

REFERENCE TITLE: corporations; sober living homes

State of Arizona
Senate
Fifty-sixth Legislature
Second Regular Session
2024

SB 1627

Introduced by
Senators Hatathlie: Bravo, Hernandez, Miranda

AN ACT

AMENDING SECTION 10-122, ARIZONA REVISED STATUTES; AMENDING TITLE 10, CHAPTER 1, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 10-126; AMENDING SECTION 10-128, ARIZONA REVISED STATUTES; AMENDING TITLE 10, CHAPTER 1, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 10-131; AMENDING SECTIONS 10-202, 10-401, 10-501, 10-3122, 10-3128, 10-3202, 10-3401, 10-3501 AND 36-2062, ARIZONA REVISED STATUTES; RELATING TO BUSINESS ENTITIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
 2 Section 1. Section 10-122, Arizona Revised Statutes, is amended to
 3 read:

4 10-122. Filing, service and copying fees; expedited report
 5 filing and access; same day and next day services;
 6 posted wait times; advance monies; definition

7 A. The commission shall collect and deposit, pursuant to sections
 8 35-146 and 35-147, the following nonrefundable fees when the documents
 9 described in this subsection are delivered to the commission:

<u>Document</u>	<u>Fee</u>
10 1. Articles of incorporation	\$50
11 2. Application for use of indistinguishable name	10
12 3. Application for reserved name	10
13 4. Notice of transfer of reserved name	10
14 5. Application for registered name	10
15 6. Application for renewal of registered name	10
16 7. Agent's statement of resignation	10
17 8. Amendment of articles of incorporation	25
18 9. Restatement of articles of incorporation with	
19 amendment of articles	25
20 10. Statement of merger, interest exchange,	
21 conversion, domestication or division if the	
22 entity responsible for filing the statement	
23 is a corporation	100
24 11. Articles of dissolution	25
25 12. Articles of revocation of dissolution	25
26 13. Application for reinstatement following	
27 administrative dissolution, in addition	
28 to other fees and penalties due	100
29 14. Application for authority	150
30 15. Application for withdrawal	25
31 16. Annual report	45
32 17. Articles of correction	25
33 18. Application for certificate of good standing	10
34 19. Any other document required or permitted	
35 to be filed by chapters 1 through 17	
36 of this title	25

37 B. The commission shall collect a nonrefundable fee of ~~twenty-five~~
 38 ~~dollars~~ \$25 each time process is served on it under chapters 1 through 17
 39 of this title. The party to a proceeding causing service of process is
 40 entitled to recover this fee as costs if the party prevails in the
 41 proceeding.
 42

43 C. The commission shall charge and collect a reasonable fee for
 44 copying documents on request, provided the fee does not exceed the cost of
 45 providing the service as determined by the commission. The commission

1 shall also charge a reasonable fee for certifying the copy of a filed
2 document, ~~provided~~ IF the fee does not exceed the cost of providing the
3 service as determined by the commission.

4 D. A penalty of ~~one hundred dollars~~ \$100 THAT IS payable in
5 addition to other fees accrues and is payable if a foreign corporation
6 fails to file an amendment, restated articles that include an amendment,
7 or articles of merger within sixty days after the time of filing in the
8 jurisdiction in which the corporation is domiciled. The penalty collected
9 pursuant to this subsection shall be deposited, pursuant to sections
10 35-146 and 35-147, in the state general fund.

11 E. One-third of the fees for the annual report of domestic and
12 foreign corporations paid pursuant to subsection A, paragraph 16 of this
13 section shall be deposited in the Arizona arts trust fund established by
14 section 41-983.01 and two-thirds of these fees shall be deposited,
15 pursuant to sections 35-146 and 35-147, in the public access fund
16 established by section 10-122.01.

