STATE OF ARIZONA
OFFICE OF THE GOVERNOR

DOUGLAS A. DUCEY
GOVERNOR

EXECUTIVE OFFICE

April 11, 2018

The Honorable Michele Reagan
Secretary of State
1700 W. Washington, 7th Floor
Phoenix, AZ 85007

Dear Secretary Reagan:

I am transmitting to you the following bills from the Fifty-third Legislature, 2nd Regular Session, which I signed on April 11, 2018:

HB 2006 minimum age; marriage (Ugenti-Rita)
HB 2042 insurance coverage; telemedicine; urology (Carter)
HB 2047 workers' compensation; employee definition; LLCs (Livingston)
HB 2152 fingerprinting; joint powers authority (John)
HB 2154 personal information; data security breaches (Shope)
HB 2184 secretary of state; counties; rulemaking (Coleman)
HB 2216 schools; dropout recovery programs; report (Leach)
HB 2238 administrative decisions; review; scope (Farnsworth, E.)
HB 2244 dangerous crimes; children; fictitious age (Farnsworth, E.)
HB 2305 vehicle dealers; franchise regulations (Campbell)
HB 2323 schools; inhalers; contracted nurses (Carter)
HB 2342 off-highway vehicles; definition; user indicia (John)
HB 2464 sale of eggs; expiration date (Norgaard)
SB 1041 residency restrictions; sex offenders; victims (Kavanagh)
SB 1281 street lighting improvement districts; consolidation (Kavanagh)
SB 1355 border security trust fund; repeal (Griffin)
SB 1382 TPT; online lodging marketplace; registration (Kavanagh)
SB 1386 high-tech tax fraud (Farnsworth, D.)
SB 1395 temporary custody without court order (Barto)
SB 1421 environmental quality; amendments (Griffin)
SB 1436 prohibition; criminal history; occupational regulation (Burges)
SB 1465 sober living homes; certification (Brophy McGee)

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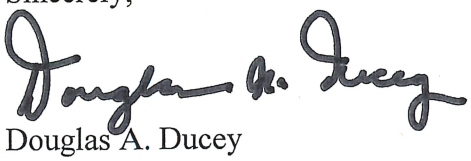
Sincerely,



Douglas A. Ducey
Governor
State of Arizona

cc: Senate Secretary
Chief Clerk of the House of Representatives
Arizona News Service

Senate Engrossed

FILED

MICHELE REAGAN

SECRETARY OF STATE

State of Arizona
Senate
Fifty-third Legislature
Second Regular Session
2018

CHAPTER 194

SENATE BILL 1465

AN ACT

AMENDING SECTION 9-500.39, ARIZONA REVISED STATUTES; AMENDING SECTION 9-500.40, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2018, FIRST SPECIAL SESSION, CHAPTER 1, SECTION 1; AMENDING SECTION 11-269.17, ARIZONA REVISED STATUTES; AMENDING SECTION 11-269.18, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2018, FIRST SPECIAL SESSION, CHAPTER 1, SECTION 3; AMENDING TITLE 36, CHAPTER 18, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 4; RELATING TO SOBER LIVING HOMES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 9-500.39, Arizona Revised Statutes, is amended to read:

9-500.39. Limits on regulation of vacation rentals and short-term rentals; state preemption; definitions

A. A city or town may not prohibit vacation rentals or short-term rentals.

B. A city or town may not restrict the use of or regulate vacation rentals or short-term rentals based on their classification, use or occupancy. A city or town may regulate vacation rentals or short-term rentals for the following purposes:

1. Protection of the public's health and safety, including rules and regulations related to fire and building codes, health and sanitation, transportation or traffic control, solid or hazardous waste and pollution control, and designation of an emergency point of contact, if the city or town demonstrates that the rule or regulation is for the primary purpose of protecting the public's health and safety.

2. Adopting and enforcing residential use and zoning ordinances, including ordinances related to noise, protection of welfare, property maintenance and other nuisance issues, if the ordinance is applied in the same manner as other property classified under sections 42-12003 and 42-12004.

3. Limiting or prohibiting the use of a vacation rental or short-term rental for the purposes of housing sex offenders, operating or maintaining a ~~structured~~ sober living home, selling illegal drugs, liquor control or pornography, obscenity, nude or topless dancing and other adult-oriented businesses.

