

House Engrossed

dental insurers; dental practice; prohibition

State of Arizona  
House of Representatives  
Fifty-seventh Legislature  
Second Regular Session  
2026

# **CHAPTER 89**

## **HOUSE BILL 2308**

AN ACT

AMENDING SECTION 32-1213, ARIZONA REVISED STATUTES; RELATING TO THE STATE BOARD OF DENTAL EXAMINERS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Section 32-1213, Arizona Revised Statutes, is amended to  
3 read:  
4 32-1213. Business entities; registration; renewal; civil  
5 penalty; exceptions; definitions  
6 A. A business entity may not offer dental services pursuant to this  
7 chapter unless:  
8 1. The business entity is registered with the board pursuant to  
9 this section.  
10 2. The services are conducted by a licensee pursuant to this  
11 chapter.  
12 B. The business entity must file a registration application on a  
13 form provided by the board. The application must include:  
14 1. A description of the business entity's services offered to the  
15 public.  
16 2. The name of any dentist who is authorized to provide and who is  
17 responsible for providing the dental services offered at each office.  
18 3. The names and addresses of the officers and directors of the  
19 business entity.  
20 4. The name of the business entity's custodian of records.  
21 5. A registration fee prescribed by the board in rule.  
22 C. A business entity must file a separate registration application  
23 and pay a fee for each branch office in this state.  
24 D. A registration expires three years after the date the board  
25 issues the registration. A business entity that wishes to renew a  
26 registration must submit an application for renewal as prescribed by the  
27 board on a triennial basis on a form provided by the board before the  
28 expiration date. A business entity that fails to renew the registration  
29 before the expiration date is subject to a late fee as prescribed by the  
30 board by rule. The board may stagger the dates for renewal applications.  
31 E. The business entity must notify the board in writing within  
32 thirty days after any change:  
33 1. In the business entity's name, address or telephone number.  
34 2. In the officers or directors of the business entity.  
35 3. In the name of any dentist who is authorized to provide and who  
36 is responsible for providing the dental services in any facility.  
37 4. **IN** the name of the business entity's custodian of records who  
38 will accept subpoenas and respond to patient records requests.  
39 F. The business entity shall establish a written protocol for the  
40 secure storage, transfer and access of the dental records of the business  
41 entity's patients. This protocol must include, at a minimum, procedures  
42 for:  
43 1. Notifying patients of the future locations of their records if  
44 the business entity terminates or sells the practice.

- 1           2. Disposing of unclaimed dental records.  
2           3. The timely response to requests by patients for copies of their  
3 records.  
4           G. The business entity must notify the board within thirty days  
5 after the dissolution of any registered business entity or the closing or  
6 relocation of any facility and must disclose to the board the business  
7 entity's procedure by which its patients may obtain their records.  
8           H. The board may do any of the following pursuant to its  
9 disciplinary procedures if a business entity violates the board's statutes  
10 or rules:  
11           1. Refuse to issue a registration.  
12           2. Suspend or revoke a registration.  
13           3. Impose a civil penalty of not more than \$2,000 for each  
14 violation.  
15           4. Enter a decree of censure.  
16           5. Issue an order prescribing a period and terms of probation that  
17 are best adapted to protect the public welfare and that may include a  
18 requirement for restitution to a patient for a violation of this chapter  
19 or rules adopted pursuant to this chapter.  
20           6. Issue a letter of concern if a business entity's actions may  
21 cause the board to take disciplinary action.  
22           I. The board shall deposit, pursuant to sections 35-146 and 35-147,  
23 civil penalties collected pursuant to this section in the state general  
24 fund.  
25           J. **EXCEPT AS PROVIDED IN SUBSECTION O OF THIS SECTION,** this section  
26 does not apply to:  
27           1. A sole proprietorship or partnership that consists exclusively  
28 of dentists who are licensed pursuant to this chapter.  
29           2. Any of the following entities licensed under title 20:  
30           (a) A service corporation.  
31           (b) An insurer authorized to transact disability insurance.  
32           (c) A prepaid dental plan organization that does not provide  
33 directly for prepaid dental services.  
34           (d) A health care services organization that does not provide  
35 directly for dental services.  
36           3. A professional corporation or professional limited liability  
37 company, the shares of which are exclusively owned by dentists who are  
38 licensed pursuant to this chapter and that is formed to engage in the  
39 practice of dentistry pursuant to title 10, chapter 20 or title 29  
40 relating to professional limited liability companies.  
41           4. A facility regulated by the federal government or a state,  
42 district or territory of the United States.