17 F. The commission shall provide for and establish an expedited
18 service for ~~the~~ filing ~~of~~ all documents and services provided pursuant to
19 this title as follows:

20 1. The expedited filing shall be a priority service to be completed
21 as soon as possible after the documents are delivered to the commission
22 EXCEPT THAT THE EXPEDITED FILING DOES NOT APPLY TO DOCUMENTS AND SERVICES
23 RELATED TO A HEALTH CARE ENTITY, INCLUDING A SOBER LIVING HOME AS DEFINED
24 IN SECTION 36-2061, THAT PROVIDES RESIDENTIAL SERVICES.

25 2. In addition to any other fees required by this section or any
26 other law, the commission shall charge a nonrefundable fee for expedited
27 services, including those requested by fax. The fee shall be determined
28 by a supermajority vote of the commissioners.

29 3. The commission may provide for and establish same day and next
30 day services for the filing of any documents and services provided
31 pursuant to this title as follows:

32 (a) The commission shall suspend same day or next day service if
33 the commission determines that it does not have the necessary resources to
34 perform the service within the established time period.

35 (b) In addition to any other fees required by this section or any
36 other law, the commissioners may charge a nonrefundable fee for the same
37 day or next day service or both. The fee shall be determined by a
38 supermajority vote of the commissioners.

39 4. The commission shall publicly post the current wait times for
40 processing regular, expedited and same day and next day services.

41 G. The commission may charge persons who access the commission's
42 data processing system that is maintained pursuant to section 10-122.01
43 from remote locations and persons requesting special computer generated
44 printouts, reports and tapes a reasonable fee that does not exceed the

1 cost of the time, equipment and personnel necessary to provide this
2 service or product as determined by the commission.

3 H. Except as provided in section 10-122.01, subsection B, paragraph
4 3, in addition to any fee charged pursuant to this section, the commission
5 may charge and collect the following nonrefundable fees to help defray the
6 cost of the improved data processing system that is maintained pursuant to
7 section 10-122.01:

8 1. Filing articles of incorporation of a domestic corporation, ~~ten~~
9 ~~dollars~~ \$10.

10 2. Filing an application of a foreign corporation for authority to
11 transact business in this state, ~~twenty-five dollars~~ \$25.

12 I. All monies received pursuant to subsections F, G and H of this
13 section shall be deposited, pursuant to sections 35-146 and 35-147, in the
14 public access fund established by section 10-122.01.

15 J. Fees charged pursuant to this section are exempt from section
16 39-121.03, subsection A, paragraph 3.

17 K. The commission may allow any person to advance monies to the
18 commission to pay fees required pursuant to this section for future
19 filings and services. All monies received pursuant to this subsection
20 shall be deposited, pursuant to sections 35-146 and 35-147, in the money
21 on deposit account in the public access fund established by section
22 10-122.01.

23 L. In addition to any other fees prescribed by law, the commission
24 may establish a fee for the filing of an annual benefit report delivered
25 to the commission pursuant to section 10-2442. The fee shall be
26 determined by a majority vote of the commissioners.

27 M. For the purposes of this section, "supermajority" means an
28 affirmative vote of at least four commissioners.

29 Sec. 2. Title 10, chapter 1, article 2, Arizona Revised Statutes,
30 is amended by adding section 10-126, to read:

31 10-126. Sober living homes; incorporating documents; time
32 frame before conducting business; license number;
33 corporation commission; identification check

34 A. A SOBER LIVING HOME AS DEFINED IN SECTION 36-2061 THAT
35 INCORPORATES PURSUANT TO THIS TITLE MUST:

36 1. FILE ALL DOCUMENTS AS REQUIRED FOR INCORPORATION PURSUANT TO
37 THIS TITLE WITHIN TEN BUSINESS DAYS BEFORE THE SOBER LIVING HOME OPENS TO
38 CONDUCT BUSINESS.

39 2. DISPLAY THE NUMBER OF THE SOBER LIVING HOME'S LICENSE THAT IS
40 ISSUED PURSUANT TO TITLE 36, CHAPTER 18, ARTICLE 4 ON ALL DOCUMENTS.

