked or suspended by any other state, district or territory of the
24 United States or another country for reasons that relate to the person's
25 ability to skillfully and safely practice as a physician in this state.

26 ~~8.~~ 7. File a completed application pursuant to section 32-1524.

27 B. The board may:

28 1. Require an applicant to submit credentials or other written or
29 oral proof.

30 2. Make investigations it deems necessary to adequately advise it
31 with respect to an applicant's qualifications.

32 C. A certificate issued to a physician pursuant to this section
33 shall be concurrently renewed, suspended or revoked, with that
34 physician's license to practice naturopathic medicine.

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

37 32-1682. Applications for a dispensing optician license;
38 original and renewal; examination

39 A. An applicant for licensure shall submit a verified application
40 to the board on a form prescribed by the board. The application shall
41 contain information the board determines is necessary to assist the board
42 in determining the applicant's ability to meet the requirements of this
43 chapter and board rules.

44 B. A person who wishes to renew a license shall submit a verified
45 renewal application to the board each year on a form prescribed by the

1 board. The renewal application shall contain information the board
2 determines is necessary to assist the board in determining that the
3 applicant is not in default of or in violation of this chapter or board
4 rules and that the licensee continues to meet the requirements of this
5 chapter.

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

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

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

25 32-1683. Qualifications of applicants

26 An applicant for a license issued under this chapter shall:

27 ~~1. Be of good moral character.~~

28 ~~2.~~ 1. Not have been convicted of a crime involving moral
29 turpitude.

30 ~~3.~~ 2. Not be a former licensee under this chapter whose license
31 was suspended or revoked and not subsequently reinstated.

32 ~~4.~~ 3. Be a high school graduate or the equivalent as prescribed by
33 rules of the board.

34 ~~5.~~ 4. Establish that the applicant has the required technical
35 skill and training necessary for licensing by any one of the following
36 means:

37 (a) Submit evidence of having a valid and subsisting license in
38 good standing from another state that licenses dispensing opticians or
39 ophthalmic dispensers and whose requirements are substantially equivalent
40 to the requirements of this chapter.

41 (b) Submit evidence of having served an apprenticeship in optical
42 dispensing for three of the six years immediately preceding the date of
43 application under the direct supervision of a dispensing optician,
44 optometrist or an allopathic or osteopathic physician who holds an active
45 license in good standing issued by any state. The apprenticeship must

1 include all principal phases of optical dispensing in order to result in
2 the applicant acquiring the minimum basic skills required for optical
3 dispensing. The board may accept a maximum of one thousand hours of
4 alternative optical laboratory experience toward satisfying the
5 apprenticeship requirements if that experience meets the standards
6 established by the board.

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

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

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

22 **32-1722. Qualifications of applicant; applications**

23 A. A person ~~of good moral character~~ who wishes to engage in the
24 practice of the profession of optometry shall file with the board a
25 verified application with the required application fee that includes:

26 1. The applicant's name, age and address.

27 2. Documentation of graduation from a university or college that
28 teaches the profession of optometry and that is accredited by a nationally
29 accepted accrediting body on optometric education.

30 3. Documentation of satisfactory completion of an equivalent course
31 of study that is approved by the board in didactic education, pharmacology
32 and clinical training in the examination, diagnosis and treatment of
33 conditions of the human eye and its adnexa and that either:

34 (a) Meets the contemporary educational requirements at colleges of
35 optometry in the United States.

36 (b) Totals at least one hundred twenty hours.

37 4. Documentation of the successful passage of a written examination
38 as prescribed by the board.

39 5. Background information on a form prescribed by the attorney
40 general for the purpose of conducting an investigation into the existence
41 of prior arrests and convictions.

42 6. Disclosure of any investigation conducted or pending by an
43 optometric regulatory board in another jurisdiction in the United States.

1 B. On receipt of an application in proper form and containing the
2 information prescribed in subsection A of this section, the board may
3 investigate the applicant's ~~character~~, ability and experience.

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

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

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

14 32-1723. Licensure by endorsement

15 The board shall waive the written examination requirements of this
16 chapter if all of the following are true:

17 1. The applicant submits a license or a certified copy of a license
18 to practice optometry issued by the regulatory board of another
19 jurisdiction of the United States that has licensure requirements that the
20 board determines meet or exceed the requirements of this chapter.

21 2. The license of the applicant has not been suspended or revoked
22 by any other licensing jurisdiction of the United States for any cause
23 that is a ground for suspension or revocation of a license under this
24 chapter.

25 3. The applicant has been engaged in the practice of the profession
26 of optometry continuously in the other licensing jurisdiction or in a
27 United States military branch of service for not less than four of the
28 five years immediately preceding the application.

29 4. The information provided by national data banks designated by
30 the board has successfully verified the applicant.

31 ~~5. The applicant meets the requirements of section 32-1722~~
32 ~~concerning good moral character.~~

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

35 32-1822. Qualifications of applicant; application;
36 fingerprinting; fees

37 A. On a form and in a manner prescribed by the board, an applicant
38 for licensure shall submit proof that the applicant:

39 1. Is the person named on the application and on all supporting
40 documents submitted.

41 2. Is a citizen of the United States or a resident alien.

42 3. Is a graduate of a school of osteopathic medicine approved by
43 the American osteopathic association.

1 4. Has successfully completed an approved internship, the first
2 year of an approved multiple-year residency or a board-approved
3 equivalency.

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

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

11 7. Is physically, mentally and emotionally able to practice
12 medicine, or, if limited, restricted or impaired in the ability to
13 practice medicine, consents to contingent licensure pursuant to subsection
14 E of this section or to entry into a program prescribed in section
15 32-1861.

16 ~~8. Is of good moral character.~~

17 ~~9. 8. Beginning September 1, 2017,~~ Has submitted a full set of
18 fingerprints to the board for the purpose of obtaining a state and federal
19 criminal records check pursuant to section 41-1750 and Public Law
20 92-544. The department of public safety may exchange this fingerprint
21 data with the federal bureau of investigation.

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

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

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

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

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

41 G. A person whose license has been revoked, denied or surrendered
42 in this or any other state may apply for licensure not sooner than five
43 years after the revocation, denial or surrender.

1 H. A license issued pursuant to this section is valid for the
2 remainder of the calendar year in which it was issued, at which time it is
3 eligible for renewal.

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

6 32-1829. Training permits; issuance of permits

7 A. The board may grant a one-year renewable training permit to a
8 person who is participating in a teaching hospital's accredited
9 internship, residency or clinical fellowship training program to allow
10 that person to practice medicine only in the supervised setting of that
11 program. Before the board issues the permit, the person shall:

12 1. Submit an application on a form and in a manner prescribed by
13 the board and proof that the applicant:

14 (a) Is the person named on the application and on all supporting
15 documentation.

16 (b) Is a citizen of the United States or a resident alien.

17 (c) Is a graduate of a school approved by the American osteopathic
18 association.

19 (d) Participated in postgraduate training, if any.

20 (e) Has passed approved examinations appropriate to the applicant's
21 level of education and training.

22 (f) Has not engaged in any conduct that, if it occurred in this
23 state, would be considered unprofessional conduct or, if the applicant has
24 engaged in unprofessional conduct, is rehabilitated from the underlying
25 conduct.

26 ~~(g) Is of good moral character.~~

27 ~~(h)~~ (g) Is physically, mentally and emotionally able to practice
28 medicine, or, if limited, restricted or impaired in the ability to
29 practice medicine, consents to a contingent permit or to entry into a
30 program described in section 32-1861.

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

32 B. If a permittee who is participating in a teaching hospital's
33 accredited internship, residency or clinical fellowship training program
34 must repeat or make up time in the program due to resident progression or
35 for other reasons, the board may grant that person an extension of the
36 training permit if requested to do so by the program's director of medical
37 education or a person who holds an equivalent position. The extended
38 permit limits the permittee to practicing only in the supervised setting
39 of that program for a period of time sufficient to repeat or make up the
40 training.

41 C. The board may grant a training permit to a person who is not
42 licensed in this state and who is participating in a short-term training
43 program of four months or less for continuing medical education conducted
44 in an approved school of osteopathic medicine or a hospital that has an
45 accredited hospital internship, residency or clinical fellowship training

1 program in this state. Before the board issues the permit, the person
2 shall:

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

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

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

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

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

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

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

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

20 32-1854. Definition of unprofessional conduct

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

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

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

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

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

42 5. Prescribing, dispensing or administering controlled substances
43 or prescription-only drugs for other than accepted therapeutic purposes.

1 6. Engaging in the practice of medicine in a manner that harms or
2 may harm a patient or that the board determines falls below the community
3 standard.

4 7. Impersonating another physician.

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

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

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

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

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

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

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

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

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

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

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

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

42 20. Violating or attempting to violate, directly or indirectly, or
43 assisting in or abetting the violation of or conspiring to violate any of
44 the provisions of this chapter.

1 21. Failing or refusing to establish and maintain adequate records
2 on a patient as follows:

3 (a) If the patient is an adult, for at least six years after the
4 last date the licensee provided the patient with medical or health care
5 services.

6 (b) If the patient is a child, either for at least three years
7 after the child's eighteenth birthday or for at least six years after the
8 last date the licensee provided that patient with medical or health care
9 services, whichever date occurs later.

10 22. Using controlled substances or prescription-only drugs unless
11 they are provided by a medical practitioner, as defined in section
12 32-1901, as part of a lawful course of treatment.

13 23. Prescribing controlled substances to members of one's immediate
14 family unless there is no other physician available within fifty miles to
15 treat a member of the family and an emergency exists.

16 24. Committing nontherapeutic use of injectable amphetamines.

17 25. Violating a formal order, probation or a stipulation issued by
18 the board under this chapter.

19 26. Charging or collecting an inappropriate fee. This paragraph
20 does not apply to a fee that is fixed in a written contract between the
21 physician and the patient and entered into before treatment begins.

22 27. Using experimental forms of therapy without adequate informed
23 patient consent or without conforming to generally accepted criteria and
24 complying with federal and state statutes and regulations governing
25 experimental therapies.

26 28. Failing to make patient medical records in the physician's
27 possession promptly available to a physician assistant, a nurse
28 practitioner, a person licensed pursuant to this chapter or a podiatrist,
29 chiropractor, naturopathic physician, physician or homeopathic physician
30 licensed under chapter 7, 8, 13, 14 or 29 of this title on receipt of
31 proper authorization to do so from the patient, a minor patient's parent,
32 the patient's legal guardian or the patient's authorized representative or
33 failing to comply with title 12, chapter 13, article 7.1.

34 29. Failing to allow properly authorized board personnel to have,
35 on presentation of a subpoena, access to any documents, reports or records
36 that are maintained by the physician and that relate to the physician's
37 medical practice or medically related activities pursuant to section
38 32-1855.01.

39 30. Signing a blank, undated or predated prescription form.

40 31. Obtaining a fee by fraud, deceit or misrepresentation.

41 32. Failing to report to the board an osteopathic physician and
42 surgeon who is or may be guilty of unprofessional conduct or is or may be
43 mentally or physically unable safely to engage in the practice of
44 medicine.

1 33. Referring a patient to a diagnostic or treatment facility or
2 prescribing goods and services without disclosing that the physician has a
3 direct pecuniary interest in the facility, goods or services to which the
4 patient has been referred or prescribed. This paragraph does not apply to
5 a referral by one physician to another physician within a group of
6 physicians practicing together.

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

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

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

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

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

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

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

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

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

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

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

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

43 44. Committing conduct that is in violation of section 36-2302.

1 45. Committing conduct that the board determines constitutes gross
2 negligence, repeated negligence or negligence that results in harm or
3 death of a patient.

4 46. Committing conduct in the practice of medicine that evidences
5 ~~morat~~ unfitness to practice medicine.

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

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

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

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

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

30 (a) Emergencies.

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

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

40 (d) Prescriptions for epinephrine auto-injectors written or
41 dispensed for a school district or charter school to be stocked for
42 emergency use pursuant to section 15-157 or for an authorized entity to be
43 stocked pursuant to section 36-2226.01.

1 (e) Prescriptions written by a licensee through a telehealth
2 program that is covered by the policies and procedures adopted by the
3 administrator of a hospital or outpatient treatment center.

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

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

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

12 32-1901.01. Definition of unethical and unprofessional
13 conduct; permittees; licensees

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

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

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

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

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

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

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

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

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

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

1 10. Failing to report in writing to the board any evidence that
2 appears to show that a permittee or permittee's employee is or may be
3 guilty of unethical conduct, is or may be mentally or physically unable
4 safely to engage in employment duties related to manufacturing, selling,
5 distributing or dispensing drugs, devices, poisons, hazardous substances,
6 controlled substances or precursor chemicals or is or may be violating
7 this chapter or a rule adopted under this chapter.

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

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

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

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

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

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

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

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

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

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

41 21. Failing to provide the board or its employees or agents or an
42 authorized federal or state official conducting a site investigation,
43 inspection or audit with access to any place for which a permit has been
44 issued or for which an application for a permit has been submitted.

- 1 22. Failing to notify the board of a change of ownership,
2 management or pharmacist in charge.
- 3 23. Failing to promptly produce on the request of the official
4 conducting a site investigation, inspection or audit any book, record or
5 document.
- 6 24. Overruling or attempting to overrule a pharmacist in matters of
7 pharmacy ethics or interpreting laws pertaining to the practice of
8 pharmacy or the distribution of drugs or devices.
- 9 25. Distributing premiums or rebates of any kind in connection with
10 the sale of prescription medication, other than to the prescription
11 medication recipient.
- 12 26. Failing to maintain effective controls against the diversion of
13 controlled substances or precursor chemicals to unauthorized persons or
14 entities.
- 15 27. Fraudulently claiming to have performed a service.
- 16 28. Fraudulently charging a fee for a service.
- 17 29. Advertising drugs or devices, or services pertaining to drugs
18 or devices, in a manner that is untrue or misleading in any particular,
19 and that is known, or that by the exercise of reasonable care should be
20 known, to be untrue or misleading.
- 21 B. In this chapter, unless the context otherwise requires, for the
22 purposes of disciplining a pharmacist or pharmacy intern, "unprofessional
23 conduct" means the following, whether occurring in this state or
24 elsewhere:
- 25 1. Using alcohol or other drugs to such a degree as to render the
26 licensee unfit to practice the profession of pharmacy.
- 27 2. Violating any federal or state law, rule or regulation relating
28 to the manufacture or distribution of drugs and devices or the practice of
29 pharmacy.
- 30 3. Dispensing a different drug or brand of drug in place of the
31 drug or brand of drug ordered or prescribed without the express permission
32 in each case of the orderer, or in the case of a prescription order, the
33 medical practitioner. The conduct prohibited by this paragraph does not
34 apply to substitutions authorized pursuant to section 32-1963.01.
- 35 4. Obtaining or attempting to obtain a license to practice pharmacy
36 or a license renewal by fraud, by misrepresentation or by knowingly taking
37 advantage of the mistake of another person or an agency.
- 38 5. Having the licensee's license to practice pharmacy denied or
39 disciplined in another jurisdiction.
- 40 6. Claiming professional superiority in compounding or dispensing
41 prescription orders.
- 42 7. Failing to comply with the mandatory continuing professional
43 pharmacy education requirements of sections 32-1936 and 32-1937 and rules
44 adopted by the board.

