

PROPOSED  
SENATE AMENDMENTS TO H.B. 2091  
(Reference to House engrossed bill)

1 Page 1, between lines 1 and 2, insert:

2 "Section 1. Section 32-1104, Arizona Revised Statutes, is amended to  
3 read:

4 32-1104. Powers and duties

5 A. The registrar, in addition to other duties and rights provided  
6 for in this chapter, shall:

7 1. Maintain an office in Phoenix and in such other cities and towns  
8 in ~~the~~ THIS state as the registrar deems advisable and necessary.

9 2. Maintain a complete indexed record of all applications and  
10 licenses THAT ARE issued, renewed, terminated, ~~cancelled~~ CANCELED, revoked  
11 or suspended under this chapter, including timely notation of any judicial  
12 disposition on appeal, for a period of ~~not less than~~ AT LEAST seven years.

13 3. Furnish a certified copy of any license issued or an affidavit  
14 that no license exists or that a license has been ~~cancelled~~ CANCELED or  
15 suspended, including information as to the status on appeal of such a  
16 cancellation or suspension, on receipt of the prescribed fee. ~~, and~~ That  
17 certified copy or affidavit shall be received in all courts and elsewhere  
18 as prima facie evidence of the facts stated ~~therein~~ IN THE CERTIFIED COPY  
19 OR AFFIDAVIT. The registrar shall also furnish certified copies of license  
20 bonds or cash deposit certificates on receipt of the prescribed fee. Fees  
21 charged pursuant to this paragraph are \$10 per hour, except that the  
22 minimum fee charged pursuant to this paragraph is \$10.

23 4. Employ such deputies, investigators and assistants subject to  
24 title 41, chapter 4, article 4, and procure such equipment and records, as  
25 are necessary to enforce this chapter. With respect to the enforcement of  
26 section 32-1164, the registrar or the registrar's investigators are vested

1 with the authority to issue a citation to any violators of this chapter in  
2 accordance with section 13-3903. When the registrar or the registrar's  
3 investigators conduct investigations they are authorized to receive  
4 criminal history record information from the department of public safety  
5 and other law enforcement agencies.

6 5. Make rules the registrar deems necessary to effectually carry out  
7 the provisions and intent of this chapter. Such rules shall include the  
8 adoption of minimum standards for good and workmanlike construction. In  
9 adopting such rules of minimum standards, the registrar shall be guided by  
10 established usage and procedure as found in the construction business in  
11 this state. If the rules of minimum standards adopted by the registrar are  
12 in any manner inconsistent with a building or other code of this state, ~~OR~~  
13 a county, city or other political subdivision or local authority of this  
14 state, compliance with such code shall constitute good and workmanlike  
15 construction for the purposes of this chapter.

16 6. Apply the following to proposed rule changes:

17 (a) The registrar of contractors, at the time the registrar files ~~A~~  
18 notice of proposed rule change with the secretary of state in compliance  
19 with title 41, chapter 6, shall mail to each trade association that  
20 qualifies in accordance with subdivision (b) of this paragraph, and any  
21 other individual holding a bona fide contractor's license who qualifies in  
22 accordance with subdivision (b) of this paragraph, a copy of the notice of  
23 proposed rule change.

24 (b) Every trade association in this state allied with the  
25 contracting business that files a written request that a notice be mailed  
26 to it and shows that the association has an interest in the rules of the  
27 registrar of contractors shall receive a copy ~~thereof~~ ~~OF THE NOTICE OF~~  
28 ~~PROPOSED RULE CHANGE~~, as set forth in subdivision (a) of this paragraph.  
29 Such filing of a request may be made every two years, ~~and it~~ shall contain  
30 information as to the nature of the association and its mailing address.  
31 Any duly licensed contractor who files a written request shall receive a

1 copy of the proposed rule changes in accordance with this paragraph. Each  
2 such request may be made every two years.

