

REFERENCE TITLE: **business entities; licensees; exemptions**

State of Arizona  
Senate  
Fifty-seventh Legislature  
Second Regular Session  
2026

# **SB 1616**

Introduced by  
Senator Carroll

AN ACT

AMENDING SECTIONS 32-1213, 32-1231 AND 32-1237, 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

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. This section does not apply to:
    - 26           1. A sole proprietorship or partnership that consists exclusively
    - 27 of dentists who are licensed pursuant to this chapter.
    - 28           2. Any of the following entities licensed under title 20:
      - 29           (a) A service corporation.
      - 30           (b) An insurer authorized to transact disability insurance.
      - 31           (c) A prepaid dental plan organization that does not provide
      - 32 directly for prepaid dental services.
      - 33           (d) A health care services organization that does not provide
      - 34 directly for dental services.
    - 35           3. A professional corporation or professional limited liability
    - 36 company, the shares of which are exclusively owned by dentists who are
    - 37 licensed pursuant to this chapter and that is formed to engage in the
    - 38 practice of dentistry pursuant to title 10, chapter 20 or title 29
    - 39 relating to professional limited liability companies.
    - 40           4. A facility regulated by the federal government or a state,
    - 41 district or territory of the United States.
    - 42           5. An administrator or executor of the estate of a deceased dentist
    - 43 or a person who is legally authorized to act for a dentist who has been
    - 44 adjudicated to be mentally incompetent for not more than one year after

1 the date the board receives notice of the dentist's death or  
2 incapacitation pursuant to section 32-1270.

3 6. A RECOGNIZED DENTAL SCHOOL, RECOGNIZED DENTAL THERAPY SCHOOL OR  
4 RECOGNIZED DENTAL HYGIENE SCHOOL.

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

8 1. Owned by a dentist who is licensed pursuant to this chapter.

9 2. Regulated by the federal government or a state, district or  
10 territory of the United States.

11 3. A RECOGNIZED DENTAL SCHOOL, RECOGNIZED DENTAL THERAPY SCHOOL OR  
12 RECOGNIZED DENTAL HYGIENE SCHOOL.

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

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

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

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

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

40 Sec. 2. Section 32-1231, Arizona Revised Statutes, is amended to  
41 read:

42 32-1231. Persons not required to be licensed; board  
43 jurisdiction

44 A. This chapter does not prohibit:

1           1. A dentist, dental therapist or dental hygienist who is  
2 officially employed in the service of the United States from practicing  
3 dentistry in the dentist's, dental therapist's or dental hygienist's  
4 official capacity, within the scope of that person's authority, on persons  
5 who are enlisted in, directly connected with or under the immediate  
6 control of some branch of service of the United States.

7           2. A person, whether or not licensed by this state, from practicing  
8 dental therapy either:

9           (a) In the discharge of official duties on behalf of the United  
10 States government, including the United States department of veterans  
11 affairs, the United States public health service and the Indian health  
12 service.

13           (b) While employed by tribal health programs authorized pursuant to  
14 Public Law 93-638 or urban Indian health programs.

15           3. An intern or student of dentistry, dental therapy or dental  
16 hygiene from ~~operating~~ PRACTICING in the clinical departments or  
17 laboratories of a recognized dental school, recognized dental therapy  
18 school, recognized dental hygiene school or hospital under the supervision  
19 of a dentist.

20           4. An unlicensed person from performing for a licensed dentist  
21 merely mechanical work on inert matter not within the oral cavity in the  
22 construction, making, alteration or repairing of any artificial dental  
23 substitute or any dental restorative or corrective appliance, if the casts  
24 or impressions for that work have been furnished by a licensed dentist and  
25 the work is directly supervised by the dentist for whom done or under a  
26 written authorization signed by the dentist, but the burden of proving  
27 that written authorization or direct supervision is on the person charged  
28 with having violated this provision.

29           5. A clinician who is not licensed in this state from giving  
30 demonstrations, before bona fide dental societies, study clubs and groups  
31 of professional students, that are free to the persons on whom made.

