



STATE OF ARIZONA  
OFFICE OF THE GOVERNOR

DOUGLAS A. DUCEY  
GOVERNOR

EXECUTIVE OFFICE

April 29, 2019

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

Dear Secretary Hobbs:

I am transmitting to you the following bills from the Fifty-fourth Legislature, 1st Regular Session, which I signed on April 29th, 2019:

H.B. 2063 vehicle insurance cards; assigned numbers (Biasiucci)  
H.B. 2181 licensing; exemption; registrar of contractors (Grantham)  
H.B. 2452 vehicle emissions program; remote inspections (Griffin)  
S.B. 1024 medical marijuana; sales data; enforcement (Borrelli)  
S.B. 1040 maternal morbidity; mortality; report (Brophy-McGee)  
S.B. 1311 material witnesses; contempt; detention; bond (E. Farsworth)  
S.B. 1397 registrar of contractors omnibus (Mesnard)  
S.B. 1443 bullhead city; state land transfer (Borrelli)  
S.B. 1498 egg promotion program (Kerr)

Sincerely,

Douglas A. Ducey  
Governor  
State of Arizona

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

House Engrossed

**FILED**  
**KATIE HOBBS**  
**SECRETARY OF STATE**

State of Arizona  
House of Representatives  
Fifty-fourth Legislature  
First Regular Session  
2019

**CHAPTER 140**  
**HOUSE BILL 2181**

AN ACT

AMENDING SECTION 32-1121, ARIZONA REVISED STATUTES; RELATING TO  
CONTRACTORS.

(TEXT OF BILL BEGINS ON NEXT PAGE)



1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Section 32-1121, Arizona Revised Statutes, is amended to  
3 read:

4 32-1121. Persons not required to be licensed; penalties;  
5 applicability

6 A. This chapter ~~shall~~ DOES not ~~be construed to~~ apply to:

7 1. An authorized representative of the United States government,  
8 this state or any county, incorporated city or town, reclamation district,  
9 irrigation district or other municipality or political subdivision of this  
10 state.

11 2. Trustees of an express trust that is not formed for the purpose  
12 of conducting business as a contractor or officers of a court, if they are  
13 acting within the terms of their trust or office.

14 3. Public utilities operating under regulation of the corporation  
15 commission or construction, repair or operation incidental to discovering  
16 or producing petroleum or gas, or ~~the~~ drilling, testing, abandoning or  
17 ~~other operation of~~ OTHERWISE OPERATING a petroleum or gas well, if  
18 performed by an owner or lessee.

19 4. Any materialman, manufacturer or retailer ~~who~~ THAT furnishes  
20 finished products, materials or articles of merchandise and ~~who~~ THAT does  
21 not install or attach such items or installs or attaches such items if the  
22 total value of the sales contract or transaction involving such items and  
23 the cost of the installation or attachment of such items to a structure  
24 does not exceed ~~one thousand dollars~~ \$1,000, including labor, materials  
25 and all other items, but excluding any electrical fixture or appliance  
26 that was designed by the manufacturer, that is unaltered, unchanged or  
27 unmodified by any person, that can be plugged into a common household  
28 electrical outlet ~~utilizing~~ USING a two-pronged or three-pronged  
29 electrical connector OR THAT HAS INTERNAL BATTERIES THAT DO NOT EXCEED  
30 TWELVE VOLTS IN A SINGLE, SERIES OR PARALLEL CONFIGURATION and that does  
31 not use any other form of energy, including natural gas, propane or other  
32 petroleum or gaseous fuel, to operate or is attached by a nail, screw or  
33 other fastening device to the frame or foundation of any residential  
34 structure. The materialman, manufacturer or retailer shall inform the  
35 purchaser that the installation may also be performed by a licensed  
36 contractor whose name and address the purchaser may request.

37 5. Owners of property who improve such property or who build or  
38 improve structures or appurtenances on such property and who do the work  
39 themselves, with their own employees or with duly licensed contractors, if  
40 the structure, group of structures or appurtenances, including the  
41 improvements thereto, are intended for occupancy solely by the owner and  
42 are not intended for occupancy by members of the public as the owner's  
43 employees or business visitors and the structures or appurtenances are not  
44 intended for sale or for rent. In all actions brought under this chapter,

1 except an action against an owner-occupant as defined in section 33-1002,  
2 proof of the sale or rent or the offering for sale or rent of any such  
3 structure by the owner-builder within one year after completion or  
4 issuance of a certificate of occupancy is prima facie evidence that such A  
5 project was undertaken for the purpose of sale or rent. For the purposes  
6 of this paragraph, "sale" or "rent" includes any arrangement by which the  
7 owner receives compensation in money, provisions, chattels or labor from  
8 the occupancy or the transfer of the property or the structures on the  
9 property.

