

Senate Engrossed

contractor licensure; handyman exemption

State of Arizona
Senate
Fifty-sixth Legislature
First Regular Session
2023

SENATE BILL 1715

AN ACT

AMENDING SECTION 32-1121, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2019, CHAPTER 140, SECTION 1; AMENDING SECTION 32-1121, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2019, CHAPTER 145, SECTION 5; AMENDING SECTIONS 32-1123 AND 32-1158, ARIZONA REVISED STATUTES; RELATING TO CONTRACTORS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 32-1121, Arizona Revised Statutes, as amended by
3 Laws 2019, chapter 140, section 1, is amended to read:

4 32-1121. Persons not required to be licensed; penalties;
5 applicability

6 A. This chapter does not apply to:

7 1. An authorized representative of the United States government,
8 this state or any county, incorporated city or town, reclamation district,
9 irrigation district or other municipality or political subdivision of this
10 state.

11 2. Trustees of an express trust that is not formed for the purpose
12 of conducting business as a contractor or officers of a court, if they are
13 acting within the terms of their trust or office.

14 3. Public utilities operating under regulation of the corporation
15 commission or construction, repair or operation incidental to discovering
16 or producing petroleum or gas, or drilling, testing, abandoning or
17 otherwise operating a petroleum or gas well, if performed by an owner or
18 lessee.

19 4. Any materialman, manufacturer or retailer that furnishes
20 finished products, materials or articles of merchandise and that does not
21 install or attach such items or installs or attaches such items if the
22 total value of the sales contract or transaction involving such items and
23 the cost of the installation or attachment of such items to a structure
24 does not exceed ~~\$1,000~~ \$2,000, including labor, materials and all other
25 items, but excluding any electrical fixture or appliance that was designed
26 by the manufacturer, that is unaltered, unchanged or unmodified by any
27 person, that can be plugged into a common household electrical outlet
28 using a two-pronged or three-pronged electrical connector or that has
29 internal batteries that do not exceed twelve volts in a single, series or
30 parallel configuration and that does not use any other form of energy,
31 including natural gas, propane or other petroleum or gaseous fuel, to
32 operate or is attached by a nail, screw or other fastening device to the
33 frame or foundation of any residential structure. **FOR EACH YEAR BEGINNING
34 FROM AND AFTER DECEMBER 31, 2023, THE REGISTRAR SHALL INCREASE THE DOLLAR
35 AMOUNT OF THE EXEMPTION PRESCRIBED IN THIS PARAGRAPH FOR INFLATION BASED
36 ON THE GDP PRICE DEFLATOR AS DEFINED IN SECTION 41-563 AND SHALL ROUND THE
37 INCREASED DOLLAR AMOUNT TO THE NEAREST \$50.** The materialman, manufacturer
38 or retailer shall inform the purchaser that the installation may also be
39 performed by a licensed contractor whose name and address the purchaser
40 may request.

41 5. Owners of property who improve such property or who build or
42 improve structures or appurtenances on such property and who do the work
43 themselves, with their own employees or with duly licensed contractors, if
44 the structure, group of structures or appurtenances, including the
45 improvements thereto, are intended for occupancy solely by the owner and

1 are not intended for occupancy by members of the public as the owner's
2 employees or business visitors and the structures or appurtenances are not
3 intended for sale or for rent. In all actions brought under this chapter,
4 except an action against an owner-occupant as defined in section 33-1002,
5 proof of the sale or rent or the offering for sale or rent of any such
6 structure by the owner-builder within one year after completion or
7 issuance of a certificate of occupancy is prima facie evidence that such a
8 project was undertaken for the purpose of sale or rent. For the purposes
9 of this paragraph, "sale" or "rent" includes any arrangement by which the
10 owner receives compensation in money, provisions, chattels or labor from
11 the occupancy or the transfer of the property or the structures on the
12 property.