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

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

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

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

12 12. Knowingly dispensing a drug on a prescription order that was
13 issued in the course of the conduct of business of dispensing drugs
14 pursuant to diagnosis by mail or the internet, unless the order was any of
15 the following:

16 (a) Made by a physician who provides temporary patient supervision
17 on behalf of the patient's regular treating licensed health care
18 professional or provides a consultation requested by the patient's regular
19 treating licensed health care professional.

20 (b) Made in an emergency medical situation as defined in section
21 41-1831.

22 (c) Written to prepare a patient for a medical examination.

23 (d) Written or the prescription medications were issued for use by
24 a county or tribal public health department for immunization programs or
25 emergency treatment or in response to an infectious disease investigation,
26 a public health emergency, an infectious disease outbreak or an act of
27 bioterrorism. For the purposes of this subdivision, "bioterrorism" has
28 the same meaning prescribed in section 36-781.

29 (e) Written or antimicrobials were dispensed by the prescribing or
30 dispensing physician to a contact as defined in section 36-661 who is
31 believed to have had significant exposure risk as defined in section
32 36-661 with another person who has been diagnosed with a communicable
33 disease as defined in section 36-661.

34 (f) Written or the prescription medications were issued for
35 administering immunizations or vaccines listed in the United States
36 centers for disease control and prevention's recommended immunization
37 schedule to a household member of a patient.

38 (g) For epinephrine auto-injectors that are written or dispensed
39 for a school district or charter school and that are to be stocked for
40 emergency use pursuant to section 15-157 or for an authorized entity to be
41 stocked pursuant to section 36-2226.01.

42 (h) Written by a licensee through a telehealth program that is
43 covered by the policies and procedures adopted by the administrator of a
44 hospital or outpatient treatment center.

1 (i) Written pursuant to a physical or mental health status
2 examination that was conducted through telehealth as defined in section
3 36-3601 and consistent with federal law.

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

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

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

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

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

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

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

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

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

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

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

40 23. Participating in an arrangement or agreement to allow a
41 prescription order or a prescription medication to be left at, picked up
42 from, accepted by or delivered to a place that is not licensed as a
43 pharmacy. This paragraph does not prohibit a pharmacist or a pharmacy
44 from using an employee or a common carrier to pick up prescription orders

1 at or deliver prescription medications to the office or home of a medical
2 practitioner, the residence of a patient or a patient's hospital.

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

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

8 26. Fraudulently claiming to have performed a professional service.

9 27. Fraudulently charging a fee for a professional service.

10 28. Failing to report a change of the licensee's home address,
11 contact information, employer or employer's address as required by section
12 32-1926.

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

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

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

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

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

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

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

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

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

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

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

44 9. Failing to report in writing to the board any evidence that a
45 pharmacist or pharmacy intern is or may be professionally incompetent, is

1 or may be guilty of unprofessional conduct or is or may be mentally or
2 physically unable to safely engage in the practice of pharmacy.

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

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

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

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

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

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

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

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

29 18. Failing to report a change of the licensee's home address,
30 contact information, employer or employer's address as required by section
31 32-1926.

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

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

36 32-1922. Qualifications of applicant; reciprocity;
37 preliminary equivalency examination; honorary
38 certificate; fee

39 A. An applicant for licensure as a pharmacist shall:

40 ~~1. Be of good moral character.~~

41 ~~2.~~ 1. Be a graduate of a school or college of pharmacy or
42 department of pharmacy of a university recognized by the board or the
43 accreditation council for pharmacy education, or qualify under subsection
44 D of this section.

1 ~~3.~~ 2. Have successfully completed, as substantiated by proper
2 affidavits, a program of practical experience under the direct supervision
3 of a licensed pharmacist who is approved by the board.

4 ~~4.~~ 3. Pass the pharmacist licensure examination and jurisprudence
5 examination approved by the board. An applicant who fails an examination
6 three times shall petition the board for permission before retaking the
7 examination. The board shall evaluate the petition and determine whether
8 to require additional educational training before approving each
9 additional retake of the examination.

10 ~~5.~~ 4. Pay an application fee prescribed by the board of not more
11 than \$500. An applicant for reciprocal licensure shall pay the fee
12 prescribed in section 32-1924, subsection D.

13 B. The board may license as a pharmacist, without a pharmacist
14 licensure examination, a person who is licensed as a pharmacist by a
15 pharmacist licensure examination in some other jurisdiction if that
16 person:

17 1. Produces satisfactory evidence to the board of having had the
18 required secondary and professional education and training.

19 ~~2. Is possessed of good morals as demanded of applicants for~~
20 ~~licensure and relicensure under this chapter.~~

21 ~~3.~~ 2. Presents proof to the board's satisfaction that the person
22 is licensed by a pharmacist licensure examination and that the person
23 holds the license in good standing.

24 ~~4.~~ 3. Presents proof to the board's satisfaction that any other
25 license granted to the applicant by any other jurisdiction has not been
26 suspended, revoked or otherwise restricted for any reason except
27 nonrenewal or for failure to obtain the required continuing education
28 credits in any jurisdiction where the applicant is currently licensed but
29 not engaged in the practice of pharmacy.

30 ~~5.~~ 4. Passes a board-approved jurisprudence examination.

31 C. Subsection B of this section applies only if the jurisdiction in
32 which the person is licensed grants, under like conditions, reciprocal
33 licensure as a pharmacist to a pharmacist who is licensed by examination
34 in this state and the person holds a license in good standing issued by an
35 active member board of the national association of boards of pharmacy.

36 D. If an applicant for licensure is a graduate of a pharmacy degree
37 program at a school or college of pharmacy that was not recognized by the
38 board at the time of the person's graduation, the applicant shall pass a
39 preliminary equivalency examination approved by the board in order to
40 qualify to take the examinations prescribed in subsection A of this
41 section.

42 E. The preliminary equivalency examination required pursuant to
43 subsection D of this section shall cover proficiency in English and
44 academic areas the board deems essential to a satisfactory pharmacy
45 curriculum.

1 F. An applicant who fails the preliminary equivalency examination
2 required pursuant to subsection D of this section shall not retake the
3 preliminary equivalency examination until the applicant files written
4 proof with the board that the applicant has completed additional remedial
5 academic work previously approved by the board to correct deficiencies in
6 the applicant's education that were indicated by the results of the
7 applicant's last preliminary equivalency examination.

8 G. A pharmacist who has been licensed in this state for at least
9 fifty years shall be granted an honorary certificate of licensure by the
10 board without the payment of the usual renewal fee, but that certificate
11 of licensure does not confer an exemption from any other requirement of
12 this chapter.

13 H. The board may require a pharmacist who has not been actively
14 engaged in the practice of pharmacy for over one year to serve not more
15 than four hundred hours in an internship training program approved by the
16 board or its designee before the pharmacist may resume the active practice
17 of pharmacy.

18 I. An applicant must complete the application process within twelve
19 months after submitting the application.

20 Sec. 72. Section 32-1923.01, Arizona Revised Statutes, is amended
21 to read:

22 32-1923.01. Pharmacy technicians; pharmacy technician
23 trainees; qualifications; remote dispensing
24 site pharmacies

25 A. An applicant for licensure as a pharmacy technician must:

26 ~~1. Be of good moral character.~~

27 ~~2.~~ 1. Be at least eighteen years of age.

28 ~~3.~~ 2. Have a high school diploma or the equivalent of a high
29 school diploma.

30 ~~4.~~ 3. Complete a training program prescribed by board rules.

31 ~~5.~~ 4. Pass a board-approved pharmacy technician examination.

32 B. An applicant for licensure as a pharmacy technician trainee
33 must:

34 ~~1. Be of good moral character.~~

35 ~~2.~~ 1. Be at least eighteen years of age.

36 ~~3.~~ 2. Have a high school diploma or the equivalent of a high
37 school diploma.

38 C. Before a pharmacy technician prepares, compounds or dispenses
39 prescription medications at a remote dispensing site pharmacy, the
40 pharmacy technician shall:

41 1. Complete, in addition to any other board-approved mandatory
42 continuing professional education requirements, a two-hour continuing
43 education program on remote dispensing site pharmacy practices provided by
44 an approved provider.

1 ~~4.~~ 3. Provide written proof of legal authorization to practice as
2 a physical therapist without limitation in the country where the
3 professional education occurred. The board may waive this requirement on
4 receipt of written proof that the applicant cannot demonstrate legal
5 authorization based on the citizenship requirements of the country where
6 the professional education occurred.

7 ~~5.~~ 4. Provide proof of legal authorization to reside and seek
8 employment in the United States or its territories.

9 ~~6.~~ 5. Have passed the board-approved English proficiency
10 examinations if the applicant's native language is not English.

11 ~~7.~~ 6. Have participated in an interim supervised clinical practice
12 period before licensure as approved by the board or shall have already met
13 this requirement to the board's satisfaction by virtue of the applicant's
14 clinical practice in another jurisdiction of the United States.

15 ~~8.~~ 7. Have successfully passed the national examination approved
16 by the board.

17 ~~9.~~ 8. Have successfully passed a jurisprudence examination that
18 tests the applicant's knowledge of board statutes and rules.

19 ~~10.~~ 9. Obtain a valid fingerprint clearance card issued pursuant
20 to section 41-1758.03.

21 C. Notwithstanding the requirements of subsection B of this
22 section, if the foreign-educated physical therapist applicant is a
23 graduate of an accredited educational program as determined by the board,
24 the board may waive the requirements of subsection B, paragraphs ~~3~~ 2 and
25 ~~7~~ 6 of this section.

26 D. An applicant for certification as a physical therapist assistant
27 shall meet the following requirements:

28 ~~1. Be of good moral character.~~

29 ~~2.~~ 1. Complete the application process.

30 ~~3.~~ 2. Be a graduate of a physical therapist assistant education
31 program accredited by an agency approved by the board.

32 ~~4.~~ 3. Have successfully passed the national examination approved
33 by the board.

34 ~~5.~~ 4. Have successfully passed a jurisprudence examination that
35 tests the applicant's knowledge of board statutes and rules.

36 ~~6.~~ 5. Obtain a valid fingerprint clearance card issued pursuant to
37 section 41-1758.03.

38 E. For the purposes of subsection B, paragraph ~~3~~ 2 of this
39 section, "substantially equivalent" means that the applicant provides
40 documentation satisfactory to the board that:

41 1. The applicant graduated from a physical therapist education
42 program that prepares the applicant to engage without restriction in the
43 practice of physical therapy.

1 2. The applicant's school of physical therapy education is
2 recognized by its own ministry of education. The board may waive this
3 requirement for good cause shown.

4 3. The applicant has undergone a credentials evaluation as directed
5 by the board that determines that the applicant has met uniform criteria
6 for educational requirements pursuant to board rules.

7 4. The applicant has completed any additional education required by
8 the board.

9 Sec. 74. Section 32-2024, Arizona Revised Statutes, is amended to
10 read:

11 32-2024. Examinations

12 A. The board shall prescribe examinations for licensure and
13 certification and determine the passing score.

14 B. An applicant may take the examinations for licensure if either
15 of the following applies:

16 1. The applicant has met all of the requirements of section
17 32-2022, subsection A, paragraphs 1, ~~AND 2 and 3~~ and has paid the fees
18 prescribed by this chapter.

19 2. The applicant has:

20 (a) Met all of the requirements of section 32-2022, subsection A,
21 ~~paragraphs~~ PARAGRAPH 1 ~~and 2~~.

22 (b) Paid the fees prescribed by this chapter.

23 (c) Submitted with the application a letter on the official
24 letterhead of the accredited educational institution where the applicant
25 is completing an accredited educational program that includes the
26 signature of the program director, the department chairperson or a
27 similarly authorized person of the university or college and that states
28 that:

29 (i) The applicant is a candidate for a degree as a physical
30 therapist at the next scheduled graduation date.

31 (ii) The date the national examination for licensure is to be taken
32 by the applicant is the one nearest to and before the applicant's expected
33 graduation date and is not more than one hundred twenty days before the
34 date of the applicant's expected graduation date.

35 (iii) The applicant meets any other established requirements of the
36 accredited educational program, if applicable.

37 C. An applicant may take the examinations for licensure if the
38 applicant has met all of the requirements of section 32-2022, subsection
39 B, paragraphs 1 through ~~6~~ 5 and has paid the fees prescribed by this
40 chapter.

41 D. An applicant may take the examinations for certification if
42 either of the following applies:

43 1. The applicant has met all of the requirements of section
44 32-2022, subsection D, paragraphs 1, ~~AND 2 and 3~~ and has paid the fees
45 prescribed by this chapter.

- 1 2. The applicant has:
- 2 (a) Met all of the requirements of section 32-2022, subsection D,
- 3 ~~paragraphs~~ PARAGRAPH 1 ~~and 2~~.
- 4 (b) Paid the fees prescribed by this chapter.
- 5 (c) Submitted with the application a letter on the official
- 6 letterhead of the accredited educational institution where the applicant
- 7 is completing an accredited educational program that includes the
- 8 signature of the program director, the department chairperson or a
- 9 similarly authorized person of the university, school or college and that
- 10 states that:
- 11 (i) The applicant is a candidate for a certificate or degree as a
- 12 physical therapist assistant at the next scheduled graduation date.
- 13 (ii) The date the national examination for certification is to be
- 14 taken by the applicant is the one nearest to and before the applicant's
- 15 expected graduation date and is not more than one hundred twenty days
- 16 before the date of the applicant's expected graduation date.
- 17 (iii) The applicant meets any other established requirements of the
- 18 accredited educational program, if applicable.
- 19 E. An applicant for licensure or certification who does not pass
- 20 the national examination after the first attempt may retake the
- 21 examination one additional time within six months after the first failure
- 22 without reapplication for licensure or certification. An applicant may
- 23 retake the examinations as prescribed by the organization that administers
- 24 the examinations.
- 25 F. The board shall not issue a license or certificate to a person
- 26 who passes an examination through fraud.
- 27 G. The national examination for licensure as a physical therapist
- 28 shall test ~~entry level~~ ENTRY-LEVEL competence related to physical therapy
- 29 theory, examination and evaluation, diagnosis, prognosis, treatment
- 30 intervention, prevention and consultation. The national examination for
- 31 certification as a physical therapist assistant shall test for requisite
- 32 knowledge and skills in the technical application of physical therapy
- 33 services.
- 34 Sec. 75. Section 32-2091.02, Arizona Revised Statutes, is amended
- 35 to read:
- 36 32-2091.02. Qualifications of applicant
- 37 A person who wishes to practice as a behavior analyst must be
- 38 licensed pursuant to this article. An applicant for licensure must meet
- 39 all of the following requirements:
- 40 1. Submit an application as prescribed by the board.
- 41 2. Be at least twenty-one years of age.
- 42 ~~3. Be of good moral character. The board's standard to determine~~
- 43 ~~good moral character shall not violate federal discrimination laws.~~
- 44 ~~4.~~ 3. Pay all applicable fees prescribed by the board.

1 ~~5.~~ 4. Have the physical and mental capability to safely and
2 competently engage in the practice of behavior analysis.

3 ~~6.~~ 5. Not have committed any act or engaged in any conduct that
4 would constitute grounds for disciplinary action against a licensee
5 pursuant to this article.

