

House Engrossed

ROC; contractors; licensing; administrative decisions

State of Arizona  
House of Representatives  
Fifty-sixth Legislature  
Second Regular Session  
2024

# HOUSE BILL 2077

AN ACT

AMENDING SECTIONS 32-1104, 32-1133.01, 32-1151.02, 32-1161 AND 41-1080.01,  
ARIZONA REVISED STATUTES; RELATING TO THE REGISTRAR OF CONTRACTORS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 32-1104, Arizona Revised Statutes, is amended to  
3 read:

4 32-1104. Powers and duties

5 A. The registrar, in addition to other duties and rights provided  
6 for in this chapter, shall:

7 1. Maintain an office in Phoenix and in such other cities and towns  
8 in ~~the~~ THIS state as the registrar deems advisable and necessary.

9 2. Maintain a complete indexed record of all applications and  
10 licenses THAT ARE issued, renewed, terminated, ~~cancelled~~ CANCELED, revoked  
11 or suspended under this chapter, including timely notation of any judicial  
12 disposition on appeal, for a period of ~~not less than~~ AT LEAST seven years.

13 3. Furnish a certified copy of any license issued or an affidavit  
14 that no license exists or that a license has been ~~cancelled~~ CANCELED or  
15 suspended, including information as to the status on appeal of such a  
16 cancellation or suspension, on receipt of the prescribed fee. ~~, and~~ That  
17 certified copy or affidavit shall be received in all courts and elsewhere  
18 as prima facie evidence of the facts stated ~~therein~~ IN THE CERTIFIED COPY  
19 OR AFFIDAVIT. The registrar shall also furnish certified copies of  
20 license bonds or cash deposit certificates on receipt of the prescribed  
21 fee. Fees charged pursuant to this paragraph are \$10 per hour, except  
22 that the minimum fee charged pursuant to this paragraph is \$10.

23 4. Employ such deputies, investigators and assistants WHO ARE  
24 subject to title 41, chapter 4, article 4, and procure such equipment and  
25 records, as are necessary to enforce this chapter. With respect to the  
26 enforcement of section 32-1164, the registrar or the registrar's  
27 investigators are vested with the authority to issue a citation to any  
28 violators of this chapter in accordance with section 13-3903. When the  
29 registrar or the registrar's investigators conduct investigations they are  
30 authorized to receive criminal history record information from the  
31 department of public safety and other law enforcement agencies.

32 5. Make rules the registrar deems necessary to effectually carry  
33 out the provisions and intent of this chapter. Such rules shall include  
34 the adoption of minimum standards for good and workmanlike construction.  
35 In adopting such rules of minimum standards, the registrar shall be guided  
36 by established usage and procedure as found in the construction business  
37 in this state. If the rules of minimum standards adopted by the registrar  
38 are in any manner inconsistent with a building or other code of this  
39 state, ~~OR~~ OR a county, city or other political subdivision or local  
40 authority of this state, compliance with such code shall constitute good  
41 and workmanlike construction for the purposes of this chapter.

42 6. Apply the following to proposed rule changes:

43 (a) The registrar of contractors, at the time the registrar files  
44 notice of proposed rule change with the secretary of state in compliance

1 with title 41, chapter 6, shall mail to each trade association that  
2 qualifies in accordance with subdivision (b) of this paragraph, and any  
3 other individual holding a bona fide contractor's license who qualifies in  
4 accordance with subdivision (b) of this paragraph, a copy of the notice of  
5 proposed rule change.

6 (b) Every trade association in this state allied with the  
7 contracting business that files a written request that a notice be mailed  
8 to it and shows that the association has an interest in the rules of the  
9 registrar of contractors shall receive a copy ~~thereof~~ OF THE NOTICE OF  
10 PROPOSED RULE CHANGE, as set forth in subdivision (a) of this paragraph.  
11 Such filing of a request may be made every two years, and ~~it~~ shall  
12 contain information as to the nature of the association and its mailing  
13 address. Any duly licensed contractor who files a written request shall  
14 receive a copy of the proposed rule changes in accordance with this  
15 paragraph. Each such request may be made every two years.