10 6. Owners of property who are acting as developers and who build  
11 structures or appurtenances to structures on their property for the  
12 purpose of sale or rent and who contract for such a project with a general  
13 contractor licensed pursuant to this chapter and owners of property who  
14 are acting as developers, who improve structures or appurtenances to  
15 structures on their property for the purpose of sale or rent and who  
16 contract for such a project with a general contractor or specialty  
17 contractors licensed pursuant to this chapter. To qualify for the  
18 exemption under this paragraph, the licensed contractors' names and  
19 license numbers shall be included in all sales documents.

20 7. Architects or engineers who are engaging in their professional  
21 practice as defined in chapter 1 of this title and who hire or offer to  
22 hire the services of a contractor for preconstruction activities relating  
23 to investigation and discovery, including:

24 (a) Subsurface utility location and designation services.

25 (b) Potholing.

26 (c) Drilling for any of the following:

27 (i) Soil samples.

28 (ii) Rock samples.

29 (iii) Pavement samples.

30 (d) Locating existing features of a building or structure,  
31 including existing electrical, mechanical, plumbing and structural  
32 members.

33 8. A person licensed, certified or registered pursuant to title 3,  
34 chapter 20 or a person working under the direct supervision of a person  
35 certified or qualified pursuant to title 3, chapter 20 to the extent the  
36 person is engaged in pest management.

37 9. The sale or installation of finished products, materials or  
38 articles of merchandise that are not fabricated into and do not become a  
39 permanent fixed part of the structure. This exemption does not apply if a  
40 local building permit is required, if the total price of the finished  
41 product, material or article of merchandise, including labor but excluding  
42 any electrical fixture or appliance that was designed by the manufacturer,  
43 that is unaltered, unchanged or unmodified by any person, that can be  
44 plugged into a common household electrical outlet utilizing USING a

1 two-pronged or three-pronged electrical connector OR THAT HAS INTERNAL  
2 BATTERIES THAT DO NOT EXCEED TWELVE VOLTS IN A SINGLE, SERIES OR PARALLEL  
3 CONFIGURATION and that does not use any other form of energy, including  
4 natural gas, propane or other petroleum or gaseous fuel, to operate or is  
5 attached by a nail, screw or other fastening device to the frame or  
6 foundation of any residential structure, is more than ~~one thousand dollars~~  
7 \$1,000 or if the removal of the finished product, material or article of  
8 merchandise causes MATERIAL damage to the structure or renders the  
9 structure unfit for its intended use.

10 10. Employees of the owners of condominiums, townhouses, cooperative  
11 units or apartment complexes of four units or less or the owners'  
12 management agent or employees of the management agent repairing or  
13 maintaining structures owned by them.

14 11. Any person who engages in the activities regulated by this  
15 chapter, as an employee of an exempt property owner or as an employee with  
16 wages as the person's sole compensation.

17 12. A surety company or companies that are authorized to transact  
18 business in this state and that undertake to complete a contract on which  
19 they issued a performance or completion bond, ~~provided~~ IF all construction  
20 work is performed by duly licensed contractors.

21 13. Insurance companies that are authorized to transact business in  
22 this state and that undertake to perform repairs resulting from casualty  
23 losses pursuant to the provisions of a policy, ~~provided~~ IF all  
24 construction work is performed by duly licensed contractors.

25 14. Any person other than a licensed contractor engaging in any work  
26 or operation on one undertaking or project by one or more contracts, for  
27 which the aggregate contract price, including labor, materials and all  
28 other items, but excluding any electrical fixture or appliance that was  
29 designed by the manufacturer, that is unaltered, unchanged or unmodified  
30 by any person, that can be plugged into a common household electrical  
31 outlet ~~utilizing~~ USING a two-pronged or three-pronged electrical connector  
32 OR THAT HAS INTERNAL BATTERIES THAT DO NOT EXCEED TWELVE VOLTS IN A  
33 SINGLE, SERIES OR PARALLEL CONFIGURATION and that does not use any other  
34 form of energy, including natural gas, propane or other petroleum or  
35 gaseous fuel, to operate or is attached by a nail, screw or other  
36 fastening device to the frame or foundation of any residential structure,  
37 is less than ~~one thousand dollars~~ \$1,000. The work or operations that are  
38 exempt under this paragraph shall be of a casual or minor nature. This  
39 exemption does not apply:

40 (a) In any case in which the performance of the work requires a  
41 local building permit.