6 ~~7.~~ 6. Not have had a professional license or certificate refused,
7 revoked, suspended or restricted in any regulatory jurisdiction in the
8 United States or in another country for reasons that relate to
9 unprofessional conduct. If the board finds that the applicant committed
10 an act or engaged in conduct that would constitute grounds for
11 disciplinary action in this state, the board shall determine to its
12 satisfaction that the conduct has been corrected, monitored and resolved.
13 If the matter has not been resolved, the board shall determine to its
14 satisfaction that mitigating circumstances exist that prevent its
15 resolution.

16 ~~8.~~ 7. Not have voluntarily surrendered a license or certificate in
17 another regulatory jurisdiction in the United States or in another country
18 while under investigation for reasons that relate to unprofessional
19 conduct. If another jurisdiction has taken disciplinary action against an
20 applicant, the board shall determine to its satisfaction that the cause
21 for the action was corrected and the matter resolved. If the matter has
22 not been resolved by that jurisdiction, the board shall determine to its
23 satisfaction that mitigating circumstances exist that prevent its
24 resolution.

25 ~~9.~~ 8. Not have a complaint, allegation or investigation pending
26 before another regulatory jurisdiction in the United States or another
27 country that relates to unprofessional conduct. If an applicant has any
28 such complaints, allegations or investigations pending, the board shall
29 suspend the application process and may not issue or deny a license to the
30 applicant until the complaint, allegation or investigation is resolved.

31 ~~10.~~ 9. Beginning January 1, 2022, have applied for a fingerprint
32 clearance card pursuant to title 41, chapter 12, article 3.1.

33 Sec. 76. Section 32-2091.04, Arizona Revised Statutes, is amended
34 to read:

35 32-2091.04. Reciprocity

36 The board may issue a license to a person as a behavior analyst if
37 the person is licensed or certified by a regulatory agency of another
38 state that imposes requirements that are substantially equivalent to those
39 imposed by this article at an equivalent or higher practice level as
40 determined by the board, pays the fee prescribed by the board and meets
41 all of the following requirements:

42 1. Submits a written application prescribed by the board.

43 ~~2. Is of good moral character. The board's standard to determine~~
44 ~~good moral character shall not violate federal discrimination laws.~~

1 ~~3-~~ 2. Documents to the board's satisfaction proof of initial
2 licensure or certification at an equivalent designation for which the
3 applicant is seeking licensure in this state and proof that the license or
4 certificate is current and in good standing.

5 ~~4-~~ 3. Documents to the board's satisfaction proof that any other
6 license or certificate issued to the applicant by another state has not
7 been suspended or revoked. If a licensee or certificate holder has been
8 subjected to any other disciplinary action, the board may assess the
9 magnitude of that action and make a decision regarding reciprocity based
10 on this assessment.

11 ~~5-~~ 4. Meets any other requirements prescribed by the board by
12 rule.

13 Sec. 77. Section 32-2108, Arizona Revised Statutes, is amended to
14 read:

15 32-2108. Powers and duties of commissioner to make
16 investigations and require information

17 A. The commissioner on the commissioner's own motion may, and ~~upon~~
18 **ON** a verified complaint in writing shall, investigate the actions of any
19 natural person or entity engaged in the business or acting in the capacity
20 of a broker, salesperson or developer and may at any time examine the
21 books and records used in connection with the business insofar as the
22 commissioner reasonably believes the books or records pertain to the
23 transfer, sale, rental, lease, use or management of real property. In
24 connection with an investigation, the commissioner or the commissioner's
25 representative may take testimony and may examine and copy documents and
26 other physical evidence that relate to the investigation. If necessary,
27 the commissioner or the commissioner's representative may issue subpoenas
28 to compel the testimony of witnesses and the production of documents and
29 other evidence. If a person refuses to comply with a subpoena, the
30 commissioner or the commissioner's representative may apply to the
31 superior court for an order to compel compliance.

32 B. The commissioner shall establish a certification and enforcement
33 unit that is charged with investigative duties relevant to the rules of
34 the commissioner and the laws of this state, including applications for
35 certification, investigations and enforcement and other duties as the
36 commissioner prescribes.

37 C. The commissioner may require any **REASONABLY NECESSARY** additional
38 information ~~and documents that are reasonably necessary to determine the~~
39 ~~good moral character of~~ **ABOUT** an applicant for or holder of a license or
40 public report or renewal or amendment of a license or public report. For
41 the purposes of this subsection, "applicant" or "holder" means a person
42 and, if an entity, any officer, director, member, manager, partner, owner,
43 trust beneficiary holding ten ~~per cent~~ **PERCENT** or more beneficial
44 interest, stockholder owning ten ~~per cent~~ **PERCENT** or more stock and person
45 exercising control of the entity. The information may include:

- 1 1. Prior criminal records.
- 2 2. A valid fingerprint clearance card issued pursuant to section
3 41-1758.03.
- 4 3. An affidavit setting out whether the applicant or holder has:
 - 5 (a) Been convicted of a felony or a misdemeanor.
 - 6 (b) Had any business or professional license denied, suspended or
7 revoked or had any other disciplinary action taken or administrative order
8 entered against the applicant or holder by any regulatory agency.
 - 9 (c) Had a public report denied or suspended.
 - 10 (d) Been permanently or temporarily enjoined by order, judgment or
11 decree from engaging in or continuing any conduct or practice in
12 connection with the sale or purchase of real estate, cemetery property,
13 ~~time-share~~ **TIMESHARE** intervals, membership camping campgrounds or
14 contracts or securities or involving consumer fraud or the racketeering
15 laws of this state.
 - 16 (e) Had any adverse decision or judgment entered against the
17 applicant or holder arising out of the conduct of any business in or
18 involving a transaction in real estate, cemetery property, ~~time-share~~
19 **TIMESHARE** intervals or membership camping campgrounds or contracts
20 involving fraud, dishonesty or moral turpitude.
 - 21 (f) Filed, or is subject to, a petition under any chapter of the
22 federal bankruptcy act.
 - 23 (g) Participated in, operated or held an interest or exercised
24 control in any entity to which subdivision (b), (c), (d), (e) or (f) **OF**
25 **THIS PARAGRAPH** applies.
- 26 Sec. 78. Section 32-2123, Arizona Revised Statutes, is amended to
27 read:
 - 28 **32-2123. Application for license as broker or salesperson**
 - 29 A. Every application for an original license shall be either
30 submitted in writing and signed by the applicant or submitted
31 electronically and contain an electronic or digital identifier that the
32 commissioner deems appropriate. The application shall be accompanied by
33 all applicable fees.
 - 34 B. An application for an original license as a broker or
35 salesperson shall set forth:
 - 36 1. The applicant's residence address and legal name and any
37 derivative of the applicant's first name or middle name or a nickname that
38 the applicant regularly uses for advertising purposes.
 - 39 2. The applicant's employers and employment history for the
40 immediately preceding ten years and any experience in real estate sales,
41 appraisals, transfers or similar business in which the applicant
42 previously engaged, if the commissioner determines that this information
43 is needed to reasonably evaluate the ~~good moral character of the~~
44 applicant.

1 3. The name and place of business of the applicant's present
2 employer, if any.

3 4. Whether the applicant has ever been convicted of a felony and,
4 if so, the nature of the felony, where and when committed and the
5 disposition of the conviction, or whether the applicant has been disbarred
6 or suspended from the practice of law.

7 5. Whether the applicant has ever been refused a broker's or
8 salesperson's license or any other occupational license in this or any
9 other state, whether the applicant's license as a broker or salesperson
10 has been revoked or suspended in this or any other state or whether the
11 applicant has had any other occupational or professional license,
12 certificate or registration revoked or suspended in this or any other
13 state.

14 6. The name of any corporation, company or partnership that is or
15 ever has been licensed by the department in which the applicant exercised
16 any control.

17 7. If the applicant is a natural person, the applicant's social
18 security number. If the applicant, due to bona fide religious convictions
19 or other bona fide reasons that the applicant documents on the application
20 to the satisfaction of the commissioner, does not have a social security
21 number, the applicant may provide the applicant's federal tax
22 identification number with the application. The state real estate
23 department shall use the applicant's social security number or federal tax
24 identification number to aid the department of economic security in
25 locating noncustodial parents or the assets of noncustodial parents, and
26 for no other purpose.

27 C. An application for a license as a broker additionally shall set
28 forth:

29 1. The name under which the business is to be conducted.

30 2. The situs and mailing address of the applicant's place of
31 business, or if more than one, the situs and mailing addresses of each.

32 D. An applicant for a broker's or salesperson's license shall
33 provide information that the commissioner determines is reasonably
34 necessary ~~to establish the character of the applicant~~. The information
35 may include ~~but shall not be limited to~~:

36 1. Prior criminal records.

37 2. A valid fingerprint clearance card issued pursuant to section
38 41-1758.03.

39 3. An affidavit setting out whether the applicant has participated
40 in, operated or held an interest in any land development company ~~which~~
41 ~~THAT~~ has filed, or is subject to, a petition under any chapter of the
42 federal bankruptcy act.

43 E. Each person licensed pursuant to this article, whether the
44 license is active or inactive, shall have available for the licensee's use
45 a current copy of the department's statutes, rules and annotations

1 pertaining to real estate laws. Failure to comply with this requirement
2 shall not be deemed grounds for a civil penalty or for denial, suspension
3 or revocation of a license.

4 Sec. 79. Section 32-2124, Arizona Revised Statutes, is amended to
5 read:

6 32-2124. Qualifications of licensees

7 A. Except as otherwise provided in this chapter, the commissioner
8 shall require proof, through the application or otherwise, as the
9 commissioner deems advisable with due regard to the interests of the
10 public, as to the ~~honesty, truthfulness, good character and~~ competency of the
11 applicant and shall require that the applicant has:

12 1. If for an original real estate broker's license, at least three
13 years' actual experience as a licensed real estate salesperson or real
14 estate broker during the five years immediately preceding the time of
15 application.

16 2. If for an original cemetery broker's license, either a current
17 real estate broker's license, or if the applicant does not have a current
18 real estate broker's license, at least three years' actual experience as a
19 cemetery salesperson or broker or as a licensed real estate salesperson or
20 broker during the five years immediately preceding the time of
21 application.

22 3. If for an original membership camping broker's license, either a
23 current real estate broker's license, or if the applicant does not have a
24 current real estate broker's license, at least three years' actual
25 experience as a licensed membership camping salesperson or broker or as a
26 licensed real estate salesperson or broker during the five years
27 immediately preceding the time of application.

28 4. If for any type of broker's or salesperson's license, not had a
29 license denied within one year immediately preceding application in this
30 state pursuant to section 32-2153 or a similar statute in any other state.

31 5. If for any type of broker's or salesperson's license, not had a
32 license revoked within the two years immediately preceding application in
33 this state pursuant to section 32-2153 or a similar statute in any other
34 state.

35 6. If reapplying for a license that expired more than one year
36 before the date of application, met all current education and experience
37 requirements and retakes the examination the same as if the applicant were
38 applying for the license for the first time.

39 7. If for a real estate, cemetery or membership camping broker's
40 license, other than a renewal application, an equivalent amount of active
41 experience within the immediately preceding five years in the field in
42 which the applicant is applying for the broker's license, as a substitute
43 for the licensed active experience otherwise required in paragraphs 1, 2
44 and 3 of this subsection. The licensed active experience required may be
45 met if the applicant can demonstrate to the commissioner's satisfaction

1 that the applicant has an equivalent amount of experience in the past five
2 years that, if the applicant had held a license, would have been
3 sufficient to fulfill the licensed experience requirement.

4 B. All applicants other than renewal applicants under section
5 32-2130 for a real estate salesperson's license shall show evidence
6 satisfactory to the commissioner that they have completed a real estate
7 salesperson's course that is prescribed and approved by the commissioner
8 and that is at least ninety classroom hours, or its equivalent, of
9 instruction in a real estate school certified by the commissioner and have
10 satisfactorily passed an examination on the course. An applicant may
11 complete the real estate salesperson's course prescribed by this
12 subsection through an online course if the online course is offered by a
13 real estate school that is certified by the commissioner, but the
14 applicant must complete an examination on the online course in person. ~~in~~
15 ~~no case shall~~ The real estate salesperson's course completion or its
16 equivalent MAY NOT be more than ten years before the date of application
17 unless, at the time of application, the commissioner determines in the
18 commissioner's discretion that the applicant has work experience in a real
19 estate-related field and education that together are equivalent to the
20 prelicensure education requirement. The commissioner may waive all or a
21 portion of the prelicensure course requirement, other than the
22 twenty-seven-hour Arizona-specific course, for an applicant who holds a
23 current real estate license in another state.

24 C. All applicants other than renewal applicants under section
25 32-2130 for a real estate broker's license shall show evidence
26 satisfactory to the commissioner that they have completed a real estate
27 broker's course that is prescribed and approved by the commissioner and
28 that is at least ninety classroom hours, or the equivalent, of instruction
29 in a real estate school certified by the commissioner and have
30 satisfactorily passed an examination on the course. An applicant may
31 complete the real estate broker's course prescribed by this subsection
32 through an online course if the online course is offered by a real estate
33 school that is certified by the commissioner, but the applicant must
34 complete an examination on the online course in person. ~~in no case shall~~
35 The real estate broker's course completion or its equivalent MAY NOT be
36 more than ten years before the date of application unless, at the time of
37 application, the commissioner determines in the commissioner's discretion
38 that the applicant has work experience in a real estate-related field and
39 education that together are equivalent to the prelicensure education
40 requirement. The commissioner may waive all or a portion of the
41 prelicensure course requirement, other than the twenty-seven-hour
42 Arizona-specific course, for an applicant who holds a current real estate
43 license in another state.

44 D. Before receiving any license provided for by this chapter, an
45 applicant must be at least eighteen years of age.

1 E. The commissioner shall ascertain by a written, electronic or
2 other examination method that an applicant for a real estate license has:

3 1. An appropriate knowledge of the English language, including
4 reading, writing and spelling, and of arithmetical computations common to
5 real estate practices.

6 2. At a minimum, an understanding of the general purpose and legal
7 effect of any real estate practices, principles and related forms,
8 including agency contracts, real estate contracts, deposit receipts,
9 deeds, mortgages, deeds of trust, security agreements, bills of sale, land
10 contracts of sale and property management, and of any other areas that the
11 commissioner deems necessary and proper.

12 3. A thorough understanding of the obligations between principal
13 and agent, the principles of real estate and business opportunity
14 practice, the applicable canons of business ethics, the provisions of this
15 chapter and rules adopted pursuant to this chapter.

16 4. An appropriate knowledge of other real estate practices and
17 principles as determined by the commissioner.

18 F. The commissioner shall ascertain by a written, electronic or
19 other examination method that an applicant for a license as a cemetery
20 broker or a cemetery salesperson has:

21 1. Appropriate knowledge of the English language, including
22 reading, writing and spelling, and of elementary arithmetic.

23 2. A general understanding of:

24 (a) Cemetery associations, cemetery corporations and duties of
25 cemetery directors and officers.

26 (b) Plot ownership, deeds, certificates of ownership, contracts of
27 sale, liens and leases.

28 (c) Establishing, dedicating, maintaining, managing, operating,
29 improving, preserving and conducting a cemetery.

