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FILED
MICHELE REAGAN
SECRETARY OF STATE

CHAPTER 95
HOUSE BILL 2308

AN ACT

AMENDING SECTIONS 32-1901, 32-1904, 32-1905, 32-1929, 32-1930 AND 32-1931, ARIZONA REVISED STATUTES; AMENDING TITLE 32, CHAPTER 18, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 32-1941; AMENDING SECTION 32-1981, ARIZONA REVISED STATUTES; REPEALING SECTION 32-1984, ARIZONA REVISED STATUTES; AMENDING SECTIONS 41-619.51, 41-1758 AND 41-1758.01, 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 32-1901, Arizona Revised Statutes, is amended to
3 read:

4 32-1901. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Administer" means the direct application of a controlled
7 substance, prescription-only drug, dangerous drug or narcotic drug,
8 whether by injection, inhalation, ingestion or any other means, to the
9 body of a patient or research subject by a practitioner or by the
10 practitioner's authorized agent or the patient or research subject at the
11 direction of the practitioner.

12 2. "Advertisement" means all representations disseminated in any
13 manner or by any means, other than by labeling, for the purpose of
14 inducing, or that are likely to induce, directly or indirectly, the
15 purchase of drugs, devices, poisons or hazardous substances.

16 3. "Advisory letter" means a nondisciplinary letter to notify a
17 licensee or permittee that either:

18 (a) While there is insufficient evidence to support disciplinary
19 action, the board believes that continuation of the activities that led to
20 the investigation may result in further board action against the licensee
21 or permittee.

22 (b) The violation is a minor or technical violation that is not of
23 sufficient merit to warrant disciplinary action.

24 (c) While the licensee or permittee has demonstrated substantial
25 compliance through rehabilitation, remediation or reeducation that has
26 mitigated the need for disciplinary action, the board believes that
27 repetition of the activities that led to the investigation may result in
28 further board action against the licensee or permittee.

29 4. "Antiseptic", if a drug is represented as such on its label,
30 means a representation that it is a germicide, except in the case of a
31 drug purporting to be, or represented as, an antiseptic for inhibitory use
32 as a wet dressing, ointment or dusting powder or other use that involves
33 prolonged contact with the body.

34 5. "Authorized officers of the law" means legally empowered peace
35 officers, compliance officers of the board of pharmacy and agents of the
36 division of narcotics enforcement and criminal intelligence of the
37 department of public safety.

38 6. "Board" or "board of pharmacy" means the Arizona state board of
39 pharmacy.

40 7. "Certificate of composition" means a list of a product's
41 ingredients.

42 8. "Certificate of free sale" means a document that authenticates a
43 product that is generally and freely sold in domestic or international
44 channels of trade.

1 9. "Color additive" means a material that either:

2 (a) Is any dye, pigment or other substance made by a process of
3 synthesis or similar artifice, or extracted, isolated or otherwise
4 derived, with or without intermediate or final change of identity, from
5 any vegetable, animal, mineral or other source.

6 (b) If added or applied to a drug, or to the human body or any part
7 of the human body, is capable of imparting color, except that color
8 additive does not include any material that has been or may be exempted
9 under the federal act. Color includes black, white and intermediate
10 grays.

11 10. "Compounding" means the preparation, mixing, assembling,
12 packaging or labeling of a drug by a pharmacist or an intern or pharmacy
13 technician under the pharmacist's supervision, for the purpose of
14 dispensing to a patient based on a valid prescription order. Compounding
15 includes the preparation of drugs in anticipation of prescription orders
16 prepared on routine, regularly observed prescribing patterns and the
17 preparation of drugs as an incident to research, teaching or chemical
18 analysis or for administration by a medical practitioner to the medical
19 practitioner's patient and not for sale or dispensing. Compounding does
20 not include the preparation of commercially available products from bulk
21 compounds or the preparation of drugs for sale to pharmacies,
22 practitioners or entities for the purpose of dispensing or distribution.

23 11. "Compressed medical gas distributor" means a person who holds a
24 current permit issued by the board to distribute compressed medical gases
25 pursuant to a compressed medical gas order to compressed medical gas
26 suppliers and other entities that are registered, licensed or permitted to
27 use, administer or distribute compressed medical gases.

28 ~~14.~~ 12. "Compressed medical gases" means gases and liquid oxygen
29 that a compressed medical gas distributor or manufacturer has labeled in
30 compliance with federal law.

31 ~~12.~~ 13. "Compressed medical gas order" means an order for
32 compressed medical gases that is issued by a medical practitioner.

33 ~~13.~~ 14. "Compressed medical gas supplier" means a person who holds
34 a current permit issued by the board to supply compressed medical gases
35 pursuant to a compressed medical gas order and only to the consumer or the
36 patient.

37 15. "Controlled substance" means a drug, substance or immediate
38 precursor that is identified, defined or listed in title 36, chapter 27,
39 article 2.

40 16. "Corrosive" means any substance that when it comes in contact
41 with living tissue will cause destruction of tissue by chemical action.

42 17. "Counterfeit drug" means a drug that, or the container or
43 labeling of which, without authorization, bears the trademark, trade name
44 or other identifying mark, imprint, number or device, or any likeness of

1 these, of a manufacturer, distributor or dispenser other than the person
2 who in fact manufactured, distributed or dispensed that drug.

3 18. "Dangerous drug" has the same meaning prescribed in section
4 13-3401.

5 19. "Decree of censure" means an official action that is taken by
6 the board and that may include a requirement for restitution of fees to a
7 patient or consumer.

8 20. "Deliver" or "delivery" means the actual, constructive or
9 attempted transfer from one person to another whether or not there is an
10 agency relationship.

11 21. "Deputy director" means a pharmacist who is employed by the
12 board and selected by the executive director to perform duties as
13 prescribed by the executive director.

14 22. "Device", except as used in paragraph 17 of this section,
15 section 32-1965, paragraph 4 and section 32-1967, subsection A, paragraph
16 15 and subsection C, means instruments, apparatus and contrivances,
17 including their components, parts and accessories, including all such
18 items under the federal act, intended either:

19 (a) For use in the diagnosis, cure, mitigation, treatment or
20 prevention of disease in the human body or other animals.

21 (b) To affect the structure or any function of the human body or
22 other animals.

23 ~~24.~~ 23. "Director" means the director of the division of narcotics
24 enforcement and criminal investigation of the department of public safety.

25 ~~23.~~ 24. "Direct supervision of a pharmacist" means the pharmacist
26 is present. If relating to the sale of certain items, direct supervision
27 of a pharmacist means that a pharmacist determines the legitimacy or
28 advisability of a proposed purchase of those items.

29 25. "Dispense" means to deliver to an ultimate user or research
30 subject by or pursuant to the lawful order of a practitioner, including
31 the prescribing, administering, packaging, labeling or compounding
32 necessary to prepare for that delivery.

33 26. "Dispenser" means a practitioner who dispenses.

34 27. "Distribute" means to deliver, other than by administering or
35 dispensing.

36 28. "Distributor" means a person who distributes.

37 29. "Drug" means:

38 (a) Articles recognized, or for which standards or specifications
39 are prescribed, in the official compendium.

40 (b) Articles intended for use in the diagnosis, cure, mitigation,
41 treatment or prevention of disease in the human body or other animals.

42 (c) Articles other than food intended to affect the structure or
43 any function of the human body or other animals.

1 (d) Articles intended for use as a component of any articles
2 specified in subdivision (a), (b) or (c) of this paragraph but does not
3 include devices or their components, parts or accessories.