C. This section does not exempt an owner of a residential rental property, as defined in section 33-1901, from maintaining with the assessor of the county in which the property is located information required under title 33, chapter 17, article 1.

D. For the purposes of this section:

1. "Transient" has the same meaning prescribed in section 42-5070.

2. "Vacation rental" or "short-term rental" means any individually or collectively owned single-family or one-to-four-family house or dwelling unit or any unit or group of units in a condominium, cooperative or timeshare, that is also a transient public lodging establishment or owner-occupied residential home offered for transient use if the accommodations are not classified for property taxation under section 42-12001. Vacation rental and short-term rental do not include a unit that is used for any nonresidential use, including retail, restaurant, banquet space, event center or another similar use.

Sec. 2. Section 9-500.40, Arizona Revised Statutes, as amended by Laws 2018, first special session, chapter 1, section 1, is amended to read:

9-500.40. Sober living homes; standards; definitions

A. A city or town may adopt by ordinance standards for ~~structured~~ sober living homes that comply with state and federal fair housing laws and the Americans with disabilities act. If adopted, the standards for ~~structured~~ sober living homes may include:

1. A written notification from all ~~structured~~ sober living homes that includes:

(a) The name, TELEPHONE NUMBER and address of the ~~structured~~ sober living home. A CITY OR TOWN MAY NOT DISCLOSE THE ADDRESS OF A SOBER LIVING HOME EXCEPT TO LOCAL LAW ENFORCEMENT AND EMERGENCY PERSONNEL. A SOBER LIVING HOME'S ADDRESS IS NOT A PUBLIC RECORD AND IS NOT SUBJECT TO TITLE 39, CHAPTER 1, ARTICLE 2.

(b) The following information regarding the property:

(i) The property owner's name, address and contact telephone number.

(ii) If the property is leased, a copy of the lease that states that the property will be used as a ~~structured~~ sober living home.

2. Supervision requirements in the ~~structured~~ sober living home for the residents during all hours of operation.

3. The establishment and maintenance of an operation plan that facilitates the rehabilitative process, including discharge planning, and that addresses the maintenance of the property and noise abatement consistent with local ordinances.

B. A city or town that adopts standards for ~~structured~~ sober living homes pursuant to subsection A of this section:

1. Shall require ~~structured~~ sober living homes to develop policies and procedures to allow individuals on medication-assisted treatment to continue to receive this treatment while living in the ~~structured~~ sober living home.

2. May exclude from regulation any ~~structured~~ sober living home that is subject to adequate oversight by another governmental entity or contractor.

C. For the purposes of this section:

1. "Medication-assisted treatment" has the same meaning prescribed in section 32-3201.01.

2. "~~Structured~~ Sober living home" ~~:~~

~~(a)~~ means any premises, place or building that provides alcohol-free or drug-free housing~~,~~ AND THAT:

(a) Promotes independent living and life skill development. ~~and provides structured~~

(b) MAY PROVIDE activities that are directed primarily toward recovery from substance use disorders. ~~in~~

(c) PROVIDES a supervised setting to a group of unrelated individuals who are recovering from ~~drug or alcohol addiction and who are receiving outpatient behavioral health services for substance abuse or addiction treatment while living in the home~~ SUBSTANCE USE DISORDERS.

~~(b) Does not include a private residence in which a related family member is required to receive outpatient behavioral health services for substance abuse or addiction treatment as a condition of continuing to reside in the family dwelling.~~

(d) DOES NOT PROVIDE ANY MEDICAL OR CLINICAL SERVICES OR MEDICATION ADMINISTRATION ON-SITE, EXCEPT FOR VERIFICATION OF ABSTINENCE.

Sec. 3. Section 11-269.17, Arizona Revised Statutes, is amended to read:

11-269.17. Limits on regulation of vacation rentals and short-term rentals; state preemption; definitions

A. A county may not prohibit vacation rentals or short-term rentals.

B. A county may not restrict the use of or regulate vacation rentals or short-term rentals based on their classification, use or occupancy. A county may regulate vacation rentals or short-term rentals for the following purposes:

1. Protection of the public's health and safety, including rules and regulations related to fire and building codes, health and sanitation, transportation or traffic control, solid or hazardous waste and pollution control, and designation of an emergency point of contact, if the county demonstrates that the rule or regulation is for the primary purpose of protecting the public's health and safety.