13 6. Owners of property who are acting as developers and who build
14 structures or appurtenances to structures on their property for the
15 purpose of sale or rent and who contract for such a project with a general
16 contractor licensed pursuant to this chapter and owners of property who
17 are acting as developers, who improve structures or appurtenances to
18 structures on their property for the purpose of sale or rent and who
19 contract for such a project with a general contractor or specialty
20 contractors licensed pursuant to this chapter. To qualify for the
21 exemption under this paragraph, the licensed contractors' names and
22 license numbers shall be included in all sales documents.

23 7. Architects or engineers who are engaging in their professional
24 practice as defined in chapter 1 of this title and who hire or offer to
25 hire the services of a contractor for preconstruction activities relating
26 to investigation and discovery, including:

27 (a) Subsurface utility location and designation services.

28 (b) Potholing.

29 (c) Drilling for any of the following:

30 (i) Soil samples.

31 (ii) Rock samples.

32 (iii) Pavement samples.

33 (d) Locating existing features of a building or structure,
34 including existing electrical, mechanical, plumbing and structural
35 members.

36 8. A person licensed, certified or registered pursuant to title 3,
37 chapter 20 or a person working under the direct supervision of a person
38 certified or qualified pursuant to title 3, chapter 20 to the extent the
39 person is engaged in pest management.

40 9. The sale or installation of finished products, materials or
41 articles of merchandise that are not fabricated into and do not become a
42 permanent fixed part of the structure. This exemption does not apply if a
43 local building permit is required, if the total price of the finished
44 product, material or article of merchandise, including labor but excluding
45 any electrical fixture or appliance that was designed by the manufacturer,

1 that is unaltered, unchanged or unmodified by any person, that can be
2 plugged into a common household electrical outlet using a two-pronged or
3 three-pronged electrical connector or that has internal batteries that do
4 not exceed twelve volts in a single, series or parallel configuration and
5 that does not use any other form of energy, including natural gas, propane
6 or other petroleum or gaseous fuel, to operate or is attached by a nail,
7 screw or other fastening device to the frame or foundation of any
8 residential structure, is more than ~~\$1,000~~ \$2,000 or if the removal of the
9 finished product, material or article of merchandise causes material
10 damage to the structure or renders the structure unfit for its intended
11 use. FOR EACH YEAR BEGINNING FROM AND AFTER DECEMBER 31, 2023, THE
12 REGISTRAR SHALL INCREASE THE DOLLAR AMOUNT OF THE EXEMPTION PRESCRIBED IN
13 THIS PARAGRAPH FOR INFLATION BASED ON THE GDP PRICE DEFLATOR AS DEFINED IN
14 SECTION 41-563 AND SHALL ROUND THE INCREASED DOLLAR AMOUNT TO THE NEAREST
15 \$50.

16 10. Employees of the owners of condominiums, townhouses,
17 cooperative units or apartment complexes of four units or less or the
18 owners' management agent or employees of the management agent repairing or
19 maintaining structures owned by them.

20 11. Any person who engages in the activities regulated by this
21 chapter, as an employee of an exempt property owner or as an employee with
22 wages as the person's sole compensation.

23 12. A surety company or companies that are authorized to transact
24 business in this state and that undertake to complete a contract on which
25 they issued a performance or completion bond if all construction work is
26 performed by duly licensed contractors.

27 13. Insurance companies that are authorized to transact business in
28 this state and that undertake to perform repairs resulting from casualty
29 losses pursuant to the provisions of a policy if all construction work is
30 performed by duly licensed contractors.

31 14. Any person other than a licensed contractor engaging in any
32 work or operation on one undertaking or project by one or more contracts,
33 for which the aggregate contract price, including labor, materials and all
34 other items, but excluding any electrical fixture or appliance that was
35 designed by the manufacturer, that is unaltered, unchanged or unmodified
36 by any person, that can be plugged into a common household electrical
37 outlet using a two-pronged or three-pronged electrical connector or that
38 has internal batteries that do not exceed twelve volts in a single, series
39 or parallel configuration and that does not use any other form of energy,
40 including natural gas, propane or other petroleum or gaseous fuel, to
41 operate or is attached by a nail, screw or other fastening device to the
42 frame or foundation of any residential structure, is less than ~~\$1,000~~
43 \$2,000. FOR EACH YEAR BEGINNING FROM AND AFTER DECEMBER 31, 2023, THE
44 REGISTRAR SHALL INCREASE THE DOLLAR AMOUNT OF THE EXEMPTION PRESCRIBED IN
45 THIS PARAGRAPH FOR INFLATION BASED ON THE GDP PRICE DEFLATOR AS DEFINED IN

