

House Engrossed

pharmacy board; civil penalties.

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

HOUSE BILL 2953

AN ACT

AMENDING SECTIONS 32-1904 AND 32-1927.02, ARIZONA REVISED STATUTES;
RELATING TO THE ARIZONA STATE BOARD OF PHARMACY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 32-1904, Arizona Revised Statutes, is amended to
3 read:

4 32-1904. Powers and duties of board; immunity

5 A. The board shall:

6 1. Make bylaws and adopt rules that are necessary to protect the
7 public and that pertain to the practice of pharmacy, the manufacturing,
8 wholesaling or supplying of drugs, devices, poisons or hazardous
9 substances, the use of pharmacy technicians and support personnel and the
10 lawful performance of its duties.

11 2. Fix standards and requirements to register and reregister
12 pharmacies, except as otherwise specified.

13 3. Investigate compliance as to the quality, label and labeling of
14 all drugs, devices, poisons or hazardous substances and take action
15 necessary to prevent the sale of these if they do not conform to the
16 standards prescribed in this chapter, the official compendium or the
17 federal act.

18 4. Enforce its rules. In so doing, the board or its agents have
19 free access, during the hours reported with the board or the posted hours
20 at the facility, to any pharmacy, manufacturer, wholesaler, third-party
21 logistics provider, nonprescription drug permittee or other establishment
22 in which drugs, devices, poisons or hazardous substances are manufactured,
23 processed, packed or held, or to enter any vehicle being used to transport
24 or hold such drugs, devices, poisons or hazardous substances for the
25 purpose of:

26 (a) Inspecting the establishment or vehicle to determine whether
27 any provisions of this chapter or the federal act are being violated.

28 (b) Securing samples or specimens of any drug, device, poison or
29 hazardous substance after paying or offering to pay for the sample.

30 (c) Detaining or embargoing a drug, device, poison or hazardous
31 substance in accordance with section 32-1994.

32 5. Examine and license as pharmacists and pharmacy interns all
33 qualified applicants as provided by this chapter.

34 6. Require each applicant for an initial license to apply for a
35 fingerprint clearance card pursuant to section 41-1758.03. If an
36 applicant is issued a valid fingerprint clearance card, the applicant
37 shall submit the valid fingerprint clearance card to the board with the
38 completed application. If an applicant applies for a fingerprint
39 clearance card and is denied, the applicant may request that the board
40 consider the application for licensure notwithstanding the absence of a
41 valid fingerprint clearance card. The board, in its discretion, may
42 approve an application for licensure despite the denial of a valid
43 fingerprint clearance card if the board determines that the applicant's
44 criminal history information on which the denial was based does not alone
45 disqualify the applicant from licensure.

- 1 7. Issue duplicates of lost or destroyed permits on the payment of
2 a fee as prescribed by the board.
- 3 8. Adopt rules to rehabilitate pharmacists and pharmacy interns as
4 provided by this chapter.
- 5 9. At least once every three months, notify pharmacies regulated
6 pursuant to this chapter of any modifications on prescription writing
7 privileges of podiatrists, dentists, doctors of medicine, registered nurse
8 practitioners, osteopathic physicians, veterinarians, physician
9 assistants, optometrists and homeopathic physicians of which it receives
10 notification from the state board of podiatry examiners, state board of
11 dental examiners, Arizona medical board, Arizona state board of nursing,
12 Arizona board of osteopathic examiners in medicine and surgery, Arizona
13 state veterinary medical examining board, Arizona regulatory board of
14 physician assistants, state board of optometry or board of homeopathic and
15 integrated medicine examiners.
- 16 10. Charge a permittee a fee, as determined by the board, for an
17 inspection if the permittee requests the inspection.
- 18 11. Issue only one active or open license per individual.
- 19 12. Allow a licensee to regress to a lower level license on written
20 explanation and review by the board for discussion, determination and
21 possible action.
- 22 13. Open an investigation only if the identifying information
23 regarding a complainant is provided or the information provided is
24 sufficient to conduct an investigation.
- 25 14. Provide notice to an applicant, licensee or permittee using
26 only the information provided to the board through the board's licensing
27 database.
- 28 B. The board may:
 - 29 1. Employ chemists, compliance officers, clerical help and other
30 employees subject to title 41, chapter 4, article 4 and provide laboratory
31 facilities for the proper conduct of its business.
 - 32 2. Provide, by educating and informing the licensees and the
33 public, assistance in curtailing abuse in the use of drugs, devices,
34 poisons and hazardous substances.
 - 35 3. Approve or reject the manner of storage and security of drugs,
36 devices, poisons and hazardous substances.
 - 37 4. Accept monies and services to assist in enforcing this chapter
38 from other than licensees:
 - 39 (a) For performing inspections and other board functions.
 - 40 (b) For the cost of copies of the pharmacy and controlled
41 substances laws, the annual report of the board and other information from
42 the board.
 - 43 5. Adopt rules for professional conduct appropriate to the
44 establishment and maintenance of a high standard of integrity and dignity
45 in the profession of pharmacy.

