



DOUGLAS A. DUCEY  
GOVERNOR

STATE OF ARIZONA  
OFFICE OF THE GOVERNOR

EXECUTIVE OFFICE

March 23, 2018

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

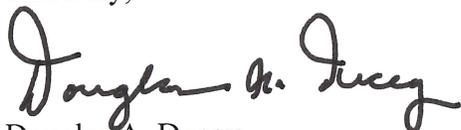
Dear Secretary Reagan:

I am transmitting to you the following bills from the Fifty-third Legislature, 2<sup>nd</sup> Regular Session, which I signed on March 23, 2018:

SB 1022 DHS; homemade food products (Farnsworth, D.)  
SB 1045 home inspectors (Kavanagh)  
SB 1052 county flood control districts; easements (Griffin)  
SB 1063 produce safety rule; state administration (Griffin)  
SB 1077 fund solicitations; charities; unlawful acts (Barto)  
SB 1097 unclaimed property; notice; publication; claims (Petersen)  
SB 1142 private land acquisition; committee; continuation (Griffin)  
SB 1144 conservation easements; notice; valuation (Griffin)  
SB 1182 conservation districts; additional directors (Griffin)  
SB 1198 blind persons' rights; adoption; custody (Barto)  
SB 1246 behavioral health board (Barto)  
SB 1249 campaign finance violations; appeals (Burgess)  
SB 1255 teachers; alternative performance evaluations (Allen, S.)  
SB 1256 school bus definition; vans (Allen, S.)  
SB 1412 unclaimed property; electric cooperatives; credits (Griffin)  
HB 2005 public service corporations; penalties (Leach)  
HB 2007 evasion; crime; personal disguises (Lawrence)  
HB 2017 state land department; continuation (Mitchell)  
HB 2045 acupuncture board; continuation (Carter)  
HB 2124 life and disability insurance; insolvencies (Livingston)  
HB 2151 joint powers; fire protection services (John)  
HB 2167 Arizona commerce authority; continuation; requirements (Weninger)

HB 2180 fire district budget hearings (Coleman)  
HB 2185 school districts; tax levy; calculation (Norgaard)  
HB 2189 prisoners; dedicated discharge account; use (Boyer)  
HB 2215 veterinary medical examining board; continuation (Barton)  
HB 2256 podiatrists; examination; repeal (Carter)  
HB 2331 state lottery; multijurisdictional games (Weninger)  
HB 2385 property tax appeals; court findings (Clodfelter)

Sincerely,

A handwritten signature in black ink that reads "Douglas A. Ducey". The signature is written in a cursive, flowing style.

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 46**

**SENATE BILL 1045**

AN ACT

AMENDING SECTIONS 32-106, 32-122.02, 41-619.51, 41-1758 AND 41-1758.01,  
ARIZONA REVISED STATUTES; RELATING TO HOME INSPECTORS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 32-106, Arizona Revised Statutes, is amended to  
3 read:

4 32-106. Powers and duties

5 A. The board shall:

6 1. Adopt rules for the conduct of its meetings and performance of  
7 duties imposed on it by law.

8 2. Adopt an official seal for attestation of certificates of  
9 registration and other official papers and documents.

10 3. Consider and act on or delegate the authority to act on  
11 applications for registration or certification.

12 4. Conduct examinations for in-training and professional  
13 registration, except for an alarm business, a controlling person or an  
14 alarm agent.

15 5. Hear and act on complaints or charges or direct an  
16 administrative law judge to hear and act on complaints and charges.

17 6. Compel attendance of witnesses, administer oaths and take  
18 testimony concerning all matters coming within its jurisdiction. In  
19 exercising these powers, the board may issue subpoenas for the attendance  
20 of witnesses and the production of books, records, documents and other  
21 evidence it deems relevant to an investigation or hearing.

22 7. Keep a record of its proceedings.

23 8. Keep a register that shows the date of each application for  
24 registration or certification, the name of the applicant, the practice or  
25 branch of practice in which the applicant has applied for registration, if  
26 applicable, and the disposition of the application.

27 9. Do other things necessary to carry out the purposes of this  
28 chapter.

29 B. The board shall specify the proficiency designation in the  
30 branch of engineering in which the applicant has designated proficiency on  
31 the certificate of registration and renewal card issued to each registered  
32 engineer and shall authorize the engineer to use the title of registered  
33 professional engineer. The board shall decide what branches of  
34 engineering it shall recognize.

35 C. The board may hold membership in and be represented at national  
36 councils or organizations of proficiencies registered under this chapter  
37 and may pay the appropriate membership fees. The board may conduct  
38 standard examinations on behalf of national councils and may establish  
39 fees for those examinations.