1 SECTION 41-563 AND SHALL ROUND THE INCREASED DOLLAR AMOUNT TO THE NEAREST
2 \$50. The work or operations that are exempt under this paragraph shall be
3 of a casual or minor nature. This exemption does not apply:

4 (a) In any case in which the performance of the work requires a
5 local building permit.

6 (b) In any case in which the work or construction is only a part of
7 a larger or major operation, whether undertaken by the same or a different
8 contractor, or in which a division of the operation is made in contracts
9 of amounts less than ~~\$1,000~~ \$2,000, excluding any electrical fixture or
10 appliance that was designed by the manufacturer, that is unaltered,
11 unchanged or unmodified by any person, that can be plugged into a common
12 household electrical outlet using a two-pronged or three-pronged
13 electrical connector or that has internal batteries that do not exceed
14 twelve volts in a single, series or parallel configuration and that does
15 not use any other form of energy, including natural gas, propane or other
16 petroleum or gaseous fuel, to operate or is attached by a nail, screw or
17 other fastening device to the frame or foundation of any residential
18 structure, for the purpose of evasion of this chapter or otherwise. FOR
19 EACH YEAR BEGINNING FROM AND AFTER DECEMBER 31, 2023, THE REGISTRAR SHALL
20 INCREASE THE DOLLAR AMOUNT OF THE EXEMPTION PRESCRIBED IN THIS SUBDIVISION
21 FOR INFLATION BASED ON THE GDP PRICE DEFLATOR AS DEFINED IN SECTION 41-563
22 AND SHALL ROUND THE INCREASED DOLLAR AMOUNT TO THE NEAREST \$50.

23 (c) To a person who uses any form of advertising to the public in
24 which the person's unlicensed status is not disclosed by including the
25 words "not a licensed contractor" in the advertisement.

26 15. A person who is licensed, certified or registered pursuant to
27 title 41, chapter 37, article 4 and who is not otherwise required to be
28 licensed under this chapter or an employee of such person.

29 16. A person who functions as a gardener by performing lawn,
30 garden, shrub and tree maintenance.

31 17. Alarm agents as defined in section 32-101.

32 18. Cable television, satellite television and telecommunications
33 providers, including data and related services of cable television,
34 satellite television and telecommunications providers including
35 contractors and subcontractors of cable television, satellite television
36 and telecommunications providers if the work of the contractors and
37 subcontractors is limited to installing low-voltage cable, telephone
38 services, internet services and data service. ~~Installation~~ INSTALLING
39 does not include digging, trenching, grading, horizontal boring,
40 compacting or filling earthen or other material before the service drop of
41 the commercial or residential structure.

42 B. A person who is licensed to perform work in a particular trade
43 pursuant to this chapter is not required to obtain and maintain a separate
44 license for mechanical or structural service work the person performs
45 within the scope of that trade.

1 C. Any person who does not have an exemption from licensure
2 pursuant to subsection A, paragraph 14, subdivision (c) of this section is
3 subject to prosecution for a violation of section 44-1522. The attorney
4 general may investigate the act or practice and take appropriate action
5 pursuant to title 44, chapter 10, article 7.

6 D. The exemptions from licensure pursuant to subsection A,
7 paragraphs 4, 9 and 14 of this section do not apply to either of the
8 following:

9 1. All fire safety and mechanical, electrical and plumbing work
10 that is done in connection with fire safety installation and fire safety
11 maintenance and repair. For the purposes of this paragraph, "fire safety
12 installation" means hardwired or interconnected smoke alarms and fire
13 sprinklers and does not include an individual device that is attached by a
14 nail, screw or other fastening device to the frame or foundation of any
15 residential unit. For the purposes of this paragraph, fire safety
16 maintenance and repair does not include routine work that is conducted by
17 an employee of an apartment or condominium complex and that is incidental
18 to the fire safety equipment.