16 7. Prepare and furnish decals and business management books when  
17 deemed advisable by the registrar. A reasonable fee may be charged for  
18 such decals and business management books.

19 8. Refer criminal violations of this chapter to the appropriate law  
20 enforcement agency or prosecuting authority.

21 B. The registrar may develop and institute programs to do any of  
22 the following:

23 1. Educate the public and contractors licensed pursuant to this  
24 chapter regarding statutes, rules, policies and operations of the agency.

25 2. Assist in resolving disputes in an informal process before a  
26 reportable written complaint is filed. The registrar must notify the  
27 licensed contractor in an alleged dispute before a written complaint is  
28 filed and allow the contractor the opportunity to be present at any  
29 inspection regarding the alleged dispute. The registrar must give the  
30 contractor at least five days' notice before the inspection. Issues in  
31 the alleged dispute under this section shall not be limited in number and  
32 shall not be considered formal written complaints. The homeowner reserves  
33 the right to deny access to the contractor under this informal complaint  
34 process. The registrar must notify the contractor and the homeowner in  
35 writing of the registrar's findings within five days after the date of the  
36 inspection. The registrar may not post any information regarding the  
37 informal complaint process as part of a licensee's record on the  
38 registrar's website.

39 3. Develop, manage, operate and sponsor ~~construction related~~  
40 CONSTRUCTION-RELATED programs THAT ARE designed to benefit the public in  
41 conjunction with other private and public entities.

42 ~~C. The registrar shall publicly post a list of applicants for a~~  
43 ~~contractor license on its website for at least twenty days, commencing on~~  
44 ~~the day designated by the registrar. The registrar shall issue a license~~

1 ~~if the applicant meets all requirements regardless of the twenty-day~~  
2 ~~posting period. The registrar shall furnish copies of the posting list on~~  
3 ~~written request. A reasonable charge, not to exceed \$2 per month, may be~~  
4 ~~made for compilation, printing and postage for the posting list. The list~~  
5 ~~shall contain the following information:~~

6 ~~1. The name and address of the applicant.~~

7 ~~2. The names, addresses and official capacity of all persons~~  
8 ~~required to sign the application under section 32-1122.~~

9 ~~D.~~ C. The registrar may accept voluntary gifts, grants or matching  
10 monies from public agencies or enterprises for the conduct of programs  
11 that are authorized by this section or that are consistent with the  
12 purpose of this chapter.

13 Sec. 2. Section 32-1133.01, Arizona Revised Statutes, is amended to  
14 read:

15 32-1133.01. Administrative recovery; statute of limitations

16 A. Notwithstanding any other provision in this chapter, if a  
17 contractor license has been revoked or suspended as a result of an order  
18 to remedy a violation of this chapter, the registrar may order payment  
19 from the residential contractors' recovery fund to remedy the violation.

20 B. The registrar must serve the contractor with a notice setting  
21 forth the amount claimed or to be awarded.

22 C. If the contractor contests the amount or propriety of the  
23 payment, the contractor must respond in writing within ten days after the  
24 date of service by requesting a hearing to determine the amount or  
25 propriety of the payment. The contractor's failure to respond in writing  
26 within ten days after the date of service may be deemed a waiver by the  
27 contractor of the right to contest the amount claimed or to be awarded.  
28 **THE CONTRACTOR REQUESTING A HEARING UNDER THIS SECTION BEARS THE BURDEN OF**  
29 **PROOF AT THE HEARING.**

30 D. Service of the notice required by subsection B of this section  
31 may be made by personal service to the contractor or by mailing a copy of  
32 the notice by certified mail with postage prepaid to the contractor's  
33 latest address of record on file in the registrar's office.

34 E. If service is made by certified mail, it is effective five days  
35 after the notice is mailed. Except as provided in section 41-1092.08,  
36 subsection H, the contractor or claimant may seek judicial review of the  
37 registrar's final award pursuant to title 12, chapter 7, article 6.

38 F. A claimant to the residential contractors' recovery fund  
39 pursuant to this section must show that the claimant has proceeded against  
40 any existing bond covering the residential contractor.

41 G. A claim for payment from the residential contractor's recovery  
42 fund must be submitted within two years after all proceedings, reviews and  
43 appeals connected with the registrar's final order terminate.