- 1 6. Grant permission to deviate from a state requirement for
2 modernization of pharmacy practice, experimentation or technological
3 advances.
- 4 7. Adopt rules for the training and practice of pharmacy interns,
5 pharmacy technicians and support personnel.
- 6 8. Investigate alleged violations of this chapter, conduct hearings
7 in respect to violations, subpoena witnesses and take such action as it
8 deems necessary to revoke or suspend a license, A REGISTRATION or a
9 permit, place a licensee, REGISTRANT or permittee on probation or warn a
10 licensee, REGISTRANT or permittee under this chapter or to bring notice of
11 violations to the county attorney of the county in which a violation took
12 place or to the attorney general.
- 13 9. By rule, approve colleges or schools of pharmacy.
- 14 10. By rule, approve programs of practical experience, clinical
15 programs, internship training programs, programs of remedial academic work
16 and preliminary equivalency examinations as provided by this chapter.
- 17 11. Assist in the continuing education of pharmacists and pharmacy
18 interns.
- 19 12. Issue inactive status licenses as provided by this chapter.
- 20 13. Accept monies and services from the federal government or
21 others for educational, research or other purposes pertaining to the
22 enforcement of this chapter.
- 23 14. By rule, except from the application of all or any part of this
24 chapter any material, compound, mixture or preparation containing any
25 stimulant or depressant substance included in section 13-3401, paragraph
26 6, subdivision (c) or (d) from the definition of dangerous drug if the
27 material, compound, mixture or preparation contains one or more active
28 medicinal ingredients not having a stimulant or depressant effect on the
29 central nervous system, provided that such admixtures are included in such
30 combinations, quantity, proportion or concentration as to vitiate the
31 potential for abuse of the substances that do have a stimulant or
32 depressant effect on the central nervous system.
- 33 15. Adopt rules for the revocation, suspension or reinstatement of
34 licenses, REGISTRATIONS or permits or the probation of licensees,
35 REGISTRANTS or permittees as provided by this chapter.
- 36 16. Issue a certificate of free sale to any person that is licensed
37 by the board as a manufacturer for the purpose of manufacturing or
38 distributing food supplements or dietary supplements as defined in rule by
39 the board and that wants to sell food supplements or dietary supplements
40 domestically or internationally. The application shall contain all of the
41 following:
- 42 (a) The applicant's name, address, email address, telephone and fax
43 number.
- 44 (b) The product's full, common or usual name.

1 (c) A copy of the label for each product listed. If the product is
2 to be exported in bulk and a label is not available, the applicant shall
3 include a certificate of composition.

4 (d) The country of export, if applicable.

5 (e) The number of certificates of free sale requested.

6 17. Establish an inspection process to issue certificates of free
7 sale or good manufacturing practice certifications. The board shall
8 establish in rule:

9 (a) A fee to issue certificates of free sale.

10 (b) A fee to issue good manufacturing practice certifications.

11 (c) An annual inspection fee.

12 18. Delegate to the executive director the authority to:

13 (a) If the president or vice president of the board concurs after
14 reviewing the case, enter into an interim consent agreement with a
15 licensee or permittee if there is evidence that a restriction against the
16 license or permit is needed to mitigate danger to the public health and
17 safety. The board may subsequently formally adopt the interim consent
18 agreement with any modifications the board deems necessary.

19 (b) Take no action or dismiss a complaint that has insufficient
20 evidence that a violation of statute or rule governing the practice of
21 pharmacy occurred.

22 (c) Request an applicant or licensee to provide court documents and
23 police reports if the applicant or licensee has been charged with or
24 convicted of a criminal offense. The executive director may do either of
25 the following if the applicant or licensee fails to provide the requested
26 documents to the board within thirty business days after the request:

27 (i) Close the application, deem the application fee forfeited and
28 not consider a new application complete unless the requested documents are
29 submitted with the application.