19 2. All work done, including installing, maintaining and repairing
20 devices, appliances or equipment, that involves connecting to any supply
21 of natural gas, propane or other petroleum or gaseous fuel. This
22 paragraph does not impact the effect of section 36-1624.01.

23 Sec. 2. Section 32-1121, Arizona Revised Statutes, as amended by
24 Laws 2019, chapter 145, section 5, is amended to read:

25 32-1121. Persons not required to be licensed; penalties;
26 applicability

27 A. This chapter does not apply to:

28 1. An authorized representative of the United States government,
29 this state or any county, incorporated city or town, reclamation district,
30 irrigation district or other municipality or political subdivision of this
31 state.

32 2. Officers of a court or trustees of an express trust that is not
33 formed for the purpose of conducting business as a contractor, if they are
34 acting within the terms of their office or trust.

35 3. Public utilities operating under regulation of the corporation
36 commission or construction, repair or operation incidental to discovering
37 or producing petroleum or gas, or the drilling, testing, abandoning or
38 other operation of a petroleum or gas well, if performed by an owner or
39 lessee.

40 4. Except as provided in subsection D of this section, any
41 materialman, manufacturer or retailer who informs the purchaser that the
42 installation may also be performed by a licensed contractor whose name and
43 address the purchaser may request, ~~and~~ who furnishes finished products,
44 materials or articles of merchandise and who EITHER:

45 (a) Does not install or attach such items.

1 (b) Installs or attaches such items if the total value of the sales
2 contract or transaction involving such items and the cost of the
3 installation or attachment of such items to a structure does not exceed
4 ~~\$1,000~~ \$2,000, including labor, materials and all other items, but
5 excluding any electrical fixture or appliance that ~~meets all of the~~
6 ~~following:~~

7 ~~(i)~~ was designed by the manufacturer, ~~—~~

8 ~~(ii)~~ is unaltered, unchanged or unmodified by any person, ~~—~~ AND

9 ~~(iii)~~ can be plugged into a common electrical outlet. FOR EACH
10 YEAR BEGINNING FROM AND AFTER DECEMBER 31, 2023, THE REGISTRAR SHALL
11 INCREASE THE DOLLAR AMOUNT OF THE EXEMPTION PRESCRIBED IN THIS SUBDIVISION
12 FOR INFLATION BASED ON THE GDP PRICE DEFLATOR AS DEFINED IN SECTION 41-563
13 AND SHALL ROUND THE INCREASED DOLLAR AMOUNT TO THE NEAREST \$50.

14 5. Owners of property who improve such property or who build or
15 improve structures or appurtenances on such property and who do the work
16 themselves, with their own employees or with duly licensed contractors, if
17 the structure, group of structures or appurtenances, including the
18 improvements thereto, are intended for occupancy solely by the owner and
19 are not intended for occupancy by members of the public as the owner's
20 employees or business visitors and the structures or appurtenances are not
21 intended for sale or for rent. In all actions brought under this chapter,
22 except an action against an owner-occupant as defined in section 33-1002,
23 proof of the sale or rent or the offering for sale or rent of any such
24 structure by the owner-builder within one year after completion or
25 issuance of a certificate of occupancy is prima facie evidence that such
26 project was undertaken for the purpose of sale or rent. For the purposes
27 of this paragraph, "sale" or "rent" includes any arrangement by which the
28 owner receives compensation in money, provisions, chattels or labor from
29 the occupancy or the transfer of the property or the structures on the
30 property.

31 6. Owners of property who are acting as developers and who build
32 structures or appurtenances to structures on their property for the
33 purpose of sale or rent and who contract for such a project with a general
34 contractor licensed pursuant to this chapter and owners of property who
35 are acting as developers, who improve structures or appurtenances to
36 structures on their property for the purpose of sale or rent and who
37 contract for such a project with a general contractor or specialty
38 contractors licensed pursuant to this chapter. To qualify for the
39 exemption under this paragraph, the licensed contractors' names and
40 license numbers must be included in all sales documents.