30 (d) The provisions of this chapter and rules adopted pursuant to
31 this chapter relating to the organization and regulation of cemeteries and
32 the licensing and regulation of cemetery brokers and cemetery
33 salespersons.

34 3. A general understanding of the obligations between principal and
35 agent, the principles of cemetery practice and the canons of business
36 ethics pertaining to the operation of cemeteries and the sale of cemetery
37 property.

38 G. The commissioner shall ascertain by a written, electronic or
39 other examination method that an applicant for a license as a membership
40 camping broker or a membership camping salesperson has:

41 1. An appropriate knowledge of the English language, including
42 reading, writing and spelling, and of elementary arithmetic.

43 2. A general understanding of:

44 (a) The general purposes and legal effect of contracts and agency
45 contracts.

1 (b) Establishing, maintaining, managing and operating a membership
2 campground.

3 (c) The provisions of this chapter and rules adopted pursuant to
4 this chapter relating to the organization and regulation of membership
5 campgrounds and the licensing and regulation of membership camping brokers
6 and membership camping salespersons.

7 3. A general understanding of the obligations between principal and
8 agent and the canons of business ethics pertaining to the operation and
9 promotion of membership campgrounds.

10 H. A renewal applicant for a real estate, cemetery or membership
11 camping broker's or salesperson's license is not required to submit to an
12 examination if the application is made within twelve months after the
13 license expires and the license is not canceled, terminated or suspended
14 at the time of application.

15 I. The examination for a broker's license shall be more exacting
16 and stringent and of a broader scope than the examination for a
17 salesperson's license.

18 J. An applicant for a real estate salesperson's or broker's license
19 who currently holds at least an equivalent license in another state may be
20 exempt from taking the national portion of the real estate examination if
21 the applicant can demonstrate passing a national examination within the
22 past five years that is satisfactorily similar to the one administered by
23 the department.

24 K. Identification of each applicant whose licensing requirement was
25 allowed to be met by an equivalent alternative pursuant to this section
26 shall be included in the annual performance report presented by the board
27 to the governor pursuant to section 32-2104.

28 L. An applicant for an original real estate salesperson's license,
29 after ~~completion of~~ **COMPLETING** the requirements of subsection B of this
30 section, shall provide certification to the department at the time of
31 application evidencing completion of six hours of instruction in real
32 estate contract law and contract writing. This instruction shall include
33 participation by the applicant in ~~the~~ drafting ~~of~~ contracts to purchase
34 real property, listing agreements and lease agreements.

35 M. The commissioner shall not issue a license to a person who has
36 been convicted of a felony offense and who is currently incarcerated for
37 the conviction, paroled or under community supervision and under the
38 supervision of a parole or community supervision officer or who is on
39 probation as a result of the conviction.

40 N. The commissioner shall require an out-of-state applicant for a
41 license that is issued pursuant to section 32-4302 to pass an examination
42 specific to the laws of this state relating to this chapter before the
43 commissioner issues the license to the applicant.

1 Sec. 80. Section 32-2153, Arizona Revised Statutes, is amended to
2 read:

3 32-2153. Grounds for denial, suspension or revocation of
4 licenses; letters of concern; provisional license;
5 retention of jurisdiction by commissioner;
6 definitions

7 A. The commissioner may suspend or revoke a license, deny the
8 issuance of a license, issue a letter of concern to a licensee, issue a
9 provisional license or deny the renewal or the right of renewal of a
10 license issued under this chapter if it appears that the holder or
11 applicant, within five years immediately preceding, in the performance of
12 or attempt to perform any acts authorized by the license or by this
13 chapter, has:

14 1. Pursued a course of misrepresentation or made false promises,
15 either directly or through others, whether acting in the role of a
16 licensee or a principal in a transaction.

17 2. Acted for more than one party in a transaction without the
18 knowledge or consent of all parties to the transaction.

19 3. Disregarded or violated any of the provisions of this chapter or
20 any rules adopted by the commissioner.

21 4. Knowingly authorized, directed, connived at or aided in the
22 publication, advertisement, distribution or circulation of any material
23 false or misleading statement or representation concerning the licensee's
24 business or any land, cemetery property, subdivision or membership
25 campground or camping contract offered for sale in this or any other
26 state.

27 5. Knowingly used the term "real estate broker", "cemetery broker"
28 or "membership camping broker" without THE legal right to do so.

29 6. Employed any unlicensed salesperson or unlicensed associate
30 broker.

31 7. Accepted compensation as a licensee for ~~the performance of~~
32 PERFORMING any of the acts specified in this chapter from any person other
33 than the licensed broker to whom the licensee is licensed, the licensed
34 professional corporation of which the licensee is an officer and
35 shareholder or the licensed professional limited liability company of
36 which the licensee is a member or manager.

37 8. Represented or attempted to represent a broker other than the
38 broker to whom the salesperson or associate broker is licensed.

39 9. Failed, within a reasonable time, to account for or to remit any
40 monies, to surrender to the rightful owner any documents or other valuable
41 property coming into the licensee's possession ~~and~~ that belongs to others,
42 or to issue an appraisal report on real property or cemetery property in
43 which the licensee has an interest, unless the nature and extent of the
44 interest are fully disclosed in the report.

- 1 10. Paid or received any rebate, profit, compensation or commission
2 in violation of this chapter.
- 3 11. Induced any party to a contract to break the contract for the
4 purpose of substituting a new contract with the same or a different
5 principal, if the substitution is motivated by the personal gain of the
6 licensee.
- 7 12. Placed a sign on any property offering it for sale or for rent
8 without the written authority of the owner or the owner's authorized
9 agent.
- 10 13. Solicited, either directly or indirectly, prospects for the
11 sale, lease or use of real property, cemetery property or membership
12 camping contracts through a promotion of a speculative nature involving a
13 game of chance or risk or through conducting lotteries or contests that
14 are not specifically authorized under this chapter.
- 15 14. Failed to pay to the commissioner the renewal fee as specified
16 in this chapter promptly and before the time specified.
- 17 15. Failed to keep an escrow or trust account or other record of
18 ~~funds~~ MONIES deposited with the licensee relating to a real estate
19 transaction.
- 20 16. Commingled the ~~money~~ MONIES or other property of the licensee's
21 principal or client with the licensee's own or converted ~~that money~~ THOSE
22 MONIES or property to the licensee or another.
- 23 17. Failed or refused ~~upon~~ ON demand to produce any document,
24 contract, book, record, information, compilation or report that is in the
25 licensee's possession or that the licensee is required by law to maintain
26 concerning any real estate, cemetery or membership camping business,
27 services, activities or transactions involving or conducted by the
28 licensee for inspection by the commissioner or the commissioner's
29 representative.
- 30 18. Failed to maintain a complete record of each transaction ~~which~~
31 ~~THAT~~ comes within this chapter.
- 32 19. Violated the federal fair housing law, the Arizona civil rights
33 law or any local ordinance of a similar nature.
- 34 20. Tendered to a buyer a wood infestation report in connection with
35 the transfer of residential real property or an interest in residential
36 real property knowing that wood infestation exists or that the wood
37 infestation report was inaccurate or false as of the date of the tender or
38 that an inspection was not done in conjunction with the preparation of the
39 wood infestation report.
- 40 21. As a licensed broker, failed to exercise reasonable supervision
41 over the activities of salespersons, associate brokers or others under the
42 broker's employ or failed to exercise reasonable supervision and control
43 over the activities for which a license is required of a corporation,
44 limited liability company or partnership on behalf of which the broker
45 acts as designated broker under section 32-2125.

- 1 22. Demonstrated negligence in performing any act for which a
2 license is required.
- 3 23. Sold or leased a property to a buyer or lessee that was not the
4 property represented to the buyer or lessee.
- 5 24. Violated any condition or term of a commissioner's order.
- 6 25. Signed the name of another person on any document or form
7 without the express written consent of the person.
- 8 26. As a licensed school, failed to exercise reasonable supervision
9 over the activities for which a license is required for an owner,
10 director, administrator or instructor in the school's employ.
- 11 B. The commissioner may suspend or revoke a license, deny the
12 issuance of a license, issue a letter of concern to a licensee, issue a
13 provisional license or deny the renewal or the right of renewal of a
14 license issued under this chapter when it appears that the holder or
15 applicant has:
- 16 1. Procured or attempted to procure a license under this chapter
17 for the holder or applicant or another by fraud, misrepresentation or
18 deceit, or by filing an original or renewal application ~~which~~ THAT is
19 false or misleading.
- 20 2. Been convicted in a court of competent jurisdiction in this or
21 any other state of a felony or of any crime of forgery, theft, extortion,
22 conspiracy to defraud, a crime of moral turpitude or any other like
23 offense.
- 24 3. Made any substantial misrepresentation.
- 25 4. Made any false promises of a character likely to influence,
26 persuade or induce.
- 27 5. Been guilty of any conduct, whether of the same or a different
28 character than specified in this section, ~~which~~ THAT constitutes fraud or
29 dishonest dealings.
- 30 6. Engaged in the business of a real estate, cemetery or membership
31 camping broker or real estate, cemetery or membership camping salesperson
32 without holding a license as prescribed in this chapter.
- 33 ~~7. Not shown that the holder or applicant is a person of honesty,
34 truthfulness and good character.~~
- 35 ~~8.~~ 7. Demonstrated incompetence to perform any duty or requirement
36 of a licensee under or arising from this chapter. For the purposes of
37 this paragraph, "incompetence" means a lack of basic knowledge or skill
38 appropriate to the type of license the person holds or a failure to
39 appreciate the probable consequences of the licensee's action or inaction.
- 40 ~~9.~~ 8. Violated the terms of any criminal or administrative order,
41 decree or sentence.
- 42 ~~10.~~ 9. Violated any federal or state law, regulation or rule that
43 relates to real estate or securities or that involves forgery, theft,
44 extortion, fraud, substantial misrepresentation, dishonest dealings or
45 violence against another person or failure to deal fairly with any party

1 to a transaction that materially and adversely affected the transaction.
2 This paragraph applies equally to violations of which the licensee was
3 convicted in any lawful federal or state tribunal and to any admissions
4 made in any settlement agreement by the licensee to violations.

5 ~~11.~~ 10. Failed to respond in the course of an investigation or
6 audit by providing documents or written statements.

7 C. A judgment based on a court's finding or stipulation of fraud by
8 a licensee following a trial on the merits or a criminal conviction of a
9 licensee that results in a payment from the real estate recovery fund is
10 prima facie evidence of a violation and grounds for discipline under this
11 section.

12 D. The commissioner may deny, suspend or revoke the issuance of a
13 license ~~upon~~ ON application by a corporation, a limited liability company
14 or a partnership if it appears that an owner, officer, director, member,
15 manager, partner, stockholder owning ten ~~per cent~~ PERCENT or more of the
16 stock in the corporation or limited liability company or person exercising
17 control of the entity is a current or former licensee whose license as a
18 broker or a salesperson has been denied, suspended or revoked.

19 E. The lapsing or suspension of a license by operation of law or by
20 order or decision of the commissioner or a court of law or the voluntary
21 surrender of a license by a licensee ~~shall~~ DOES not deprive the
22 commissioner of jurisdiction to do any of the following:

23 1. Proceed with any investigation of or action or disciplinary
24 proceeding against the licensee.

25 2. Render a decision suspending or revoking the license, ~~or~~
26 denying the renewal or right of renewal of the license.

27 3. Assess a civil penalty pursuant to section 32-2160.01.

28 F. For the purposes of this section:

29 1. "Letter of concern" means an advisory letter to notify a
30 licensee that, while the conduct or evidence does not warrant other
31 disciplinary action, the commissioner believes that the licensee should
32 modify or eliminate certain practices and that continuation of the
33 activities may result in further disciplinary action against the licensee.

34 2. "Provisional license" means a license that the department issues
35 and that allows a licensee to practice subject to either a consent order
36 as prescribed in section 32-2153.01 or the commissioner's terms,
37 conditions and restrictions.

38 Sec. 81. Section 32-2215, Arizona Revised Statutes, is amended to
39 read:

40 32-2215. Qualifications for license to practice veterinary
41 medicine

42 A. An applicant for a license issued under this chapter shall:

43 ~~1. Be of good moral character.~~

44 ~~2.~~ 1. Be a graduate of a veterinary college that is accredited by
45 the American veterinary medical association or hold a certificate issued

1 by the educational commission for foreign veterinary graduates, the
2 program for the assessment of veterinary education equivalence or a
3 foreign graduate testing program approved by the board. This paragraph
4 does not apply to an applicant for a veterinary faculty member license who
5 has graduated from a veterinary college.

6 ~~3.~~ 2. Satisfactorily pass both a state examination approved by the
7 board as provided in this chapter and the North American veterinary
8 licensing examination. This paragraph does not apply to an applicant for
9 a veterinary faculty member license.

10 B. An applicant may be denied licensure either before or after an
11 examination if the applicant has committed any act that if committed by a
12 licensee would be grounds for suspension or revocation of a license to
13 practice veterinary medicine under this chapter.

14 C. The board may waive the examination requirement pursuant to
15 section 32-2214, subsection A, paragraph 2 and, except as provided in
16 subsection E of this section, may issue a license by endorsement to an
17 applicant to practice veterinary medicine if the applicant provides all
18 required documentation pursuant to section 32-2213 and meets the following
19 requirements:

20 1. Holds an active license in one or more other states or in Canada
21 and submits verification that the applicant has previously taken and
22 passed the examination required by section 32-2214, with a score at least
23 equal to the score required to pass in this state. An applicant who
24 received original licensure before the examination required by section
25 32-2214 was required in the state in which the applicant was originally
26 licensed may be eligible for licensure without having taken that
27 examination as required pursuant to this chapter if all other requirements
28 are met.

29 2. Lawfully and actively engages in the practice of veterinary
30 medicine for at least three of the preceding five years or six of the
31 preceding ten years in one or more states in this country or in Canada
32 before filing an application for licensure in this state.

33 3. Has graduated from a veterinary college recognized by the board.

34 4. Successfully passes a state examination approved by the board
35 with a grade of at least seventy-five percent.

36 5. Pays a fee for the license of ~~seven hundred fifty dollars~~ \$750.

37 D. The board may waive the examination requirement pursuant to
38 section 32-2214, subsection A, paragraph 2 and, except as provided in
39 subsection E of this section, may issue a specialty license to an
40 applicant to practice veterinary medicine if the applicant provides all
41 required documentation pursuant to section 32-2213 and meets the following
42 requirements:

43 1. Holds a current certification as a specialist of a national
44 specialty board or college recognized by the American veterinary medical
45 association.

1 2. Limits the applicant's practice to the scope of the applicant's
2 board certification.

3 3. Successfully passes a state examination approved by the board
4 with a score of at least seventy-five percent.

5 4. Pays a fee for the specialty license of ~~seven hundred fifty~~
6 ~~dollars~~ \$750.

7 E. The board shall determine whether previous disciplinary action
8 prevents licensure by endorsement or specialty licensure of an applicant
9 to practice veterinary medicine, and the board may discipline the licensee
10 at the time of licensure as a result of the previous disciplinary action.

11 F. Any veterinary faculty member who is employed by a veterinary
12 college that is accredited by the American veterinary medical association,
13 if applicable, is subject to the requirements under the veterinary faculty
14 member license.