40 D. The board may employ and pay on a fee basis persons, including  
41 full-time employees of a state institution, bureau or department, to  
42 prepare and grade examinations given to applicants for registration OR  
43 REVIEW AN APPLICANT'S SUBMISSIONS OF REQUIRED DOCUMENTS FOR HOME INSPECTOR  
44 CERTIFICATION AND REGULATION and may fix the fee to be paid for these  
45 services. These employees are authorized to prepare, grade and monitor

1 examinations, REVIEW AN APPLICANT'S SUBMISSIONS OF REQUIRED DOCUMENTS FOR  
2 HOME INSPECTOR CERTIFICATION AND REGULATION and perform other services the  
3 board authorizes, and to receive payment for these services from the  
4 technical registration fund. The board may contract with an organization  
5 to administer the registration examination, including selecting the test  
6 site, scheduling the examination, billing and collecting the fee directly  
7 from the applicant and grading the examination if a national council of  
8 which the board is a member or a professional association approved by the  
9 board does not provide these services. If a national council of which the  
10 board is a member or a professional association approved by the board does  
11 provide these services, the board shall enter into an agreement with the  
12 national council or professional association to administer the  
13 registration examination.

14 E. The board may rent necessary office space and pay the cost of  
15 this office space from the technical registration fund.

16 F. The board may adopt rules establishing rules of professional  
17 conduct for registrants.

18 G. The board may require evidence it deems necessary to establish  
19 the continuing competency of registrants as a condition of renewal of  
20 licenses.

21 H. Subject to title 41, chapter 4, article 4, the board may employ  
22 persons as it deems necessary.

23 I. The board shall issue or may authorize the executive director to  
24 issue a certificate or renewal certificate to each alarm business and each  
25 controlling person and a certification or renewal certification card to  
26 each alarm agent if the qualifications prescribed by this chapter are met.

27 Sec. 2. Section 32-122.02, Arizona Revised Statutes, is amended to  
28 read:

29 32-122.02. Certification of home inspectors; insurance

30 A. An applicant for certification as a home inspector shall:

31 1. Be at least eighteen years of age.

32 2. Be of good moral character and repute.

33 3. Have passed within two years preceding application a written  
34 examination that is approved by the board and that meets the competency  
35 standards recommended by the home inspector rules and standards committee  
36 and adopted by the board.

37 4. Have passed a course of study that meets the standards  
38 recommended by the home inspector rules and standards committee and  
39 approved by the board.

40 5. Pay a fee as determined by the board and FOR INITIAL  
41 CERTIFICATION shall ~~submit a full set of fingerprints to the board for the~~  
42 ~~purpose of obtaining a state and federal criminal records check pursuant~~  
43 ~~to section 41-1750 and Public Law 92-544. The department of public safety~~  
44 ~~may exchange this fingerprint data with the federal bureau of~~  
45 ~~investigation. Any documents and information relating to the state and~~

1 ~~federal criminal records check required by this section are not public~~  
2 ~~records~~ PROVIDE TO THE BOARD EVIDENCE OF HAVING A VALID FINGERPRINT  
3 CLEARANCE CARD ISSUED PURSUANT TO TITLE 41, CHAPTER 12, ARTICLE 3.1.

4 6. Not have had a certificate denied or revoked pursuant to this  
5 chapter within one year immediately preceding the application.

6 7. Have received an absolute discharge from sentence at least five  
7 years before the application if the person has been convicted of one or  
8 more felonies, provided the board determines the applicant is of good  
9 moral character and repute.

10 8. Provide evidence of the applicant's ability to obtain financial  
11 assurance as provided by subsection B of this section.

12 B. Within sixty days after certification and before any fee-based  
13 home inspection is performed, a home inspector certified pursuant to this  
14 chapter shall file one of the following financial assurances pursuant to  
15 rules recommended by the home inspector rules and standards committee and  
16 adopted by the board:

17 1. Errors and omissions insurance for negligent acts committed in  
18 the course of a home inspection in an amount of two hundred thousand  
19 dollars in the aggregate and one hundred thousand dollars per occurrence.

20 2. A bond that is retroactive to the certification date in the  
21 amount of twenty-five thousand dollars or proof that minimum net assets  
22 have a value of at least twenty-five thousand dollars.

23 C. If a home inspector loses or otherwise fails to maintain a  
24 required financial assurance, the certification shall be automatically  
25 suspended and shall be reinstated if a financial assurance is obtained  
26 within ninety days. If a financial assurance is not obtained within ninety  
27 days, the certification shall be automatically revoked.

28 D. A home inspector is subject to this chapter and rules adopted  
29 pursuant to this chapter.

30 E. EXCEPT AS PROVIDED IN SUBSECTION A, PARAGRAPH 5 OF THIS SECTION,  
31 THE BOARD MAY NOT REQUIRE THE SUBMISSION OF A FINGERPRINT CLEARANCE CARD  
32 FOR CERTIFICATION RENEWAL OR ANY OTHER PURPOSE.