41 B. THE COMMISSION SHALL CHECK IDENTIFICATION DOCUMENTS OF A PERSON
42 THAT FILES INCORPORATING DOCUMENTS PURSUANT TO THIS TITLE FOR A HEALTH
43 CARE ENTITY, INCLUDING A SOBER LIVING HOME AS DEFINED IN SECTION 36-2061,
44 THAT PROVIDES RESIDENTIAL SERVICES. THE IDENTIFICATION CHECK MUST OCCUR
45 AT THE COMMISSION.

1 C. WITHIN TEN DAYS AFTER RECEIVING THE FOLLOWING INFORMATION
2 RELATING TO A HEALTH CARE ENTITY, INCLUDING A SOBER LIVING HOME AS DEFINED
3 IN SECTION 36-2061, THAT PROVIDES RESIDENTIAL SERVICES AND THAT IS
4 INCORPORATED PURSUANT TO THIS TITLE, THE ARIZONA HEALTH CARE COST
5 CONTAINMENT SYSTEM ADMINISTRATION, THE ATTORNEY GENERAL AND THE DEPARTMENT
6 OF HEALTH SERVICES SHALL NOTIFY THE COMMISSION OF:

- 7 1. A LICENSE SUSPENSION OR REVOCATION.
- 8 2. THE ISSUANCE OF A CENTRAL AUTHORIZATION FILE NOTICE.
- 9 3. A BANKRUPTCY FILING.
- 10 4. LITIGATION.

11 Sec. 3. Section 10-128, Arizona Revised Statutes, is amended to
12 read:

13 10-128. Certificate of good standing

14 A. A person may apply to the commission ~~to furnish~~ FOR a
15 certificate of good standing for a domestic or foreign corporation.

16 B. A certificate of good standing sets forth all of the following:

17 1. The domestic corporation's corporate name or the foreign
18 corporation's corporate name used in this state.

19 2. That either:

20 (a) The domestic corporation is incorporated under the laws of this
21 state and the date of its incorporation.

22 (b) The foreign corporation is authorized to transact business in
23 this state.

24 3. That all affidavits and annual reports required before the date
25 of the certificate have been filed with the commission.

26 4. That all annual filing fees due before the date of the
27 certificate have been paid.

28 5. That, according to the records of the commission, the
29 corporation is in good standing in this state.

30 C. THE COMMISSION MAY NOT ISSUE A CERTIFICATE OF GOOD STANDING
31 UNDER SUBSECTION A OF THIS SECTION TO A DOMESTIC OR FOREIGN CORPORATION IF
32 THE CORPORATION IS A HEALTH CARE ENTITY, INCLUDING A SOBER LIVING HOME AS
33 DEFINED IN SECTION 36-2061, THAT PROVIDES RESIDENTIAL SERVICES AND THE
34 CORPORATION DOES NOT COMPLY WITH TITLE 36.

35 ~~C.~~ D. Subject to any qualification stated in the certificate, a
36 certificate of good standing issued by the commission may be relied on as
37 conclusive evidence of the matters stated in the certificate.

38 Sec. 4. Title 10, chapter 1, article 3, Arizona Revised Statutes,
39 is amended by adding section 10-131, to read:

40 10-131. Health care entities; sober living homes; residential
41 services

42 A. THE COMMISSION SHALL PROVIDE A SPECIAL DESIGNATION TO A HEALTH
43 CARE ENTITY, INCLUDING A SOBER LIVING HOME AS DEFINED IN SECTION 36-2061,
44 THAT PROVIDES RESIDENTIAL SERVICES AND THAT FILES FOR INCORPORATION
45 PURSUANT TO THIS TITLE.