2. Adopting and enforcing residential use and zoning ordinances, including ordinances related to noise, protection of welfare, property maintenance and other nuisance issues, if the ordinance is applied in the same manner as other property classified under sections 42-12003 and 42-12004.

3. Limiting or prohibiting the use of a vacation rental or short-term rental for the purposes of housing sex offenders, operating or maintaining a ~~structured~~ sober living home, selling illegal drugs, liquor control or pornography, obscenity, nude or topless dancing and other adult-oriented businesses.

C. This section does not exempt an owner of a residential rental property, as defined in section 33-1901, from maintaining with the assessor of the county in which the property is located information required under title 33, chapter 17, article 1.

D. For the purposes of this section:

1. "Transient" has the same meaning prescribed in section 42-5070.

2. "Vacation rental" or "short-term rental" means any individually or collectively owned single-family or one-to-four-family house or

dwelling unit or any unit or group of units in a condominium, cooperative or timeshare, that is also a transient public lodging establishment or owner-occupied residential home offered for transient use if the accommodations are not classified for property taxation under section 42-12001. Vacation rental and short-term rental do not include a unit that is used for any nonresidential use, including retail, restaurant, banquet space, event center or another similar use.

Sec. 4. Section 11-269.18, Arizona Revised Statutes, as amended by Laws 2018, first special session, chapter 1, section 3, is amended to read:

11-269.18. Sober living homes; standards; definitions

A. A county may adopt by ordinance standards for ~~structured~~ sober living homes that comply with state and federal fair housing laws and the Americans with disabilities act. If adopted, the standards for ~~structured~~ sober living homes may include:

1. A written notification from all ~~structured~~ sober living homes that includes:

(a) The name, TELEPHONE NUMBER and address of the ~~structured~~ sober living home. A COUNTY MAY NOT DISCLOSE THE ADDRESS OF A SOBER LIVING HOME EXCEPT TO LOCAL LAW ENFORCEMENT AND EMERGENCY PERSONNEL. A SOBER LIVING HOME'S ADDRESS IS NOT A PUBLIC RECORD AND IS NOT SUBJECT TO TITLE 39, CHAPTER 1, ARTICLE 2.

(b) The following information regarding the property:

(i) The property owner's name, address and contact telephone number.

(ii) If the property is leased, a copy of the lease that states that the property will be used as a ~~structured~~ sober living home.

2. Supervision requirements in the ~~structured~~ sober living home for the residents during all hours of operation.

3. The establishment and maintenance of an operation plan that facilitates the rehabilitative process, including discharge planning, and that addresses the maintenance of the property and noise abatement consistent with local ordinances.

B. A county that adopts standards for ~~structured~~ sober living homes pursuant to subsection A of this section:

1. Shall require ~~structured~~ sober living homes to develop policies and procedures to allow individuals on medication-assisted treatment to continue to receive this treatment while living in the ~~structured~~ sober living home.

2. May exclude from regulation any ~~structured~~ sober living home that is subject to adequate oversight by another governmental entity or contractor.

C. For the purposes of this section:

1. "Medication-assisted treatment" has the same meaning prescribed in section 32-3201.01.

2. "~~Structured~~ Sober living home" ~~:~~

~~(a)~~ means any premises, place or building that provides alcohol-free or drug-free housing~~,~~ AND THAT:

(a) Promotes independent living and life skill development. ~~and provides structured~~

(b) MAY PROVIDE activities that are directed primarily toward recovery from substance use disorders. ~~in~~

(c) PROVIDES a supervised setting to a group of unrelated individuals who are recovering from ~~drug or alcohol addiction and who are receiving outpatient behavioral health services for substance abuse or addiction treatment while living in the home~~ SUBSTANCE USE DISORDERS.

~~(b) Does not include a private residence in which a related family member is required to receive outpatient behavioral health services for substance abuse or addiction treatment as a condition of continuing to reside in the family dwelling.~~

(d) DOES NOT PROVIDE ANY MEDICAL OR CLINICAL SERVICES OR MEDICATION ADMINISTRATION ON-SITE, EXCEPT FOR VERIFICATION OF ABSTINENCE.