41 7. Architects or engineers who are engaging in their professional
42 practice as defined in chapter 1 of this title and who hire or offer to
43 hire the services of a contractor for preconstruction activities relating
44 to investigation and discovery, including:

45 (a) Subsurface utility location and designation services.

- 1 (b) Potholing.
- 2 (c) Drilling for any of the following:
- 3 (i) Soil samples.
- 4 (ii) Rock samples.
- 5 (iii) Pavement samples.
- 6 (d) Locating existing features of a building or structure,
- 7 including existing electrical, mechanical, plumbing and structural
- 8 members.

9 8. A person licensed, certified or registered pursuant to title 3,
10 chapter 20 or a person working under the direct supervision of a person
11 certified or qualified pursuant to title 3, chapter 20 to the extent the
12 person is engaged in pest management.

13 9. Except as provided in subsection D of this section, the sale or
14 installation of finished products, materials or articles of merchandise
15 that are not fabricated into and do not become a permanent fixed part of
16 the structure. This exemption does not apply if a local building permit
17 is required, if the removal of the finished product, material or article
18 of merchandise causes damage to the structure or renders the structure
19 unfit for its intended use or if the total price of the finished product,
20 material or article of merchandise is more than ~~\$1,000~~ \$2,000, including
21 labor but excluding any electrical fixture or appliance that ~~meets all of~~
22 ~~the following:~~

- 23 ~~(a)~~ was designed by the manufacturer, ~~—~~
- 24 ~~(b)~~ is unaltered, unchanged or unmodified by any person, ~~—~~ AND
- 25 ~~(c)~~ can be plugged into a common electrical outlet. FOR EACH YEAR
26 BEGINNING FROM AND AFTER DECEMBER 31, 2023, THE REGISTRAR SHALL INCREASE
27 THE DOLLAR AMOUNT OF THE EXEMPTION PRESCRIBED IN THIS PARAGRAPH FOR
28 INFLATION BASED ON THE GDP PRICE DEFLATOR AS DEFINED IN SECTION 41-563 AND
29 SHALL ROUND THE INCREASED DOLLAR AMOUNT TO THE NEAREST \$50.

30 10. Employees of the owners of condominiums, townhouses,
31 cooperative units or apartment complexes of four units or less or the
32 owners' management agent or employees of the management agent repairing or
33 maintaining structures owned by them.

34 11. Any person who engages in the activities regulated by this
35 chapter, as an employee of an exempt property owner or as an employee with
36 wages as the person's sole compensation.

37 12. A surety company or companies that are authorized to transact
38 business in this state and that undertake to complete a contract on which
39 they issued a performance or completion bond, if construction work is
40 performed by duly licensed contractors.

41 13. Insurance companies that are authorized to transact business in
42 this state and that undertake to perform repairs resulting from casualty
43 losses pursuant to the provisions of a policy, if construction work is
44 performed by duly licensed contractors.

1 14. Except as provided in subsection D of this section, any person
2 other than a licensed contractor engaging in any work or operation on one
3 undertaking or project by one or more contracts, for which the aggregate
4 contract price is less than ~~\$1,000~~ \$2,000, including labor, materials and
5 all other items, but excluding any electrical fixture or appliance that
6 was designed by the manufacturer, that is unaltered, unchanged or
7 unmodified by any person and that can be plugged into a common electrical
8 outlet. FOR EACH YEAR BEGINNING FROM AND AFTER DECEMBER 31, 2023, THE
9 REGISTRAR SHALL INCREASE THE DOLLAR AMOUNT OF THE EXEMPTION PRESCRIBED IN
10 THIS PARAGRAPH FOR INFLATION BASED ON THE GDP PRICE DEFLATOR AS DEFINED IN
11 SECTION 41-563 AND SHALL ROUND THE INCREASED DOLLAR AMOUNT TO THE NEAREST
12 \$50. The work or operations that are exempt under this paragraph must be
13 of a casual or minor nature. This exemption does not apply:

14 (a) In any case in which the performance of the work requires a
15 local building permit.