32           6. The state director of dental public health from performing the  
33 director's administrative duties as prescribed by law.

34           7. A dentist or dental hygienist to whom a restricted permit has  
35 been issued from practicing dentistry or dental hygiene in this state as  
36 provided in sections 32-1237 and 32-1292.

37           8. A dentist, dental therapist or dental hygienist from practicing  
38 ~~for educational purposes on behalf~~ IN THE CLINICAL DEPARTMENTS OR  
39 LABORATORIES of a recognized dental school, recognized dental therapy  
40 school or recognized dental hygiene school.

41           9. A dentist who holds an active and unrestricted license in  
42 another state, territory or possession of the United States from  
43 practicing for educational purposes in connection with recognized  
44 continuing dental education. A dentist who practices under this  
45 paragraph:

1 (a) May not receive compensation for dental services provided in  
2 connection with recognized continuing dental education.

3 (b) Is subject to the jurisdiction and discipline of the board to  
4 the same extent as dentists who are licensed in this state.

5 (c) May not provide any dental care or services in this state to a  
6 person who is either:

7 (i) Physically unable to safely receive the dental care or  
8 services.

9 (ii) Not mentally competent to knowingly and voluntarily consent to  
10 the dental care or services.

11 (d) Shall file a restricted permit application on a form approved  
12 by the board with the provider of the recognized continuing dental  
13 education before providing any dental care or services in this state. The  
14 provider of the recognized continuing dental education shall retain the  
15 dentist's restricted permit application for a period of at least five  
16 years.

17 B. THE BOARD HAS NO JURISDICTION OR AUTHORITY OVER ANY PERSON,  
18 WHETHER OR NOT LICENSED BY THIS STATE, WHO IS ACTING WITHIN THE SCOPE OF  
19 SUBSECTION A, PARAGRAPH 3 OR 8 OF THIS SECTION, EXCEPT THAT A LICENSEE IS  
20 SUBJECT TO BOARD JURISDICTION FOR VIOLATING SECTION 32-1263, SUBSECTION A,  
21 PARAGRAPH 2 AND IS REQUIRED TO COMPLY WITH SECTION 32-3208.

22 Sec. 3. Section 32-1237, Arizona Revised Statutes, is amended to  
23 read:

24 32-1237. Restricted permit

25 A. A person may apply for a restricted permit if the applicant  
26 demonstrates to the board's satisfaction that the applicant:

27 1. Has a pending contract with a recognized charitable dental  
28 clinic or organization or will be practicing for educational purposes in  
29 connection with and while enrolled in recognized continuing dental  
30 education that offers dental services without compensation or at a rate  
31 that only reimburses the clinic for dental supplies and overhead costs and  
32 the applicant will receive no compensation for dental services provided at  
33 the clinic or organization or in connection with the recognized continuing  
34 dental education.

35 2. Has a license to practice dentistry issued by another state or  
36 territory of the United States or the District of Columbia.

37 3. Has been actively engaged in one or more of the following for at  
38 least three years immediately preceding the application:

39 (a) The practice of dentistry.

40 (b) An approved dental residency training program.

41 (c) Postgraduate training deemed by the board equivalent to an  
42 approved dental residency training program.

43 4. Is competent and proficient to practice dentistry.

44 5. Meets the requirements of section 32-1232, subsection A, other  
45 than the requirement to meet section 32-1233.

1           B. For the purposes of meeting the requirements of subsection A of  
2 this section, the provider of the recognized continuing dental education,  
3 before the commencement of the recognized continuing dental education,  
4 shall notify the board of the restricted permit applicants the provider  
5 has accepted ~~that~~ WHO meet the requirements of section 32-1231, **SUBSECTION**  
6 **A**, paragraph 9. The board shall acknowledge receipt of the notification  
7 within five business days after the later of receiving either:

- 8           1. The notification.
- 9           2. A copy of the applicants' valid fingerprint clearance cards.