

REFERENCE TITLE: sober living; behavioral health; licensure

State of Arizona
House of Representatives
Fifty-sixth Legislature
Second Regular Session
2024

HB 2560

Introduced by

Representatives Schwiebert; Contreras P, Crews, Gutierrez, Pawlik,
Quiñonez, Sandoval, Seaman, Terech; Senators Hatathlie, Sundareshan

AN ACT

AMENDING TITLE 36, CHAPTER 4, ARTICLE 1, ARIZONA REVISED STATUTES, BY
ADDING SECTION 36-420.05; AMENDING TITLE 36, CHAPTER 18, ARTICLE 4,
ARIZONA REVISED STATUTES, BY ADDING SECTION 36-2068; RELATING TO HEALTH
CARE INSTITUTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 36, chapter 4, article 1, Arizona Revised
3 Statutes, is amended by adding section 36-420.05, to read:

4 36-420.05. Behavioral health residential facilities; legal
5 action; licensure; change of ownership;
6 violations; civil penalty; notice

7 A. THE DEPARTMENT MAY NOT ACT ON AN APPLICATION FOR LICENSURE OR
8 RENEWAL OF A CURRENTLY LICENSED BEHAVIORAL HEALTH RESIDENTIAL FACILITY
9 WHILE ANY ENFORCEMENT OR COURT ACTION RELATED TO BEHAVIORAL HEALTH
10 RESIDENTIAL FACILITY LICENSURE IS PENDING AGAINST THAT BEHAVIORAL HEALTH
11 RESIDENTIAL FACILITY'S CURRENT LICENSEE.

12 B. THE DIRECTOR MAY CONTINUE TO PURSUE ANY COURT, ADMINISTRATIVE OR
13 ENFORCEMENT ACTION AGAINST A LICENSEE DESCRIBED IN SUBSECTION A OF THIS
14 SECTION EVEN THOUGH THE BEHAVIORAL HEALTH RESIDENTIAL FACILITY IS IN THE
15 PROCESS OF BEING SOLD OR TRANSFERRED TO A NEW OWNER.

16 C. THE DEPARTMENT MAY NOT APPROVE A CHANGE IN BEHAVIORAL HEALTH
17 RESIDENTIAL FACILITY OWNERSHIP UNLESS THE DEPARTMENT DETERMINES THAT THERE
18 HAS BEEN A TRANSFER OF ALL LEGAL AND EQUITABLE INTERESTS, CONTROL AND
19 AUTHORITY IN THE BEHAVIORAL HEALTH RESIDENTIAL FACILITY SO THAT PERSONS
20 OTHER THAN THE TRANSFERRING LICENSEE, THAT LICENSEE'S AGENT OR OTHER
21 PARTIES EXERCISING AUTHORITY OR SUPERVISION OVER THE BEHAVIORAL HEALTH
22 RESIDENTIAL FACILITY'S DAILY OPERATIONS OR STAFF ARE RESPONSIBLE FOR AND
23 HAVE CONTROL OVER THE BEHAVIORAL HEALTH RESIDENTIAL FACILITY.

24 D. IF A BEHAVIORAL HEALTH RESIDENTIAL FACILITY FAILS TO ATTAIN OR
25 MAINTAIN LICENSURE AS REQUIRED BY THIS CHAPTER AND CONTINUES TO OPERATE,
26 THE DEPARTMENT MAY ASSESS A CIVIL PENALTY AGAINST THE OWNER IN AN AMOUNT
27 OF AT LEAST \$5,000 FOR EACH VIOLATION. EACH DAY THAT A VIOLATION OCCURS
28 CONSTITUTES A SEPARATE VIOLATION. THE DIRECTOR MAY ISSUE A NOTICE OF
29 ASSESSMENT THAT MUST INCLUDE THE PROPOSED AMOUNT OF THE ASSESSMENT. A
30 PERSON MAY APPEAL THE ASSESSMENT BY REQUESTING A HEARING PURSUANT TO TITLE
31 41, CHAPTER 6, ARTICLE 10.

32 Sec. 2. Title 36, chapter 18, article 4, Arizona Revised Statutes,
33 is amended by adding section 36-2068, to read:

34 36-2068. Sober living homes; legal action; licensure; change
35 of ownership; violations; civil penalty; notice

36 A. THE DEPARTMENT MAY NOT ACT ON AN APPLICATION FOR LICENSURE OR
37 RENEWAL OF A CURRENTLY LICENSED SOBER LIVING HOME WHILE ANY ENFORCEMENT OR
38 COURT ACTION RELATED TO SOBER LIVING HOME LICENSURE IS PENDING AGAINST
39 THAT SOBER LIVING HOME'S CURRENT LICENSEE.

40 B. THE DIRECTOR MAY CONTINUE TO PURSUE ANY COURT, ADMINISTRATIVE OR
41 ENFORCEMENT ACTION AGAINST A LICENSEE DESCRIBED IN SUBSECTION A OF THIS
42 SECTION EVEN THOUGH THE SOBER LIVING HOME IS IN THE PROCESS OF BEING SOLD
43 OR TRANSFERRED TO A NEW OWNER.

44 C. THE DEPARTMENT MAY NOT APPROVE A CHANGE IN SOBER LIVING HOME
45 OWNERSHIP UNLESS THE DEPARTMENT DETERMINES THAT THERE HAS BEEN A TRANSFER

1 OF ALL LEGAL AND EQUITABLE INTERESTS, CONTROL AND AUTHORITY IN THE SOBER
2 LIVING HOME SO THAT PERSONS OTHER THAN THE TRANSFERRING LICENSEE, THAT
3 LICENSEE'S AGENT OR OTHER PARTIES EXERCISING AUTHORITY OR SUPERVISION OVER
4 THE SOBER LIVING HOME'S DAILY OPERATIONS OR STAFF ARE RESPONSIBLE FOR AND
5 HAVE CONTROL OVER THE SOBER LIVING HOME.

6 D. IF A SOBER LIVING HOME FAILS TO ATTAIN OR MAINTAIN LICENSURE AS
7 REQUIRED BY THIS ARTICLE AND CONTINUES TO OPERATE, THE DEPARTMENT MAY
8 ASSESS A CIVIL PENALTY AGAINST THE OWNER IN AN AMOUNT OF AT LEAST \$5,000
9 FOR EACH VIOLATION. EACH DAY THAT A VIOLATION OCCURS CONSTITUTES A
10 SEPARATE VIOLATION. THE DIRECTOR MAY ISSUE A NOTICE OF ASSESSMENT THAT
11 MUST INCLUDE THE PROPOSED AMOUNT OF THE ASSESSMENT. A PERSON MAY APPEAL
12 THE ASSESSMENT BY REQUESTING A HEARING PURSUANT TO TITLE 41, CHAPTER 6,
13 ARTICLE 10.