16 (b) In any case in which the work or construction is only a part of
17 a larger or major operation, whether undertaken by the same or a different
18 contractor, or in which a division of the operation is made in contracts
19 of amounts less than ~~\$1,000~~ \$2,000, excluding any electrical fixture or
20 appliance that was designed by the manufacturer, that is unaltered,
21 unchanged or unmodified by any person and that can be plugged into a
22 common electrical outlet. FOR EACH YEAR BEGINNING FROM AND AFTER DECEMBER
23 31, 2023, THE REGISTRAR SHALL INCREASE THE DOLLAR AMOUNT OF THE EXEMPTION
24 PRESCRIBED IN THIS SUBDIVISION FOR INFLATION BASED ON THE GDP PRICE
25 DEFLATOR AS DEFINED IN SECTION 41-563 AND SHALL ROUND THE INCREASED DOLLAR
26 AMOUNT TO THE NEAREST \$50.

27 (c) To a person who utilizes any form of advertising to the public
28 in which the person's unlicensed status is not disclosed by including the
29 words "not a licensed contractor" in the advertisement.

30 15. A person who is licensed, certified or registered pursuant to
31 title 41, chapter 37, article 4 and who is not otherwise required to be
32 licensed under this chapter or an employee of such person.

33 16. A person who functions as a gardener by performing lawn,
34 garden, shrub and tree maintenance.

35 17. Alarm agents as defined in section 32-101.

36 B. A person who is licensed to perform work in a particular trade
37 pursuant to this chapter is not required to obtain and maintain a separate
38 license for mechanical or structural service work performed within the
39 scope of such trade by such person.

40 C. Any person who does not have an exemption from licensure
41 pursuant to subsection A, paragraph 14, subdivision (c) of this section is
42 subject to prosecution for a violation of section 44-1522. The attorney
43 general may investigate the act or practice and take appropriate action
44 pursuant to title 44, chapter 10, article 7.

1 D. The exemptions from licensure pursuant to subsection A,
2 paragraphs 4, 9 and 14 of this section do not apply to either of the
3 following:

4 1. All fire safety and mechanical, electrical and plumbing work
5 that is done in connection with fire safety installation and fire safety
6 maintenance and repair. For the purposes of this paragraph, "fire safety
7 installation" means hardwired or interconnected smoke alarms and fire
8 sprinklers and does not include an individual device that is attached by a
9 nail, screw or other fastening device to the frame or foundation of any
10 residential unit. For the purposes of this paragraph, fire safety
11 maintenance and repair does not include routine work that is conducted by
12 an employee of an apartment or condominium complex and that is incidental
13 to the fire safety equipment.

14 2. All work that is done, including the installation, maintenance
15 and repair of devices, appliances or equipment, that involves the
16 connecting to any supply of natural gas, propane or other petroleum or
17 gaseous fuel. Nothing in this paragraph impacts the effect of section
18 36-1624.01.

19 E. A joint venture or other combination of persons, firms,
20 partnerships, corporations, associations or other organizations is not
21 required to obtain a separate contractor's license in its own name if all
22 of the following apply:

23 1. At least one member of the joint venture or combination holds a
24 contractor's license in good standing with the registrar.

25 2. Each member of the joint venture or combination that acts as a
26 contractor holds a license in good standing with the registrar.

27 3. Each licensed member of the joint venture or combination only
28 performs work within the scope of that member's contractor's license or
29 licenses.

30 Sec. 3. Section 32-1123, Arizona Revised Statutes, is amended to
31 read:

32 32-1123. Unlicensed contractors; contract bidding; license
33 denial; exemptions; warning; inflation adjustment

34 A. Except as provided in subsection D of this section, if an entity
35 that is not licensed or not properly licensed pursuant to this chapter
36 bids on a contract for a project with an aggregate worth of more than
37 ~~\$1,000~~ \$2,000, the registrar may not issue the entity a license for one
38 year after the bid date. FOR EACH YEAR BEGINNING FROM AND AFTER DECEMBER
39 31, 2023, THE REGISTRAR SHALL INCREASE THE DOLLAR AMOUNT PRESCRIBED IN
40 THIS SUBSECTION FOR INFLATION BASED ON THE GDP PRICE DEFLATOR AS DEFINED
41 IN SECTION 41-563 AND SHALL ROUND THE INCREASED DOLLAR AMOUNT TO THE
42 NEAREST \$50. For the purposes of this subsection, aggregate worth does
43 not include any electrical fixture or appliance that meets all of the
44 following:

45 1. Was designed by the manufacturer.

