

House Engrossed

contractor license numbers; advertising; exception.

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

**CHAPTER 114**  
**HOUSE BILL 2545**

AN ACT

AMENDING SECTIONS 32-1124 AND 32-1158, ARIZONA REVISED STATUTES; RELATING  
TO THE REGISTRAR OF CONTRACTORS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 32-1124, Arizona Revised Statutes, is amended to  
3 read:

4 32-1124. License issuance; required posting and placement;  
5 license suspension

6 A. ~~On receipt by~~ WHEN the registrar ~~of~~ RECEIVES the fee required by  
7 this chapter and an application furnishing complete information as  
8 required by the registrar, the registrar shall notify the applicant within  
9 sixty days after the date of the filing of a complete application of the  
10 action taken on the application, and if the registrar determines that the  
11 applicant is qualified to hold a license in accordance with this chapter,  
12 the registrar shall issue a license to the applicant ~~permitting~~ ALLOWING  
13 the applicant to engage in business as a contractor under the terms of  
14 this chapter.

15 B. Licenses issued under this chapter and any renewals shall be  
16 signed by the registrar or the registrar's designated representative and  
17 by the licensee. The license is nontransferable, and satisfactory  
18 evidence of possession shall be exhibited by the licensee on demand. The  
19 license number appearing on any licenses held by the licensee must be  
20 preceded by the acronym "ROC" and shall be posted OR PLACED AS FOLLOWS:

21 1. In a conspicuous place on premises where any work is being  
22 performed. ~~, shall be placed~~

23 2. On all written bids AND ESTIMATES submitted by the licensee. ~~and~~  
24 ~~shall be placed~~

25 3. On all ~~broadcast,~~ published, ~~internet or billboard~~ advertising,  
26 letterheads and other documents used by the licensee to correspond with  
27 the licensee's customers or potential customers in the conduct of business  
28 regulated by this chapter.

29 4. ON ALL BROADCAST, INTERNET OR BILLBOARD ADVERTISING, UNLESS THE  
30 BROADCAST, INTERNET OR BILLBOARD ADVERTISING INCLUDES A WEBSITE'S UNIFORM  
31 RESOURCE LOCATOR THAT DIRECTLY LINKS TO A WEBSITE THAT PROMINENTLY  
32 DISPLAYS THE LICENSEE'S NAME AND LICENSE NUMBER.

33 C. A violation of ~~this~~ subsection B OF THIS SECTION relating to  
34 posting and placement of license numbers shall be, at the discretion of  
35 the registrar, grounds for disciplinary action pursuant to section  
36 32-1154, subsection A, paragraph 12, but not grounds for preventing the  
37 award of a contract, voiding an awarded contract, or any other claim or  
38 defense against the licensee. For the purposes of this subsection,  
39 advertising does not include a trade association directory listing that is  
40 distributed solely to the members of the association and not to the  
41 general public.

42 ~~C.~~ D. If an application for a license is denied for any reason  
43 provided in this chapter, the application fee paid by the applicant is  
44 forfeited and shall be deposited pursuant to section 32-1107. A

1 reapplication for a license shall be accompanied by the fee fixed by this  
2 chapter.

3 ~~D.~~ E. On issuance or renewal of a license, the registrar, at the  
4 request of a licensee, shall issue a single license certificate showing  
5 all contracting licenses held by the licensee that are currently in good  
6 standing and their dates of expiration.

7 ~~E.~~ F. The registrar may establish procedures to allow a licensee  
8 to establish a common expiration or renewal date for all licenses issued  
9 to the licensee and may provide for proration of license fees for that  
10 purpose.

11 ~~F.~~ G. The registrar may suspend by operation of law a license  
12 issued under this chapter if any of the following occurs:

13 1. The licensed entity is dissolved. The dissolution of the  
14 licensed entity includes the death of a sole owner, a change to the  
15 partnership by either adding or removing a partner, the revocation or  
16 dissolution of corporate authority or the dissolution of a limited  
17 liability company or limited liability partnership.

18 2. The licensed entity does not have authority to do business in  
19 this state.

20 3. The license is obtained or renewed with an insufficient funds  
21 check. The license remains suspended until the registrar receives  
22 sufficient funds as payment for the license fees and assessments.

23 Sec. 2. Section 32-1158, Arizona Revised Statutes, is amended to  
24 read:

25 32-1158. Contract requirements; provision of documents and  
26 receipt at contract signing

27 A. Any contract in an amount of more than ~~one thousand dollars~~  
28 \$1,000 entered into between a contractor and the owner of a property to be  
29 improved shall contain in writing at least the following information:

30 1. The name of the contractor and the contractor's business address  
31 and license number.

32 2. The name and mailing address of the owner and the jobsite  
33 address or legal description.

34 3. The date the parties entered into the contract.

35 4. The estimated date of completion of all work to be performed  
36 under the contract.

37 5. A description of the work to be performed under the contract.

38 6. The total dollar amount to be paid to the contractor by the  
39 owner for all work to be performed under the contract, including all  
40 applicable taxes.

41 7. The dollar amount of any advance deposit paid or scheduled to be  
42 paid to the contractor by the owner.

43 8. The dollar amount of any progress payment and the stage of  
44 construction at which the contractor will be entitled to collect progress  
45 payments during the course of construction under the contract.

1           9. That the property owner has the right to file a written  
2 complaint with the registrar for an alleged violation of section 32-1154,  
3 subsection A. The contract shall contain the registrar's telephone number  
4 and website address and shall state that complaints must be made within  
5 the applicable time period as set forth in section ~~32-1155~~ 32-1162,  
6 subsection A. The information in this paragraph must be prominently  
7 displayed in the contract in at least ~~ten-point~~ **TEN-POINT** bold type, and  
8 the contract shall be signed by the property owner and the contractor or  
9 the contractor's designated representative. This paragraph does not apply  
10 to a person who is subject to and complies with section 12-1365.

11           B. When a contractor and an owner sign a contract, the contractor  
12 shall provide the owner with a legible copy of all documents signed and a  
13 written and signed receipt for and in the true amount of any cash paid to  
14 the contractor by the owner.

15           C. The requirements of this section are not prerequisites to the  
16 formation or enforcement of a contract. Failure to comply with the  
17 requirements of this section does not constitute a defense by either party  
18 to an action for compensation, damages, breach, enforcement or other cause  
19 of action based on the contract.

APPROVED BY THE GOVERNOR MARCH 24, 2021.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 24, 2021.