33 Sec. 3. Section 41-619.51, Arizona Revised Statutes, is amended to  
34 read:

35 41-619.51. Definitions

36 In this article, unless the context otherwise requires:

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

1 dental examiners, the Arizona state board of pharmacy or the board of  
2 physical therapy or the state board of technical registration.

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

4 3. "Central registry exception" means notification to the  
5 department of economic security, the department of child safety or the  
6 department of health services, as appropriate, pursuant to section  
7 41-619.57 that the person is not disqualified because of a central  
8 registry check conducted pursuant to section 8-804.

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

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

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

- 17 (a) Section 8-105.
- 18 (b) Section 8-322.
- 19 (c) Section 8-463.
- 20 (d) Section 8-509.
- 21 (e) Section 8-802.
- 22 (f) Section 8-804.
- 23 (g) Section 15-183.
- 24 (h) Section 15-503.
- 25 (i) Section 15-512.
- 26 (j) Section 15-534.
- 27 (k) Section 15-763.01.
- 28 (l) Section 15-782.02.
- 29 (m) Section 15-1330.
- 30 (n) Section 15-1881.
- 31 (o) Section 17-215.
- 32 (p) Section 28-3228.
- 33 (q) Section 28-3413.
- 34 (r) SECTION 32-122.02.
- 35 ~~(r)~~ (s) Section 32-122.05.
- 36 ~~(s)~~ (t) Section 32-122.06.
- 37 ~~(t)~~ (u) Section 32-1232.
- 38 ~~(u)~~ (v) Section 32-1284.
- 39 ~~(v)~~ (w) Section 32-1297.01.
- 40 ~~(w)~~ (x) Section 32-1904.
- 41 ~~(x)~~ (y) Section 32-1941.
- 42 ~~(y)~~ (z) Section 32-2022.
- 43 ~~(z)~~ (aa) Section 32-2108.01.
- 44 ~~(aa)~~ (bb) Section 32-2123.
- 45 ~~(bb)~~ (cc) Section 32-2371.

- 1       ~~(cc)~~ (dd) Section 32-3620.
- 2       ~~(dd)~~ (ee) Section 32-3668.
- 3       ~~(ee)~~ (ff) Section 32-3669.
- 4       ~~(ff)~~ (gg) Section 36-207.
- 5       ~~(gg)~~ (hh) Section 36-411.
- 6       ~~(hh)~~ (ii) Section 36-425.03.
- 7       ~~(ii)~~ (jj) Section 36-446.04.
- 8       ~~(jj)~~ (kk) Section 36-594.01.
- 9       ~~(kk)~~ (ll) Section 36-594.02.
- 10       ~~(ll)~~ (mm) Section 36-882.
- 11       ~~(mm)~~ (nn) Section 36-883.02.
- 12       ~~(nn)~~ (oo) Section 36-897.01.
- 13       ~~(oo)~~ (pp) Section 36-897.03.
- 14       ~~(pp)~~ (qq) Section 36-3008.
- 15       ~~(qq)~~ (rr) Section 41-619.53.
- 16       ~~(rr)~~ (ss) Section 41-1964.
- 17       ~~(ss)~~ (tt) Section 41-1967.01.
- 18       ~~(tt)~~ (uu) Section 41-1968.
- 19       ~~(uu)~~ (vv) Section 41-1969.
- 20       ~~(vv)~~ (ww) Section 41-2814.
- 21       ~~(ww)~~ (xx) Section 46-141, subsection A.
- 22       ~~(xx)~~ (yy) Section 46-321.

23       Sec. 4. Section 41-1758, Arizona Revised Statutes, is amended to  
24 read:

25       41-1758. Definitions

26       In this article, unless the context otherwise requires:

27       1. "Agency" means the supreme court, the department of economic  
28 security, the department of child safety, the department of education, the  
29 department of health services, the department of juvenile corrections, the  
30 department of emergency and military affairs, the department of public  
31 safety, the department of transportation, the state real estate  
32 department, the department of financial institutions, the board of  
33 fingerprinting, the Arizona game and fish department, the board of  
34 examiners of nursing care institution administrators and assisted living  
35 facility managers, the state board of dental examiners, the Arizona state  
36 board of pharmacy or the board of physical therapy or the state board of  
37 technical registration.

38       2. "Division" means the fingerprinting division in the department  
39 of public safety.

40       3. "Electronic or internet-based fingerprinting services" means a  
41 secure system for digitizing applicant fingerprints and transmitting the  
42 applicant data and fingerprints of a person or entity submitting  
43 fingerprints to the department of public safety for any authorized purpose  
44 under this title. For the purposes of this paragraph, "secure system"

1 means a system that complies with the information technology security  
2 policy approved by the department of public safety.

