



ARIZONA STATE SENATE
Fifty-Sixth Legislature, Second Regular Session

AMENDED
FACT SHEET FOR S.B. 1361

sober living homes

Purpose

Modifies requirements of the Department of Health Services (DHS) relating to the licensing, oversight and regulation of sober living homes. Prescribes guidelines for the inspection and penalizing of sober living homes that are noncompliant with applicable state and local regulations. Repeals certified sober living homes.

Background

A *sober living home* is any premises, place or building that provides alcohol-free or drug-free housing that: 1) promotes independent living and life skills development; 2) may provide activities that are directed primarily toward recovery from substance use disorders; 3) provides a supervised setting to a group of unrelated individuals who are recovering from substance use disorders; and 4) does not provide any medical or clinical services or medication administration on-site, except for verification of abstinence ([A.R.S. § 36-2061](#)).

Statute requires the Director of DHS (Director) to establish minimum standards and requirements for the licensure of sober living homes to ensure the public health, safety and welfare. The Director may use the current standards adopted by any recognized national organization approved by DHS as guidelines in prescribing the minimal standards and requirements but must include outlined statutory policies and procedures ([A.R.S. § 36-2062](#)).

Sober living homes that are not currently licensed but have been certified by a certifying organization may operate in Arizona, with the certification acting in lieu of licensure until the sober living home is licensed. Certified sober living homes must apply for licensure to DHS within 90 days after initial licensure rules are final and DHS must alert the applicable certifying organization when this occurs ([A.R.S. § 36-2064](#)).

On determination by the Director that there is reasonable cause to believe a sober living home is not adhering to state laws governing sober living homes, the Director and any duly assigned DHS employee or agent may enter the premises of the sober living home at any reasonable time to determine the home's state of compliance with state and local sober living home regulations. If an inspection reveals that a sober living home is noncompliant with state and local regulations, the Director may take action, including suspension or revocation of licensure. Noncompliant sober living homes are subject to a daily civil penalty of up to \$500 for each violation ([A.R.S. § 36-2063](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Requires DHS standards and requirements for the licensure of sober living homes to include policies and procedures to implement if a license is suspended or revoked or a cease-and-desist notice is issued.
2. Requires DHS minimum health and safety standards for sober living homes to include a requirement that each sober living home maintain an environment that:
 - a) promotes the safety of the surrounding neighborhood and community at large; and
 - b) is free from alcohol and illegal substances at all times and requires abstinence from alcohol and illicit drugs.
3. Directs DHS to identify on each license the maximum number of unrelated residents who are allowed to live in the sober living home, including any manager or other staff living on the premises.
4. Requires DHS or its third-party contractor to conduct a physical, on-site inspection of a sober living home to verify compliance with sober living home regulations:
 - a) before approving a license or license renewal, any proposed change in the maximum number of residents or any construction or modification of a sober living home;
 - b) at least annually for each sober living home; and
 - c) promptly on determination by the Director that there is reasonable cause to believe that a sober living home is not adhering to sober living home regulations.
5. Requires DHS to investigate a sober living home within 30 calendar days of receiving a complaint identifying an alleged violation by the sober living home.
6. Prohibits license applicants from self-attesting to compliance in lieu of an inspection.
7. Increases the cap on civil penalties for violations of sober living home regulations from \$500 to \$1,000.
8. Requires the Director, upon determining through investigation or inspection that a person has violated sober living home laws or rules, to:
 - a) impose a civil penalty; and
 - b) deny or withhold approval of a pending application, request for a change affecting the license or both, unless and until the person demonstrates that the violation has been cured and the application or request meets all requirements.
9. Authorizes the Director to deny, revoke or suspend a sober living home license if any owner, officer, agent or employee of the sober living home:
 - a) violates sober living home statutes or rules;
 - b) commits a felony arising out of or in connection with the operation of a sober living home; or
 - c) knowingly aids, allows or abets in submitting false or inaccurate information required under law.
10. Allows the Director to order the immediate termination of any specific service, procedure or practice of a sober living home, on notice to the owner of the sober living home, if there is reasonable suspicion that a violation has occurred that immediately affects the life or safety of residents.

11. Prohibits the Director from suspending, revoking or denying a sober living home license without affording the licensee notice and an opportunity for an administrative hearing, unless there is an immediate threat to the life or safety of residents.
12. Allows a person whose license application or request for a license change has been denied, or has been ordered to immediately terminate a specific service, to request a hearing within 30 days of denial.
13. Requires a hearing requested by a licensee or license applicant to be held within 30 days of a written request.
14. Declares the operation or maintenance of a sober living home that does not hold a license or that exceeds its authority a public nuisance and outlines processes for cease-and-desist of the sober living home.
15. Allows the Director to issue a cease-and-desist order against a sober living home operating without a license, through the Attorney General or a county attorney, in the name of the people of Arizona, to bring action for an injunction to restrain the violation or to enjoin the future operation or maintenance of the sober living home until it achieves compliance.
16. Allows the Director, before issuing a cease-and-desist order or bringing an action for an injunction, to issue a certified letter to the owner of the sober living home that states the factual basis for DHS's belief that the sober living home is operating in violation of state laws or rules.
17. Allows the certified letter to include enforcement options available to DHS if the violations continue.
18. Requires DHS, within 15 days of receiving a complaint about a sober living home from a political subdivision of the state, to notify the political subdivision of the complaint's status.
19. Requires DHS or its third-party contractor, within 15 days after concluding the investigation of the complaint, to provide the applicable political subdivision with its findings, including copies of investigative reports, all penalties and sanctions imposed and enforcement actions taken.
20. Requires a sober living home license application to require the sober living home to obtain written administrative clearance from the local jurisdiction verifying compliance with all local zoning, building, fire and licensing ordinances.
21. Requires the name and contact information of the designated employee of the local jurisdiction who is authorized to provide administrative clearance to be posted on the jurisdiction's website or the website of an association representing the jurisdiction.
22. Prohibits investigative reports prepared by DHS or its third-party contractor from including personal identifying information of sober living home residents.
23. Prohibits DHS from contracting with any owner, operator, administrator or association of sober living homes.