1 B. NOTWITHSTANDING ANY OTHER LAW, FOR A HEALTH CARE ENTITY THAT IS
2 DESCRIBED PURSUANT TO SUBSECTION A OF THIS SECTION, ANY CHANGE IN
3 OWNERSHIP, NAME OR LICENSE STATUS MUST BE COORDINATED AND APPROVED BY THE
4 COMMISSION IN WRITING IN COOPERATION WITH THE DEPARTMENT OF HEALTH
5 SERVICES.

6 Sec. 5. Section 10-202, Arizona Revised Statutes, is amended to
7 read:

8 10-202. Articles of incorporation; violation; classification

9 A. The articles of incorporation shall set forth:

10 1. A corporate name for the corporation that satisfies the
11 requirements of section 10-401.

12 2. The number of shares the corporation is authorized to issue.

13 3. A brief statement of the character of business that the
14 corporation initially intends to actually conduct in this state. This
15 statement does not ~~constitute a limitation on~~ LIMIT the character of
16 business that the corporation ultimately may conduct.

17 4. The name and address of each person who is to serve as a
18 director until a successor is elected and qualifies.

19 5. The name, street address and signature of the corporation's
20 statutory agent.

21 6. The street address of the known place of business for the
22 corporation, if different from that of its statutory agent.

23 7. The name and address of each incorporator.

24 8. Any provision elected by the incorporators that under chapters 1
25 through 17 of this title or any other law of this state may be elected
26 only by specific inclusion in the articles of incorporation.

27 9. The signatures of all incorporators.

28 B. The articles of incorporation may set forth:

29 1. A provision eliminating or limiting the liability of a director
30 to the corporation or its shareholders for money damages for any action
31 taken or any failure to take any action as a director, except liability
32 for any of the following:

33 (a) The amount of a financial benefit received by a director to
34 which the director is not entitled.

35 (b) An intentional infliction of harm on the corporation or the
36 shareholders.

37 (c) A violation of section 10-833.

38 (d) An intentional violation of criminal law.

39 2. A provision ~~permitting~~ ALLOWING or making obligatory
40 indemnification of a director for liability, as defined in section 10-850,
41 to any person for any action taken, or any failure to take any action, as
42 a director, except liability for any of the exceptions described in
43 paragraph 1 of this subsection.

44 3. Any other provision, ~~not~~ not inconsistent with law.

1 C. The articles of incorporation need not set forth any of the
2 corporate powers enumerated in chapters 1 through 17 of this title.

3 D. The certificate of disclosure shall set forth all of the
4 following:

5 1. The following information regarding all persons who at the time
6 of its delivery are officers, directors, trustees, incorporators and
7 persons controlling or holding over ten percent of the issued and
8 outstanding common shares or ten percent of any other proprietary,
9 beneficial or membership interest in the corporation:

10 (a) Whether any of the persons have been convicted of a felony
11 involving a transaction in securities, consumer fraud or antitrust in any
12 state or federal jurisdiction within the five-year period immediately
13 preceding the execution of the certificate.

14 (b) Whether any of the persons have been convicted of a felony, the
15 essential elements of which consisted of fraud, misrepresentation, theft
16 by false pretenses or restraint of trade or monopoly in any state or
17 federal jurisdiction within the five-year period immediately preceding the
18 execution of the certificate.

19 (c) Whether any of the persons are or have been subject to an
20 injunction, judgment, decree or permanent order of any state or federal
21 court entered within the five-year period immediately preceding the
22 execution of the certificate, if the injunction, judgment, decree or
23 permanent order involved any of the following:

24 (i) The violation of fraud or registration provisions of the
25 securities laws of that jurisdiction.

26 (ii) The violation of the consumer fraud laws of that jurisdiction.

27 (iii) The violation of the antitrust or restraint of trade laws of
28 that jurisdiction.

29 (d) With regard to any of the persons who have been convicted of
30 the crimes or who are the subject of the judicial action described in
31 subdivisions (a), (b) and (c) of this paragraph, information regarding:

32 (i) Identification of the persons, including present full name, all
33 prior names or aliases, including full birth name, present home address,
34 all prior addresses for the immediately preceding five-year period and
35 date and location of birth.