4 30. "Drug enforcement administration" means the drug enforcement
5 administration of the United States department of justice or its successor
6 agency.

7 31. "Drug or device manufacturing" means the production,
8 preparation, propagation or processing of a drug or device, either
9 directly or indirectly, by extraction from substances of natural origin or
10 independently by means of chemical synthesis and includes any packaging or
11 repackaging of substances or labeling or relabeling of its container and
12 the promotion and marketing of the same. Drug or device manufacturing
13 does not include compounding.

14 32. "Economic poison" means any substance that alone, in chemical
15 combination or in formulation with one or more other substances is a
16 pesticide within the meaning of the laws of this state or the federal
17 insecticide, fungicide and rodenticide act and that is used in the
18 production, storage or transportation of raw agricultural commodities.

19 33. "Enteral feeding" means nourishment provided by means of a tube
20 inserted into the stomach or intestine.

21 34. "Established name", with respect to a drug or ingredient of a
22 drug, means any of the following:

23 (a) The applicable official name.

24 (b) If there is no such name and the drug or ingredient is an
25 article recognized in an official compendium, the official title in an
26 official compendium.

27 (c) If neither subdivision (a) nor (b) of this paragraph applies,
28 the common or usual name of such drug.

29 35. "Executive director" means the executive director of the board
30 of pharmacy.

31 36. "Federal act" means the federal laws and regulations that
32 pertain to drugs, devices, poisons and hazardous substances and that are
33 official at the time any drug, device, poison or hazardous substance is
34 affected by this chapter.

35 37. "Full service wholesale permittee" means a permittee who may
36 distribute prescription-only drugs and devices, controlled substances and
37 over-the-counter drugs and devices to pharmacies or other legal outlets
38 from a place devoted in whole or in part to wholesaling these items.

39 38. "Good manufacturing practice" means a system for ensuring that
40 products are consistently produced and controlled according to quality
41 standards and covering all aspects of design, monitoring and control of
42 manufacturing processes and facilities to ensure that products do not pose
43 any risk to the consumer or public.

44 39. "Graduate intern" means a person who has graduated from a
45 college, school or program of pharmacy approved by the board and who meets

1 the qualifications and experience for a pharmacy intern as provided in
2 section 32-1923.

3 40. "Highly toxic" means any substance that falls within any of the
4 following categories:

5 (a) Produces death within fourteen days in half or more than half
6 of a group of ten or more laboratory white rats each weighing between two
7 hundred and three hundred grams, at a single dose of fifty milligrams or
8 less per kilogram of body weight, when orally administered.

9 (b) Produces death within fourteen days in half or more than half
10 of a group of ten or more laboratory white rats each weighing between two
11 hundred and three hundred grams, if inhaled continuously for a period of
12 one hour or less at an atmospheric concentration of two hundred parts per
13 million by volume or less of gas or vapor or two milligrams per liter by
14 volume or less of mist or dust, provided the concentration is likely to be
15 encountered by humans if the substance is used in any reasonably
16 foreseeable manner.

17 (c) Produces death within fourteen days in half or more than half
18 of a group of ten or more rabbits tested in a dosage of two hundred
19 milligrams or less per kilogram of body weight, if administered by
20 continuous contact with the bare skin for twenty-four hours or less.
21 If the board finds that available data on human experience with any
22 substance indicate results different from those obtained on animals in the
23 dosages or concentrations prescribed in this paragraph, the human data
24 shall take precedence.

25 41. "Hospital" means any institution for the care and treatment of
26 the sick and injured that is approved and licensed as a hospital by the
27 department of health services.

28 42. "Intern" means a pharmacy intern and a graduate intern.

29 43. "Internship" means the practical, experiential, hands-on
30 training of a pharmacy intern under the supervision of a preceptor.

31 44. "Irritant" means any substance, other than a corrosive, that on
32 immediate, prolonged or repeated contact with normal living tissue will
33 induce a local inflammatory reaction.

34 45. "Jurisprudence examination" means a board-approved pharmacy law
35 examination that is written and administered in cooperation with the
36 national association of boards of pharmacy or another board-approved
37 pharmacy law examination.

38 46. "Label" means a display of written, printed or graphic matter on
39 the immediate container of any article that, unless easily legible through
40 the outside wrapper or container, also appears on the outside wrapper or
41 container of the article's retail package. For the purposes of this
42 paragraph, the immediate container does not include package liners.

43 47. "Labeling" means all labels and other written, printed or
44 graphic matter either:

1 (a) On any article or any of its containers or wrappers.

2 (b) Accompanying that article.

3 48. "Letter of reprimand" means a disciplinary letter that is a
4 public document issued by the board and that informs a licensee or
5 permittee that the licensee's or permittee's conduct violates state or
6 federal law and may require the board to monitor the licensee or
7 permittee.

8 49. "Limited service pharmacy" means a pharmacy that is approved by
9 the board to practice a limited segment of pharmacy as indicated by the
10 permit issued by the board.

11 50. "Manufacture" or "manufacturer" means every person who prepares,
12 derives, produces, compounds, processes, packages or repackages or labels
13 any drug in a place, other than a pharmacy, devoted to manufacturing the
14 drug.

15 51. "Marijuana" has the same meaning prescribed in section 13-3401.

16 52. "Medical practitioner" means any medical doctor, doctor of
17 osteopathy, dentist, podiatrist, veterinarian or other person who is
18 licensed and authorized by law to use and prescribe drugs and devices for
19 the treatment of sick and injured human beings or animals or for the
20 diagnosis or prevention of sickness in human beings or animals in this
21 state or any state, territory or district of the United States.

22 53. "Medication order" means a written or verbal order from a
23 medical practitioner or that person's authorized agent to administer a
24 drug or device.

25 54. "Narcotic drug" has the same meaning prescribed in section
26 13-3401.

27 55. "New drug" means either:

28 (a) Any drug the composition of which is such that the drug is not
29 generally recognized among experts qualified by scientific training and
30 experience to evaluate the safety and effectiveness of drugs as safe and
31 effective for use under the conditions prescribed, recommended or
32 suggested in the labeling.

33 (b) Any drug the composition of which is such that the drug, as a
34 result of investigations to determine its safety and effectiveness for use
35 under such conditions, has become so recognized, but that has not, other
36 than in the investigations, been used to a material extent or for a
37 material time under those conditions.

38 56. "Nonprescription drug" or "over-the-counter drug" means any
39 nonnarcotic medicine or drug that may be sold without a prescription and
40 is prepackaged and labeled for use by the consumer in accordance with the
41 requirements of the laws of this state and federal law. Nonprescription
42 drug does not include:

43 (a) A drug that is primarily advertised and promoted professionally
44 to medical practitioners and pharmacists by manufacturers or primary
45 distributors.

1 (b) A controlled substance.

2 (c) A drug that is required to bear a label that states "Rx only".

3 (d) A drug that is intended for human use by hypodermic injection.

4 57. "Nonprescription drug wholesale permittee" means a permittee who
5 may distribute only over-the-counter drugs and devices to pharmacies or
6 other lawful outlets from a place devoted in whole or in part to
7 wholesaling these items.

8 58. "Notice" means personal service or the mailing of a copy of the
9 notice by certified mail addressed either to the person at the person's
10 latest address of record in the board office or to the person's attorney.

11 59. "Nutritional supplementation" means vitamins, minerals and
12 caloric supplementation. Nutritional supplementation does not include
13 medication or drugs.

14 60. "Official compendium" means the latest revision of the United
15 States pharmacopeia and the national formulary or any current supplement.

16 61. "Other jurisdiction" means one of the other forty-nine states,
17 the District of Columbia, the Commonwealth of Puerto Rico or a territory
18 of the United States of America.