30 (ii) Notify the licensee of an opportunity for a hearing in
31 accordance with section 41-1061 to consider suspension of the licensee.

32 (d) Pursuant to section 36-2604, subsection B, review prescription
33 information collected pursuant to title 36, chapter 28, article 1.

34 C. At each regularly scheduled board meeting, the executive
35 director shall provide to the board a list of the executive director's
36 actions taken pursuant to subsection B, paragraph 18, subdivisions ~~(a)~~,
37 ~~(c)~~ and ~~(d)~~ (b) AND (c) of this section since the last board meeting.

38 D. The board may issue nondisciplinary civil penalties or delegate
39 to the executive director the authority to issue nondisciplinary civil
40 penalties. The nondisciplinary civil penalties shall be prescribed by the
41 board in rule and issued using a board-approved form. THE MAXIMUM CIVIL
42 PENALTY MAY NOT EXCEED \$25,000 IN ANY SIX-MONTH PERIOD. THE BOARD AND THE
43 EXECUTIVE DIRECTOR MAY ISSUE A CIVIL PENALTY THAT IS LESS THAN THE MAXIMUM
44 CIVIL PENALTY AND MAY TAKE INTO ACCOUNT ACTIVITIES OF THE LICENSEE,
45 REGISTRANT OR PERMITTEE OVER THE PREVIOUS FORTY-EIGHT MONTHS. If a

1 licensee, REGISTRANT or permittee fails to pay a nondisciplinary civil
2 penalty that the board has imposed on it, the board shall hold a hearing
3 on the matter. In addition to any other nondisciplinary civil penalty
4 adopted by the board, either of the following acts or omissions that is
5 not an imminent threat to the public health and safety is subject to a
6 nondisciplinary civil penalty:

7 1. An occurrence of either of the following:

8 (a) Failing to submit a remodel application before remodeling a
9 permitted facility.

10 (b) Failing to notify the board of the relocation of a business.

11 2. The occurrence of any of the following violations or any of the
12 violations adopted by the board in rule, with three or more violations
13 being presented to the board as a complaint:

14 (a) The licensee, REGISTRANT or permittee fails to update the
15 licensee's, REGISTRANT'S or permittee's online profile within ten days
16 after a change in contact information, address, telephone number or email
17 address.

18 (b) The licensee OR REGISTRANT fails to update the licensee's OR
19 REGISTRANT'S online profile within ten days after a change in employment.

20 (c) The licensee fails to complete the required continuing
21 education for a license renewal.

22 (d) The licensee fails to update the licensee's online profile to
23 reflect a new pharmacist in charge within fourteen days after the position
24 change.

25 (e) The permittee fails to update the permittee's online profile to
26 reflect a new designated representative within ten days after the position
27 change.

28 (f) The licensee, REGISTRANT or permittee fails to notify the board
29 of a new criminal charge, arrest or conviction against the licensee,
30 REGISTRANT or permittee in this state or any other jurisdiction.

31 (g) The licensee, REGISTRANT or permittee fails to notify the board
32 of a disciplinary action taken against the licensee, REGISTRANT or
33 permittee by another regulating agency in this state or any other
34 jurisdiction.

35 (h) ~~A~~ THE licensee, REGISTRANT or permittee fails to renew a
36 license or permit within sixty days after the license, REGISTRATION or
37 permit expires. If more than sixty days have lapsed after the expiration
38 of a license or permit, the licensee, REGISTRANT or permittee shall appear
39 before the board.

40 (i) A new pharmacist in charge fails to conduct a controlled
41 substance inventory within ten days after starting the position.

42 (j) A person fails to obtain a permit before shipping into this
43 state anything that requires a permit pursuant to this chapter.

44 (k) Any other violations of statute or rule that the board or the
45 board's designee deems appropriate for a nondisciplinary civil penalty.

1 E. The board shall develop substantive policy statements pursuant
2 to section 41-1091 for each specific licensing and regulatory authority
3 the board delegates to the executive director.

4 F. The executive director and other personnel or agents of the
5 board are not subject to civil liability for any act done or proceeding
6 undertaken or performed in good faith and in furtherance of the purposes
7 of this chapter.

8 Sec. 2. Section 32-1927.02, Arizona Revised Statutes, is amended to
9 read:

10 32-1927.02. Permittees; disciplinary action

11 A. The board may discipline a permittee if:

12 1. The board determines that the permittee or permittee's employee
13 is guilty of unethical conduct pursuant to section 32-1901.01,
14 subsection A.

