

REFERENCE TITLE: licensed facilities; transfer; sale; prohibition

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

# HB 2111

Introduced by  
Representatives Willoughby: Bliss

## AN ACT

AMENDING TITLE 36, CHAPTER 4, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-420.05; AMENDING TITLE 36, CHAPTER 18, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-2068; RELATING TO LICENSED FACILITIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 36, chapter 4, article 1, Arizona Revised  
3 Statutes, is amended by adding section 36-420.05, to read:

4 36-420.05. Health care institutions; legal action; licensure;  
5 change of ownership

6 A. THE DEPARTMENT MAY NOT ACT ON AN APPLICATION FOR LICENSURE OF A  
7 CURRENTLY LICENSED HEALTH CARE INSTITUTION WHILE ANY ENFORCEMENT OR COURT  
8 ACTION RELATED TO HEALTH CARE INSTITUTION LICENSURE IS PENDING AGAINST  
9 THAT HEALTH CARE INSTITUTION'S CURRENT LICENSEE.

10 B. THE DIRECTOR MAY CONTINUE TO PURSUE ANY COURT, ADMINISTRATIVE OR  
11 ENFORCEMENT ACTION AGAINST A LICENSEE DESCRIBED IN SUBSECTION A OF THIS  
12 SECTION EVEN THOUGH THE HEALTH CARE INSTITUTION IS IN THE PROCESS OF BEING  
13 SOLD OR TRANSFERRED TO A NEW OWNER.

14 C. THE DEPARTMENT MAY NOT APPROVE A CHANGE IN HEALTH CARE  
15 INSTITUTION OWNERSHIP UNLESS THE DEPARTMENT DETERMINES THAT THERE HAS BEEN  
16 A TRANSFER OF ALL LEGAL AND EQUITABLE INTERESTS, CONTROL AND AUTHORITY IN  
17 THE HEALTH CARE INSTITUTION SO THAT PERSONS OTHER THAN THE TRANSFERRING  
18 LICENSEE, THAT LICENSEE'S AGENT OR OTHER PARTIES EXERCISING AUTHORITY OR  
19 SUPERVISION OVER THE HEALTH CARE INSTITUTION'S DAILY OPERATIONS OR STAFF  
20 ARE RESPONSIBLE FOR AND HAVE CONTROL OVER THE HEALTH CARE INSTITUTION.

21 Sec. 2. Title 36, chapter 18, article 4, Arizona Revised Statutes,  
22 is amended by adding section 36-2068, to read:

23 36-2068. Sober living homes; legal action; licensure; change  
24 of ownership

25 A. THE DEPARTMENT MAY NOT ACT ON AN APPLICATION FOR LICENSURE OF A  
26 CURRENTLY LICENSED SOBER LIVING HOME WHILE ANY ENFORCEMENT OR COURT ACTION  
27 RELATED TO SOBER LIVING HOME LICENSURE IS PENDING AGAINST THAT SOBER  
28 LIVING HOME'S CURRENT LICENSEE.

29 B. THE DIRECTOR MAY CONTINUE TO PURSUE ANY COURT, ADMINISTRATIVE OR  
30 ENFORCEMENT ACTION AGAINST A LICENSEE DESCRIBED IN SUBSECTION A OF THIS  
31 SECTION EVEN THOUGH THE SOBER LIVING HOME IS IN THE PROCESS OF BEING SOLD  
32 OR TRANSFERRED TO A NEW OWNER.

33 C. THE DEPARTMENT MAY NOT APPROVE A CHANGE IN SOBER LIVING HOME  
34 OWNERSHIP UNLESS THE DEPARTMENT DETERMINES THAT THERE HAS BEEN A TRANSFER  
35 OF ALL LEGAL AND EQUITABLE INTERESTS, CONTROL AND AUTHORITY IN THE SOBER  
36 LIVING HOME SO THAT PERSONS OTHER THAN THE TRANSFERRING LICENSEE, THAT  
37 LICENSEE'S AGENT OR OTHER PARTIES EXERCISING AUTHORITY OR SUPERVISION OVER  
38 THE SOBER LIVING HOME'S DAILY OPERATIONS OR STAFF ARE RESPONSIBLE FOR AND  
39 HAVE CONTROL OVER THE SOBER LIVING HOME.