36 (ii) The nature and description of each conviction or judicial
37 action, the date and location, the court and public agency involved, and
38 the file or cause number of the case.

39 2. A brief statement disclosing whether any persons who at the time
40 of its delivery are officers, directors, trustees, incorporators and
41 persons controlling or holding over twenty percent of the issued and
42 outstanding common shares or twenty percent of any other proprietary,
43 beneficial or membership interest in the corporation and who have served
44 in any such capacity or held a twenty percent interest in any other

1 corporation on the bankruptcy or receivership of the other corporation.
2 If so, for each corporation, the certificate shall include:

3 (a) The names and addresses of each corporation and the person or
4 persons involved.

5 (b) The state in which each corporation:

6 (i) Was incorporated.

7 (ii) Transacted business.

8 (c) The dates of corporate operation.

9 3. The signatures of all of the incorporators.

10 4. The date of its execution, which shall be not more than thirty
11 days before its delivery to the commission.

12 5. A declaration by each signer that ~~he~~ THE SIGNER swears to its
13 contents under penalty of law AND IF THE CORPORATION IS A HEALTH CARE
14 ENTITY, INCLUDING A SOBER LIVING HOME AS DEFINED IN SECTION 36-2061, THAT
15 PROVIDES RESIDENTIAL SERVICES, THE SIGNATURE MUST BE NOTARIZED.

16 E. The certificate of disclosure may set forth the name and address
17 of any other person whom the incorporators elect to be the subject of
18 those disclosures required under subsection D, paragraph 1 of this
19 section.

20 F. If within sixty days after delivering the articles of
21 incorporation and certificate of disclosure to the commission any person
22 becomes an officer, director, trustee or person controlling or holding
23 over ten percent of the issued and outstanding shares or ten percent of
24 any other proprietary, beneficial or membership interest in the
25 corporation and the person was not the subject of the disclosures set
26 forth in the certificate of disclosure, the incorporators or, if the
27 organization of the corporation has been completed as provided in section
28 10-205, the corporation shall execute and deliver to the commission within
29 the sixty-day period a declaration, sworn to under penalty of law, setting
30 forth all information required by subsection D, paragraph 1 of this
31 section regarding the person. If the incorporators or, as applicable, the
32 corporation fail to comply with this subsection, the commission may
33 administratively dissolve the corporation pursuant to section 10-1421.

34 G. If any of the persons described in subsection D, paragraph 1 of
35 this section have been convicted of the crimes or are the subject of the
36 judicial action described in subsection D, paragraph 1 of this section,
37 the commission may direct detailed interrogatories to the persons
38 requiring any additional relevant information deemed necessary by the
39 commission. The interrogatories shall be completely answered within
40 thirty days after mailing of the interrogatories. With respect to
41 corporations incorporating or seeking authority to transact business,
42 articles of incorporation or an application for authority shall not be
43 filed until all outstanding interrogatories have been answered to the
44 satisfaction of the commission. With respect to existing domestic and
45 foreign corporations, if the interrogatories are not answered as provided

1 in this subsection or the answers to the interrogatories otherwise
2 indicate proper grounds for an administrative dissolution, the commission
3 shall initiate an administrative dissolution in accordance with chapters 1
4 through 17 of this title.

5 H. On a quarterly updated basis, the commission shall provide to
6 the attorney general a list of all persons who are convicted of the crimes
7 or who are the subject of the judicial action described in subsection D,
8 paragraph 1 of this section as indicated by the certificates of disclosure
9 filed during the preceding three months.

10 I. Any person who executes or contributes information for a
11 certificate of disclosure and who intentionally makes any untrue statement
12 of material fact or withholds any material fact with regard to the
13 information required in subsection D, paragraph 1 of this section is
14 guilty of a class 6 felony.