19 62. "Package" means a receptacle defined or described in the United
20 States pharmacopeia and the national formulary as adopted by the board.

21 63. "Packaging" means the act or process of placing a drug item or
22 device in a container for the purpose or intent of dispensing or
23 distributing the item or device to another.

24 64. "Parenteral nutrition" means intravenous feeding that provides a
25 person with fluids and essential nutrients the person needs while the
26 person is unable to receive adequate fluids or feedings by mouth or by
27 enteral feeding.

28 65. "Person" means an individual, partnership, corporation and
29 association, and their duly authorized agents.

30 66. "Pharmaceutical care" means the provision of drug therapy and
31 other pharmaceutical patient care services.

32 67. "Pharmacist" means an individual who is currently licensed by
33 the board to practice the profession of pharmacy in this state.

34 68. "Pharmacist in charge" means the pharmacist who is responsible
35 to the board for a licensed establishment's compliance with the laws and
36 administrative rules of this state and of the federal government
37 pertaining to the practice of pharmacy, the manufacturing of drugs and the
38 distribution of drugs and devices.

39 69. "Pharmacist licensure examination" means a board-approved
40 examination that is written and administered in cooperation with the
41 national association of boards of pharmacy or any other board-approved
42 pharmacist licensure examination.

43 70. "Pharmacy" means any place:

44 (a) Where drugs, devices, poisons or related hazardous substances
45 are offered for sale at retail.

1 (b) In which the profession of pharmacy is practiced or where
2 prescription orders are compounded and dispensed.

3 (c) That has displayed on it or in it the words "pharmacist,"
4 "pharmaceutical chemist," "apothecary," "druggist," "pharmacy,"
5 "drugstore," "drugs" or "drug sundries" or any of these words or
6 combinations of these words, or words of similar import either in English
7 or any other language, or that is advertised by any sign containing any of
8 these words.

9 (d) Where the characteristic symbols of pharmacy or the
10 characteristic prescription sign "Rx" is exhibited.

11 (e) Or a portion of any building or structure that is leased, used
12 or controlled by the permittee to conduct the business authorized by the
13 board at the address for which the permit was issued and that is enclosed
14 and secured when a pharmacist is not in attendance.

15 71. "Pharmacy intern" means a person who has all of the
16 qualifications and experience prescribed in section 32-1923.

17 72. "Pharmacy technician" means a person who is licensed pursuant to
18 this chapter.

19 73. "Pharmacy technician trainee" means a person who is licensed
20 pursuant to this chapter.

21 74. "Poison" or "hazardous substance" includes, but is not limited
22 to, any of the following if intended and suitable for household use or use
23 by children:

24 (a) Any substance that, according to standard works on medicine,
25 pharmacology, pharmacognosy or toxicology, if applied to, introduced into
26 or developed within the body in relatively small quantities by its
27 inherent action uniformly produces serious bodily injury, disease or
28 death.

29 (b) A toxic substance.

30 (c) A highly toxic substance.

31 (d) A corrosive substance.

32 (e) An irritant.

33 (f) A strong sensitizer.

34 (g) A mixture of any of the substances described in this paragraph,
35 if the substance or mixture of substances may cause substantial personal
36 injury or substantial illness during or as a proximate result of any
37 customary or reasonably foreseeable handling or use, including reasonably
38 foreseeable ingestion by children.

39 (h) A substance that is designated by the board to be a poison or
40 hazardous substance. This subdivision does not apply to radioactive
41 substances, economic poisons subject to the federal insecticide, fungicide
42 and rodenticide act or the state pesticide act, foods, drugs and cosmetics
43 subject to state laws or the federal act or substances intended for use as
44 fuels when stored in containers and used in the heating, cooking or
45 refrigeration system of a house. This subdivision applies to any substance

1 or article that is not itself an economic poison within the meaning of the
2 federal insecticide, fungicide and rodenticide act or the state pesticide
3 act, but that is a poison or hazardous substance within the meaning of
4 this paragraph by reason of bearing or containing an economic poison or
5 hazardous substance.

6 75. "Practice of pharmacy":

7 (a) Means furnishing the following health care services as a medical
8 professional:

9 (i) Interpreting, evaluating and dispensing prescription orders in
10 the patient's best interests.

11 (ii) Compounding drugs pursuant to or in anticipation of a
12 prescription order.

13 (iii) Labeling of drugs and devices in compliance with state and
14 federal requirements.

15 (iv) Participating in drug selection and drug utilization reviews,
16 drug administration, drug or drug-related research and drug therapy
17 monitoring or management.

18 (v) Providing patient counseling necessary to provide pharmaceutical
19 care.

20 (vi) Properly and safely storing drugs and devices in anticipation
21 of dispensing.

22 (vii) Maintaining required records of drugs and devices.

23 (viii) Offering or performing of acts, services, operations or
24 transactions necessary in the conduct, operation, management and control
25 of a pharmacy.

26 (ix) Initiating, monitoring and modifying drug therapy pursuant to a
27 protocol-based drug therapy agreement with a provider as outlined in
28 section 32-1970.

29 (x) Initiating and administering immunizations or vaccines pursuant
30 to section 32-1974.

31 (b) Does not include initiating a prescription order for any
32 medication, drug or other substance used to induce or cause a medication
33 abortion as defined in section 36-2151.

34 76. "Practitioner" means any physician, dentist, veterinarian,
35 scientific investigator or other person who is licensed, registered or
36 otherwise permitted to distribute, dispense, conduct research with respect
37 to or administer a controlled substance in the course of professional
38 practice or research in this state, or any pharmacy, hospital or other
39 institution that is licensed, registered or otherwise permitted to
40 distribute, dispense, conduct research with respect to or administer a
41 controlled substance in the course of professional practice or research in
42 this state.

43 77. "Preceptor" means a pharmacist who is serving as the practical
44 instructor of an intern and complies with section 32-1923.

1 78. "Precursor chemical" means a substance that is:

2 (a) The principal compound that is commonly used or that is
3 produced primarily for use and that is an immediate chemical intermediary
4 used or likely to be used in the manufacture of a controlled substance,
5 the control of which is necessary to prevent, curtail or limit
6 manufacture.

7 (b) Listed in section 13-3401, paragraph 26 or 27.

8 79. "Prescription" means either a prescription order or a
9 prescription medication.

10 80. "Prescription medication" means any drug, including label and
11 container according to context, that is dispensed pursuant to a
12 prescription order.

13 81. "Prescription-only device" includes:

14 (a) Any device that is limited by the federal act to use under the
15 supervision of a medical practitioner.

16 (b) Any device required by the federal act to bear on its label
17 essentially the legend "Rx only".

18 82. "Prescription-only drug" does not include a controlled substance
19 but does include:

20 (a) Any drug that because of its toxicity or other potentiality for
21 harmful effect, the method of its use, or the collateral measures
22 necessary to its use is not generally recognized among experts, qualified
23 by scientific training and experience to evaluate its safety and efficacy,
24 as safe for use except by or under the supervision of a medical
25 practitioner.

26 (b) Any drug that is limited by an approved new drug application
27 under the federal act or section 32-1962 to use under the supervision of a
28 medical practitioner.

29 (c) Every potentially harmful drug, the labeling of which does not
30 bear or contain full and adequate directions for use by the consumer.

31 (d) Any drug, other than a controlled substance, required by the
32 federal act to bear on its label the legend "Rx only".

33 83. "Prescription order" means any of the following:

34 (a) An order to a pharmacist for drugs or devices issued and signed
35 by a duly licensed medical practitioner in the authorized course of the
36 practitioner's professional practice.

