REFERENCE TITLE: self-supporting regulatory agencies; funds; 2024-2025

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

## **HB 2910**

Introduced by Representative Livingston (with permission of Committee on Rules)

#### AN ACT

AMENDING SECTIONS 32-109, 32-505, 32-705, 32-806, 32-906, 32-1107, 32-1212, 32-1406, 32-1505, 32-1611, 32-1686, 32-1705, 32-1805, 32-1907, 32-2004, 32-2065, 32-2205, 32-2506, 32-2906, 32-3004, 32-3254, 32-3405, 32-3505, 32-3905, 32-4105, 32-4205 AND 36-446.08, ARIZONA REVISED STATUTES; RELATING TO SELF-SUPPORTING REGULATORY AGENCIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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Be it enacted by the Legislature of the State of Arizona: Section. 1. Section 32-109, Arizona Revised Statutes, is amended to read:

#### 32-109. <u>Technical registration fund</u>

- A. Pursuant to sections 35-146 and 35-147, the executive director shall deposit ten FIFTEEN percent of all fees or other revenues received by the board in the state general fund to assist in defraying the cost of maintaining the state government and shall deposit the remaining ninety EIGHTY-FIVE percent in a separate fund, known as the technical registration fund, to be used only in defraying expenses of the board and in prosecuting violations of this chapter.
- B. Monies deposited in the technical registration fund pursuant to subsection A of this section are subject to section 35-143.01.
- Sec. 2. Section 32-505, Arizona Revised Statutes, is amended to read:

#### 32-505. Barbering and cosmetology fund

- A. The barbering and cosmetology fund is established. Except as provided in subsection C of this section, before the end of each calendar month the board shall deposit, pursuant to sections 35-146 and 35-147, ten FIFTEEN percent of all monies from whatever source that come into the possession of the board in the state general fund and deposit the remaining minety EIGHTY-FIVE percent in the barbering and cosmetology fund.
- B. Except as provided in section 32-573, subsection G, monies deposited in the barbering and cosmetology fund are subject to section 35-143.01.
- C. Monies from civil penalties received pursuant to section 32-571 shall be deposited, pursuant to sections 35-146 and 35-147, in the state general fund.
- Sec. 3. Section 32-705, Arizona Revised Statutes, is amended to read:

### 32-705. Board of accountancy fund: disposition of monies

- A. The board of accountancy fund is established consisting of fees authorized by this chapter. Except as provided by subsection C of this section, the board shall deposit, pursuant to sections 35-146 and 35-147, ninety per cent EIGHTY-FIVE PERCENT of all monies collected under this chapter in the board of accountancy fund and the remaining ten per cent FIFTEEN PERCENT in the state general fund.
  - B. Monies deposited in the fund are subject to section 35-143.01.
- C. Monies collected by the board as administrative penalties pursuant to this chapter shall be deposited, pursuant to sections 35-146 and 35-147, in the state general fund.
- D. The legislature shall appropriate monies from the fund for the expenses of administering this chapter, including:

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- 1. Costs of conducting investigations, taking testimony and procuring the attendance of witnesses before the board or its committees.
- 2. Legal proceedings taken for the enforcement of TO ENFORCE this chapter.
- 3. Educational programs for the benefit of TO BENEFIT the public, registrants and their employees.
- Sec. 4. Section 32-806, Arizona Revised Statutes, is amended to read:

#### 32-806. Podiatry fund

- A. At the end of each calendar month, the board shall deposit, pursuant to sections 35-146 and 35-147, the ten FIFTEEN percent of all monies received by the board in the state general fund and the remaining minety EIGHTY-FIVE percent in the podiatry fund.
- B. All monies deposited in the podiatry fund are subject to section 35-143.01.
- Sec. 5. Section 32-906, Arizona Revised Statutes, is amended to read:

#### 32-906. Board of chiropractic examiners fund

- A. All monies, except civil penalties collected pursuant to section 32-924, that are received by the board shall be deposited monthly. Pursuant to sections 35-146 and 35-147, the board shall deposit ten percent FIFTEEN PERCENT of the monies in the STATE general fund and deposit the remaining minety percent EIGHTY-FIVE PERCENT in the board of chiropractic examiners fund. All monies that are derived from civil penalties collected pursuant to section 32-924 shall be deposited, pursuant to sections 35-146 and 35-147, in the state general fund.
- B. Monies that are deposited in the board of chiropractic examiners fund are subject to section 35-143.01.
- Sec. 6. Section 32-1107, Arizona Revised Statutes, is amended to read:

#### 32-1107. Registrar of contractors fund

- A. The registrar of contractors fund is established. The registrar of contractors shall administer the fund. The registrar shall deposit, pursuant to sections 35-146 and 35-147, ninety EIGHTY-FIVE percent of all monies collected under this chapter in the registrar of contractors fund and ten FIFTEEN percent of all monies collected under this chapter in the state general fund, except monies collected for the residential contractors' recovery fund and the contractors' cash bond fund and monies received from civil penalties.
- B. The registrar shall use monies in the registrar of contractors fund for carrying out the powers and duties of the registrar and for the purposes of this chapter. Monies deposited in the registrar of contractors fund are subject to section 35-143.01.

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 Sec. 7. Section 32-1212, Arizona Revised Statutes, is amended to read:

#### 32-1212. Dental board fund

- A. Except as provided in subsection C of this section, pursuant to sections 35-146 and 35-147, the executive director of the board shall each month deposit ten per cent FIFTEEN PERCENT of all fees, fines and other revenue received by the board, in the state general fund and deposit the remaining ninety per cent EIGHTY-FIVE PERCENT in the dental board fund.
- B. Monies deposited in the dental board fund  $\frac{\text{shall be}}{\text{shall be}}$  ARE subject to the provisions of section 35-143.01.
- C. Monies from administrative penalties received pursuant to section 32-1263.01 shall be deposited, pursuant to sections 35-146 and 35-147, in the state general fund.
- Sec. 8. Section 32-1406, Arizona Revised Statutes, is amended to read:

#### 32-1406. Arizona medical board fund

- A. The Arizona medical board fund is established. Pursuant to sections 35-146 and 35-147, the board shall deposit ten per cent FIFTEEN PERCENT of all monies collected under the provisions of this chapter in the state general fund and deposit the remaining ninety per cent EIGHTY-FIVE PERCENT in the Arizona medical board fund.
  - B. Monies deposited in the fund are subject to section 35-143.01.
- Sec. 9. Section 32-1505, Arizona Revised Statutes, is amended to read:

### 32-1505. Naturopathic physicians medical board fund

- A. The naturopathic physicians medical board fund is established. The board shall administer the fund. Pursuant to sections 35-146 and 35-147, the board shall deposit ten per cent FIFTEEN PERCENT of all monies from whatever source that come into the possession of the board in the state general fund and deposit the remaining ninety per cent EIGHTY-FIVE PERCENT in the naturopathic physicians medical board fund.
- B. Monies deposited in the naturopathic physicians medical board fund are subject to section 35-143.01.
- Sec. 10. Section 32-1611, Arizona Revised Statutes, is amended to read:

### 32-1611. Board of nursing fund

- A. Before the end of each month, pursuant to sections 35-146 and 35-147, the board shall deposit ten per cent FIFTEEN PERCENT of all monies received by the board from fees pursuant to section 32-1643 in the state general fund and deposit the remaining ninety per cent EIGHTY-FIVE PERCENT in the board of nursing fund.
- B. Monies deposited in the board of nursing fund are subject to section 35-143.01.

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- C. Monies from civil penalties received pursuant to section 32-1606 shall be deposited, pursuant to sections 35-146 and 35-147, in the state general fund.
- Sec. 11. Section 32-1686, Arizona Revised Statutes, is amended to read:

#### 32-1686. Board of dispensing opticians fund

- A. Before the end of each month, pursuant to sections 35-146 and 35-147, the board shall deposit ten per cent FIFTEEN PERCENT of all monies received by the board in the state general fund and deposit the remaining ninety per cent EIGHTY-FIVE PERCENT in the board of dispensing opticians fund.
- B. Monies deposited in the board of dispensing opticians fund are subject to section 35-143.01.
- Sec. 12. Section 32-1705, Arizona Revised Statutes, is amended to read:

#### 32-1705. Board of optometry fund

- A. A THE board of optometry fund is established.
- B. Pursuant to sections 35-146 and 35-147, the board shall deposit ten per cent FIFTEEN PERCENT of all monies from whatever source which come into the possession of the board in the state general fund and deposit the remaining ninety per cent EIGHTY-FIVE PERCENT in the board of optometry fund.
- C. Monies deposited in the board of optometry fund are subject to section 35-143.01.
- Sec. 13. Section 32-1805, Arizona Revised Statutes, is amended to read:

#### 32-1805. Board fund: disbursements

- A. Before the end of the calendar month, pursuant to sections 35-146 and 35-147, the board shall deposit ten per cent FIFTEEN PERCENT of all monies received by the board from fees and other monies provided for in section 32-1826 in the state general fund and deposit the remaining ninety per cent EIGHTY-FIVE PERCENT in the board fund. All monies derived from civil penalties collected pursuant to section 32-1855 shall be deposited, pursuant to sections 35-146 and 35-147, in the state general fund.
- B. Monies deposited in the board fund shall be subject to section 35-143.01.
- Sec. 14. Section 32-1907, Arizona Revised Statutes, is amended to read:

#### 32-1907. Arizona state board of pharmacy fund

A. Except as provided in section 32-1939, the executive director shall receive and receipt for all fees and other monies provided for in this chapter and shall deposit, pursuant to sections 35-146 and 35-147, ten FIFTEEN percent of such monies in the state general fund and ninety EIGHTY-FIVE percent in the Arizona state board of pharmacy fund. All

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 monies derived from civil penalties collected pursuant to this chapter shall be deposited, pursuant to sections 35-146 and 35-147, in the state general fund.

- B. Except as provided in subsection C of this section, monies deposited in the Arizona state board of pharmacy fund  $\frac{\text{shall be}}{\text{section 35-143.01}}$ .
- C. From monies deposited in the Arizona state board of pharmacy fund pursuant to subsection A of this section, the executive director may transfer up to <u>five hundred thousand dollars</u> \$500,000 annually to the controlled substances prescription monitoring program fund established by section 36-2605 for expenses related to the controlled substances prescription monitoring program as required by title 36, chapter 28.
- D. From monies deposited in the Arizona state board of pharmacy fund pursuant to subsection A of this section, the executive director may transfer up to one million dollars \$1,000,000 annually to the Arizona poison and drug information center for the purposes specified in section 36-1161 to supplement, and not supplant, any state general fund appropriation for those purposes.
- Sec. 15. Section 32-2004, Arizona Revised Statutes, is amended to read:

#### 32-2004. Board of physical therapy fund

- A. The board of physical therapy fund is established. The board shall administer the fund.
- B. Except as provided in section 32-2048, pursuant to sections 35-146 and 35-147, the board shall deposit ten per cent FIFTEEN PERCENT of all monies collected under this chapter in the state general fund and deposit the remaining ninety per cent EIGHTY-FIVE PERCENT in the board of physical therapy fund.
- C. Monies deposited in the physical therapy fund are subject to section 35-143.01.
- Sec. 16. Section 32-2065, Arizona Revised Statutes, is amended to read:

# 32-2065. <u>Board of psychologist examiners fund; separate</u> <u>behavior analyst account</u>

- A. The board of psychologist examiners fund is established.
- B. Except as provided in section 32-2081 and section 32-2091.09, subsection I, pursuant to sections 35-146 and 35-147, the board shall deposit ten FIFTEEN percent of all monies collected pursuant to this chapter in the state general fund and deposit the remaining ninety EIGHTY-FIVE percent in the board of psychologist examiners fund.
- C. All monies deposited in the board of psychologist examiners fund are subject to section 35-143.01.
- D. All monies deposited in the board of psychologist examiners fund pursuant to section 32-2067 and any monies received pursuant to section 32-2063, subsection C for psychologist licensing and regulation must be

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 used only for the licensing and regulation of REGULATING psychologists pursuant to this article and articles 2 and 3 of this chapter and may not be used for the licensing and regulation of REGULATING behavior analysts pursuant to article 4 of this chapter.

- E. All monies deposited in the board of psychologist examiners fund pursuant to article 4 of this chapter and any monies received pursuant to section 32-2063, subsection C for behavior analyst licensing and regulation must be used only for the licensing and regulation of REGULATING behavior analysts pursuant to article 4 of this chapter and may not be used for the licensing and regulation of REGULATING psychologists pursuant to this article and articles 2 and 3 of this chapter.
- F. The board shall establish a separate account in the fund for monies transferred to the fund pursuant to article 4 of this chapter, and any monies received pursuant to section 32-2063, subsection C for behavior analyst licensing and regulation.
- Sec. 17. Section 32-2205, Arizona Revised Statutes, is amended to read:

#### 32-2205. <u>Veterinary medical examining board fund</u>

- A. The veterinary medical examining board fund is established. Pursuant to sections 35-146 and 35-147, the board shall deposit ten per cent FIFTEEN PERCENT of all fees and other revenue accruing to the board in the state general fund and deposit the remaining minety per cent EIGHTY-FIVE PERCENT in the veterinary medical examining board fund.
- B. All monies deposited in the veterinary medical examining board fund are subject to section 35-143.01.
- Sec. 18. Section 32-2506, Arizona Revised Statutes, is amended to read:

#### 32-2506. Arizona medical board fund

- A. Pursuant to sections 35-146 and 35-147, the board shall deposit ten per cent FIFTEEN PERCENT of all monies collected pursuant to this chapter in the state general fund and deposit the remaining ninety per cent EIGHTY-FIVE PERCENT in the Arizona medical board fund.
- B. Monies deposited in the fund pursuant to this section are subject to section 35-143.01.
- Sec. 19. Section 32-2906, Arizona Revised Statutes, is amended to read:

# 32-2906. <u>Board of homeopathic and integrated medicine</u> examiners' fund

- A. A board of homeopathic and integrated medicine examiners' fund is established. Pursuant to sections 35-146 and 35-147, the board shall deposit ten per cent FIFTEEN PERCENT of all monies collected under this chapter in the state general fund and deposit the remaining ninety per cent EIGHTY-FIVE PERCENT in the board of homeopathic medical AND INTEGRATED MEDICINE examiners' fund.
  - B. Monies deposited in the fund are subject to section 35-143.01.

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Sec. 20. Section 32-3004, Arizona Revised Statutes, is amended to read:

#### 32-3004. Board for private postsecondary education fund

- A. Pursuant to sections 35-146 and 35-147, the board shall deposit ten per cent FIFTEEN PERCENT of all fees or other revenues received by the board in the state general fund and deposit the remaining ninety per cent EIGHTY-FIVE PERCENT in the board for private postsecondary education fund.
- B. Monies deposited in the board for private postsecondary education fund are subject to section 35-143.01.
- Sec. 21. Section 32-3254, Arizona Revised Statutes, is amended to read:

#### 32-3254. Board of behavioral health examiners fund

- A. A THE board of behavioral health examiners fund is established. Pursuant to sections 35-146 and 35-147, the board shall deposit ten per cent FIFTEEN PERCENT of all monies received by the board in the state general fund and deposit the remaining ninety per cent EIGHTY-FIVE PERCENT in the board of behavioral health examiners fund.
- B. All monies deposited in the board of behavioral health examiners fund are subject to section 35-143.01.
- Sec. 22. Section 32-3405, Arizona Revised Statutes, is amended to read:

# 32-3405. Occupational therapy fund; deposit of receipts by board

- A. The occupational therapy fund is established. Pursuant to sections 35-146 and 35-147, civil penalties imposed under section 32-3442, subsection K shall be deposited in the state general fund. The board shall deposit ten per cent FIFTEEN PERCENT of all other monies collected under this chapter in the state general fund and deposit the remaining ninety per cent EIGHTY-FIVE PERCENT in the occupational therapy fund. Monies in the occupational therapy fund may be used by the board for payment of all necessary board expenses, including compensation and expenses of board members and board staff on claims approved by the board.
- B. Monies deposited in the occupational therapy fund are subject to section 35-143.01.
- Sec. 23. Section 32-3505, Arizona Revised Statutes, is amended to read:

#### 32-3505. Board of respiratory care examiners fund

A. The board of respiratory care examiners fund is established. Pursuant to sections 35-146 and 35-147, the board shall deposit ten per cent FIFTEEN PERCENT of all monies from whatever source that come into the possession of the board in the state general fund and deposit the remaining ninety per cent EIGHTY-FIVE PERCENT in the board of respiratory care examiners fund. Monies in the board of respiratory care examiners

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fund may be used by the board for payments of all necessary board expenses.

B. Monies deposited in the board of respiratory care examiners fund are subject to section 35-143.01.

Sec. 24. Section 32-3905, Arizona Revised Statutes, is amended to read:

#### 32-3905. Acupuncture board of examiners fund

- A. The acupuncture board of examiners fund is established consisting of fees collected pursuant to section 32-3927. The board shall administer the fund. Pursuant to sections 35-146 and 35-147, the board shall deposit ten per cent FIFTEEN PERCENT of all monies collected under this chapter in the state general fund and deposit the remaining ninety per cent EIGHTY-FIVE PERCENT in the acupuncture board of examiners fund.
- B. Monies deposited in the acupuncture board of examiners fund are subject to section 35-143.01.
- Sec. 25. Section 32-4105, Arizona Revised Statutes, is amended to read:

#### 32-4105. Athletic training fund

- A. The athletic training fund is established. The board shall administer the fund. Pursuant to sections 35-146 and 35-147, the board shall deposit ten per cent FIFTEEN PERCENT of all monies from whatever source that come into the possession of the board in the state general fund and deposit the remaining ninety per cent EIGHTY-FIVE PERCENT in the athletic training fund.
- B. Monies deposited in the athletic training fund are subject to section 35-143.01.
- Sec. 26. Section 32-4205, Arizona Revised Statutes, is amended to read:

#### 32-4205. Board of massage therapy fund

- A. The board of massage therapy fund is established. The board shall administer the fund. The board shall deposit, pursuant to sections 35-146 and 35-147, ten per cent FIFTEEN PERCENT of all monies collected pursuant to this chapter in the state general fund and deposit the remaining ninety per cent EIGHTY-FIVE PERCENT of the monies in the board of massage therapy fund.
- B. Monies deposited in the board of massage therapy fund are subject to section 35-143.01.
- Sec. 27. Section 36-446.08, Arizona Revised Statutes, is amended to read:

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36-446.08. Nursing care institution administrators' licensing and assisted living facility managers' certification fund; investment of fund monies
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A. The nursing care institution administrators' licensing and assisted living facility managers' certification fund is established.

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B. Pursuant to sections 35-146 and 35-147, the board shall deposit ten per cent FIFTEEN PERCENT of all monies collected pursuant to this article in the state general fund and deposit the remaining ninety per cent EIGHTY-FIVE PERCENT in the nursing care institution administrators' licensing and assisted living facility managers' certification fund. All monies derived from civil penalties collected pursuant to section 36-446.07, subsection C shall be deposited, pursuant to sections 35-146 and 35-147, in the state general fund.
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- C. Monies deposited in the nursing care institution administrators' licensing and assisted living facility managers' certification fund are subject to the provisions of section 35-143.01.
- D. On notice from the board, the state treasurer shall invest and divest monies in the fund as provided by section 35-313, and monies earned from investment shall be credited to the fund.

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Sec. 28. Fee increase; prohibition; exception; fiscal years 2024-2025 and 2025-2026
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- A. Notwithstanding any other law and except as provided in subsection B of this section, the following boards and departments may not adopt any license fee increases in fiscal year 2024-2025 or 2025-2026:
  - 1. The state board of technical registration.
  - 2. The barbering and cosmetology board.
  - 3. The Arizona state board of accountancy
  - 4. The state board of podiatry examiners.
  - 5. The state board of chiropractic examiners.
  - 6. The registrar of contractors.
  - 7. The state board of dental examiners.
  - 8. The Arizona medical board.
  - 9. The naturopathic physicians medical board.
  - 10. The Arizona state board of nursing.
- 11. The state board of dispensing opticians.
  - 12. The state board of optometry.
- 13. The Arizona board of osteopathic examiners in medicine and surgery.
  - 14. The Arizona state board of pharmacy.
  - 15. The board of physical therapy.
  - 16. The state board of psychologist examiners.
- 17. The Arizona state veterinary medical examining board.
- 38 18. The Arizona regulatory board of physician assistants.
- 39 19. The board of homeopathic and integrated medicine examiners.
- 40 20. The state board for private postsecondary education.
- 41 21. The board of behavioral health examiners.
- 42 22. The board of occupational therapy examiners.
- 43 23. The board of respiratory care examiners.
- 44 24. The acupuncture board of examiners.

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- 25. The board of athletic training.
- 26. The board of massage therapy.
- 27. The board of examiners of nursing care institution administrators and assisted living facility managers.
- B. A board or department prescribed in subsection A of this section may submit a written request to the governor's regulatory review council to adopt a license fee increase on an emergency basis in fiscal year 2024-2025 or 2025-2026. If the governor's regulatory review council makes a written determination that the board or department has demonstrated to the council that the board or department will not have sufficient monies available to continue daily operations if the proposed emergency license fee increase is not adopted, the council may approve the emergency license fee increase request and the board or department may adopt the license fee increase.
- C. This section does not grant an express exemption from the provisions of title 41, chapter 6, Arizona Revised Statutes, for establishing or increasing a fee. A board or department that adopts a license fee increase pursuant to this section shall comply with all applicable rulemaking provisions to increase the license fee.

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