Sec. 5. Title 36, chapter 18, Arizona Revised Statutes, is amended by adding article 4, to read:

ARTICLE 4. SOBER LIVING HOMES

36-2061. Definitions

IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "CERTIFYING ORGANIZATION" MEANS AN ORGANIZATION THAT CERTIFIES HOMES AS SOBER LIVING HOMES AND IS AFFILIATED WITH A NATIONAL ORGANIZATION RECOGNIZED BY THE DEPARTMENT WHOSE PRIMARY FUNCTION IS TO IMPROVE ACCESS TO AND THE QUALITY OF SOBER LIVING RESIDENCES THROUGH STANDARDS, EDUCATION, RESEARCH AND ADVOCACY.

2. "MEDICATION-ASSISTED TREATMENT" MEANS THE USE OF PHARMACOLOGICAL MEDICATIONS THAT ARE APPROVED BY THE UNITED STATES FOOD AND DRUG ADMINISTRATION, IN COMBINATION WITH COUNSELING AND BEHAVIORAL THERAPIES, TO PROVIDE A WHOLE PATIENT APPROACH TO THE TREATMENT OF SUBSTANCE USE DISORDERS.

3. "SOBER LIVING HOME" MEANS ANY PREMISES, PLACE OR BUILDING THAT PROVIDES ALCOHOL-FREE OR DRUG-FREE HOUSING AND THAT:

(a) PROMOTES INDEPENDENT LIVING AND LIFE SKILLS DEVELOPMENT.

(b) MAY PROVIDE ACTIVITIES THAT ARE DIRECTED PRIMARILY TOWARD RECOVERY FROM SUBSTANCE USE DISORDERS.

(c) PROVIDES A SUPERVISED SETTING TO A GROUP OF UNRELATED INDIVIDUALS WHO ARE RECOVERING FROM SUBSTANCE USE DISORDERS.

(d) DOES NOT PROVIDE ANY MEDICAL OR CLINICAL SERVICES OR MEDICATION ADMINISTRATION ON-SITE, EXCEPT FOR VERIFICATION OF ABSTINENCE.

36-2062. Licensure; standards; civil penalties; inspections; use of title

A. THE DIRECTOR SHALL ADOPT RULES TO ESTABLISH MINIMUM STANDARDS AND REQUIREMENTS FOR THE LICENSURE OF SOBER LIVING HOMES IN THIS STATE NECESSARY TO ENSURE THE PUBLIC HEALTH, SAFETY AND WELFARE. THE DIRECTOR MAY USE THE CURRENT STANDARDS ADOPTED BY ANY RECOGNIZED NATIONAL ORGANIZATION APPROVED BY THE DEPARTMENT AS GUIDELINES IN PRESCRIBING THE MINIMUM STANDARDS AND REQUIREMENTS UNDER THIS SUBSECTION. THE STANDARDS SHALL INCLUDE:

1. A REQUIREMENT THAT EACH SOBER LIVING HOME TO DEVELOP POLICIES AND PROCEDURES TO ALLOW INDIVIDUALS WHO ARE ON MEDICATION-ASSISTED TREATMENT TO CONTINUE TO RECEIVE THIS TREATMENT WHILE LIVING IN THE SOBER LIVING HOME.

2. CONSISTENT AND FAIR PRACTICES FOR DRUG AND ALCOHOL TESTING, INCLUDING FREQUENCY, THAT PROMOTE THE RESIDENTS' RECOVERY.

3. POLICIES AND PROCEDURES FOR THE RESIDENCE TO MAINTAIN AN ENVIRONMENT THAT PROMOTES THE SAFETY OF THE SURROUNDING NEIGHBORHOOD AND THE COMMUNITY AT LARGE.

4. POLICIES AND PROCEDURES FOR DISCHARGE PLANNING OF PERSONS LIVING IN THE RESIDENCE THAT DO NOT NEGATIVELY IMPACT THE SURROUNDING COMMUNITY.