37 (b) An order transmitted to a pharmacist through word of mouth,
38 telephone or other means of communication directed by that medical
39 practitioner. Prescription orders received by word of mouth, telephone or
40 other means of communication shall be maintained by the pharmacist
41 pursuant to section 32-1964, and the record so made by the pharmacist
42 constitutes the original prescription order to be dispensed by the
43 pharmacist. This paragraph does not alter or affect laws of this state or
44 any federal act requiring a written prescription order.

1 (c) An order initiated by a pharmacist pursuant to a protocol-based
2 drug therapy agreement with a provider as outlined in section 32-1970, or
3 immunizations or vaccines administered by a pharmacist pursuant to section
4 32-1974.

5 (d) A diet order or an order for enteral feeding, nutritional
6 supplementation or parenteral nutrition that is initiated by a registered
7 dietitian or other qualified nutrition professional in a hospital pursuant
8 to section 36-416.

9 84. "Professionally incompetent" means:

10 (a) Incompetence based on a variety of factors, including a lack of
11 sufficient pharmaceutical knowledge or skills or experience to a degree
12 likely to endanger the health of patients.

13 (b) When considered with other indications of professional
14 incompetence, a pharmacist, pharmacy intern or graduate intern who fails
15 to obtain a passing score on a board-approved pharmacist licensure
16 examination or a pharmacy technician or pharmacy technician trainee who
17 fails to obtain a passing score on a board-approved pharmacy technician
18 licensure examination.

19 85. "Radioactive substance" means a substance that emits ionizing
20 radiation.

21 86. "Safely engage in employment duties" means that a permittee or
22 the permittee's employee is able to safely engage in employment duties
23 related to the manufacture, sale, distribution or dispensing of drugs,
24 devices, poisons, hazardous substances, controlled substances or precursor
25 chemicals.

26 87. "Symbol" means the characteristic symbols that have historically
27 identified pharmacy, including show globes and mortar and pestle, and the
28 sign "Rx".

29 88. "THIRD-PARTY LOGISTICS PROVIDER" MEANS AN ENTITY THAT PROVIDES
30 OR COORDINATES WAREHOUSING OR OTHER LOGISTICS SERVICES FOR A PRESCRIPTION
31 OR OVER-THE-COUNTER DANGEROUS DRUG OR DANGEROUS DEVICE IN INTRASTATE OR
32 INTERSTATE COMMERCE ON BEHALF OF A MANUFACTURER, WHOLESALER OR DISPENSER
33 OF THE PRESCRIPTION OR OVER-THE-COUNTER DANGEROUS DRUG OR DANGEROUS DEVICE
34 BUT THAT DOES NOT TAKE OWNERSHIP OF THE PRESCRIPTION OR OVER-THE-COUNTER
35 DANGEROUS DRUG OR DANGEROUS DEVICE OR HAVE RESPONSIBILITY TO DIRECT ITS
36 SALE OR DISPOSITION.

37 ~~88.~~ 89. "Toxic substance" means a substance, other than a
38 radioactive substance, that has the capacity to produce injury or illness
39 in humans through ingestion, inhalation or absorption through any body
40 surface.

41 ~~89.~~ 90. "Ultimate user" means a person who lawfully possesses a
42 drug or controlled substance for that person's own use, for the use of a
43 member of that person's household or for administering to an animal owned
44 by that person or by a member of that person's household.

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

3 32-1904. Powers and duties of board; immunity

4 A. The board shall:

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

10 2. Fix standards and requirements for the registration and
11 reregistration of pharmacies, except as otherwise specified.

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

17 4. Enforce its rules. In so doing, the board or its agents have
18 free access at all reasonable hours to any pharmacy, manufacturer,
19 wholesaler, THIRD-PARTY LOGISTICS PROVIDER, nonprescription drug permittee
20 or other establishment in which drugs, devices, poisons or hazardous
21 substances are manufactured, processed, packed or held, or to enter any
22 vehicle being used to transport or hold such drugs, devices, poisons or
23 hazardous substances for the purpose of:

24 (a) Inspecting the establishment or vehicle to determine if any
25 provisions of this chapter or the federal act are being violated.

26 (b) Securing samples or specimens of any drug, device, poison or
27 hazardous substance after paying or offering to pay for such sample.

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

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

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

44 7. Issue duplicates of lost or destroyed permits on the payment of
45 a fee as prescribed by the board.

- 1 8. Adopt rules for the rehabilitation of pharmacists and pharmacy
2 interns as provided by this chapter.
- 3 9. At least once every three months, notify pharmacies regulated
4 pursuant to this chapter of any modifications on prescription writing
5 privileges of podiatrists, dentists, doctors of medicine, registered nurse
6 practitioners, osteopathic physicians, veterinarians, physician
7 assistants, optometrists and homeopathic physicians of which it receives
8 notification from the board of podiatry examiners, board of dental
9 examiners, Arizona medical board, board of nursing, board of osteopathic
10 examiners in medicine and surgery, veterinary medical examining board,
11 Arizona regulatory board of physician assistants, board of optometry or
12 board of homeopathic and integrated medicine examiners.
- 13 B. The board may:
- 14 1. Employ chemists, compliance officers, clerical help and other
15 employees subject to title 41, chapter 4, article 4 and provide laboratory
16 facilities for the proper conduct of its business.
- 17 2. Provide, by education of and information to the licensees and to
18 the public, assistance in the curtailment of abuse in the use of drugs,
19 devices, poisons and hazardous substances.
- 20 3. Approve or reject the manner of storage and security of drugs,
21 devices, poisons and hazardous substances.
- 22 4. Accept monies and services to assist in the enforcement of this
23 chapter from other than licensees:
- 24 (a) For performing inspections and other board functions.
- 25 (b) For the cost of copies of the pharmacy and controlled
26 substances laws, the annual report of the board and other information from
27 the board.
- 28 5. Adopt rules for professional conduct appropriate to the
29 establishment and maintenance of a high standard of integrity and dignity
30 in the profession of pharmacy.
- 31 6. Grant permission to deviate from a state requirement for
32 experimentation and technological advances.
- 33 7. Adopt rules for the training and practice of pharmacy interns,
34 pharmacy technicians and support personnel.
- 35 8. Investigate alleged violations of this chapter, conduct hearings
36 in respect to violations, subpoena witnesses and take such action as it
37 deems necessary to revoke or suspend a license or a permit, place a
38 licensee or permittee on probation or warn a licensee or permittee under
39 this chapter or to bring notice of violations to the county attorney of
40 the county in which a violation took place or to the attorney general.
- 41 9. By rule, approve colleges or schools of pharmacy.
- 42 10. By rule, approve programs of practical experience, clinical
43 programs, internship training programs, programs of remedial academic work
44 and preliminary equivalency examinations as provided by this chapter.