15 Sec. 82. Section 32-2217, Arizona Revised Statutes, is amended to
16 read:

17 32-2217. Employees of the state or political subdivisions;
18 licensure

19 The board shall issue a license to any person who is not licensed by
20 examination to practice veterinary medicine in ~~the~~ THIS state and who is
21 employed as a veterinarian by ~~the~~ THIS state or any political subdivision
22 ~~thereof~~. An applicant for a license under the terms of this section shall
23 ~~make written application therefor~~ APPLY IN WRITING to the board as
24 required by section 32-2213 and shall meet the qualifications prescribed
25 by section 32-2215 with the exception of SECTION 32-2215, subsection A,
26 paragraph ~~3~~ 2. The holder of a license issued under the terms of this
27 section shall engage only in such actions of the practice of veterinary
28 medicine as ~~shall be~~ authorized by the board, and ~~in no event shall~~ acts
29 of practice MAY NOT be performed for any person or firm other than ~~the~~
30 THIS state or the political subdivision employing the licensee. The
31 licensee ~~shall be~~ IS subject to the rules of the board and ~~the provisions~~
32 ~~of~~ this chapter relating to unprofessional or dishonorable conduct. A
33 license expires on December 31 of every ~~even numbered~~ EVEN-NUMBERED year
34 unless suspended or revoked. A license is renewable for two years on
35 payment of the renewal fee. The fee for issuance of the license shall be
36 ~~five dollars~~ \$5 in ~~even numbered~~ EVEN-NUMBERED years and ~~ten dollars~~ \$10
37 in ~~odd numbered~~ ODD-NUMBERED years, and the biennial renewal fee shall be
38 ~~ten dollars~~ \$10. The license shall be revoked ~~upon~~ ON termination of
39 employment of the licensee.

1 on or after March 13, 1968 unless ~~such~~ THE school applies for and obtains
2 from the director a license in the manner and form prescribed by the
3 director.

4 B. Rules adopted by the director shall state the requirements for a
5 school license, including requirements concerning location, equipment,
6 courses of instruction, instructors, previous records of the school and
7 instructors, schedule of fees and charges, ~~character and reputation of the~~
8 ~~operators and instructors~~, insurance in such A sum and with such
9 provisions as the director deems necessary to protect adequately the
10 interests of the public, and such other matters as the director may
11 prescribe for the protection of the public.

12 C. Each applicant who owns twenty ~~per cent~~ PERCENT or more of an
13 entity, and each partner or stockholder who owns twenty ~~per cent~~ PERCENT
14 or more of an entity, and who seeks licensure pursuant to this chapter
15 shall provide the department or a contracted private entity of the
16 department pursuant to section 32-2352 with a valid fingerprint clearance
17 card issued pursuant to section 41-1758.03.

18 Sec. 86. Section 32-2812, Arizona Revised Statutes, is amended to
19 read:

20 32-2812. Applications for certificate; qualifications; fees;
21 examination; denial

22 A. An applicant for a certificate shall submit an application for
23 certification or an application for examination for certification,
24 accompanied by a nonrefundable fee established by the director. An
25 applicant who has practiced radiography without certification shall pay a
26 prorated fee retroactively to the earliest date of uncertified
27 practice. The fee for a replacement certificate is ~~ten dollars~~ \$10. The
28 application for examination fee is ~~seventy dollars~~ \$70 and shall not be
29 prorated. An application shall contain information that the applicant:

30 1. Is at least eighteen years of age.

31 ~~2. Is of good moral character.~~

32 ~~3.~~ 2. Meets one of the following requirements:

33 (a) In the case of an application for radiologic technologist,
34 radiation therapy technologist or nuclear medicine technologist
35 certification, has successfully completed a course of study at a school of
36 radiologic technology that is approved by the department or an
37 out-of-state school of radiologic technology that is approved by the joint
38 review committee on education in radiologic technology, the American
39 registry of radiologic technologists or the nuclear medicine technology
40 certification board.

41 (b) In the case of an application for practical technologist in
42 podiatry certification, practical technologist in bone densitometry
43 certification and practical technologist in radiology certification,
44 satisfactorily meets the basic requisites determined by the department
45 pursuant to section 32-2803.

1 (c) In the case of an application for radiologist assistant
2 certification, has obtained a baccalaureate degree or postbaccalaureate
3 certificate from an advanced academic program that encompasses a
4 nationally recognized radiologist assistant curriculum that includes a
5 radiologist-directed clinical preceptorship. An applicant for
6 certification before April 1, 2009 is not required to have a baccalaureate
7 degree or postbaccalaureate certificate, but must have completed an
8 advanced academic program that encompasses a nationally recognized
9 radiologist assistant curriculum that includes a radiologist-directed
10 clinical preceptorship.

11 B. If the application is in proper form and it appears that the
12 applicant meets the eligibility requirements, the applicant shall be
13 notified of the time and place of the next examination.

14 C. The department may accept, in lieu of its own examination, a
15 certificate issued on the basis of an examination by a
16 certificate-granting body recognized by the department or a certificate,
17 registration or license issued by another state if that state's standards
18 for certification, registration or licensure are satisfactory to the
19 department.

20 D. The department may deny a certificate to an applicant who has
21 committed an act or engaged in conduct in any jurisdiction that resulted
22 in a disciplinary action against the applicant or that would constitute
23 grounds for disciplinary action under this chapter.

24 Sec. 87. Section 32-2912, Arizona Revised Statutes, is amended to
25 read:

26 32-2912. Qualifications of applicant; applications; scope of
27 practice

28 A. The board shall grant a license to practice pursuant to this
29 chapter to an applicant who meets all of the following requirements:

30 ~~1. Is a person of good moral character.~~

31 ~~2.~~ 1. Holds a degree from an approved school of medicine or has
32 received a medical education that the board determines is of equivalent
33 quality.

34 ~~3.~~ 2. Holds a license in good standing to practice medicine or
35 osteopathic medicine that is issued under chapter 13 or 17 of this title
36 or by another state, district or territory of the United States.

37 ~~4.~~ 3. Has a professional record that indicates that the applicant
38 has not had a license to practice medicine refused, revoked, suspended or
39 restricted in any way by any state, territory, district or country for
40 reasons that relate to the applicant's ability to competently and safely
41 practice medicine.

42 ~~5.~~ 4. Has a professional record that indicates that the applicant
43 has not committed any act or engaged in any conduct that would constitute
44 grounds for disciplinary action against a licensee under this chapter.

1 ~~6.~~ 5. Has the physical and mental capacity to safely engage in the
2 practice of medicine.

3 ~~7.~~ 6. Pays all fees and costs required by the board.

4 ~~8.~~ 7. Completes the application required by the board.

5 B. Notwithstanding subsection A, paragraphs ~~2~~ 1 and ~~3~~ 2 of this
6 section, the board shall issue a license pursuant to this chapter to an
7 applicant who meets the requirements of subsection A, paragraphs ~~1~~ 3, 4,
8 5, ~~6~~, AND 7 ~~and 8~~ of this section and who holds a degree from an approved
9 school of medicine.

10 C. The board may require an applicant to submit additional written
11 or oral information and may conduct additional investigations if it
12 determines that this is necessary to adequately inform itself of the
13 applicant's ability to meet the requirements of this chapter. If an
14 applicant has had a license revoked by or has surrendered a license to
15 another jurisdiction, the applicant may attempt to demonstrate to the
16 board's satisfaction that the applicant is completely rehabilitated with
17 respect to the conduct that was the basis for the revocation or surrender
18 of the license.

19 D. The board shall vacate its previous order to deny or revoke a
20 license if that denial or revocation was based on the applicant's
21 conviction of a felony or an offense involving moral turpitude and that
22 conviction has been reversed on appeal. The applicant may resubmit an
23 application for licensure as soon as the court enters the reversal.

24 E. If the board finds that an applicant has committed an act or
25 engaged in conduct that would constitute grounds for disciplinary action,
26 the board shall determine to its satisfaction that the conduct has been
27 corrected, monitored and resolved. If the matter has not been resolved,
28 before it issues a license the board shall determine to its satisfaction
29 that mitigating circumstances exist that prevent its resolution.

30 F. Except as provided in subsection D of this section, a person
31 shall not submit an application for reinstatement or a new application
32 within five years after the person has completely corrected the conduct
33 and made full legal restitution to the board's satisfaction.

34 G. An applicant shall submit a verified completed application to
35 the board in a form and within a period of time prescribed by the
36 board. The application shall include:

37 1. The application fee.

38 2. Affidavits from three persons who are actively licensed to
39 practice allopathic, osteopathic or homeopathic medicine in any state or
40 district of the United States and who are able to attest to the
41 applicant's ~~good moral character and~~ fitness to practice pursuant to this
42 chapter.

43 3. A diploma or certificate issued by a homeopathic college or any
44 other educational institution approved by the board or documentation of

1 the applicant's successful completion of preceptorships or formal
2 postgraduate courses approved by the board.

3 4. If the person is applying for licensure pursuant to subsection A
4 of this section, proof that the applicant has served a board-approved
5 internship.

6 5. The applicant's oath that:

7 (a) All of the information contained in the application and the
8 accompanying evidence or other credentials is correct.

9 (b) The applicant submitted the credentials without fraud or
10 misrepresentation and that the applicant is the lawful holder of the
11 credentials.

12 (c) The applicant authorizes the release to the board of any
13 information from any source that the board determines is necessary for it
14 to act on the application.

15 H. The board shall promptly inform an applicant in writing of any
16 deficiency in the application that prevents the board from acting on it.

17 I. The board shall consider an application withdrawn if any of the
18 following is true:

19 1. The applicant submits a written request to withdraw the
20 application.

21 2. The applicant without good cause fails to appear for a board
22 interview.

23 3. The applicant fails to submit information to the board within
24 one year ~~of~~ AFTER the board's request for that information.

25 4. The applicant fails to complete the required examination or
26 personal interview within one year ~~of~~ AFTER submitting the application.

27 J. A person who is issued a license pursuant to subsection B of
28 this section shall practice only within the scope of practice as
29 prescribed by this chapter. A licensee who acts outside that scope of
30 practice commits an act of unprofessional conduct. In addition to all
31 other available remedies, the board may seek injunctive relieve pursuant
32 to section 32-2940.

33 Sec. 88. Section 32-3275, Arizona Revised Statutes, is amended to
34 read:

35 32-3275. Requirements for licensure; withdrawal of
36 application

37 A. An applicant for licensure must meet all of the following
38 requirements:

39 1. Submit an application as prescribed by the board.

40 2. Be at least twenty-one years of age.

41 ~~3. Be of good moral character. The board's standard to determine~~
42 ~~good moral character shall not violate federal discrimination laws.~~

43 ~~4.~~ 3. Pay all applicable fees prescribed by the board.

44 ~~5.~~ 4. Have the physical and mental capability to safely and
45 competently engage in the practice of behavioral health.

1 ~~6.~~ 5. Not have committed any act or engaged in any conduct that
2 would constitute grounds for disciplinary action against a licensee
3 pursuant to this chapter.

4 ~~7.~~ 6. Not have had a professional license or certificate refused,
5 revoked, suspended or restricted by this state or any other regulatory
6 jurisdiction in the United States or any other country for reasons that
7 relate to unprofessional conduct.

8 ~~8.~~ 7. Not have voluntarily surrendered a professional license or
9 certificate in this state or another regulatory jurisdiction in the United
10 States or any other country while under investigation for conduct that
11 relates to unprofessional conduct.

12 ~~9.~~ 8. Not have a complaint, allegation or investigation pending
13 before the board or another regulatory jurisdiction in the United States
14 or another country that relates to unprofessional conduct. If an
15 applicant has any such complaint, allegation or investigation pending, the
16 board shall suspend the application process and may not issue or deny a
17 license to the applicant until the complaint, allegation or investigation
18 is resolved.

19 B. Before the board considers denial of a license based on a
20 deficiency pursuant to subsection A, paragraph 4, 5, 6, ~~OR 7 OR 8~~ of this
21 section, the applicant shall be given thirty-five days' notice of the time
22 and place of ~~the A meeting.~~ ~~at the time of the meeting,~~ WHICH the
23 applicant may provide in person, by counsel or in written form information
24 and evidence related to any deficiency relating to subsection A, paragraph
25 4, 5, 6, ~~OR 7 OR 8~~ of this section, including any evidence that the
26 deficiency has been corrected or monitored or that a mitigating
27 circumstance exists. In any notice of denial, the board shall provide
28 notice of the applicant's right to a hearing pursuant to title 41, chapter
29 6, article 10.

30 C. If the board finds that an applicant is subject to subsection A,
31 paragraphs 4, 5, 6, ~~OR 7 and 8~~ of this section, the board may determine
32 to its satisfaction that the conduct or condition has been corrected,
33 monitored and resolved and may issue a license. If the conduct or
34 condition has not been resolved, the board may determine to its
35 satisfaction that mitigating circumstances exist that prevent its
36 resolution and may issue a license.

37 D. An applicant for licensure may withdraw the application unless
38 the board has sent to the applicant notification that the board has
39 initiated an investigation concerning professional misconduct. Following
40 that notification, the applicant may request that the board review the
41 applicant's request to withdraw the application. In considering the
42 request the board shall determine whether it is probable that the
43 investigation would result in an adverse action against the applicant.

44 E. After a final board order of denial has been issued, the board
45 shall report the denial if required by the health care quality improvement

1 act of 1986 (42 United States Code chapter 117). For the purposes of this
2 subsection and except as required by federal law, "final board order"
3 means:

4 1. For an applicant who seeks a hearing pursuant to title 41,
5 chapter 6, article 10, when a final administrative decision has been made.

6 2. For an applicant who does not timely file a notice of appeal,
7 after the time for the filing expires pursuant to section 41-1092.03.

8 Sec. 89. Section 32-3423, Arizona Revised Statutes, is amended to
9 read:

10 32-3423. Application for licensure: qualifications

11 A. An applicant for licensure as an occupational therapist or as an
12 occupational therapy assistant shall:

13 ~~1. Be of good moral character.~~

14 ~~2.~~ 1. Successfully complete the academic and fieldwork
15 requirements of an educational program subject to board review and
16 standards prescribed by the board. The board shall require:

17 (a) For an occupational therapist, a minimum of nine hundred
18 twenty-eight hours of supervised fieldwork experience as determined by the
19 supervising institution, organization or sponsor.

20 (b) For an occupational therapy assistant, a minimum of six hundred
21 eight hours of supervised fieldwork experience as determined by the
22 supervising institution, organization or sponsor.

23 ~~3.~~ 2. Pass an examination administered pursuant to section
24 32-3424.

25 ~~4.~~ 3. Complete the application process and pay all fees required
26 pursuant to this chapter.

27 B. The board may deny a license to an applicant who:

28 1. Commits a felony, whether or not involving moral turpitude, or a
29 misdemeanor involving moral turpitude. In either case conviction by a
30 court of competent jurisdiction is conclusive evidence of the commission.

31 2. Engages in any conduct that violates section 32-3401.

32 C. An applicant who is denied a license may request a hearing
33 pursuant to title 41, chapter 6, article 10.

34 Sec. 90. Section 32-3429, Arizona Revised Statutes, is amended to
35 read:

36 32-3429. Foreign trained applicants

37 Foreign trained occupational therapists and occupational therapy
38 assistants shall:

39 1. Satisfy the examination requirements of section 32-3424.