5. A GOOD NEIGHBOR POLICY TO ADDRESS NEIGHBORHOOD CONCERNS AND COMPLAINTS.

6. A REQUIREMENT THAT THE OPERATOR OF EACH SOBER LIVING HOME HAVE AVAILABLE FOR EMERGENCY PERSONNEL AN UP-TO-DATE LIST OF CURRENT MEDICATIONS AND MEDICAL CONDITIONS OF EACH PERSON LIVING IN THE HOME.

7. A POLICY THAT ENSURES RESIDENTS ARE INFORMED OF ALL SOBER LIVING HOME RULES, RESIDENCY REQUIREMENTS AND RESIDENT AGREEMENTS.

8. POLICIES AND PROCEDURES FOR THE MANAGEMENT OF ALL MONIES RECEIVED AND SPENT BY THE SOBER LIVING HOME IN ACCORDANCE WITH STANDARD ACCOUNTING PRACTICES, INCLUDING MONIES RECEIVED FROM RESIDENTS OF THE SOBER LIVING HOME.

9. A REQUIREMENT THAT EACH SOBER LIVING HOME POST A STATEMENT OF RESIDENT RIGHTS THAT INCLUDES THE RIGHT TO FILE A COMPLAINT ABOUT THE RESIDENCE OR PROVIDER AND INFORMATION ABOUT HOW TO FILE A COMPLAINT.

10. POLICIES THAT PROMOTE RECOVERY BY REQUIRING RESIDENTS TO PARTICIPATE IN TREATMENT, SELF-HELP GROUPS OR OTHER RECOVERY SUPPORTS.

11. POLICIES REQUIRING ABSTINENCE FROM ALCOHOL AND ILLICIT DRUGS.

12. PROCEDURES REGARDING THE APPROPRIATE USE AND SECURITY OF MEDICATION BY A RESIDENT.

13. POLICIES REGARDING THE MAINTENANCE OF SOBER LIVING HOMES, INCLUDING THE INSTALLATION OF FUNCTIONING SMOKE DETECTORS, CARBON MONOXIDE DETECTORS AND FIRE EXTINGUISHERS AND COMPLIANCE WITH LOCAL FIRE CODES APPLICABLE TO COMPARABLE DWELLINGS OCCUPIED BY SINGLE FAMILIES.

14. POLICIES AND PROCEDURES THAT PROHIBIT A SOBER LIVING HOME OWNER, EMPLOYEE OR ADMINISTRATOR FROM REQUIRING A RESIDENT TO SIGN ANY

DOCUMENT FOR THE PURPOSE OF RELINQUISHING THE RESIDENT'S PUBLIC ASSISTANCE BENEFITS, INCLUDING MEDICAL ASSISTANCE BENEFITS, CASH ASSISTANCE AND SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFITS.

15. POLICIES AND PROCEDURES FOR MANAGING COMPLAINTS ABOUT SOBER LIVING HOMES.

16. REQUIREMENTS FOR THE NOTIFICATION OF A FAMILY MEMBER OR OTHER EMERGENCY CONTACT DESIGNATED BY A RESIDENT UNDER CERTAIN CIRCUMSTANCES, INCLUDING DEATH DUE TO AN OVERDOSE.

B. THE LICENSURE OF A SOBER LIVING HOME UNDER THIS ARTICLE IS FOR ONE YEAR. A PERSON OPERATING A SOBER LIVING HOME IN THIS STATE THAT HAS FAILED TO ATTAIN OR MAINTAIN LICENSURE OF THE SOBER LIVING HOME SHALL PAY A CIVIL PENALTY OF UP TO ONE THOUSAND DOLLARS FOR EACH VIOLATION.

C. TO RECEIVE AND MAINTAIN LICENSURE, A SOBER LIVING HOME MUST COMPLY WITH ALL FEDERAL, STATE AND LOCAL LAWS, INCLUDING THE AMERICANS WITH DISABILITIES ACT OF 1990.

D. A TREATMENT FACILITY THAT IS LICENSED BY THE DEPARTMENT FOR THE TREATMENT OF SUBSTANCE USE DISORDERS AND THAT HAS ONE OR MORE SOBER LIVING HOMES ON THE SAME CAMPUS AS THE FACILITY'S PROGRAM SHALL OBTAIN LICENSURE FOR EACH SOBER LIVING HOME PURSUANT TO THIS ARTICLE.