3 7. Prepare and furnish decals and business management books when  
4 deemed advisable by the registrar. A reasonable fee may be charged for  
5 such decals and business management books.

6 8. Refer criminal violations of this chapter to the appropriate law  
7 enforcement agency or prosecuting authority.

8 B. The registrar may develop and institute programs to do any of the  
9 following:

10 1. Educate the public and contractors licensed pursuant to this  
11 chapter regarding statutes, rules, policies and operations of the agency.

12 2. Assist in resolving disputes in an informal process before a  
13 reportable written complaint is filed. The registrar must notify the  
14 licensed contractor in an alleged dispute before a written complaint is  
15 filed and allow the contractor the opportunity to be present at any  
16 inspection regarding the alleged dispute. The registrar must give the  
17 contractor at least five days' notice before the inspection. Issues in the  
18 alleged dispute under this section shall not be limited in number and shall  
19 not be considered formal written complaints. The homeowner reserves the  
20 right to deny access to the contractor under this informal complaint  
21 process. The registrar must notify the contractor and the homeowner in  
22 writing of the registrar's findings within five days after the date of the  
23 inspection. The registrar may not post any information regarding the  
24 informal complaint process as part of a licensee's record on the  
25 registrar's website.

26 3. Develop, manage, operate and sponsor ~~construction-related~~  
27 CONSTRUCTION-RELATED programs THAT ARE designed to benefit the public in  
28 conjunction with other private and public entities.

29 C. The registrar shall publicly post a list of applicants for a  
30 contractor license on its website for at least twenty days, commencing on  
31 the day designated by the registrar. The registrar shall issue a license  
32 if the applicant meets all requirements regardless of the twenty-day

1 posting period. The registrar shall furnish copies of the posting list on  
2 written request. A reasonable charge, not to exceed \$2 per month, may be  
3 made for compilation, printing and postage for the posting list. The list  
4 shall contain the following information:

5 1. The name and address of the applicant.

6 2. The names, addresses and official capacity of all persons  
7 required to sign the application under section 32-1122.

8 D. The registrar may accept voluntary gifts, grants or matching  
9 monies from public agencies or enterprises for the conduct of programs that  
10 are authorized by this section or that are consistent with the purpose of  
11 this chapter.

12 E. NOTWITHSTANDING ANY OTHER LAW, THE REGISTRAR MAY NOT SPEND PUBLIC  
13 MONIES OR USE PUBLIC RESOURCES ON ANYTHING THAT IS PROHIBITED BY SECTION  
14 41-1494. IF THE REGISTRAR VIOLATES THIS SECTION, THE REGISTRAR SHALL PAY  
15 TO THE AGGRIEVED EMPLOYEE AN AMOUNT EQUAL TO THE PUBLIC MONIES THAT WERE  
16 SPENT OR THE VALUE OF THE PUBLIC RESOURCES THAT WERE USED.

17 Sec. 2. Section 32-1122, Arizona Revised Statutes, is amended to  
18 read:

19 32-1122. Qualifications for license

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

22 1. Classify and qualify applicants for a license.

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

26 3. Conduct investigations the registrar deems necessary.

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

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

1           1. Submit to the registrar of contractors a verified application on  
2 forms that are prescribed by the registrar of contractors and that contain  
3 the following information:

4           (a) A designation of the classification of license that is sought by  
5 the applicant.

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

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

10          (d) If the applicant is a limited liability company, the names and  
11 addresses of all of the following, as applicable:

12           (i) If the applicant is a manager-managed limited liability company,  
13 all managers.

14           (ii) If the applicant is a member-managed limited liability company,  
15 all members.

16           (iii) All owners of twenty-five percent or more of the stock or  
17 beneficial interest.

18          (e) If the applicant is a corporation, an association or any other  
19 organization, the names and addresses of all of the following:

20           (i) The president, vice president, secretary and treasurer or the  
21 names and addresses of the functional equivalent of all of these officers.