40 ~~2. Provide proof of good moral character.~~

41 ~~3.~~ 2. Complete the academic and supervised fieldwork
42 requirements, ~~THAT ARE~~ substantially equal to those ~~contained~~ PRESCRIBED
43 in section 32-3423 before taking the examination.

44 ~~4.~~ 3. Submit a completed application as prescribed by the board.

1 ~~5.~~ 4. Pay all applicable fees prescribed pursuant to section
2 32-3427.

3 Sec. 91. Section 32-3611, Arizona Revised Statutes, is amended to
4 read:

5 32-3611. Registration, licensure and certification process

6 A. Applications for original registration, licensure or
7 certification, renewals and examinations shall be made in writing to the
8 deputy director on forms approved by the deputy director.

9 B. Appropriate fees, as fixed by the deputy director pursuant to
10 section 32-3607, shall accompany all applications for original
11 registration, licensure or certification, renewal and examination.

12 C. At the time of filing an application for registration, licensure
13 or certification, each applicant shall sign a pledge to comply with the
14 standards set forth in this chapter and shall state that the applicant
15 understands the types of misconduct for which disciplinary proceedings may
16 be initiated against a registered trainee appraiser or a state-licensed or
17 state-certified appraiser, as set forth in this chapter.

18 D. Except as otherwise provided in this chapter, the deputy
19 director shall require such other proof and request such documents,
20 through the application or otherwise, as the deputy director deems
21 necessary for the interests of the public and to verify the ~~honesty,~~
22 ~~truthfulness, reputation and~~ competency of the applicant and shall require
23 that the applicant for registration, licensure or certification:

24 1. Be at least eighteen years of age and a citizen of the United
25 States or a qualified alien as defined in 8 United States Code section
26 1641.

27 2. Not have had a license or certificate denied pursuant to this
28 chapter within one year immediately preceding the application.

29 3. Not have had a license or certificate revoked pursuant to this
30 chapter within five years immediately preceding the application.

31 4. State whether or not the applicant has ever been convicted in a
32 court of competent jurisdiction in this or any other state of a felony or
33 of forgery, theft, extortion or conspiracy to defraud or any other crime
34 involving dishonesty or moral turpitude.

35 E. Applications for registration, licensure or certification by
36 persons who are charged or under indictment for fraud involving appraisal
37 of real property may be denied pending final disposition of the charge or
38 indictment. On final disposition, the deputy director shall review the
39 proceedings and act on the application.

40 Sec. 92. Section 32-3668, Arizona Revised Statutes, is amended to
41 read:

42 32-3668. Owner requirements

43 A. An appraisal management company applying for registration may
44 not be owned by a person or have any principal of the company who has had
45 any financial, real estate or mortgage lending industry license or

1 certificate refused, denied, canceled, revoked or voluntarily surrendered
2 in this state or in any other state. This requirement may be waived at
3 the discretion of the deputy director.

4 B. Each person that owns, is an officer of or has a financial
5 interest in an appraisal management company in this state shall:

6 ~~1. Be of good moral character.~~

7 ~~2.~~ 1. Apply for a valid fingerprint clearance card issued pursuant
8 to section 41-1758.03.

9 ~~3.~~ 2. Certify to the deputy director that the person has never had
10 any financial, real estate or mortgage lending industry license or
11 certificate refused, denied, canceled, revoked or voluntarily surrendered
12 in this state or in any other state. This requirement may be waived by
13 appeal and at the discretion of the deputy director.

14 Sec. 93. Section 32-3669, Arizona Revised Statutes, is amended to
15 read:

16 32-3669. Controlling person requirements

17 A. Each appraisal management company applying to the deputy
18 director for registration in this state shall designate one controlling
19 person who will be the main contact for all communication between the
20 deputy director and the appraisal management company.

21 B. To serve as a controlling person of an appraisal management
22 company, a person shall:

23 1. Certify to the deputy director that the person has never had any
24 financial, real estate or mortgage lending industry license or certificate
25 issued by this state, or any other state, refused, denied, canceled,
26 revoked or voluntarily surrendered. This requirement may be waived by
27 appeal and at the discretion of the deputy director.

28 ~~2. Be of good moral character.~~

29 ~~3.~~ 2. Apply for a valid fingerprint clearance card issued pursuant
30 to section 41-1758.03.

31 Sec. 94. Section 32-4021, Arizona Revised Statutes, is amended to
32 read:

33 32-4021. Standard certification qualifications; application

34 A. An applicant for standard certification as a certified reporter
35 shall apply on approved forms and, at a minimum, shall:

- 36 1. Be at least eighteen years of age.
- 37 2. Be a citizen or legal resident of the United States.
- 38 3. Satisfy the requirements of section 32-4022.

39 ~~4. Be of good moral character.~~

40 ~~5.~~ 4. Possess a high school diploma or general equivalency diploma
41 or a similar document or certificate.

42 ~~6.~~ 5. Pursuant to rules adopted by the supreme court, demonstrate
43 reasonable proficiency in making verbatim records of trial or judicial or
44 related proceedings.

1 ~~7.~~ 6. Comply with the laws and rules and orders adopted by the
2 supreme court governing certified reporters in this state.

3 ~~8.~~ 7. Pay the fees established pursuant to section 32-4008.

4 ~~9.~~ 8. Submit a full set of fingerprints with the fee prescribed in
5 section 41-1750 to the supreme court for the purpose of obtaining a state
6 and federal criminal records check pursuant to section 41-1750 and Public
7 Law 92-544.

8 B. If the board is satisfied that an applicant meets the
9 requirements of this section and section 32-4022, the supreme court shall
10 issue a certificate to the applicant. The board may refuse to issue a
11 certificate if section 32-4024 applies.

12 Sec. 95. Section 32-4122, Arizona Revised Statutes, is amended to
13 read:

14 32-4122. Qualifications for licensure

15 An applicant for a license as an athletic trainer shall:

16 ~~1. Be of good moral character. To determine if a person is of good
17 moral character, the board may consider if the person has been convicted
18 of a felony or a misdemeanor involving moral turpitude.~~

19 ~~2.~~ 1. Have successfully completed the application process.

20 ~~3.~~ 2. Possess a minimum of a baccalaureate degree from an
21 accredited institution with coursework and supervised clinical experience
22 as required and approved by the board.

23 ~~4.~~ 3. Have passed a national examination approved by the board
24 within one year before the date of application or currently possess
25 certification as an athletic trainer from a nationally recognized board of
26 certification.

27 ~~5.~~ 4. Pay the application fee prescribed in section 32-4126.

28 Sec. 96. Section 32-4222, Arizona Revised Statutes, is amended to
29 read:

30 32-4222. Qualifications for licensure

31 A. An applicant for a license as a massage therapist shall:

32 1. Be at least eighteen years of age.

33 2. Be a citizen or legal resident of the United States.

34 3. Satisfy the requirements of section 32-4224.

35 ~~4. Be of good moral character.~~

36 ~~5.~~ 4. Receive either a high school diploma or general equivalency
37 diploma or a similar document or certificate or submit proof that the
38 applicant has passed an ability to benefit examination recognized by the
39 United States department of education.

40 ~~6.~~ 5. Pay the fees established pursuant to section 32-4227.

41 ~~7.~~ 6. Within five years preceding the date of the application, not
42 have been convicted of:

43 (a) A class 1, 2 or 3 felony.

44 (b) A class 4, 5 or 6 felony offense involving moral turpitude that
45 has a reasonable relationship to the practice of massage therapy.

1 (c) A misdemeanor involving prostitution or solicitation or ~~other~~
2 ANOTHER similar offense involving moral turpitude that has a reasonable
3 relationship to the practice of massage therapy.

4 ~~8.~~ 7. Within the ~~past~~ PRECEDING five years, not have voluntarily
5 surrendered a license under section 32-4254 or not have had a license to
6 practice massage therapy or another similar license revoked by a political
7 subdivision of this state or a regulatory agency in another jurisdiction
8 in the United States for an act that occurred in that jurisdiction and
9 that would be subject to discipline pursuant to this chapter.

10 ~~9.~~ 8. Not be currently under investigation, suspension or
11 restriction by a political subdivision of this state or a regulatory
12 agency in another jurisdiction in the United States for an act that
13 occurred in that jurisdiction and that would be subject to discipline
14 pursuant to this chapter. If the applicant is under investigation by a
15 regulatory agency in another jurisdiction, the board shall suspend the
16 application process and may not issue or deny a license to the applicant
17 until the investigation is resolved.

18 ~~10.~~ 9. Submit a full set of fingerprints to the board for the
19 purpose of obtaining a state and federal criminal records check pursuant
20 to section 41-1750 and Public Law 92-544. The department of public safety
21 may exchange this fingerprint data with the federal bureau of
22 investigation. The board may charge the cost of each criminal background
23 check to the applicant.

24 B. In addition to the requirements of subsection A of this section,
25 an applicant for licensure as a massage therapist shall either:

26 1. Have successfully completed a course of study of massage therapy
27 or bodywork therapy consisting of a minimum of five hundred classroom and
28 clinical hours of supervised instruction at a board recognized school in
29 this state that is accredited by an agency recognized by the secretary of
30 the United States department of education.

31 2. Have done both of the following:

32 (a) Successfully completed a course of study in massage therapy or
33 bodywork therapy consisting of a minimum of five hundred classroom and
34 clinical hours of supervised instruction at a school in this state that is
35 licensed by the state board for private postsecondary education or at a
36 school outside of this state that is recognized by the board pursuant to
37 section 32-4228.

38 (b) Successfully passed an examination administered by a national
39 board accredited by the certifying agency that has been approved by the
40 national commission on competency assurance and that is in good standing
41 with that agency or have successfully passed an examination that is
42 administered or approved by the board.

43 C. The board may adopt rules to allow it to consider the education
44 and experience of an applicant who came from a foreign country. The board
45 by rule may increase the minimum number of classroom hours of supervised

1 instruction at a board recognized school that an applicant for licensure
2 must successfully have completed.

3 D. If the board is satisfied that an applicant meets the
4 requirements of this section, the board shall issue a license to the
5 applicant.

6 E. The board, by rule, shall establish communication proficiency
7 requirements related to an applicant's ability to protect health and
8 safety in connection with the practice of massage therapy.

9 F. Subject to the board's approval, the executive director may
10 issue licenses to applicants who meet the requirements of this chapter.

11 G. The board may deny an application for a license if the applicant
12 committed an act that would subject a person licensed under this chapter
13 to disciplinary action.

14 Sec. 97. Section 36-446.04, Arizona Revised Statutes, is amended to
15 read:

16 36-446.04. Qualifications; period of validity; exemption

17 A. The board shall issue a license as a nursing care institution
18 administrator pursuant to its rules to any person who meets the following
19 qualifications:

20 ~~1. Is of good character.~~

21 ~~2.~~ 1. Has satisfactorily completed a course of instruction and
22 training approved by the board that:

23 (a) Is designed and sufficiently administered to give the applicant
24 knowledge of the proper needs to be served by nursing care institutions.

25 (b) Includes a thorough background in the laws and rules governing
26 the operation of nursing care institutions and the protection of the
27 interests of the patients in nursing care institutions.

28 (c) Includes thorough training in elements of good health care
29 facilities administration.

30 ~~3.~~ 2. Has passed an examination administered by the board designed
31 to test for competency in the subject matter referred to in this
32 subsection.

33 ~~4.~~ 3. Has met one of the following fingerprinting requirements:

34 (a) Has a valid fingerprint clearance card issued pursuant to title
35 41, chapter 12, article 3.1.

36 (b) Has provided proof of the submission of an application for a
37 fingerprint clearance card. An applicant who has been denied a
38 fingerprint clearance card must also provide proof that the applicant
39 qualifies for a good cause exception hearing pursuant to section
40 41-619.55.

41 B. A person who is licensed pursuant to this section must maintain
42 a valid fingerprint clearance card during the valid period of the person's
43 license.

1 C. The board shall issue a certificate as an assisted living
2 facility manager pursuant to its rules to a person who meets the following
3 qualifications:

4 ~~1. Is of good character.~~

5 ~~2.~~ 1. Has satisfactorily completed a course of instruction and
6 training approved by the board that:

7 (a) Is designed and sufficiently administered to give the applicant
8 knowledge of the proper needs to be served by an assisted living facility.

9 (b) Includes a thorough background in the laws governing the
10 operation of assisted living facilities and the protection of the
11 interests of the patients in assisted living facilities.

12 (c) Includes thorough training in elements of assisted living
13 facility administration.

14 ~~3.~~ 2. Has passed an examination administered by the board that is
15 designed to test for competency in the subject matter prescribed in this
16 subsection.

17 ~~4.~~ 3. Provides documentation satisfactory to the board that the
18 applicant has completed two thousand eighty hours of paid work experience
19 in a health related field within the preceding five years as prescribed by
20 board rule.

21 ~~5.~~ 4. Has met one of the following fingerprinting requirements:

22 (a) Has a valid fingerprint clearance card issued pursuant to title
23 41, chapter 12, article 3.1.

24 (b) Has provided proof of the submission of an application for a
25 fingerprint clearance card. An applicant who has been denied a
26 fingerprint clearance card must also provide proof that the applicant
27 qualifies for a good cause exception hearing pursuant to section
28 41-619.55.

29 D. Notwithstanding any other provision of this article, beginning
30 July 1, 2021, all new licenses and certifications issued by the board must
31 be approved by both the board and the department of health services.

32 E. A person who is certified pursuant to this section must maintain
33 a valid fingerprint clearance card during the valid period of the person's
34 certificate.

35 F. In lieu of the requirements contained in subsection A, paragraph
36 ~~2~~ 1 or subsection C, paragraph ~~2~~ 1 OF THIS SECTION, an applicant may
37 present satisfactory evidence to the board of sufficient education and
38 training in the areas listed in ~~that~~ THE RESPECTIVE paragraph.

39 G. A license is nontransferable and remains in effect until the
40 following June 30 of an ~~even-numbered~~ EVEN-NUMBERED year, at which time
41 the license may be renewed if the licensee otherwise complies with this
42 article and unless the license has been surrendered, suspended or revoked.

43 H. A certificate is nontransferable and remains in effect until the
44 following June 30 of an ~~odd-numbered~~ ODD-NUMBERED year, at which time the
45 certificate may be renewed if the certificate holder otherwise complies

1 with this article and the certificate has not been surrendered, suspended
2 or revoked.

3 I. This section does not apply to managers of adult foster care
4 homes as defined in section 36-401.

5 Sec. 98. Section 36-446.06, Arizona Revised Statutes, is amended to
6 read:

7 36-446.06. Temporary licenses and certificates

8 A. The board may issue a temporary nursing care institution
9 administrator's license or TEMPORARY assisted living facility manager's
10 certificate to individuals WHO ARE determined to meet standards
11 established by the board and MAY revoke or suspend temporary licenses or
12 certificates previously issued by the board in any case ~~where~~ IN WHICH the
13 individual holding a license or certificate is determined to have
14 substantially failed to conform to the requirements of such standards
15 during the term of the temporary license or certificate.

16 B. A temporary license or certificate is automatically revoked if
17 the licensee or certificate holder fails either the state or national
18 examination during the term of the license OR CERTIFICATE.