E. ONCE THE DIRECTOR ADOPTS THE MINIMUM STANDARDS AS REQUIRED IN SUBSECTION A OF THIS SECTION, A PERSON MAY NOT ESTABLISH, CONDUCT OR MAINTAIN IN THIS STATE A SOBER LIVING HOME UNLESS THAT PERSON HOLDS A CURRENT AND VALID LICENSE ISSUED BY THE DEPARTMENT OR IS CERTIFIED AS PRESCRIBED IN SECTION 36-2064. THE LICENSE IS VALID ONLY FOR THE ESTABLISHMENT, OPERATION AND MAINTENANCE OF THE SOBER LIVING HOME. THE LICENSEE MAY NOT:

1. IMPLY BY ADVERTISING, DIRECTORY LISTING OR OTHERWISE THAT THE LICENSEE IS AUTHORIZED TO PERFORM SERVICES MORE SPECIALIZED OR OF A HIGHER DEGREE OF CARE THAN IS AUTHORIZED BY THIS ARTICLE AND THE UNDERLYING RULES FOR SOBER LIVING HOMES.

2. TRANSFER OR ASSIGN THE LICENSE. A LICENSE IS VALID ONLY FOR THE PREMISES OCCUPIED BY THE SOBER LIVING HOME AT THE TIME OF ITS ISSUANCE.

36-2063. <u>Fees; licensure; inspections; complaints; investigation; civil penalty; sanctions</u>

A. THE DEPARTMENT SHALL ESTABLISH FEES FOR INITIAL LICENSURE AND LICENSE RENEWAL AND A FEE FOR THE LATE PAYMENT OF LICENSING FEES THAT INCLUDES A GRACE PERIOD. THE DEPARTMENT SHALL DEPOSIT, PURSUANT TO SECTIONS 35-146 AND 35-147, NINETY PERCENT OF THE FEES COLLECTED PURSUANT TO THIS SECTION IN THE HEALTH SERVICES LICENSING FUND ESTABLISHED BY SECTION 36-414 AND TEN PERCENT OF THE FEES COLLECTED PURSUANT TO THIS SECTION IN THE STATE GENERAL FUND.

B. ON A DETERMINATION BY THE DIRECTOR THAT THERE IS REASONABLE CAUSE TO BELIEVE A SOBER LIVING HOME IS NOT ADHERING TO THE LICENSING REQUIREMENTS OF THIS ARTICLE, THE DIRECTOR AND ANY DULY DESIGNATED EMPLOYEE OR AGENT OF THE DIRECTOR MAY ENTER ON AND INTO THE PREMISES OF

ANY SOBER LIVING HOME THAT IS LICENSED OR REQUIRED TO BE LICENSED PURSUANT TO THIS ARTICLE AT ANY REASONABLE TIME FOR THE PURPOSE OF DETERMINING THE STATE OF COMPLIANCE WITH THIS ARTICLE, THE RULES ADOPTED PURSUANT TO THIS ARTICLE AND LOCAL FIRE ORDINANCES OR RULES. ANY APPLICATION FOR LICENSURE UNDER THIS ARTICLE CONSTITUTES PERMISSION FOR AND COMPLETE ACQUIESCENCE IN ANY ENTRY OR INSPECTION OF THE PREMISES DURING THE PENDENCY OF THE APPLICATION AND, IF LICENSED, DURING THE TERM OF THE LICENSE. IF AN INSPECTION REVEALS THAT THE SOBER LIVING HOME IS NOT ADHERING TO THE LICENSING REQUIREMENTS ESTABLISHED PURSUANT TO THIS ARTICLE, THE DIRECTOR MAY TAKE ACTION AUTHORIZED BY THIS ARTICLE. ANY SOBER LIVING HOME WHOSE LICENSE HAS BEEN SUSPENDED OR REVOKED IN ACCORDANCE WITH THIS ARTICLE IS SUBJECT TO INSPECTION ON APPLICATION FOR RELICENSURE OR REINSTATEMENT OF LICENSE.