22           (ii) The directors.

23           (iii) The owners of twenty-five percent or more of the stock or  
24 beneficial interest.

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

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

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

1           (i) An attestation that the applicant has complied with the statutes  
2           and rules governing workers' compensation insurance. If the applicant is  
3           required by law to secure workers' compensation insurance pursuant to title  
4           23, chapter 6, the attestation must contain the workers' compensation  
5           insurance policy number or be accompanied by proof of self-insurance.

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

8           2. Submit the appropriate fee required under this chapter.

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

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

13          C. To obtain, renew or maintain a license under this chapter, each  
14          person who is named on a license must not have engaged in contracting  
15          without a license or committed any act that, if committed or done by any  
16          licensed contractor, would be grounds for suspension or revocation of a  
17          contractor's license or be named on a license that was suspended or revoked  
18          in this state or another state.

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

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

28          1. Have a minimum of four years' practical or management trade  
29          experience, at least two of which must have been within the last ten years,  
30          dealing specifically with the type of construction, or its equivalent, for  
31          which the applicant is applying for a license. Technical training in an  
32          accredited college or university or in a manufacturer's accredited training

1 program may be substituted for a portion of such experience, but in no case  
2 may credited technical training exceed two years of the required four  
3 years' experience. The registrar of contractors may reduce the four years'  
4 practical or management experience requirement if in the registrar's  
5 opinion it has been conclusively shown by custom and usage in the  
6 particular industry or craft involved that the four-year requirement is  
7 excessive. The registrar shall waive the work experience documentation and  
8 verification if the records reflect that the qualifying party is currently  
9 or has previously been a qualifying party for a licensee in this state in  
10 the same classification and meets all other qualifications.

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

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

30 G. A license may not be issued to **ANY OF THE FOLLOWING:**

31 1. A minor, ~~to~~ any partnership in which one of the partners is a  
32 minor or ~~to~~ any corporation in which a corporate officer is a minor.

1           2. A PERSON WHOSE PRESENCE IN THE UNITED STATES IS NOT AUTHORIZED  
2 UNDER FEDERAL LAW.

3           3. A FOREIGN NATIONAL WHO HAS BEEN PAROLED INTO THE UNITED STATES BY  
4 THE UNITED STATES DEPARTMENT OF HOMELAND SECURITY.

5           4. A FOREIGN NATIONAL WHO HAS INDICATED AN INTENTION TO APPLY FOR  
6 ASYLUM IN THE UNITED STATES BUT WHOSE APPLICATION HAS NOT BEEN ADJUDICATED  
7 IN THE AFFIRMATIVE.

8           H. Before receiving, renewing and holding a license pursuant to this  
9 chapter, the registrar may require a license applicant or licensee to  
10 submit to the registrar a full set of fingerprints and the fees required in  
11 section 41-1750. The registrar shall submit the fingerprints and fees to  
12 the department of public safety for the purpose of obtaining a state and  
13 federal criminal records check pursuant to section 41-1750 and Public Law  
14 92-544. The department of public safety may exchange this fingerprint data  
15 with the federal bureau of investigation.

16           Sec. 3. Section 32-1126, Arizona Revised Statutes, is amended to  
17 read:

18           32-1126. Fees

19           A. The license fees prescribed by this chapter are as follows:

20           1. Application and license fees for an original biennial license:

21           (a) For general residential contracting and subclassifications of  
22 general residential contracting, not more than \$500.

23           (b) For general commercial contracting and subclassifications of  
24 general commercial contracting, not more than \$1,500.

25           (c) For general dual licensed contracting, not more than \$2,000.

26           (d) For specialty residential contracting, not more than \$350.

27           (e) For specialty commercial contracting, not more than \$1,000.

28           (f) For specialty dual licensed contracting, not more than \$1,350.

29           2. Biennial license renewal ~~fee~~ FEES:

30           (a) For general residential contracting and subclassifications of  
31 general residential contracting, not more than \$320.