19 C. Temporary licenses or certificates may be issued without
20 examination, for a single nonrenewable period of one hundred fifty days,
21 to a qualified individual for the purpose of enabling the individual to
22 fill a nursing care INSTITUTION administrator or assisted living facility
23 manager position. Qualifications for a temporary license or certificate
24 shall include ~~good character and~~ the ability to meet such other standards
25 as are established by the board.

26 D. An applicant for a temporary license or certificate shall not
27 have failed a state or national examination either before or after
28 applying for the temporary license or certificate.

29 Sec. 99. Section 36-755, Arizona Revised Statutes, is amended to
30 read:

31 36-755. Powers and duties of the director

32 A. The director may adopt rules necessary for the proper
33 administration and enforcement of this article.

34 B. The director shall, by rule:

35 1. Define and describe, consistent with this article and the laws
36 of this state, the duties and ~~limitations~~ LIMITS of the practice of
37 midwifery.

38 2. Adopt standards with respect to the practice of midwifery
39 designed to safeguard the health and safety of the mother and child.

40 3. Establish the criteria for granting, denying, suspending and
41 revoking a license in order to protect the health and safety of the mother
42 and child.

43 4. Describe and define reasonable and necessary minimum
44 qualifications for midwives, including:

45 (a) The ability to read and write.

1 (b) Knowledge of the fundamentals of hygiene.

2 (c) The ability to recognize abnormal or potentially abnormal
3 conditions during pregnancy, labor and delivery and following birth.

4 (d) Knowledge of the laws of this state concerning reporting of
5 births, prenatal blood tests and newborn screening and of the rules
6 pertaining to midwifery.

7 (e) Education requirements.

8 (f) Age requirements.

9 ~~(g) Good moral character.~~

10 Sec. 100. Section 36-1923, Arizona Revised Statutes, is amended to
11 read:

12 36-1923. Hearing aid dispensers; licensure requirements

13 A. An applicant for a hearing aid dispenser license shall pay to
14 the director a nonrefundable application fee and shall show to the
15 satisfaction of the director that the applicant:

16 ~~1. Is a person of good moral character.~~

17 ~~2.~~ 1. Has an education equivalent to a four-year course in an
18 accredited high school or has continuously engaged in the practice of
19 fitting and dispensing hearing aids during the three years preceding
20 August 11, 1970.

21 ~~3.~~ 2. Has not had the applicant's license revoked or suspended by
22 a state within the ~~past~~ PRECEDING two years and is presently not
23 ineligible for licensure in any state due to prior revocation or
24 suspension.

25 B. An applicant for a hearing aid dispenser license who is notified
26 by the director that the applicant has fulfilled the requirements of
27 subsection A of this section shall appear to be examined by written and
28 practical tests as designated by the director in order to demonstrate that
29 the applicant is qualified to practice the fitting and dispensing of
30 hearing aids.

31 C. The director shall give at least two and not ~~exceeding~~ MORE THAN
32 four examinations of the type described in this section in each calendar
33 year unless there is an insufficient number of applicants for the second
34 annual examination.

35 Sec. 101. Section 36-1940, Arizona Revised Statutes, is amended to
36 read:

37 36-1940. Audiologists; licensure requirements

38 A. A person who wishes to be licensed as an audiologist shall:

39 1. Submit a nonrefundable application fee as prescribed by section
40 36-1908.

41 2. Submit evidence satisfactory to the director that the applicant
42 has:

43 (a) A doctoral degree with an emphasis in audiology from a
44 nationally or regionally accredited college or university in an accredited
45 program consistent with the standards of this state's universities.

1 (b) Completed supervised clinical rotations in audiology from a
2 nationally or regionally accredited college or university in an accredited
3 program consistent with the standards of this state's universities.

4 3. Pass an examination pursuant to section 36-1902, subsection
5 G. The applicant must have completed the examination within three years
6 before the date of application for licensure pursuant to this article.

7 ~~4. Be of good moral character.~~

8 ~~5.~~ 4. Not have had a license revoked or suspended by a state
9 within the ~~past~~ PRECEDING two years and not be presently ineligible for
10 licensure in any state because of a prior revocation or suspension.

11 B. A person who has a doctoral degree in audiology and who wishes
12 to be licensed as an audiologist to fit and dispense hearing aids shall:

13 1. Submit a nonrefundable application fee as prescribed by section
14 36-1908.

15 2. Submit evidence satisfactory to the director that the applicant
16 has:

17 (a) A doctoral degree with an emphasis in audiology from a
18 nationally or regionally accredited college or university in a program
19 consistent with the standards of this state's universities.

20 (b) Completed supervised clinical rotations in audiology from a
21 nationally or regionally accredited college or a university in an
22 accredited program that is consistent with the standards of this state's
23 universities.

24 3. Pass an examination pursuant to section 36-1902, subsection
25 G. The applicant must have completed the examination within three years
26 before the date of application for licensure pursuant to this article.

27 4. Pass an examination approved by the director in jurisprudence
28 and ethics related to this chapter within six months after initial
29 licensure. The director shall offer the examination at least four times
30 each calendar year.

31 ~~5. Be of good moral character.~~

32 ~~6.~~ 5. Not have had a license revoked or suspended by a state
33 within the ~~past~~ PRECEDING two years and not be presently ineligible for
34 licensure in any state because of a prior revocation or suspension.

35 C. A person who wishes to be licensed as an audiologist to fit and
36 dispense hearing aids and who was awarded a master's degree in audiology
37 before December 31, 2007 must:

38 1. Submit a nonrefundable application fee as prescribed pursuant to
39 section 36-1908.

40 2. Submit evidence satisfactory to the director that the applicant
41 meets the requirements prescribed in section 36-1940.02, subsection C for
42 a waiver of the educational and clinical rotation requirements of this
43 article.

44 3. Pass an audiology examination pursuant to section 36-1902,
45 subsection E. The applicant must have completed the examination within

1 three years before the date of application for licensure pursuant to this
2 article unless the applicant is currently practicing audiology and meets
3 the audiology examination waiver requirements of section 36-1940.02,
4 subsection D.

5 4. Pass the hearing aid dispenser's examination pursuant to section
6 36-1924.

7 ~~5. Be of good moral character.~~

8 ~~6.~~ 5. Not have had a license to practice as an audiologist or
9 hearing aid dispenser revoked or suspended by another state within the
10 ~~past~~ PRECEDING two years and not currently be ineligible for licensure in
11 any state because of a prior revocation or suspension.

12 D. The director shall adopt rules prescribing criteria for approved
13 postgraduate professional experience.

14 Sec. 102. Section 36-1940.01, Arizona Revised Statutes, is amended
15 to read:

16 36-1940.01. Speech-language pathologist; licensure
17 requirements

18 A. A person who wishes to be licensed as a speech-language
19 pathologist shall:

20 1. Submit a nonrefundable application fee as prescribed by section
21 36-1908.

22 2. Submit evidence satisfactory to the director that the applicant
23 has:

24 (a) A master's degree in speech-language pathology or the
25 equivalent from a nationally or regionally accredited college or
26 university in a program consistent with the standards of this state's
27 universities.

28 (b) Completed a supervised clinical practicum in speech-language
29 pathology from a nationally or regionally accredited college or university
30 in a program consistent with the standards of this state's universities.

31 (c) Completed postgraduate professional experience in the field of
32 speech-language pathology approved by the director.

33 3. Pass an examination pursuant to section 36-1902, subsection G.

34 ~~4. Be of good moral character.~~

35 ~~5.~~ 4. Not have had a license revoked or suspended by a state
36 within the ~~past~~ PRECEDING two years and not be presently ineligible for
37 licensure in any state because of a prior revocation or suspension.

38 B. A person who wishes to be licensed as a speech-language
39 pathologist whose practice is limited to providing services to pupils
40 under the authority of a local education agency or ~~state supported~~
41 STATE-SUPPORTED institution shall:

42 1. Submit a nonrefundable application fee as provided by section
43 36-1908.

44 2. Submit proof of an employee or contractor relationship with a
45 local education agency or a ~~state supported~~ STATE-SUPPORTED institution.

1 3. Hold a certificate in speech and language therapy awarded by the
2 state board of education.

3 C. The director shall adopt rules prescribing criteria for approved
4 postgraduate professional experience.

5 Sec. 103. Section 36-1940.04, Arizona Revised Statutes, is amended
6 to read:

7 36-1940.04. Speech-language pathology assistants; licensure
8 requirements; scope of practice; supervision

9 A. A person who wishes to be licensed as a speech-language
10 pathology assistant shall:

11 1. Submit a nonrefundable application fee as prescribed by section
12 36-1908.

13 2. Submit written evidence satisfactory to the director that the
14 applicant has completed:

15 (a) An approved training program for speech-language pathology
16 assistants or the equivalent from a nationally or regionally accredited
17 college or university that consisted of a minimum of sixty semester credit
18 hours of coursework with the following curriculum content:

19 (i) Twenty to forty semester credit hours of general education or a
20 bachelor's degree.

21 (ii) Twenty to forty semester credit hours of speech-language
22 pathology technical coursework.

23 (b) A minimum of one hundred hours of clinical interaction that
24 does not include observation, under the supervision of a licensed master's
25 level speech-language pathologist.

26 ~~3. Be of good moral character.~~

27 ~~4.~~ 3. Not have had a license revoked or suspended by a state
28 within the ~~past~~ PRECEDING two years and not be presently ineligible for
29 licensure in any state because of a prior revocation or suspension.

30 B. The director may waive the requirements of subsection A,
31 paragraph 2 of this section if the applicant holds certification as a
32 speech-language pathology assistant from a nationally recognized
33 speech-language hearing association approved by the department in the
34 field for which the applicant is applying for licensure.

35 C. A speech-language pathology assistant may do the following under
36 the supervision of a licensed speech-language pathologist:

37 1. Conduct speech and language screenings without interpretation,
38 using screening protocols specified by the supervising speech-language
39 pathologist.

40 2. Provide direct treatment assistance, including feeding for
41 nutritional purposes to patients, clients or students except for patients,
42 clients or students with dysphagia, identified by the supervising
43 speech-language pathologist by following written treatment plans,
44 individualized education programs, individual support plans or protocols
45 developed by the supervising speech-language pathologist.

- 1 3. Document patient, client or student progress toward meeting
2 established objectives as stated in the treatment plan, individual support
3 plan or individualized education program without interpreting the
4 findings, and report this information to the supervising speech-language
5 pathologist.
- 6 4. Assist the speech-language pathologist in collecting and
7 tallying data for assessment purposes, without interpreting the data.
- 8 5. Act as a second-language interpreter during assessments.
- 9 6. Assist with informal documentation during an intervention
10 session by collecting and tallying data as directed by the speech-language
11 pathologist, preparing materials and assisting with other clerical duties
12 as specified by the supervising speech-language pathologist.
- 13 7. Schedule activities and prepare charts, records, graphs or other
14 displays of data.
- 15 8. Perform checks and maintenance of equipment.
- 16 9. Participate with the speech-language pathologist in research
17 projects, in-service training and public relations programs.
- 18 10. Sign and initial treatment notes for review and cosignature by
19 the supervising speech-language pathologist.
- 20 D. A speech-language pathology assistant shall not:
 - 21 1. Conduct swallowing screening, assessment and intervention
22 protocols, including modified barium swallow studies.
 - 23 2. Administer standardized or nonstandardized diagnostic tests or
24 formal or informal evaluations or interpret test results.
 - 25 3. Participate in parent conferences, case conferences or any
26 interdisciplinary team meeting without the presence of the supervising
27 speech-language pathologist, except for individualized education program
28 or individual support plan meetings if the licensed speech-language
29 pathologist has been excused by the individualized education program team
30 or the individual support plan team.
 - 31 4. Write, develop or modify a patient's, client's or student's
32 treatment plan, individual support plan or individualized education
33 program in any way.
 - 34 5. Provide intervention for patients, clients or students without
35 following the treatment plan, individual support plan or individualized
36 education program prepared by the supervising speech-language pathologist.
 - 37 6. Sign any formal documents, including treatment plans, individual
38 support plans, individualized education programs, reimbursement forms or
39 reports.
 - 40 7. Select patients, clients or students for services.
 - 41 8. Discharge patients, clients or students from services.
 - 42 9. Unless required by law, disclose clinical or confidential
43 information orally or in writing to anyone not designated by the
44 speech-language pathologist.
 - 45 10. Make a referral for any additional service.

- 1 11. Communicate with the patient, client or student or with family
2 or others regarding any aspect of the patient, client or student status
3 without the specific consent of the supervising speech-language
4 pathologist.
- 5 12. Claim to be a speech-language pathologist.
- 6 13. Write a formal screening, diagnostic, progress or discharge
7 note.
- 8 14. Perform any task without the express knowledge and approval of
9 the supervising speech-language pathologist.
- 10 E. All services provided by a speech-language pathology assistant
11 shall be performed under the direction and supervision of a
12 speech-language pathologist who is licensed pursuant to this chapter.
- 13 F. A licensed speech-language pathologist who supervises or directs
14 the services provided by a speech-language pathology assistant shall:
- 15 1. Have at least two years of full-time professional experience as
16 a licensed speech-language pathologist.
- 17 2. Provide direction and supervision to not more than two full-time
18 or three part-time speech-language pathology assistants at one time.
- 19 3. Ensure that the amount and type of supervision and direction
20 provided to a speech-language pathology assistant is consistent with the
21 individual's skills and experience, the needs of the patient, client or
22 student served, the setting in which services are provided and the tasks
23 assigned and provide:
- 24 (a) At least twenty percent direct supervision and ten percent
25 indirect supervision of all the time that the speech-language pathology
26 assistant is providing services during the individual's first ninety days
27 of employment. After the first ninety days of the speech-language
28 pathology assistant's employment, the supervising speech-language
29 pathologist may adjust the amount of supervision if the supervising
30 speech-language pathologist determines that the speech-language pathology
31 assistant meets appropriate competencies and skill levels regarding
32 various disorders of communication and related disorders. Minimum ongoing
33 supervision after the first ninety days shall include documentation of
34 direct and indirect supervision provided by the supervising
35 speech-language pathologist and shall include at least one hour of direct
36 supervision weekly and as much indirect supervision as needed to maintain
37 the delivery of quality services. Minimum ongoing supervision after the
38 first ninety days shall include documentation by the supervising
39 speech-language pathologist of the supervisor's direct contact with at
40 least ten percent of the speech-language pathology assistant's patients,
41 clients or students served each quarter. The supervising speech-language
42 pathologist shall ensure that the ten percent direct client contact varies
43 each quarter. The supervising speech-language pathologist shall require
44 direct supervision of a speech-language pathology assistant when services
45 are provided to a medically fragile individual.

1 (b) At least ten percent direct supervision and ten percent
2 indirect supervision of all the time that the speech-language pathology
3 assistant is providing services during the individual's first thirty days
4 of employment if the speech-language pathology assistant completed
5 supervision pursuant to subdivision (a) of this paragraph at a previous
6 employer and provides documentation of that supervision to the supervising
7 speech-language pathologist. After the first thirty days of the
8 speech-language pathology assistant's employment, the supervising
9 speech-language pathologist may adjust the amount of supervision if the
10 supervising speech-language pathologist determines that the
11 speech-language pathology assistant meets appropriate competencies and
12 skill levels regarding various disorders of communication and related
13 disorders. Minimum ongoing supervision after the first thirty days of
14 employment shall include documentation of direct and indirect supervision
15 provided by the supervising speech-language pathologist and shall include
16 at least one hour of direct supervision weekly and as much indirect
17 supervision as needed to maintain the delivery of quality services.
18 Minimum ongoing supervision after the first ninety days shall include
19 documentation by the supervising speech-language pathologist of the
20 supervisor's direct contact with at least ten percent of the
21 speech-language pathology assistant's patients, clients or students served
22 each quarter. The supervising speech-language pathologist shall ensure
23 that the ten percent direct client contact varies each quarter. The
24 supervising speech-language pathologist shall require direct supervision
25 of a speech-language pathology assistant when services are provided to a
26 medically fragile individual.