C. THE DIRECTOR MAY IMPOSE A CIVIL PENALTY ON A PERSON THAT VIOLATES THIS ARTICLE OR THE RULES ADOPTED PURSUANT TO THIS ARTICLE IN AN AMOUNT OF NOT MORE THAN FIVE HUNDRED DOLLARS FOR EACH VIOLATION. EACH DAY THAT A VIOLATION OCCURS CONSTITUTES A SEPARATE VIOLATION. THE DIRECTOR MAY ISSUE A NOTICE THAT INCLUDES THE PROPOSED AMOUNT OF THE CIVIL PENALTY ASSESSMENT. IF A PERSON REQUESTS A HEARING TO APPEAL AN ASSESSMENT, THE DIRECTOR MAY NOT TAKE FURTHER ACTION TO ENFORCE AND COLLECT THE ASSESSMENT UNTIL THE HEARING PROCESS IS COMPLETE. THE DIRECTOR SHALL IMPOSE A CIVIL PENALTY ONLY FOR THOSE DAYS FOR WHICH THE VIOLATION HAS BEEN DOCUMENTED BY THE DEPARTMENT.

D. THE DEPARTMENT MAY IMPOSE SANCTIONS AND COMMENCE DISCIPLINARY ACTIONS AGAINST A LICENSED SOBER LIVING HOME, INCLUDING REVOKING THE LICENSE. A LICENSE MAY NOT BE SUSPENDED OR REVOKED UNDER THIS ARTICLE WITHOUT AFFORDING THE LICENSEE NOTICE AND AN OPPORTUNITY FOR A HEARING AS PROVIDED IN TITLE 41, CHAPTER 6, ARTICLE 10.

E. THE DEPARTMENT MAY CONTRACT WITH A THIRD PARTY TO ASSIST THE DEPARTMENT WITH LICENSURE AND INSPECTIONS.

36-2064. Certified sober living homes

A. NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, A SOBER LIVING HOME IN THIS STATE THAT IS CERTIFIED BY A CERTIFYING ORGANIZATION MAY OPERATE IN THIS STATE AND RECEIVE REFERRALS PURSUANT TO SECTION 36-2065. A SOBER LIVING HOME CERTIFICATION IS IN LIEU OF LICENSURE UNTIL THE SOBER LIVING HOME IS LICENSED. A CERTIFIED SOBER LIVING HOME SHALL APPLY TO THE DEPARTMENT FOR LICENSURE WITHIN NINETY DAYS AFTER THE DEPARTMENT'S INITIAL LICENSURE RULES ARE FINAL. THE DEPARTMENT SHALL NOTIFY THE CERTIFYING ORGANIZATION WHEN THE DEPARTMENT'S INITIAL LICENSURE RULES ARE FINAL.

B. IN LIEU OF AN INITIAL ON-SITE LICENSURE SURVEY AND ANY ANNUAL ON-SITE SURVEY, THE DEPARTMENT SHALL ISSUE A LICENSE TO A SOBER LIVING HOME THAT SUBMITS AN APPLICATION PRESCRIBED BY THE DEPARTMENT AND THAT MEETS THE FOLLOWING REQUIREMENTS:

SENATE

1. IS CURRENTLY CERTIFIED AS A SOBER LIVING HOME BY A CERTIFYING ORGANIZATION.

2. MEETS ALL DEPARTMENT LICENSURE REQUIREMENTS.

36-2065. State contracts; referrals

BEGINNING JANUARY 1, 2019:

1. A STATE AGENCY OR A STATE-CONTRACTED VENDOR THAT DIRECTS SUBSTANCE ABUSE TREATMENT SHALL REFER A PERSON ONLY TO A CERTIFIED OR LICENSED SOBER LIVING HOME.

2. ONLY A CERTIFIED OR LICENSED SOBER LIVING HOME MAY BE ELIGIBLE FOR FEDERAL OR STATE FUNDING TO DELIVER SOBER LIVING HOME SERVICES IN THIS STATE.

3. PERSONS WHOSE SUBSTANCE ABUSE TREATMENT IS FUNDED WITH FEDERAL OR STATE MONIES MAY BE REFERRED ONLY TO A CERTIFIED OR LICENSED SOBER LIVING HOME.

4. A STATE OR COUNTY COURT SHALL GIVE FIRST CONSIDERATION TO A CERTIFIED OR LICENSED SOBER LIVING HOME WHEN MAKING RESIDENTIAL RECOMMENDATIONS FOR INDIVIDUALS UNDER ITS SUPERVISION.

