

House Engrossed Senate Bill

FILED

MICHELE REAGAN
SECRETARY OF STATE

State of Arizona
Senate
Fifty-third Legislature
First Regular Session
2017

CHAPTER 159
SENATE BILL 1116

AN ACT

AMENDING SECTION 32-1122, ARIZONA REVISED STATUTES; AMENDING TITLE 32, CHAPTER 10, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 32-1124.01; AMENDING SECTION 32-1158.01, ARIZONA REVISED STATUTES; REPEALING SECTION 32-1171, ARIZONA REVISED STATUTES; RELATING TO CONTRACTORS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 32-1122, Arizona Revised Statutes, is amended to
3 read:

4 32-1122. Qualifications for license

5 A. A contractor's license shall be issued only by act of the
6 registrar of contractors. The registrar shall:

7 1. Classify and qualify applicants for a license.

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

11 3. Conduct investigations the registrar deems necessary.

12 4. Establish written examinations if deemed necessary to protect
13 the health and safety of the public.

14 B. To obtain or renew a license under this chapter, the applicant
15 shall:

16 1. Submit to the registrar of contractors a verified application on
17 forms that are prescribed by the registrar of contractors and that contain
18 the following information and shall advise the registrar of any change in
19 the information within thirty days:

20 (a) A designation of the classification of license that is sought
21 by the applicant.

22 (b) If the applicant is an individual, the applicant's name and
23 address.

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

26 (d) If the applicant is a corporation, an association or any other
27 organization, the names and addresses of the president, vice-president, if
28 any, secretary and treasurer or the names and addresses of the functional
29 equivalent of these officers, the directors and the owners of twenty-five
30 percent or more of the stock or beneficial interest.

31 (e) The name and address of the qualifying party.

32 (f) If the applicant is a corporation, evidence that the
33 corporation is in good standing with the corporation commission.

34 (g) The address or location of the applicant's place of business
35 and the mailing address if it is different from the applicant's place of
36 business.

37 (h) Proof that the applicant has complied with the statutes or
38 rules governing workers' compensation insurance.

39 2. Submit the appropriate bond and fee required under this chapter.

40 ~~C. To obtain a contractor's license under this chapter other than a~~
41 ~~residential contractor's license, the applicant shall submit a detailed~~
42 ~~statement of current financial condition containing information required~~
43 ~~by the registrar of contractors on a form furnished by or acceptable to~~
44 ~~the registrar of contractors. Notwithstanding any other law, a swimming~~

1 ~~pool contractor shall also submit a detailed statement of current~~
2 ~~financial condition as required by this subsection.~~

3 ~~D.~~ C. To obtain or renew a license under this chapter, each person
4 shall be of good character and reputation. Lack of good character and
5 reputation may be established by showing that a person has engaged in
6 contracting without a license or committed any act that, if committed or
7 done by any licensed contractor, would be grounds for suspension or
8 revocation of a contractor's license or by showing that the person was
9 named on a contractor's license that was suspended or revoked in another
10 state.

11 ~~E.~~ D. To obtain a license under this chapter, a person shall not
12 have had a license refused or revoked, within one year before the person's
13 application, or shall not have engaged in the contracting business, nor
14 shall the person have submitted a bid without first having been licensed
15 within one year before the person's application, nor shall a person act as
16 a contractor between the filing of the application and actual issuance of
17 the license. The registrar may find any of those actions or circumstances
18 to be excusable if there was reasonable doubt as to the need for licensure
19 or the actions of the applicant did not result in an unremedied hardship
20 or danger or loss to the public. A person who has been convicted of
21 contracting without a license is not eligible to obtain a license under
22 this chapter for one year after the date of the last conviction.

23 ~~F.~~ E. Before a license is issued, the qualifying party shall:

24 1. Have ~~had~~ a minimum of four years' practical or management trade
25 experience, at least two of which must have been within the last ten
26 years, dealing specifically with the type of construction, or its
27 equivalent, for which the applicant is applying for a license. Technical
28 training in an accredited college or university or in a manufacturer's
29 accredited training program may be substituted for a portion of such
30 experience, but in no case may credited technical training exceed two
31 years of the required four years' experience. The registrar of
32 contractors may reduce the four years' practical or management experience
33 requirement if in the registrar's opinion it has been conclusively shown
34 by custom and usage in the particular industry or craft involved that the
35 four-year requirement is excessive. The registrar may waive the work
36 experience documentation and verification or the examination requirement
37 if the records reflect that the qualifying party is currently or has
38 previously been a qualifying party for a licensee in this state in the
39 same classification within the preceding five years.