15 Sec. 6. Section 10-401, Arizona Revised Statutes, is amended to
16 read:

17 10-401. Corporate name

18 A. A corporate name:

19 1. Shall contain the word "association", "bank", "company",
20 "corporation", "limited" or "incorporated" or an abbreviation of one of
21 these words or words or abbreviations of like import in another language.

22 2. Shall not contain language stating or implying that the
23 corporation is organized for a purpose other than that allowed by section
24 10-301 and its articles of incorporation.

25 3. Notwithstanding paragraph 1 of this subsection, shall not
26 include the words "bank", "deposit", "credit union", "trust" or "trust
27 company" separately or in combination to indicate or convey the idea that
28 the corporation is engaged in A banking or trust business unless the
29 corporation is to be and becomes actively and substantially engaged in the
30 banking, credit union or trust business or the corporation is a holding
31 company holding substantial interest in companies actively and
32 substantially engaged in the banking or trust business.

33 4. Shall not contain the words "limited liability company" or
34 "limited company" or the abbreviations "L.L.C.", "L.C.", "LLC" or "LC", in
35 uppercase or lowercase letters.

36 5. SHALL CONTAIN THE WORDS "SOBER LIVING HOME" IF THE CORPORATION
37 IS A SOBER LIVING HOME AS DEFINED IN SECTION 36-2061.

38 B. Except as authorized by subsections C and D of this section, a
39 corporate name shall be distinguishable from all of the following:

40 1. The corporate name of a corporation incorporated in this state
41 or a foreign corporation authorized to transact business in this state.

42 2. A corporate name reserved under section 10-402 or registered
43 under section 10-403.

44 3. A fictitious name adopted by a foreign corporation under section
45 10-1506.

1 4. The corporate name of a nonprofit corporation incorporated under
2 this title or a foreign nonprofit or not for profit corporation authorized
3 to conduct affairs in this state.

4 5. The partnership name of a limited partnership organized and
5 registered under the laws of this state or of a foreign limited
6 partnership authorized to transact business in this state.

7 6. The name of a limited liability company organized under title 29
8 or a foreign limited liability company authorized to transact business in
9 this state.

10 7. A trade name registered pursuant to title 44, chapter 10,
11 article 3.1.

12 8. The name of a registered limited liability partnership
13 registered under title 29, chapter 5, article 10 or a foreign registered
14 limited liability partnership authorized to transact business in this
15 state.

16 C. A corporation may apply to the commission for authorization to
17 use a name that is not distinguishable from one or more of the names
18 described in subsection B of this section. The commission shall authorize
19 use of the name applied for if either:

20 1. The other entity consents to the use in writing and submits an
21 undertaking in a form satisfactory to the commission to change its name to
22 a name that is distinguishable from the name of the applying corporation.

23 2. The applicant delivers to the commission a certified copy of the
24 final judgment of a court of competent jurisdiction establishing the
25 applicant's right to use the name applied for in this state.

26 D. A corporation may use the name, including a fictitious name, of
27 another domestic or foreign corporation that is used in this state if the
28 other corporation is incorporated or authorized to transact business in
29 this state and the proposed user corporation either has:

30 1. Merged with the other corporation.

31 2. Been formed by reorganization of the other corporation.

32 3. Acquired all or substantially all of the assets, including the
33 corporate name, of the other corporation.

34 E. Chapters 1 through 17 of this title do not control the use of
35 fictitious names.

36 Sec. 7. Section 10-501, Arizona Revised Statutes, is amended to
37 read:

38 10-501. Known place of business and statutory agent

39 A. Each corporation shall continuously maintain in this state both:

40 1. A known place of business that may be the address of its
41 statutory agent.

42 2. A statutory agent who may be either:

43 (a) An individual who resides in this state.

44 (b) A domestic corporation formed under this title.

1 (c) A foreign corporation authorized to transact business in this
2 state.

3 (d) A limited liability company formed under title 29.

4 (e) A limited liability company authorized to transact business in
5 this state.