1           5. An administrator or executor of the estate of a deceased dentist  
2 or a person who is legally authorized to act for a dentist who has been  
3 adjudicated to be mentally incompetent for not more than one year after  
4 the date the board receives notice of the dentist's death or  
5 incapacitation pursuant to section 32-1270.

6           K. A facility that offers dental services to the public by persons  
7 licensed under this chapter shall be registered by the board unless the  
8 facility is any of the following:

- 9           1. Owned by a dentist who is licensed pursuant to this chapter.  
10          2. Regulated by the federal government or a state, district or  
11 territory of the United States.

12          L. Except for issues relating to insurance coding and billing that  
13 require the name, signature and license number of the dentist providing  
14 treatment, this section does not:

15          1. Authorize a licensee in the course of providing dental services  
16 for a business entity registered pursuant to this section to disregard or  
17 interfere with a policy or practice established by the business entity for  
18 the operation and management of the business.

19          2. Authorize a business entity registered pursuant to this section  
20 to establish or enforce a business policy or practice that may interfere  
21 with the clinical judgment of the licensee in providing dental services  
22 for the business entity or may compromise a licensee's ability to comply  
23 with this chapter.

24          M. The board shall adopt rules that provide a method for the board  
25 to receive the assistance and advice of business entities licensed  
26 pursuant to this chapter in all matters relating to the regulation of  
27 business entities.

28          N. An individual currently holding a surrendered or revoked license  
29 to practice dentistry or dental hygiene in any state or jurisdiction in  
30 the United States may not have a majority ownership interest in the  
31 business entity registered pursuant to this section. Revocation and  
32 surrender of licensure shall be limited to disciplinary actions resulting  
33 in loss of license or surrender of license instead of disciplinary action.  
34 Dentists or dental hygienists affected by this subsection shall have one  
35 year after the surrender or revocation to divest themselves of their  
36 ownership interest. This subsection does not apply to publicly held  
37 companies. For the purposes of this subsection, "majority ownership  
38 interest" means an ownership interest greater than fifty percent.

39          O. A DENTAL INSURER OR A HOLDING COMPANY OF A DENTAL INSURER MAY  
40 NOT HAVE ANY OWNERSHIP INTEREST IN A BUSINESS ORGANIZATION THAT OFFERS TO  
41 THE PUBLIC PROFESSIONAL SERVICES REGULATED BY THE BOARD.

42          P. FOR THE PURPOSES OF THIS SECTION:

- 43          1. "DENTAL INSURER" HAS THE SAME MEANING PRESCRIBED IN SECTION  
44 20-126.

1           2. "HOLDING COMPANY" MEANS A CORPORATION, FIRM, PARTNERSHIP,  
2 LIMITED PARTNERSHIP, LIMITED LIABILITY COMPANY, TRUST OR OTHER FORM OF  
3 BUSINESS ORGANIZATION THAT IS NOT AN INDIVIDUAL AND THAT DIRECTLY OR  
4 INDIRECTLY DOES EITHER OF THE FOLLOWING:  
5           (a) HOLDS AN OWNERSHIP INTEREST OF TEN PERCENT OR MORE, AS  
6 DETERMINED BY THE HOLDING COMPANY'S BOARD, IN A DENTAL INSURER.  
7           (b) HOLDS VOTING RIGHTS WITH THE POWER TO VOTE TEN PERCENT OR MORE  
8 OF THE OUTSTANDING VOTING RIGHTS OF A DENTAL INSURER.

APPROVED BY THE GOVERNOR JUNE 4, 2026.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 5, 2026.