40 2. Successfully show, by written examination taken not more than
41 two years before application, if required, qualification in the kind of
42 work for which the applicant proposes to contract, the applicant's general
43 knowledge of the building, safety, health and lien laws of the state,
44 administrative principles of the contracting business and the rules
45 adopted by the registrar of contractors pursuant to this chapter,

1 demonstrate knowledge and understanding of construction plans and
2 specifications applicable to the particular industry or craft and of the
3 standards of construction work and techniques and practices in the
4 particular industry or craft and demonstrate a general understanding of
5 other related construction trades, in addition to any other matters as may
6 be deemed appropriate by the registrar to determine that the qualifying
7 party meets the requirements of this chapter. The registrar shall
8 maintain multiple versions of examinations for each type of license that
9 requires an examination.

10 ~~F.~~ F. No license shall be issued to a minor, to any partnership in
11 which one of the partners is a minor or to any corporation in which a
12 corporate officer is a minor.

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

21 Sec. 2. Title 32, chapter 10, article 2, Arizona Revised Statutes,
22 is amended by adding section 32-1124.01, to read:

23 32-1124.01. Confidentiality of licensee's or license
24 applicant's personal identifying information:
25 exception

26 A. NOTWITHSTANDING ANY OTHER LAW AND EXCEPT AS PROVIDED IN
27 SUBSECTION C OF THIS SECTION, THE REGISTRAR MAY NOT RELEASE TO OR MAKE
28 AVAILABLE FOR INSPECTION BY ANY PERSON ANY OF THE FOLLOWING:

29 1. A LICENSEE'S OR LICENSE APPLICANT'S RESIDENTIAL ADDRESS OR
30 RESIDENTIAL TELEPHONE NUMBER, UNLESS THE REGISTRAR DETERMINES THAT
31 DISCLOSURE SERVES THE INTERESTS OF JUSTICE AND IS IN THE PUBLIC INTEREST.

32 2. A LICENSEE'S OR LICENSE APPLICANT'S E-MAIL ADDRESS, OTHER THAN
33 TO A COURT OR A GOVERNMENTAL AGENCY THAT WILL USE THE E-MAIL ADDRESS FOR A
34 LEGITIMATE COURT OR GOVERNMENTAL PURPOSE.

35 3. A LICENSEE'S OR LICENSE APPLICANT'S SOCIAL SECURITY NUMBER,
36 OTHER THAN TO A COURT OR A GOVERNMENTAL AGENCY THAT WILL USE THE SOCIAL
37 SECURITY NUMBER FOR A LEGITIMATE GOVERNMENTAL PURPOSE.

38 B. THE RESIDENTIAL ADDRESS, E-MAIL ADDRESS AND RESIDENTIAL
39 TELEPHONE NUMBER OF A LICENSEE WHOSE LICENSE IS PLACED ON INACTIVE STATUS
40 ARE CONFIDENTIAL UNLESS THE REGISTRAR DETERMINES THAT DISCLOSURE OF THIS
41 INFORMATION SERVES THE INTERESTS OF JUSTICE AND IS IN THE PUBLIC INTEREST.

42 C. NOTWITHSTANDING SUBSECTIONS A AND B OF THIS SECTION, THE
43 REGISTRAR MAY DISCLOSE THE RESIDENTIAL ADDRESS OR RESIDENTIAL TELEPHONE
44 NUMBER OF A LICENSEE OR LICENSE APPLICANT IF THE RESIDENTIAL ADDRESS OR

1 RESIDENTIAL TELEPHONE NUMBER IS DESIGNATED AS THE BUSINESS ADDRESS OR
2 BUSINESS TELEPHONE NUMBER.

3 Sec. 3. Section 32-1158.01, Arizona Revised Statutes, is amended to
4 read:

5 32-1158.01. Swimming pool; spa; construction contracts

6 A. In addition to the requirements of section 32-1158, a licensed
7 contractor who enters into a contract for the construction or installation
8 of a residential in-ground swimming pool or spa with a purchaser who
9 resides in the residence or who intends to reside in the residence after
10 the completion of the contract shall include at least the following
11 provisions:

12 1. A provision providing the purchaser the opportunity to request
13 standard contractor's payment and performance bonds in a form approved by
14 the registrar, securing the completion of the work and payment for
15 services and materials. The cost of the payment and performance bond
16 shall be paid by the purchaser of the swimming pool or spa and the
17 contractor shall not charge a surcharge or a service charge.