42 (b) In any case in which the work or construction is only a part of  
43 a larger or major operation, whether undertaken by the same or a different  
44 contractor, or in which a division of the operation is made in contracts

1 of amounts less than ~~one thousand dollars~~ \$1,000, excluding any electrical  
2 fixture or appliance that was designed by the manufacturer, that is  
3 unaltered, unchanged or unmodified by any person, that can be plugged into  
4 a common household electrical outlet ~~utilizing~~ USING a two-pronged or  
5 three-pronged electrical connector OR THAT HAS INTERNAL BATTERIES THAT DO  
6 NOT EXCEED TWELVE VOLTS IN A SINGLE, SERIES OR PARALLEL CONFIGURATION and  
7 that does not use any other form of energy, including natural gas, propane  
8 or other petroleum or gaseous fuel, to operate or is attached by a nail,  
9 screw or other fastening device to the frame or foundation of any  
10 residential structure, for the purpose of evasion of this chapter or  
11 otherwise.

12 (c) To a person who ~~utilizes~~ USES any form of advertising to the  
13 public in which the person's unlicensed status is not disclosed by  
14 including the words "not a licensed contractor" in the advertisement.

15 15. A person who is licensed, certified or registered pursuant to  
16 title 41, chapter 37, article 4 and who is not otherwise required to be  
17 licensed under this chapter or an employee of such person.

18 16. A person who functions as a gardener by performing lawn, garden,  
19 shrub and tree maintenance.

20 17. Alarm agents as defined in section 32-101.

21 18. CABLE TELEVISION, SATELLITE TELEVISION AND TELECOMMUNICATIONS  
22 PROVIDERS, INCLUDING DATA AND RELATED SERVICES OF CABLE TELEVISION,  
23 SATELLITE TELEVISION AND TELECOMMUNICATIONS PROVIDERS INCLUDING  
24 CONTRACTORS AND SUBCONTRACTORS OF CABLE TELEVISION, SATELLITE TELEVISION  
25 AND TELECOMMUNICATIONS PROVIDERS IF THE WORK OF THE CONTRACTORS AND  
26 SUBCONTRACTORS IS LIMITED TO INSTALLING LOW-VOLTAGE CABLE, TELEPHONE  
27 SERVICES, INTERNET SERVICES AND DATA SERVICE. INSTALLATION DOES NOT  
28 INCLUDE DIGGING, TRENCHING, GRADING, HORIZONTAL BORING, COMPACTING OR  
29 FILLING EARTHEN OR OTHER MATERIAL BEFORE THE SERVICE DROP OF THE  
30 COMMERCIAL OR RESIDENTIAL STRUCTURE.

31 B. A person who is licensed to perform work in a particular trade  
32 pursuant to this chapter ~~shall~~ IS not ~~be~~ required to obtain and maintain a  
33 separate license for mechanical or structural service work ~~performed~~ THE  
34 PERSON PERFORMS within the scope of ~~such~~ THAT trade ~~by such person~~.

35 C. Any person who does not have an exemption from licensure  
36 pursuant to subsection A, paragraph 14, subdivision (c) of this section is  
37 subject to prosecution for a violation of section 44-1522. The attorney  
38 general may investigate the act or practice and take appropriate action  
39 pursuant to title 44, chapter 10, article 7.

40 D. The exemptions from licensure pursuant to subsection A,  
41 paragraphs 4, 9 and 14 of this section do not apply to either of the  
42 following:

43 1. All fire safety and mechanical, electrical and plumbing work  
44 that is done in connection with fire safety installation and fire safety

1 maintenance and repair. For the purposes of this paragraph, "fire safety  
2 installation" means hardwired or interconnected smoke alarms and fire  
3 sprinklers and does not include an individual device that is attached by a  
4 nail, screw or other fastening device to the frame or foundation of any  
5 residential unit. For the purposes of this paragraph, fire safety  
6 maintenance and repair does not include routine work that is conducted by  
7 an employee of an apartment or condominium complex and that is incidental  
8 to the fire safety equipment.

9 2. All work ~~that is done, including the installation, maintenance~~  
10 ~~INSTALLING, MAINTAINING and repair of~~ REPAIRING devices, appliances or  
11 equipment, that involves ~~the~~ connecting to any supply of natural gas,  
12 propane or other petroleum or gaseous fuel. ~~Nothing in~~ This paragraph  
13 ~~impacts~~ DOES NOT IMPACT the effect of section 36-1624.01.

**APPROVED BY THE GOVERNOR APRIL 29, 2019.**

**FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 29, 2019.**

Passed the House February 28, 20 19

by the following vote: 41 Ayes,

19 Nays, 0 Not Voting

[Signature]  
Speaker of the House

Pro Tempore

[Signature]  
Chief Clerk of the House

Passed the Senate April 22, 20 19

by the following vote: 27 Ayes,

3 Nays, 0 Not Voting

[Signature]  
President of the Senate

[Signature]  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill received by the Governor this

23<sup>rd</sup> day of April, 20 19

at 2:27 o'clock P M.

[Signature]  
Secretary to the Governor

Approved this 29<sup>th</sup> day of

April 2019

at 9:50 o'clock A 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 April, 20 19

at 4:46 o'clock P. M.

[Signature]  
Secretary of State

H.B. 2181