- 1 2. Is unaltered, unchanged or unmodified by any person.
- 2 3. Can be plugged into a common electrical outlet.
- 3 4. Does not involve the connection to a supply of natural gas,
- 4 propane or other petroleum or gaseous fuel.
- 5 B. This section does not apply to an entity that bids on a contract
- 6 for either of the following:
- 7 1. A department of transportation project.
- 8 2. A project that is subject to the federal acquisition regulation,
- 9 title 48 Code of Federal Regulations, including the department of defense
- 10 federal acquisition regulation.
- 11 C. This section does not affect the licensing exemptions prescribed
- 12 in section 32-1121.
- 13 D. The registrar shall issue an entity a written warning relating
- 14 to unlicensed activity if the registrar has not previously issued the
- 15 entity a warning and if the entity bids on a contract for a project
- 16 pursuant to subsection A of this section and the project has an aggregate
- 17 worth of more than ~~\$1,000~~ \$2,000 but less than \$20,000, excluding any
- 18 electrical fixture or appliance that meets all of the following:
- 19 1. Was designed by the manufacturer.
- 20 2. Is unaltered, unchanged or unmodified by any person.
- 21 3. Can be plugged into a common electrical outlet.
- 22 4. Does not involve the connection to a supply of natural gas,
- 23 propane or other petroleum or gaseous fuel.
- 24 E. FOR EACH YEAR BEGINNING FROM AND AFTER DECEMBER 31, 2023, THE
- 25 REGISTRAR SHALL INCREASE THE LOWER DOLLAR AMOUNT IN THE DOLLAR RANGE
- 26 PRESCRIBED IN SUBSECTION D OF THIS SECTION FOR INFLATION BASED ON THE GDP
- 27 PRICE DEFLATOR AS DEFINED IN SECTION 41-563 AND SHALL ROUND THE INCREASED
- 28 DOLLAR AMOUNT TO THE NEAREST \$50.
- 29 Sec. 4. Section 32-1158, Arizona Revised Statutes, is amended to
- 30 read:
- 31 32-1158. Contract requirements; provision of documents and
- 32 receipt at contract signing; inflation adjustment
- 33 A. Any contract in an amount of more than ~~\$1,000~~ \$2,000 entered
- 34 into between a contractor and the owner of a property to be improved shall
- 35 contain in writing at least the following information:
- 36 1. The name of the contractor and the contractor's business address
- 37 and license number.
- 38 2. The name and mailing address of the owner and the jobsite
- 39 address or legal description.
- 40 3. The date the parties entered into the contract.
- 41 4. The estimated date of completion of all work to be performed
- 42 under the contract.
- 43 5. A description of the work to be performed under the contract.

1 6. The total dollar amount to be paid to the contractor by the
2 owner for all work to be performed under the contract, including all
3 applicable taxes.

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

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

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

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

23 C. The requirements of this section are not prerequisites to the
24 formation or enforcement of a contract. Failure to comply with the
25 requirements of this section does not constitute a defense by either party
26 to an action for compensation, damages, breach, enforcement or other cause
27 of action based on the contract.

28 D. FOR EACH YEAR BEGINNING FROM AND AFTER DECEMBER 31, 2023, THE
29 REGISTRAR SHALL INCREASE THE DOLLAR AMOUNT PRESCRIBED IN SUBSECTION A OF
30 THIS SECTION FOR INFLATION BASED ON THE GDP PRICE DEFLATOR AS DEFINED IN
31 SECTION 41-563 AND SHALL ROUND THE INCREASED DOLLAR AMOUNT TO THE NEAREST
32 \$50.