18 2. The following payment provisions:

19 (a) A down payment payable on the execution of the contract of not
20 more than ~~one thousand dollars~~ FIFTEEN PERCENT OF THE ORIGINAL CONTRACT
21 PRICE.

22 (b) After the completion of the excavation work on the swimming
23 pool or spa, a payment of not more than ~~thirty per cent~~ TWENTY-FIVE
24 PERCENT of the amount of the original contract price plus any written
25 change orders approved by the purchaser.

26 (c) After the installation of steel, plumbing and pneumatically
27 applied concrete materials or the installation of a prefabricated swimming
28 pool or spa, a payment of not more than ~~thirty per cent~~ TWENTY-FIVE
29 PERCENT of the amount of the original contract price plus any written
30 change orders approved by the purchaser.

31 (d) After the installation of decking materials, a payment of not
32 more than ~~thirty per cent~~ TWENTY-FIVE PERCENT of the amount of the
33 original contract price plus any written change orders approved by the
34 purchaser.

35 (e) Before the application of the finishing interior materials or
36 completion of all work on a prefabricated pool or spa, payment of all
37 remaining sums due on the original contract plus any written change orders
38 approved by the purchaser.

39 3. A provision that gives notice to the purchaser, in a form THAT
40 IS approved by the registrar AND that is in at least ten point type, of
41 the purchaser's right to receive written material that advises the
42 purchaser of the provisions of this section and of the procedures provided
43 for by the registrar for the resolution of claims and disputes with
44 licensed contractors.

1 4. A provision in a form THAT IS approved by the registrar AND that
2 is in at least ten point type, advising the purchaser of the purchaser's
3 rights under title 44, chapter 15.

4 B. If a purchaser requires the contractor to furnish a payment and
5 performance bond securing the performance of the contract, the CONTRACT
6 provisions of REQUIRED BY subsection A, paragraph 2 of this section may be
7 changed in any manner agreed to by the parties to the contract.

8 C. Any changes, additions or deletions to the work specified in the
9 original contract shall be included in a written change order.

10 D. A contractor's failure to comply with this section is a
11 violation of section 32-1154, subsection A.

12 Sec. 4. Repeal

13 Section 32-1171, Arizona Revised Statutes, is repealed.

APPROVED BY THE GOVERNOR APRIL 17, 2017.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 17, 2017.

Passed the House April 4, 2017,

Passed the Senate February 2, 2017,

by the following vote: 58 Ayes,

by the following vote: 30 Ayes,

0 Nays, 2 Not Voting

9 Nays, 0 Not Voting

Rob Bonner
Speaker of the House
Pro Tempore

John B. Jacobson
President of the Senate

Jim Drake
Chief Clerk of the House

Deborah Osever
Secretary of the Senate

~~EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR~~

~~This Bill was received by the Governor this~~

~~_____ day of _____, 20____,~~

~~at _____ o'clock _____ M.~~

~~_____
Secretary to the Governor~~

~~Approved this _____ day of~~

~~_____, 20____,~~

~~at _____ o'clock _____ M.~~

~~_____
Governor of Arizona~~

~~EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE~~

~~This Bill was received by the Secretary of State~~

~~this _____ day of _____, 20____,~~

~~at _____ o'clock _____ M.~~

~~_____
Secretary of State~~

S.B. 1116

SENATE CONCURS IN HOUSE
AMENDMENTS AND FINAL PASSAGE

Passed the Senate April 11, 2017

by the following vote: 30 Ayes,

0 Nays, 0 Not Voting


President of the Senate

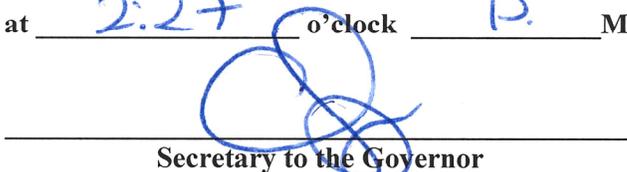

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

11th day of April, 20 17

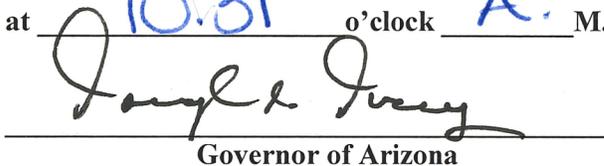
at 2:27 o'clock P. M.


Secretary to the Governor

Approved this 17 day of

April 2017

at 10:31 o'clock A. M.


Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 17 day of April, 20 17

at 3:31 o'clock P. M.


Secretary of State

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