- 1 11. Assist in the continuing education of pharmacists and pharmacy
2 interns.
- 3 12. Issue inactive status licenses as provided by this chapter.
- 4 13. Accept monies and services from the federal government or
5 others for educational, research or other purposes pertaining to the
6 enforcement of this chapter.
- 7 14. By rule, except from the application of all or any part of this
8 chapter any material, compound, mixture or preparation containing any
9 stimulant or depressant substance included in section 13-3401, paragraph
10 6, subdivision (c) or (d) from the definition of dangerous drug if the
11 material, compound, mixture or preparation contains one or more active
12 medicinal ingredients not having a stimulant or depressant effect on the
13 central nervous system, provided that such admixtures are included in such
14 combinations, quantity, proportion or concentration as to vitiate the
15 potential for abuse of the substances that do have a stimulant or
16 depressant effect on the central nervous system.
- 17 15. Adopt rules for the revocation, suspension or reinstatement of
18 licenses or permits or the probation of licensees or permittees as
19 provided by this chapter.
- 20 16. Issue a certificate of free sale to any person that is licensed
21 by the board as a manufacturer for the purpose of manufacturing or
22 distributing food supplements or dietary supplements as defined in rule by
23 the board and that wants to sell food supplements or dietary supplements
24 domestically or internationally. The application shall contain all of the
25 following:
- 26 (a) The applicant's name, address, e-mail address, telephone and
27 fax number.
- 28 (b) The product's full, common or usual name.
- 29 (c) A copy of the label for each product listed. If the product is
30 to be exported in bulk and a label is not available, the applicant shall
31 include a certificate of composition.
- 32 (d) The country of export, if applicable.
- 33 (e) The number of certificates of free sale requested.
- 34 17. Establish an inspection process for the issuance of certificates
35 of free sale or good manufacturing practice certifications. The board
36 shall establish in rule:
- 37 (a) A fee for the issuance of certificates of free sale.
- 38 (b) A fee for the issuance of good manufacturing practice
39 certifications.
- 40 (c) An annual inspection fee.
- 41 C. The executive director and other personnel or agents of the
42 board are not subject to civil liability for any act done or proceeding
43 undertaken or performed in good faith and in furtherance of the purposes
44 of this chapter.

1 Sec. 3. Section 32-1905, Arizona Revised Statutes, is amended to
2 read:

3 32-1905. Meetings; time and place; annual report

4 A. The board of pharmacy shall hold meetings to consider license
5 and permit applications and to transact other business legally coming
6 before it. The board must hold at least four meetings in each fiscal
7 year.

8 B. The board shall designate the time and place of its meetings at
9 least thirty days before each meeting.

10 C. The board shall ~~make~~ SUBMIT an annual written report to the
11 governor and to the Arizona pharmacy association, ~~including~~ THAT INCLUDES
12 the names of all pharmacists, interns, pharmacy technicians, pharmacy
13 technician trainees, pharmacies, wholesalers, THIRD-PARTY LOGISTICS
14 PROVIDERS and manufacturers authorized to practice under this chapter and
15 a record of licenses, permits and renewals.

16 Sec. 4. Section 32-1929, Arizona Revised Statutes, is amended to
17 read:

18 32-1929. Biennial registration of pharmacies, wholesalers,
19 third-party logistics providers, manufacturers and
20 similar places; application

21 A. Except as provided in section 32-4301, the board shall require
22 and provide for biennial registration of every pharmacy, wholesaler,
23 THIRD-PARTY LOGISTICS PROVIDER and manufacturer and any other place in
24 which or from which drugs are sold, compounded, dispensed, stocked,
25 exposed, manufactured or offered for sale.

26 B. Any person desiring to operate, maintain, open or establish a
27 pharmacy, wholesaling firm or manufacturing plant, or any other place in
28 which or from which drugs are manufactured, compounded, dispensed,
29 stocked, exposed, sold or offered for sale, shall apply to the board for a
30 permit before engaging in any such activity.

31 C. The application for a permit to operate a pharmacy, drug
32 manufacturing facility or wholesaling facility in this state shall be made
33 on a form prescribed and furnished by the board, which, when properly
34 executed, indicates the ownership, trustee, receiver or other person or
35 persons desiring the permit, including the pharmacist responsible to the
36 board for the operation of a pharmacy or drug manufacturing facility, or
37 other individual approved by and responsible to the board for the
38 operation of wholesaling facilities, as well as the location, including
39 the street name and number, and such other information as required by the
40 board to establish the identity, exact location and extent of activities,
41 in which or from which drugs are sold, manufactured, compounded,
42 dispensed, stocked, exposed or offered for sale.

43 D. The application for a permit to operate a pharmacy, drug
44 manufacturing facility or wholesaling facility outside of this state that
45 will dispense, sell, transfer or distribute drugs into this state shall be

1 made on a form prescribed and furnished by the board, which, when properly
2 executed, indicates the ownership, trustee, receiver or other person or
3 persons desiring the permit, including the individual approved by and
4 responsible to the board for the operation of the pharmacy, drug
5 manufacturing facility or wholesaling facility, as well as the location,
6 including the street name and number, and such other information as
7 required by the board to establish the identity, exact location and extent
8 of activities, in which or from which drugs are sold, manufactured,
9 compounded, dispensed, stocked, exposed or offered for sale.

10 E. If it is desired to operate, maintain, open or establish more
11 than one pharmacy, or any other place of business in which or from which
12 drugs are sold, manufactured, compounded, dispensed, stocked, exposed or
13 offered for sale, a separate application shall be made and a separate
14 permit shall be issued for each place, business or outlet.

15 Sec. 5. Section 32-1930, Arizona Revised Statutes, is amended to
16 read:

17 32-1930. Types of permits; restrictions on permits;
18 discontinuance of pharmacy permit

19 A. On application, the board may issue the following classes or
20 kinds of permits:

21 1. A nonprescription drug permit to sell, retail, stock, expose or
22 offer for sale at retail nonprescription drugs in the original package. A
23 permittee is not required to conduct business in any fixed place.

24 2. If approved by the board, a pharmacy, limited service pharmacy,
25 full service wholesale drug, THIRD-PARTY LOGISTICS PROVIDER,
26 nonprescription drug wholesale and drug manufacturer's permit.

27 3. Drug packager or drug prepacker permit to an individual or
28 establishment that is currently listed by the United States federal food
29 and drug administration and has met the requirements of that agency to
30 purchase, repackage, relabel or otherwise alter the manufacturer's
31 original package of an approved drug product with the intent of reselling
32 these items to persons or businesses authorized to possess or resell the
33 repackaged, prepackaged or relabeled drug.

34 4. A compressed medical gas distributor permit and a durable
35 medical equipment and compressed medical gas supplier permit.

36 B. The board shall deny or revoke a pharmacy permit if a medical
37 practitioner receives compensation, either directly or indirectly, from a
38 pharmacy as a result of the practitioner's prescription orders. This does
39 not include compensation to a medical practitioner who is the owner of a
40 building where space is leased to a pharmacy at the prevailing rate, not
41 resulting in a rebate to the medical practitioner.

42 C. If a pharmacy permanently discontinues operation the permittee
43 shall immediately surrender the permit to the executive director. The
44 permittee shall remove all drug signs and symbols, either within or

1 without the premises, and shall remove or destroy all drugs, devices,
2 poisons and hazardous substances.

3 Sec. 6. Section 32-1931, Arizona Revised Statutes, is amended to
4 read:

5 32-1931. Permit fees; issuance; expiration; renewals

6 A. The board shall assign the permit of all persons or firms issued
7 under this chapter to one of two permit renewal groups. Except as
8 provided in section 32-4301, a holder of a permit ending in an even number
9 shall renew it biennially on or before November 1 of the ~~even-numbered~~
10 EVEN-NUMBERED year, two years from the last renewal date. Except as
11 provided in section 32-4301, a holder of a permit ending in an odd number
12 shall renew it biennially on or before November 1 of the ~~odd-numbered~~
13 ODD NUMBERED year, two years from the last renewal date. Failure to renew
14 and pay all required fees on or before November 1 of the year in which the
15 renewal is due suspends the permit. The board shall vacate a suspension
16 when the permittee pays penalties of not to exceed three hundred fifty
17 dollars and all past due fees. The board may waive collection of a fee or
18 penalty due after suspension under conditions established by a majority of
19 the board.