27 4. Inform a patient, client or student when the services of a
28 speech-language pathology assistant are being provided.

29 5. Document all periods of direct supervision and indirect
30 supervision provided to a speech-language pathology assistant.

31 G. If more than one speech-language pathologist provides
32 supervision to a speech-language pathology assistant, one of the
33 speech-language pathologists shall be designated as the primary supervisor
34 who is responsible for coordinating any supervision provided by other
35 speech-language pathologists.

36 Sec. 104. Section 41-271, Arizona Revised Statutes, is amended to
37 read:

38 41-271. Grounds to deny, refuse to renew, revoke, suspend or
39 condition commission of notary public

40 A. The secretary of state may deny, refuse to renew, revoke,
41 suspend or impose a condition on a commission as notary public for any act
42 or omission that demonstrates the individual lacks the ~~honesty, integrity,~~
43 competence or reliability to act as a notary public, including any of the
44 following:

- 45 1. Failure to comply with this article.

1 2. A fraudulent, dishonest or deceitful misstatement or omission in
2 the application for a commission as a notary public submitted to the
3 secretary of state.

4 3. A conviction of the applicant or notary public of any felony or
5 a crime involving fraud, dishonesty or deceit. A conviction after a plea
6 of no contest is deemed to be a conviction for the purposes of this
7 paragraph.

8 4. A finding against or admission of liability by the applicant or
9 notary public in any legal proceeding or disciplinary action based on the
10 applicant's or notary public's fraud, dishonesty or deceit.

11 5. Failure by the notary public to discharge any duty required of a
12 notary public, whether by this article, rules of the secretary of state or
13 federal or state law.

14 6. Use of false or misleading advertising or representation by the
15 notary public **representing** that the notary has a duty, right or privilege
16 that the notary does not have.

17 7. Violation by the notary public of a rule of the secretary of
18 state regarding a notary public.

19 8. Denial, refusal to renew, revocation, suspension or conditioning
20 of a notary public commission in another state.

21 9. Failure of the notary public to maintain an assurance as
22 provided in section 41-269, subsection D.

23 10. Charging more than the fees authorized by this article or rule.

24 11. The return for insufficient funds or for any other reason for
25 nonpayment of a check issued for the assurance filing fees or application
26 fees to the secretary of state.

27 12. Failure to respond to any request for information or to comply
28 with any investigation initiated by the secretary of state or the attorney
29 general.

30 13. The prior revocation of a notary public commission in this
31 state.

32 B. If the secretary of state denies, refuses to renew, revokes,
33 suspends or imposes conditions on a commission as a notary public, the
34 applicant or notary public is entitled to timely notice and a hearing in
35 accordance with chapter 6, article 10 of this title. The denial of an
36 application or revocation or suspension of a commission is an appealable
37 agency action. If an applicant appeals the denial of an application, the
38 applicant may not submit a new application for consideration while the
39 appeal is pending. If an individual's commission as a notary public in
40 this state is revoked, the individual may not submit a new application for
41 commission for one year after the date of revocation.

42 C. The authority of the secretary of state to deny, refuse to
43 renew, suspend, revoke or impose conditions on a commission as a notary
44 public does not prevent a person from seeking and obtaining other criminal
45 or civil remedies provided by law.

1 Sec. 105. Section 41-4025, Arizona Revised Statutes, is amended to
2 read:

3 41-4025. Qualifications and requirements for licensure

4 A. A manufacturer, dealer, broker, salesperson or installer license
5 shall be issued by the director.

6 B. The director shall:

7 1. Qualify applicants for a license.

8 2. Conduct such investigations as the director deems necessary.

9 3. Establish and administer written examinations for the applicable
10 license classifications.

11 C. The director may establish experience requirements for
12 installers of manufactured homes, mobile homes, residential factory-built
13 buildings and accessory structures.

14 D. To obtain a license pursuant to this article, the applicant
15 shall submit to the director a notarized application on forms prescribed
16 by the department together with the required license fee. ~~Such~~ THE
17 application shall contain the following information:

18 1. A designation of the classification of license sought by the
19 applicant.

20 2. The name, birth date and address of an individual applicant.

21 3. If the applicant is a partnership, the name, birth date and
22 address of all partners with a designation of any limited partners.

23 4. If the applicant is a corporation, association or other
24 organization, the names, birth dates and addresses of the president, vice
25 president, secretary and treasurer.

26 5. For all licenses, except those for salespersons, the name, birth
27 date and address of the qualifying party. The qualifying party must
28 reside within the state of the principal place of the licensee's business
29 and shall not act in the capacity of a qualifying party for more than one
30 license in the same classification.

31 6. If the applicant is a corporation, association or other
32 organization, evidence that the corporation, association or other
33 organization is in good standing with the Arizona corporation commission.

34 7. Whether the owner, if the applicant is a sole proprietorship,
35 all partners, if the applicant is a partnership, all officers, if the
36 applicant is a corporation or other type of association, the managers or
37 managing members, if the applicant is a limited liability company, the
38 general partner, if the applicant is a limited partnership, or the
39 individual, if the applicant is a salesperson, has ever been charged or
40 convicted of a felony, or has ever received an adverse final decision in a
41 civil action alleging fraud or misrepresentation, and, if so, the nature
42 of the action and the final disposition of the case.

43 8. For corporations, the name and address of a statutory agent
44 appointed by the licensee on whom legal notices, summonses or other

1 processes may be served, which service shall be deemed personal service on
2 the licensee.

3 9. If it is an application for a salesperson's license, the
4 applicant shall designate an employing dealer or broker and the
5 application shall include the signature of the qualifying party or the
6 qualifying party's designee.

7 10. Other information as the director may deem necessary.

8 E. Before the issuance of any license pursuant to this article, the
9 owner, if the applicant is a sole proprietorship, all partners, if the
10 applicant is a partnership, the general partner, if the applicant is a
11 limited partnership, the president, vice president, secretary, and
12 treasurer, if the applicant is a corporation or other type of association,
13 the manager or managing members, if the applicant is a limited liability
14 company, the individual, if the applicant is a salesperson, and the
15 qualifying party shall ~~be of good character and reputation and shall~~
16 submit a fingerprint card for background analysis. ~~Lack of good character~~
17 ~~and reputation may be established by showing that such person has~~
18 ~~committed any act that, if committed by any licensee, would be grounds for~~
19 ~~suspension or revocation of such license.~~

20 F. To obtain a license pursuant to this article, a person shall not
21 have had a license refused or revoked within one year before the date of
22 the application, ~~nor~~ SHALL NOT have engaged in the business without first
23 having been licensed ~~nor~~ AND shall ~~a person~~ NOT act as a licensee between
24 the filing of the application and actual issuance of the license. For the
25 purposes of this subsection, "person" means an applicant, an individual, a
26 qualifying party, any partner of a partnership, any manager or managing
27 member of a limited liability company, or any officer, director,
28 qualifying party or owner of forty percent or more of the stock or
29 beneficial interest of a corporation.

30 G. Before issuance of a dealer, broker or installer license, the
31 qualifying party, in addition to meeting the requirements provided in
32 subsection D of this section, shall successfully show, by written
33 examination within three attempts, qualification in the kind of work or
34 business in which the applicant proposes to engage. Before the issuance
35 of an installer license, the qualifying party shall also provide the
36 department with evidence of successful completion of the online installer
37 course that is administered by the manufactured housing educational
38 institute and proof of three years of practical or field experience or
39 training that is deemed acceptable by the department.

40 H. A license shall not be issued to a minor or to any partnership
41 in which one of the partners is a minor.

42 I. Every salesperson who holds an active license shall maintain on
43 file with the department a current residence address and shall notify the
44 department within five working days of any change of address, of any

1 discontinued employment, and where, if anywhere, the salesperson is
2 currently working.

3 J. The license of a salesperson who is no longer employed by the
4 dealer of record is deemed inactive. The salesperson shall turn the
5 license into the department until the salesperson is employed by another
6 dealer and a written notification of the change has been received by the
7 department. On notification, the department shall return the license to
8 the salesperson.

9 Sec. 106. Section 44-1961, Arizona Revised Statutes, is amended to
10 read:

11 44-1961. Grounds for denial, revocation or suspension of
12 dealer registration; administrative remedies

13 A. After a hearing or notice and opportunity for a hearing as
14 provided in article 11 of this chapter, the commission may enter an order
15 suspending for a period of not to exceed one year, denying or revoking the
16 registration of a dealer if the commission finds that:

17 1. The application for registration of the dealer, any financial
18 statement, document or other exhibit filed with the application or any
19 supplement or amendment to the application is incomplete, inaccurate or
20 misleading.

21 2. The dealer is insolvent or is in an unsound financial condition.

22 3. The dealer has violated this chapter or any rule or order of the
23 commission under this chapter.

24 4. The dealer purchases or sells securities at such variations from
25 current market prices as, in the light of all the circumstances, are
26 unconscionable.

27 5. The dealer has failed to file with the commission any record,
28 report, financial statement or other information required under this
29 chapter or any rule or order of the commission under this chapter, or has
30 refused to ~~permit~~ ALLOW an examination into the dealer's affairs.

31 6. The dealer is ~~lacking in integrity, is not of good business~~
32 ~~reputation or is~~ not qualified by training or experience.

33 7. The dealer has knowingly retained a salesman after notice that
34 the salesman has committed an offense under this chapter.

35 8. The dealer has been convicted within ten years preceding the
36 date of filing the application for registration as a dealer, or at anytime
37 thereafter, of a felony or misdemeanor involving a transaction in
38 securities, of which fraud is an essential element or arising out of the
39 conduct of any business in securities.

40 9. The dealer is permanently or temporarily enjoined by order,
41 judgment or decree of an administrative tribunal or a court of competent
42 jurisdiction from engaging in or continuing any conduct or practice in
43 connection with the sale or purchase of securities.

44 10. The dealer is subject to an order of an administrative tribunal,
45 an SRO or the SEC denying, suspending or revoking membership or

1 registration as a broker or dealer in securities or an investment adviser
2 or investment adviser representative for at least six months.

3 11. The dealer has been guilty of any fraudulent act or practice in
4 connection with the purchase or sale of securities.

5 12. The dealer has failed to reasonably supervise its salesmen.

6 13. The dealer has engaged in dishonest or unethical practices in
7 the securities industry.

8 14. The dealer has engaged in dishonest or unethical practices in
9 business or financial matters.

10 B. In addition to denying, revoking or suspending the registration,
11 if the commission finds that a dealer has engaged in an act, practice or
12 transaction described in subsection A, paragraph 4, 12 or 13 OF THIS
13 SECTION, the commission may do one or more of the following:

14 1. Assess administrative penalties.

15 2. Order the dealer to cease and desist from engaging in the act,
16 practice or transaction or doing any other act in furtherance of the act,
17 practice or transaction.

18 3. Take appropriate affirmative action, as prescribed by the
19 commission, to correct the conditions resulting from the act, practice or
20 transaction, including a requirement to provide restitution.

21 C. It is sufficient cause for denial, revocation or suspension of
22 registration of a dealer as provided in this section, if the dealer is a
23 partnership, corporation, unincorporated association or trust, that a
24 member of the partnership, an officer or director of the corporation or
25 unincorporated association, a trustee or other fiduciary of such trust or
26 a person controlling, controlled by or under common control with the
27 dealer has been guilty of any act or omission ~~which~~ THAT would be a
28 sufficient ground for denying or revoking the registration of an
29 individual dealer.

30 D. If the registration of a dealer is revoked or denied, that
31 dealer may not file with the commission an application for registration
32 under this chapter or for licensure under chapter 13 of this title for at
33 least one year after the date of the revocation or denial.

34 Sec. 107. Section 44-1962, Arizona Revised Statutes, is amended to
35 read:

36 44-1962. Grounds for denial, revocation or suspension of
37 registration of salesman; administrative remedies

38 A. After a hearing or notice and opportunity for a hearing as
39 provided by article 11 of this chapter, the commission may enter an order
40 suspending for a period of not to exceed one year, denying or revoking the
41 registration of a salesman if the commission finds that:

42 1. The application for registration of the salesman, any statement,
43 document or other exhibit filed with the application or any supplement or
44 amendment to the application is incomplete, inaccurate or misleading.

1 2. The salesman has violated this chapter or any rule or order of
2 the commission under this chapter.

3 3. The salesman has failed to file with the commission any record,
4 report or other information required under this chapter or any rule or
5 order of the commission under this chapter or has refused to ~~permit~~ ALLOW
6 an examination into ~~his~~ THE SALESMAN'S affairs.

7 4. The salesman is ~~lacking in integrity, is not of good business~~
8 ~~reputation or is~~ not qualified by training or experience.

9 5. The salesman is not employed by a registered dealer.

10 6. The salesman has been convicted within ten years preceding the
11 date of filing the application for registration as a salesman, or at
12 anytime thereafter, of a felony or misdemeanor involving a transaction in
13 securities, of which fraud is an essential element or arising out of the
14 conduct of any business in securities.

15 7. The salesman is permanently or temporarily enjoined by order,
16 judgment or decree of an administrative tribunal or a court of competent
17 jurisdiction from engaging in or continuing any conduct or practice in
18 connection with the sale or purchase of securities.

19 8. The salesman is subject to an order of an administrative
20 tribunal, an SRO or the SEC denying, suspending or revoking membership or
21 registration as a broker or dealer in securities or an investment adviser
22 or investment adviser representative for at least six months.

23 9. The salesman has been guilty of any fraudulent act or practice
24 in connection with the purchase or sale of securities.

25 10. The salesman has engaged in dishonest or unethical practices in
26 the securities industry.

27 11. The salesman has failed to reasonably supervise salesmen under
28 the salesman's supervisory control.

29 12. The salesman has engaged in dishonest or unethical practices in
30 business or financial matters.

31 B. In addition to denying, revoking or suspending the registration,
32 if the commission finds that a salesman has engaged in an act, practice or
33 transaction described in subsection A, paragraph 10 or 11 OF THIS SECTION,
34 the commission may do one or more of the following:

35 1. Assess administrative penalties.

36 2. Order the salesman to cease and desist from engaging in the act,
37 practice or transaction or doing any other act in furtherance of the act,
38 practice or transaction.

39 3. Take appropriate affirmative action, as prescribed by the
40 commission, to correct the conditions resulting from the act, practice or
41 transaction, including a requirement to provide restitution.

42 C. If the registration of a salesman is revoked or denied, that
43 salesman may not file with the commission an application for registration
44 under this chapter or for licensure under chapter 13 of this title for at
45 least one year after the date of the revocation or denial.

APPROVED BY THE GOVERNOR MARCH 24, 2022.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 24, 2022.