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

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

- 7 (a) Section 8-105.
- 8 (b) Section 8-322.
- 9 (c) Section 8-463.
- 10 (d) Section 8-509.
- 11 (e) Section 8-802.
- 12 (f) Section 15-183.
- 13 (g) Section 15-503.
- 14 (h) Section 15-512.
- 15 (i) Section 15-534.
- 16 (j) Section 15-763.01.
- 17 (k) Section 15-782.02.
- 18 (l) Section 15-1330.
- 19 (m) Section 15-1881.
- 20 (n) Section 17-215.
- 21 (o) Section 28-3228.
- 22 (p) Section 28-3413.
- 23 (q) SECTION 32-122.02.
- 24 ~~(r)~~ (r) Section 32-122.05.
- 25 ~~(s)~~ (s) Section 32-122.06.
- 26 ~~(t)~~ (t) Section 32-1232.
- 27 ~~(u)~~ (u) Section 32-1284.
- 28 ~~(v)~~ (v) Section 32-1297.01.
- 29 ~~(w)~~ (w) Section 32-1904.
- 30 ~~(x)~~ (x) Section 32-1941.
- 31 ~~(y)~~ (y) Section 32-2022.
- 32 ~~(z)~~ (z) Section 32-2108.01.
- 33 ~~(aa)~~ (aa) Section 32-2123.
- 34 ~~(bb)~~ (bb) Section 32-2371.
- 35 ~~(cc)~~ (cc) Section 32-3620.
- 36 ~~(dd)~~ (dd) Section 32-3668.
- 37 ~~(ee)~~ (ee) Section 32-3669.
- 38 ~~(ff)~~ (ff) Section 36-207.
- 39 ~~(gg)~~ (gg) Section 36-411.
- 40 ~~(hh)~~ (hh) Section 36-425.03.
- 41 ~~(ii)~~ (ii) Section 36-446.04.
- 42 ~~(jj)~~ (jj) Section 36-594.01.
- 43 ~~(kk)~~ (kk) Section 36-594.02.
- 44 ~~(ll)~~ (ll) Section 36-882.
- 45 ~~(mm)~~ (mm) Section 36-883.02.

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

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

15       Sec. 5. Section 41-1758.01, Arizona Revised Statutes, is amended to  
16 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, 28-3228,  
26 28-3413, 32-122.02, 32-122.05, 32-122.06, 32-1232, 32-1284, 32-1297.01,  
27 32-1904, 32-1941, 32-2022, 32-2108.01, 32-2123, 32-2371, 32-3620, 32-3668,  
28 32-3669, 36-207, 36-411, 36-425.03, 36-446.04, 36-594.01, 36-594.02,  
29 36-882, 36-883.02, 36-897.01, 36-897.03, 36-3008, 41-619.52, 41-619.53,  
30 41-1964, 41-1967.01, 41-1968, 41-1969 and 41-2814, section 46-141,  
31 subsection A and section 46-321.

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

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

39       4. Inform in writing each person who submits fingerprints for a  
40 fingerprint background check of the right to petition the board of  
41 fingerprinting for a good cause exception pursuant to section 41-1758.03,  
42 41-1758.04 or 41-1758.07.

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

1 the division is not authorized to issue a fingerprint clearance card. The  
2 notice shall include the criminal history information on which the denial  
3 was based. This criminal history information is subject to dissemination  
4 restrictions pursuant to section 41-1750 and Public Law 92-544.

5 6. Notify the person in writing if the division suspends, revokes  
6 or places a driving restriction notation on a fingerprint clearance card  
7 pursuant to section 41-1758.04. The notice shall include the criminal  
8 history information on which the suspension, revocation or placement of  
9 the driving restriction notation was based. This criminal history  
10 information is subject to dissemination restrictions pursuant to section  
11 41-1750 and Public Law 92-544.

12 7. Administer and enforce this article.

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

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

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

**APPROVED BY THE GOVERNOR MARCH 23, 2018**

**FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 23, 2018**



Passed the House March 19, 2018,

Passed the Senate February 21, 2018,

by the following vote: 58 Ayes,

by the following vote: 30 Ayes,

0 Nays, 2 Not Voting

0 Nays, 0 Not Voting

[Signature]  
Speaker of the House  
Joni Osabe  
Chief Clerk of the House

[Signature]  
President of the Senate  
Susan Reeves  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

20<sup>th</sup> day of March, 2018,

at 1:57 o'clock P. M.

[Signature]  
Secretary to the Governor

Approved this 23<sup>rd</sup> day of

March, 2018

at 11:50 o'clock A. M.

[Signature]  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State  
this 23 day of March, 2018,

at 4:43 o'clock P. M.

[Signature]  
Secretary of State

S.B. 1045