20 B. The board shall prorate the fee for new permits for the
21 remaining full calendar months of the respective group to which the permit
22 is assigned.

23 C. Permit fees that are designated to be not more than a maximum
24 amount shall be set by the board for the following two fiscal years
25 beginning November 1. The board shall establish the fees approximately
26 proportionate to the maximum fee allowed to cover the board's anticipated
27 expenditures for the following two fiscal years. Variation in a fee is
28 not effective except at the expiration date of the permit.

29 D. Applications for permits shall be accompanied by the following
30 biennial fees as determined by subsection C of this section:

31 1. A nonprescription drug permit, not more than two hundred
32 dollars. Permittees stocking thirty different nonprescription drug
33 products or less shall be classified as category I retailers. Permittees
34 stocking more than thirty different nonprescription drug products shall be
35 classified as category II retailers. Both categories are subject to
36 biennial permit fees established by the board pursuant to this chapter.

37 2. A drug manufacturer's permit, not more than one thousand
38 dollars.

39 3. A pharmacy permit, not more than five hundred dollars.

40 4. A limited service pharmacy permit, not more than five hundred
41 dollars.

42 5. A full service wholesale drug permit OR A THIRD-PARTY LOGISTICS
43 PROVIDER PERMIT, not more than one thousand dollars.

44 6. A nonprescription drug wholesale permit, not more than five
45 hundred dollars.

- 1 7. A drug repackager's permit, not more than one thousand dollars.
2 8. A compressed medical gas distributor permit, not more than two
3 hundred dollars.
4 9. A durable medical equipment and compressed medical gas supplier
5 permit, not more than one hundred dollars.
6 E. If an applicant is found to be satisfactory to the board, the
7 executive director shall issue to the applicant a permit for each
8 pharmacy, manufacturer, wholesaler or other place of business in which
9 drugs are sold, manufactured, compounded, dispensed, stocked, exposed or
10 offered for sale, for which application is made.
11 F. Permits issued under this section are not transferable.
12 G. If a permittee does not apply for renewal, the permit expires
13 pursuant to subsection A of this section. A person may activate and renew
14 an expired permit by filing the required application and fee. Renewal
15 thirty days after the expiration date of a permit may be made only on
16 payment of the required biennial renewal fee, all past due fees and a
17 penalty of one-half of the amount of the applicable biennial renewal fee.
18 The board may waive the collection of a fee or penalty due after
19 suspension pursuant to conditions prescribed by the board.
20 Sec. 7. Title 32, chapter 18, article 2, Arizona Revised Statutes,
21 is amended by adding section 32-1941, to read:
22 32-1941. Third-party logistics providers; permit required;
23 designated representative; fingerprinting
24 requirements
25 A. A THIRD-PARTY LOGISTICS PROVIDER THAT ENGAGES IN THE LOGISTICS
26 SERVICES OF PRESCRIPTION OR OVER-THE-COUNTER DANGEROUS DRUGS OR DANGEROUS
27 DEVICES INTO, WITHIN OR FROM THIS STATE SHALL HOLD A THIRD-PARTY LOGISTICS
28 PROVIDER PERMIT IN THIS STATE.
29 B. A THIRD-PARTY LOGISTICS PROVIDER SHALL COMPLY WITH STORAGE
30 PRACTICES, INCLUDING ALL OF THE FOLLOWING:
31 1. MAINTAIN ACCESS TO WAREHOUSE SPACE OF SUITABLE SIZE TO
32 FACILITATE SAFE OPERATIONS, INCLUDING A SUITABLE AREA TO QUARANTINE A
33 SUSPECT PRODUCT.
34 2. MAINTAIN ADEQUATE SECURITY.
35 3. HAVE WRITTEN POLICIES AND PROCEDURES TO:
36 (a) ADDRESS THE RECEIPT, SECURITY, STORAGE, INVENTORY, SHIPMENT AND
37 DISTRIBUTION OF A PRODUCT.
38 (b) IDENTIFY, RECORD AND REPORT CONFIRMED SIGNIFICANT LOSSES OR
39 THEFTS IN THE UNITED STATES.
40 (c) CORRECT ERRORS AND INACCURACIES IN INVENTORIES.
41 (d) PROVIDE SUPPORT FOR MANUFACTURER RECALLS.
42 (e) PREPARE FOR, PROTECT AGAINST AND ADDRESS ANY REASONABLY
43 FORESEEABLE CRISIS THAT AFFECTS A FACILITY'S SECURITY OR OPERATION, SUCH
44 AS AN EMPLOYEE STRIKE, FIRE OR FLOOD.

1 (f) ENSURE THAT ANY EXPIRED PRODUCT IS SEGREGATED FROM OTHER
2 PRODUCTS AND RETURNED TO THE MANUFACTURER, REPACKAGER OR AGENT OF THE
3 MANUFACTURER OR REPACKAGER OR IS DESTROYED.

4 (g) MAINTAIN RECORDS REFLECTING THE RECEIPT AND DISTRIBUTION OF
5 PRODUCTS AND SUPPLIES AND RECORDS OF INVENTORIES.

6 (h) QUARANTINE OR DESTROY A SUSPECT PRODUCT IF DIRECTED TO DO SO BY
7 THE RESPECTIVE MANUFACTURER, WHOLESALE DISTRIBUTOR OR DISPENSER OR AN
8 AUTHORIZED GOVERNMENTAL AGENCY.

9 C. A THIRD-PARTY LOGISTICS PROVIDER SHALL MAKE ITS FACILITY
10 AVAILABLE TO THE BOARD FOR INSPECTION DURING REGULAR BUSINESS HOURS TO
11 ENSURE COMPLIANCE WITH THIS SECTION.

12 D. A THIRD-PARTY LOGISTICS PROVIDER SHALL HAVE A DESIGNATED
13 REPRESENTATIVE AT EACH FACILITY WHO HAS NOT BEEN CONVICTED OF ANY FELONY
14 VIOLATION UNDER ANY FEDERAL, STATE OR LOCAL LAW RELATING TO WHOLESALE OR
15 RETAIL PRESCRIPTION OR OVER-THE-COUNTER DANGEROUS DRUGS OR DANGEROUS
16 DEVICES DISTRIBUTION OR THE DISTRIBUTION OF CONTROLLED SUBSTANCES.

17 E. A THIRD-PARTY LOGISTICS PROVIDER SHALL PROVIDE THE BOARD ON THE
18 BOARD'S REQUEST WITH A LIST OF ALL MANUFACTURERS, WHOLESALE DISTRIBUTORS
19 AND DISPENSERS FOR WHOM THE THIRD-PARTY LOGISTICS PROVIDER PROVIDES
20 SERVICES AT A FACILITY.

21 F. A THIRD-PARTY LOGISTICS PROVIDER'S DESIGNATED REPRESENTATIVE
22 SHALL HAVE A VALID FINGERPRINT CLEARANCE CARD ISSUED PURSUANT TO TITLE 41,
23 CHAPTER 12, ARTICLE 3.1, WHICH SHALL BE SUBMITTED WITH THE COMPLETED
24 APPLICATION. IF THE THIRD-PARTY LOGISTICS PROVIDER CHANGES ITS DESIGNATED
25 REPRESENTATIVE, THE NEW DESIGNATED REPRESENTATIVE SHALL HAVE A VALID
26 FINGERPRINT CLEARANCE CARD ISSUED PURSUANT TO TITLE 41, CHAPTER 12,
27 ARTICLE 3.1 AND SUBMITTED TO THE BOARD BEFORE THE CHANGE IN REPRESENTATION
28 IS MADE.