1 (b) For general commercial contracting and subclassifications of  
2 general commercial contracting, not more than \$1,000.

3 (c) For general dual licensed contracting, not more than \$1,320.

4 (d) For specialty residential contracting, not more than \$270.

5 (e) For specialty commercial contracting, not more than \$900.

6 (f) For specialty dual licensed contracting, not more than \$1,170.

7 B. The fee for an annual license renewal granted pursuant to section  
8 32-1123.01 is one-half of the biennial license renewal fee.

9 C. The registrar may establish reasonable fees for services  
10 performed by the registrar relating to reexaminations, processing of  
11 applications, changes of qualifying party and approval of name changes on  
12 licenses.

13 D. The penalty for failure to apply for renewal of a license within  
14 the time prescribed by this chapter is \$50.

15 E. The registrar may establish a separate fee for examination.

16 F. The registrar may contract with private testing services to  
17 establish and administer such examinations and may authorize the payment of  
18 the examination fee to the private testing service.

19 G. Except as provided in section 32-1152, subsection C AND  
20 SUBSECTION H OF THIS SECTION, a person applying for a contractor license or  
21 for renewal of a contractor license to engage in residential contracting  
22 shall pay an assessment of ~~not more than \$600~~ \$370 FOR AN INITIAL LICENSE  
23 AND \$270 FOR LICENSE RENEWAL during the biennial license period for deposit  
24 in the residential contractors' recovery fund established by section  
25 32-1132. If the registrar does not issue the license, the assessment shall  
26 be returned to the applicant.

27 H. IF AT THE END OF A FISCAL YEAR THE AMOUNT OF MONIES IN THE  
28 RESIDENTIAL CONTRACTORS' RECOVERY FUND ESTABLISHED BY SECTION 32-1132  
29 EXCEEDS \$15,000,000, THE ASSESSMENTS PRESCRIBED IN SUBSECTION G OF THIS  
30 SECTION SHALL BE REDUCED BY FIFTY PERCENT UNTIL THE AMOUNT OF MONIES IN THE  
31 RESIDENTIAL CONTRACTORS' RECOVERY FUND AT THE END OF A SUBSEQUENT FISCAL

1 YEAR IS LESS THAN \$10,000,000. AT THAT TIME THE ASSESSMENTS SHALL BE  
2 REINSTATED TO THE FULL AMOUNTS PRESCRIBED IN SUBSECTION G OF THIS SECTION."

3 Renumber to conform

4 Page 1, line 5, strike "41-3028.15" insert "41-3026.13"

5 Line 6, strike "~~41-3028.15~~" insert "~~41-3026.13~~"

6 Line 7, strike "~~2028~~" insert "~~2026~~"

7 Line 8, strike "~~2028~~" insert "~~2026~~"

8 Line 10, strike "~~2029~~" insert "~~2027~~"

9 Between lines 10 and 11, insert:

10 "Sec. 6. Sunset termination; review; committees of reference

11 Notwithstanding section 41-2953, Arizona Revised Statutes, the joint  
12 legislative audit committee shall direct the committees of reference to  
13 conduct the sunset review for the next sunset termination schedule that  
14 includes the registrar of contractors agency.

15 Sec. 7. Registrar of contractors; legislation; commercial  
16 contractor removal

17 The registrar of contractors shall draft proposed legislation to  
18 remove commercial contractors from its oversight and shall submit the  
19 proposed legislation to the president of the senate and the speaker of the  
20 house of representatives within one hundred eighty days after the effective  
21 date of this act."

22 Renumber to conform

23 Line 15, after "~~the~~" insert "~~residential~~"

24 Line 18, strike "~~1 and 2~~" insert "~~4 and 5~~"

25 Amend title to conform

JAKE HOFFMAN

2091HOFFMAN.docx  
03/20/2024  
03:33 PM  
C: MU