15 2. Pursuant to a psychiatric examination, the permittee or the
16 permittee's employee is found to be mentally unfit to safely engage in
17 employment duties.

18 3. The board determines that the permittee or the permittee's
19 employee is physically or mentally incapacitated to such a degree as to
20 render the permittee or permittee's employee unfit to safely engage in
21 employment duties.

22 4. The permit was issued through error.

23 5. A permittee or permittee's employee allows a person who does not
24 possess a current license or registration issued by the board to work as a
25 pharmacist, pharmacy intern, pharmacy technician or pharmacy technician
26 trainee.

27 B. A permittee who after a formal hearing is found by the board to
28 be guilty of unethical conduct, to be mentally or physically unable safely
29 to engage in employment duties or to be in violation of this chapter or a
30 rule adopted under this chapter or whose employee after a formal hearing
31 is found by the board to be guilty of unethical conduct, to be mentally or
32 physically unable safely to engage in employment duties or to be in
33 violation of this chapter or a rule adopted under this chapter is subject
34 to any one or combination of the following:

35 1. A civil penalty of not more than \$1,000 for each violation of
36 this chapter or a rule adopted under this chapter. **FOR PERMITTEES THAT
37 ARE NOT DIRECTLY PERFORMING PATIENT CARE, CIVIL PENALTIES IMPOSED PURSUANT
38 TO THIS PARAGRAPH MAY NOT EXCEED \$25,000 IN THE AGGREGATE IN ANY SIX-MONTH
39 PERIOD.**

40 2. A letter of reprimand.

41 3. A decree of censure.

42 4. Completion of board-designated pharmacy law continuing education
43 courses.

44 5. Probation.

45 6. Suspension or revocation of the permit.

1 C. The board may charge the costs of formal hearings to the
2 permittee whom it finds to be in violation of this chapter or a rule
3 adopted under this chapter or whose employee it finds to be in violation
4 of this chapter or a rule adopted under this chapter.

5 D. The board on its own motion may investigate any evidence that
6 appears to show that a permittee or permittee's employee is or may be
7 guilty of unethical conduct, is or may be mentally or physically unable
8 safely to engage in employment duties or is or may be in violation of this
9 chapter or a rule adopted under this chapter. Any person may, and any
10 licensee or permittee must, report to the board any information that
11 appears to show that a permittee or permittee's employee is or may be
12 guilty of unethical conduct, is or may be mentally or physically unable
13 safely to engage in employment duties or is or may be in violation of this
14 chapter or a rule adopted under this chapter. The board or the executive
15 director shall notify the permittee as to the content of the complaint as
16 soon as reasonable. Any person or entity that reports or provides
17 information to the board in good faith is not subject to an action for
18 civil damages. It is an act of unethical conduct for any permittee to
19 fail to report as required by this subsection.

20 E. The board or, if delegated by the board, the executive director
21 shall require any combination of mental, physical, psychological,
22 psychiatric or medical competency examinations and conduct necessary
23 investigations, including investigational interviews between
24 representatives of the board and the permittee or permittee's employee, to
25 fully inform itself about any information filed with the board under
26 subsection D of this section. These examinations may also include
27 biological fluid testing. The board may require the permittee or
28 permittee's employee, at that person's expense, to undergo assessment by a
29 board-approved substance abuse treatment and rehabilitation program.

30 F. If after completing its investigation the board finds that the
31 information provided pursuant to subsection D of this section is not of
32 sufficient seriousness to merit disciplinary action against the permit,
33 the board may take any of the following actions:

- 34 1. Dismiss if the complaint is without merit.
- 35 2. File an advisory letter. The permittee may file a written
36 response with the board within thirty days after receiving the advisory
37 letter.
- 38 3. Require the permittee to complete board-designated pharmacy law
39 continuing education courses.

40 G. The board shall not disclose the name of the person who provides
41 information regarding a permittee's or permittee's employee's drug or
42 alcohol impairment or the name of the person who files a complaint if that
43 person requests anonymity.

44 H. If after completing its investigation the board believes that
45 the information is or may be true, it may request a conference with the

1 permittee or permittee's employee. If the permittee or permittee's
2 employee refuses the invitation for a conference and the investigation
3 indicates that grounds may exist for revocation or suspension of a permit,
4 probation, issuance of a decree of censure or a letter of reprimand or
5 imposition of a civil penalty, the board shall issue a formal notice that
6 a hearing be held pursuant to title 41, chapter 6, article 10.