29 Sec. 8. Section 32-1981, Arizona Revised Statutes, is amended to
30 read:

31 32-1981. Definitions

32 In this article, unless the context otherwise requires:

33 1. "Chain pharmacy warehouse" means a physical location for
34 prescription-only drugs that acts as a central warehouse and that performs
35 intracompany sales or transfers of the prescription-only drugs to a group
36 of pharmacies that are under common ownership or control. A chain
37 pharmacy warehouse is not limited to the distribution of prescription-only
38 drugs under this article.

39 2. "Company under common ownership" has the same meaning as
40 affiliated group as defined in 26 United States Code section 1504.

41 3. "Intracompany transaction" means any sale, transfer or trade
42 between a division, subsidiary, parent or affiliated or related company
43 under the common ownership of a person.

44 4. "Normal distribution channel" means the chain of custody for a
45 prescription-only drug that begins with the delivery of the drug by a

1 manufacturer to a wholesale distributor who then delivers the drug to a
2 pharmacy or a practitioner for final receipt by a patient. Normal
3 distribution channel includes the receipt of a prescription-only drug by a
4 common carrier or other delivery service that delivers the drug at the
5 direction of a manufacturer, full service wholesale permittee or pharmacy
6 and that does not purchase, sell, trade or take title to any
7 prescription-only drug.

8 ~~5. "Pedigree" means a document or electronic file that contains~~
9 ~~information that records each wholesale distribution of any given~~
10 ~~prescription-only drug, from sale by a pharmaceutical manufacturer,~~
11 ~~through acquisition and sale by any wholesale distributor or repackager~~
12 ~~and until final sale to a pharmacy or other person dispensing or~~
13 ~~administering the prescription-only drug.~~

14 ~~6. "Third party logistics provider" means a person who receives~~
15 ~~prescription-only drugs only from the original manufacturer, who delivers~~
16 ~~the prescription-only drugs at the direction of that manufacturer and who~~
17 ~~does not purchase, sell, trade or take title to prescription-only drugs.~~

18 ~~7. 5. "Wholesale distribution" means distribution of a drug to a~~
19 ~~person other than a consumer or patient. Wholesale distribution does not~~
20 ~~include:~~

21 (a) Any transaction or transfer between any division, subsidiary,
22 parent or affiliated or related company under common ownership and control
23 of a corporate entity.

24 (b) Selling, purchasing, distributing, transferring or trading a
25 drug or offering to sell, purchase, distribute, transfer or trade a drug
26 for emergency medical reasons. For the purposes of this subdivision,
27 "emergency medical reasons" includes transferring a prescription drug by a
28 community pharmacy or hospital pharmacy to another community pharmacy or
29 hospital pharmacy to alleviate a temporary shortage.

30 (c) Drug returns if conducted by a hospital, health care entity,
31 retail pharmacy or charitable institution in accordance with 21 Code of
32 Federal Regulations section 203.23.

33 (d) The sale of prescription drugs by a pharmacy, not to exceed
34 five per cent PERCENT of the pharmacy's gross sales, to practitioners for
35 office use.

36 (e) Dispensing by a retail pharmacy of prescription drugs to a
37 patient or patient's agent pursuant to the lawful order of a practitioner.

38 (f) Distributing a drug sample by a manufacturer's representative.

39 (g) Selling, purchasing or trading blood or blood components
40 intended for transfusion.

41 Sec. 9. Repeal

42 Section 32-1984, Arizona Revised Statutes, is repealed.

1 Sec. 10. Section 41-619.51, Arizona Revised Statutes, is amended to
2 read:

3 41-619.51. Definitions

4 In this article, unless the context otherwise requires:

5 1. "Agency" means the supreme court, the department of economic
6 security, the department of child safety, the department of education, the
7 department of health services, the department of juvenile corrections, the
8 department of emergency and military affairs, the department of
9 transportation, the state real estate department, the department of
10 financial institutions, the Arizona game and fish department, the board of
11 examiners of nursing care institution administrators and assisted living
12 facility managers, the state board of dental examiners or the Arizona
13 state board of pharmacy.

14 2. "Board" means the board of fingerprinting.

15 3. "Central registry exception" means notification to the
16 department of economic security, the department of child safety or the
17 department of health services, as appropriate, pursuant to section
18 41-619.57 that the person is not disqualified because of a central
19 registry check conducted pursuant to section 8-804.

20 4. "Expedited review" means an examination, in accordance with
21 board rule, of the documents an applicant submits by the board or its
22 hearing officer without the applicant being present.

23 5. "Good cause exception" means the issuance of a fingerprint
24 clearance card to an employee pursuant to section 41-619.55.

25 6. "Person" means a person who is required to be fingerprinted
26 pursuant to this article or who is subject to a central registry check and
27 any of the following:

- 28 (a) Section 8-105.
- 29 (b) Section 8-322.
- 30 (c) Section 8-463.
- 31 (d) Section 8-509.
- 32 (e) Section 8-802.
- 33 (f) Section 8-804.
- 34 (g) Section 15-183.
- 35 (h) Section 15-503.
- 36 (i) Section 15-512.
- 37 (j) Section 15-534.
- 38 (k) Section 15-763.01.
- 39 (l) Section 15-782.02.
- 40 (m) Section 15-1330.
- 41 (n) Section 15-1881.
- 42 (o) Section 17-215.
- 43 (p) Section 28-3413.
- 44 (q) Section 32-1232.

- 1 (r) Section 32-1284.
- 2 (s) Section 32-1297.01.
- 3 (t) Section 32-1904.
- 4 (u) SECTION 32-1941.
- 5 ~~(u)~~ (v) Section 32-2108.01.
- 6 ~~(v)~~ (w) Section 32-2123.
- 7 ~~(w)~~ (x) Section 32-2371.
- 8 ~~(x)~~ (y) Section 32-3620.
- 9 ~~(y)~~ (z) Section 32-3668.
- 10 ~~(z)~~ (aa) Section 32-3669.
- 11 ~~(aa)~~ (bb) Section 36-207.
- 12 ~~(bb)~~ (cc) Section 36-411.
- 13 ~~(cc)~~ (dd) Section 36-425.03.
- 14 ~~(dd)~~ (ee) Section 36-446.04.
- 15 ~~(ee)~~ (ff) Section 36-594.01.
- 16 ~~(ff)~~ (gg) Section 36-594.02.
- 17 ~~(gg)~~ (hh) Section 36-882.
- 18 ~~(hh)~~ (ii) Section 36-883.02.
- 19 ~~(ii)~~ (jj) Section 36-897.01.
- 20 ~~(jj)~~ (kk) Section 36-897.03.
- 21 ~~(kk)~~ (ll) Section 36-3008.
- 22 ~~(ll)~~ (mm) Section 41-619.53.
- 23 ~~(mm)~~ (nn) Section 41-1964.
- 24 ~~(nn)~~ (oo) Section 41-1967.01.
- 25 ~~(oo)~~ (pp) Section 41-1968.
- 26 ~~(pp)~~ (qq) Section 41-1969.
- 27 ~~(qq)~~ (rr) Section 41-2814.
- 28 ~~(rr)~~ (ss) Section 46-141, subsection A.
- 29 ~~(ss)~~ (tt) Section 46-321.

30 Sec. 11. Section 41-1758, Arizona Revised Statutes, is amended to
31 read:

32 41-1758. Definitions

33 In this article, unless the context otherwise requires:

34 1. "Agency" means the supreme court, the department of economic
35 security, the department of child safety, the department of education, the
36 department of health services, the department of juvenile corrections, the
37 department of emergency and military affairs, the department of
38 transportation, the state real estate department, the department of
39 financial institutions, the board of fingerprinting, the Arizona game and
40 fish department, the board of examiners of nursing care institution
41 administrators and assisted living facility managers, the state board of
42 dental examiners or the Arizona state board of pharmacy.