24. States that any application for license renewal constitutes permission for and complete acquiescence in any entry or inspection of the premises during the pendency of the application.
25. Requires third-party contractors to be paid from the Health Services Licensing Fund.
26. Repeals certified sober living homes.
27. Requires DHS, on request, to disclose the address of a sober living home to a third-party contractor of DHS.
28. Requires DHS to notify the designated employee of the local jurisdiction of all approvals and denials for licensure and renewal and all requests for changes affecting a sober living home in that jurisdiction within 30 days of receipt of an application for licensure, licensure renewal or request for changes.
29. Prohibits a person, health care provider, health care facility or sober living home, regardless of whether the entity is only providing substance use disorder services, from paying or soliciting any commission, kickback or bribe for patient referrals or enrollment in a sober living home.
30. Requires DHS to include in its annual report the number of complaints against licensed sober living homes:
 - a) received by DHS each year;
 - b) investigated by DHS or its third-party contractor; and
 - c) that resulted in inspections by DHS or its third-party contractor.
31. Directs DHS, by January 31 of each year, to submit to the Health and Human Services Committees of the Senate and House of Representatives, or their successor committees, a report on sober living homes that are required to be licensed but are not, including the number of applicable:
 - a) complaints received;
 - b) complaints that were investigated and inspected by DHS or its third-party contractor; and
 - c) enforcement actions taken
32. Asserts that the Legislature recognizes the need to protect both the people in recovery and the public from unscrupulous and incompetent operators of sober living homes and finds that strict compliance with and enforcement of the requirements of state law are necessary and required to ensure the public health, safety and welfare.
33. Redefines *sober living home* as any premises, place or dwelling unit, or person that provides any premises, place or dwelling unit that meets at least one of the following:
 - a) provides housing that provides or arranges for residents to receive any service or activity for recovery from any substance use disorder, including full-time or part-time supervision, observation, oversight or transportation to or from any service, treatment or activity directed primarily toward recovery from any substance use disorder;
 - b) advertises, markets, holds itself out or otherwise implies through any means, including oral, written, electronic or printed means, that it provides or will provide a living environment directed primarily toward recovery from any substance use disorder; or
 - c) provides alcohol-free and drug-free housing in a full-time or part-time supervised living environment for individuals recovering from any substance use disorder.

34. Makes technical and conforming changes.

35. Becomes effective on the general effective date.

Amendments Adopted by Committee

- Makes technical changes.

Amendments Adopted by Committee of the Whole

1. The committee amendment was withdrawn.
2. Prohibits a person, health care provider, health care facility or sober living home, regardless of whether the entity is only providing substance use disorder services, from paying or soliciting any commission, kickback or bribe for patient referrals or enrollment in a sober living home.
3. Requires DHS minimum health and safety standards for sober living homes to include a requirement that each sober living home maintain an environment that:
 - a) promotes the safety of the surrounding neighborhood and community at large; and
 - b) is free from alcohol and illegal substances at all times and requires abstinence from alcohol and illicit drugs.
4. Removes the requirement that DHS obtain documentation from the local jurisdiction of a sober living home verifying compliance with local ordinances and rules before approving the licensing or modification of the sober living home.
5. Requires a sober living home license application to require the sober living home to obtain written administrative clearance from the local jurisdiction verifying compliance with all local zoning, building, fire and licensing ordinances.
6. Requires the name and contact information of the designated employee of the local jurisdiction who is authorized to provide administrative clearance to be posted on the jurisdiction's website or the website of an association representing the jurisdiction.
7. States that any application for license renewal constitutes permission for and complete acquiescence in any entry or inspection of the premises during the pendency of the application.
8. Modifies the authorities of the Director to deny, revoke or suspend a sober living home license in outlined circumstances.
9. Allows the Director to order the immediate termination of any specific service, procedure or practice of a sober living home, on notice to the owner of the sober living home, if there is reasonable suspicion that a violation has occurred that immediately affects the life or safety of residents.
10. Prescribes guidelines and requirements for administrative hearings relating to corrective actions taken against a sober living home.

11. Declares the operation or maintenance of a sober living home that does not hold a license or that exceeds its authority a public nuisance and outlines processes for cease and desist of the sober living home.
12. Increases, from 10 to 15, the number of days DHS has:
 - a) to notify a political subdivision of the status of a complaint about a sober living home; and
 - b) after concluding the investigation of a complaint, provide the political subdivision with its findings and enforcement actions taken.
13. Increases, from 10 to 30 days after application, the number of days by which DHS must notify the designated employee of a local jurisdiction of all approvals and denials for licensure and requests for changes affecting a sober living home.
14. Modifies the statement of legislative intent and findings.
15. Redefines *sober living home*.
16. Makes technical and conforming changes.

Senate Action

HHS 2/6/24 DPA 6-1-0

Prepared by Senate Research

February 28, 2024

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