7 I. If through information provided pursuant to subsection D of this
8 section or by other means the board finds that the protection of the
9 public health, welfare and safety requires emergency action against the
10 permit, the board may restrict a permit or order a summary suspension of a
11 permit pending proceedings for revocation or other action. If the board
12 acts pursuant to this subsection, the board shall also serve the permittee
13 with a written notice of complaint and formal hearing that sets forth the
14 charges and the permittee's right to a formal hearing on the charges
15 before the board or an administrative law judge within sixty days pursuant
16 to title 41, chapter 6, article 10.

17 J. If after completing the conference the board finds the
18 information provided pursuant to subsection D of this section is not of
19 sufficient seriousness to merit revocation or suspension of a permit,
20 probation, issuance of a decree of censure or a letter of reprimand or
21 imposition of a civil penalty, it may take the following actions:

22 1. Dismiss if the information is without merit.

23 2. File an advisory letter. The permittee may file a written
24 response with the board within thirty days after receiving the advisory
25 letter.

26 3. Require the permittee to complete board-designated pharmacy law
27 continuing education courses.

28 K. If during a conference the board finds that the information
29 provided pursuant to subsection D of this section indicates that grounds
30 may exist for revocation or suspension of a permit, probation, issuance of
31 a decree of censure or a letter of reprimand or imposition of a civil
32 penalty, it may take the following actions:

33 1. Dismiss if the information is without merit.

34 2. File an advisory letter. The permittee may file a written
35 response with the board within thirty days after the permittee receives
36 the advisory letter.

37 3. Require the permittee to complete board-designated pharmacy law
38 continuing education courses.

39 4. Enter into an agreement with the permittee to discipline the
40 permittee, restrict the permittee's business activities or rehabilitate or
41 assess the permittee in order to protect the public and ensure the
42 permittee's ability to safely engage in employment duties. The agreement
43 may include, at a minimum, the following disciplinary actions, business
44 activity restrictions and rehabilitative or assessment programs:

45 (a) Issuance of a letter of reprimand.

1 (b) Issuance of a decree of censure.

2 (c) Business activity restrictions, including limitations on the
3 number, type, classification or schedule of drug, device, poison,
4 hazardous substance, controlled substance or precursor chemical that may
5 be manufactured, sold, distributed or dispensed.

6 (d) Successful completion of board-designated pharmacy law
7 continuing education courses.

8 (e) Rehabilitative or assessment programs, including board-approved
9 community service or successful completion of a board-approved substance
10 abuse treatment and rehabilitation program at the permittee's own expense.

11 (f) A civil penalty of not more than \$1,000 for each violation of
12 this chapter or a rule adopted under this chapter.

13 (g) A period and terms of probation best adapted to protect the
14 public health and safety and rehabilitate or assess the permittee
15 concerned. Probation may include temporary suspension and any or all of
16 the disciplinary actions, business practice restrictions, rehabilitative
17 or assessment programs listed in this section or any other program agreed
18 to by the board and the permittee.

19 L. If the board finds that the information provided pursuant to
20 subsection D of this section and additional information provided during
21 the conference indicate that grounds may exist for revocation or
22 suspension of a permit, probation, issuance of a decree of censure or a
23 letter of reprimand or imposition of a civil penalty, it shall initiate
24 formal proceedings pursuant to title 41, chapter 6, article 10.

25 M. If the permittee wishes to be present at the formal hearing in
26 person or by representation, or both, the permittee must file with the
27 board an answer to the charges in the notice of hearing. The answer must
28 be in writing, be verified under oath and be filed within thirty days
29 after service of the notice of hearing. Failure to answer the board's
30 notice of hearing is deemed an admission of the charges in the notice of
31 hearing.

32 N. If the board, during any investigation, determines that a
33 criminal violation might have occurred, it shall disclose its
34 investigative evidence and information to the appropriate criminal justice
35 agency for its consideration.

36 O. In determining the appropriate disciplinary action under this
37 section, the board shall consider all previous nondisciplinary and
38 disciplinary actions against a permittee.

39 P. The board may deny a permit to an applicant for the grounds
40 prescribed in subsection A of this section.

41 Q. If the board approves a permit and the business fails to become
42 operational within nine months after the date the permit is granted, the
43 permit is no longer valid. The board may grant a onetime extension for
44 the business to become operational.