5. A HEALTH CARE INSTITUTION THAT PROVIDES SUBSTANCE ABUSE TREATMENT AND THAT IS LICENSED BY THE DEPARTMENT SHALL REFER A PATIENT OR CLIENT ONLY TO A CERTIFIED OR LICENSED SOBER LIVING HOME.

6. A BEHAVIORAL HEALTH PROVIDER WHO IS LICENSED PURSUANT TO TITLE 32, CHAPTER 33 SHALL REFER A PATIENT OR CLIENT ONLY TO A CERTIFIED OR LICENSED SOBER LIVING HOME.

36-2066. Posting; confidential information

THE DEPARTMENT SHALL POST ON ITS PUBLIC WEBSITE THE NAME AND TELEPHONE NUMBER OF EACH CERTIFIED AND LICENSED SOBER LIVING HOME AND SHALL UPDATE THE LIST QUARTERLY. THE DEPARTMENT MAY NOT DISCLOSE THE ADDRESS OF A CERTIFIED OR LICENSED SOBER LIVING HOME EXCEPT TO A LOCAL JURISDICTION FOR ZONING PURPOSES, LOCAL LAW ENFORCEMENT AND EMERGENCY PERSONNEL. A SOBER LIVING HOME'S ADDRESS IS NOT A PUBLIC RECORD AND IS NOT SUBJECT TO TITLE 39, CHAPTER 1, ARTICLE 2.

36-2067. Department; annual report

A. BEGINNING JANUARY 2, 2020 AND EACH JANUARY 2 THEREAFTER, THE DEPARTMENT SHALL SUBMIT TO THE SENATE HEALTH AND HUMAN SERVICES COMMITTEE AND THE HOUSE OF REPRESENTATIVES HEALTH COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, A REPORT ON LICENSED SOBER LIVING HOMES IN THIS STATE THAT INCLUDES:

1. THE NUMBER OF LICENSED SOBER LIVING HOMES IN EACH CITY, TOWN AND COUNTY.

2. THE NUMBER OF SOBER LIVING HOMES THAT ARE LICENSED EACH YEAR.

3. THE NUMBER OF COMPLAINTS AGAINST LICENSED SOBER LIVING HOMES THAT THE DEPARTMENT INVESTIGATES ANNUALLY.

4. THE NUMBER OF ENFORCEMENT ACTIONS THE DEPARTMENT TAKES AGAINST LICENSED SOBER LIVING HOMES ANNUALLY.

B. THE DEPARTMENT SHALL PROVIDE A COPY OF THE REPORT SUBMITTED PURSUANT TO SUBSECTION A OF THIS SECTION TO THE SECRETARY OF STATE.

Sec. 6. Department of health services; rulemaking; exemption

For the purposes of title 36, chapter 18, article 4, Arizona Revised Statutes, as added by this act, the department of health services is exempt from the rulemaking requirements of title 41, chapter 6, Arizona Revised Statutes, for two years after the effective date of this act.

Sec. 7. Conditional repeal; notice

A. Sections 9-500.40 and 11-269.18, Arizona Revised Statutes, as amended by this act, are repealed ninety days after the date that the director of the department of health services finalizes rules relating to the licensure of sober living homes pursuant to title 36, chapter 18, article 4, Arizona Revised Statutes, as added by this act.

B. The director of the department of health services shall notify in writing the director of the Arizona legislative council and each city, town and county in this state of the date the rules are finalized.

APPROVED BY THE GOVERNOR APRIL 11, 2018

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 11, 2018

Passed the House April 5, 2018,

by the following vote: 59 Ayes,

0 Nays, 1 Not Voting

Speaker of the House

Chief Clerk of the House

Passed the Senate March 8, 2018,

by the following vote: 29 Ayes,

0 Nays, 1 Not Voting

President of the Senate

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

4th day of April, 2018,

at 2:03 o'clock P. M.

Secretary to the Governor

Approved this 11th day of

April, 2018,

at 1:40 o'clock P. M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 11 day of April, 2018,

at 4:50 o'clock P. M.

Michele Reagan
Secretary of State

S.B. 1465