43 2. "Division" means the fingerprinting division in the department
44 of public safety.

1 3. "Electronic or internet-based fingerprinting services" means a
2 secure system for digitizing applicant fingerprints and transmitting the
3 applicant data and fingerprints of a person or entity submitting
4 fingerprints to the department of public safety for any authorized purpose
5 under this title. For the purposes of this paragraph, "secure system"
6 means a system that complies with the information technology security
7 policy approved by the department of public safety.

8 4. "Good cause exception" means the issuance of a fingerprint
9 clearance card to an applicant pursuant to section 41-619.55.

10 5. "Person" means a person who is required to be fingerprinted
11 pursuant to any of the following:

- 12 (a) Section 8-105.
- 13 (b) Section 8-322.
- 14 (c) Section 8-463.
- 15 (d) Section 8-509.
- 16 (e) Section 8-802.
- 17 (f) Section 15-183.
- 18 (g) Section 15-503.
- 19 (h) Section 15-512.
- 20 (i) Section 15-534.
- 21 (j) Section 15-763.01.
- 22 (k) Section 15-782.02.
- 23 (l) Section 15-1330.
- 24 (m) Section 15-1881.
- 25 (n) Section 17-215.
- 26 (o) Section 28-3413.
- 27 (p) Section 32-1232.
- 28 (q) Section 32-1284.
- 29 (r) Section 32-1297.01.
- 30 (s) Section 32-1904.
- 31 (t) SECTION 32-1941.
- 32 ~~(t)~~ (u) Section 32-2108.01.
- 33 ~~(u)~~ (v) Section 32-2123.
- 34 ~~(v)~~ (w) Section 32-2371.
- 35 ~~(w)~~ (x) Section 32-3620.
- 36 ~~(x)~~ (y) Section 32-3668.
- 37 ~~(y)~~ (z) Section 32-3669.
- 38 ~~(z)~~ (aa) Section 36-207.
- 39 ~~(aa)~~ (bb) Section 36-411.
- 40 ~~(bb)~~ (cc) Section 36-425.03.
- 41 ~~(cc)~~ (dd) Section 36-446.04.
- 42 ~~(dd)~~ (ee) Section 36-594.01.
- 43 ~~(ee)~~ (ff) Section 36-594.02.
- 44 ~~(ff)~~ (gg) Section 36-882.
- 45 ~~(gg)~~ (hh) Section 36-883.02.

- 1 ~~(hh)~~ (ii) Section 36-897.01.
- 2 ~~(ii)~~ (jj) Section 36-897.03.
- 3 ~~(jj)~~ (kk) Section 36-3008.
- 4 ~~(kk)~~ (ll) Section 41-619.52.
- 5 ~~(ll)~~ (mm) Section 41-619.53.
- 6 ~~(mm)~~ (nn) Section 41-1964.
- 7 ~~(nn)~~ (oo) Section 41-1967.01.
- 8 ~~(oo)~~ (pp) Section 41-1968.
- 9 ~~(pp)~~ (qq) Section 41-1969.
- 10 ~~(qq)~~ (rr) Section 41-2814.
- 11 ~~(rr)~~ (ss) Section 46-141, subsection A.
- 12 ~~(ss)~~ (tt) Section 46-321.

13 6. "Vulnerable adult" has the same meaning prescribed in section
14 13-3623.

15 Sec. 12. Section 41-1758.01, Arizona Revised Statutes, is amended
16 to read:

17 41-1758.01. Fingerprinting division; powers and duties

18 A. The fingerprinting division is established in the department of
19 public safety and shall:

20 1. Conduct fingerprint background checks for persons and applicants
21 who are seeking licenses from state agencies, employment with licensees,
22 contract providers and state agencies or employment or educational
23 opportunities with agencies that require fingerprint background checks
24 pursuant to sections 8-105, 8-322, 8-463, 8-509, 8-802, 15-183, 15-503,
25 15-512, 15-534, 15-763.01, 15-782.02, 15-1330, 15-1881, 17-215, 28-3413,
26 32-1232, 32-1284, 32-1297.01, 32-1904, 32-1941, 32-2108.01, 32-2123,
27 32-2371, 32-3620, 32-3668, 32-3669, 36-207, 36-411, 36-425.03, 36-446.04,
28 36-594.01, 36-594.02, 36-882, 36-883.02, 36-897.01, 36-897.03, 36-3008,
29 41-619.52, 41-619.53, 41-1964, 41-1967.01, 41-1968, 41-1969 and 41-2814,
30 section 46-141, subsection A and section 46-321.

31 2. Issue fingerprint clearance cards. On issuance, a fingerprint
32 clearance card becomes the personal property of the cardholder and the
33 cardholder shall retain possession of the fingerprint clearance card.

34 3. On submission of an application for a fingerprint clearance
35 card, collect the fees established by the board of fingerprinting pursuant
36 to section 41-619.53 and deposit, pursuant to sections 35-146 and 35-147,
37 the monies collected in the board of fingerprinting fund.

38 4. Inform in writing each person who submits fingerprints for a
39 fingerprint background check of the right to petition the board of
40 fingerprinting for a good cause exception pursuant to section 41-1758.03,
41 41-1758.04 or 41-1758.07.

42 5. If after conducting a state and federal criminal history records
43 check the division determines that it is not authorized to issue a
44 fingerprint clearance card to a person, inform the person in writing that
45 the division is not authorized to issue a fingerprint clearance card. The

1 notice shall include the criminal history information on which the denial
2 was based. This criminal history information is subject to dissemination
3 restrictions pursuant to section 41-1750 and Public Law 92-544.

4 6. Notify the person in writing if the division suspends, revokes
5 or places a driving restriction notation on a fingerprint clearance card
6 pursuant to section 41-1758.04. The notice shall include the criminal
7 history information on which the suspension, revocation or placement of
8 the driving restriction notation was based. This criminal history
9 information is subject to dissemination restrictions pursuant to section
10 41-1750 and Public Law 92-544.

11 7. Administer and enforce this article.

12 B. The fingerprinting division may contract for electronic or
13 internet-based fingerprinting services through an entity or entities for
14 the acquisition and transmission of applicant fingerprint and data
15 submissions to the department, including identity verified fingerprints
16 pursuant to section 15-106. The entity or entities contracted by the
17 department of public safety may charge the applicant a fee for services
18 provided pursuant to this article. The entity or entities contracted by
19 the department of public safety shall comply with:

20 1. All information privacy and security measures and submission
21 standards established by the department of public safety.

22 2. The information technology security policy approved by the
23 department of public safety.

APPROVED BY THE GOVERNOR MARCH 29, 2017.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 29, 2017.

Passed the House February 13, 20 17

Passed the Senate March 22, 20 17

by the following vote: 55 Ayes,

by the following vote: 27 Ayes,

4 Nays, 1 Not Voting

2 Nays, 1 Not Voting

[Signature]
Speaker of the House
 Pro Tempore

[Signature]
President of the Senate

[Signature]
Chief Clerk of the House

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this
23rd day of March, 20 17

at 3:31 o'clock P. M.

[Signature]
Secretary to the Governor

Approved this 29th day of
March, 20 17

at 1:40 o'clock P. M.
[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State
this 29 day of March, 20 17

H.B. 2308

at 4:59 o'clock P. M.
[Signature]
Secretary of State