6 B. IF THE CORPORATION IS A HEALTH CARE ENTITY, INCLUDING A SOBER
7 LIVING HOME AS DEFINED IN SECTION 36-2061, THAT PROVIDES RESIDENTIAL
8 SERVICES:

9 1. THE ADDRESS:

10 (a) MAY NOT BE A POST OFFICE BOX.

11 (b) MUST BE LOCATED IN THIS STATE.

12 (c) MUST BE LOCATED IN THE COUNTY WHERE THE HEALTH CARE ENTITY IS
13 LOCATED.

14 2. THE STATUTORY AGENT MAY NOT BE AN INTERESTED PARTY THAT CAN
15 INFLUENCE THE HEALTH CARE ENTITY'S MANAGEMENT.

16 Sec. 8. Section 10-3122, Arizona Revised Statutes, is amended to
17 read:

18 10-3122. Filing, service and copying fees; public access
19 fund; expedited report filing and access; same day
20 and next day services

21 A. The commission shall collect and deposit, pursuant to sections
22 35-146 and 35-147, in the state general fund the following nonrefundable
23 fees when the documents described in this subsection are delivered to the
24 commission for filing or issuance:

<u>Document</u>	<u>Fee</u>
25 1. Articles of incorporation	\$ 30
26 2. Application for use of indistinguishable name	\$ 10
27 3. Application for reserved name	\$ 10
28 4. Notice of transfer of reserved name	\$ 10
29 5. Application for registered name	\$ 10
30 6. Application for renewal of registered name	\$ 10
31 7. Agent's statement of resignation	\$ 10
32 8. Amendment of articles of incorporation	\$ 25
33 9. Restatement of articles of incorporation	
34 with amendment of articles	\$ 25
35 10. Statement of merger, interest exchange,	
36 conversion, domestication or division if	
37 the entity responsible for filing the	
38 statement is a nonprofit corporation	\$100
39 11. Articles of dissolution	\$ 25
40 12. Articles of revocation of dissolution	\$ 25
41 13. Application for reinstatement following	
42 administrative dissolution or revocation,	
43 in addition to other fees and penalties due	\$ 25
44 14. Application for authority	\$150

1	15. Application for withdrawal	\$ 25
2	16. Annual report	\$ 10
3	17. Articles of correction	\$ 25
4	18. Application for certificate of good standing	\$ 10

5 B. The commission shall collect a nonrefundable fee of ~~twenty-five~~
6 ~~dollars~~ \$25 each time process is served on it under chapters 24 through 42
7 of this title. The party to a proceeding causing service of process is
8 entitled to recover this fee as costs if the party prevails in the
9 proceeding. The fee collected pursuant to this subsection shall be
10 deposited, pursuant to sections 35-146 and 35-147, in the state general
11 fund.

12 C. The commission shall charge and collect ~~fifty cents~~ \$.50 per
13 page for copying documents on request. The commission shall also charge
14 ~~five dollars~~ \$5 plus ~~fifty cents~~ \$.50 per page for certifying the copy of
15 a filed document. The fees collected pursuant to this subsection shall be
16 deposited, pursuant to sections 35-146 and 35-147, in the state general
17 fund.

18 D. A penalty of ~~one hundred dollars~~ \$100 THAT IS payable in
19 addition to other fees accrues and is payable if a foreign corporation
20 fails to file an amendment, restated articles that include an amendment,
21 or articles of merger within sixty days ~~of~~ AFTER the time of filing in the
22 jurisdiction in which the corporation is domiciled. The penalty collected
23 pursuant to this subsection shall be deposited, pursuant to sections
24 35-146 and 35-147, in the state general fund.

25 E. Pursuant to section 10-122, subsection F, the commission shall
26 provide for and establish an expedited service for the filing of all
27 documents and services provided pursuant to chapters 24 through 42 of this
28 title EXCEPT FOR DOCUMENTS AND SERVICES RELATED TO A HEALTH CARE ENTITY,
29 INCLUDING A SOBER LIVING HOME AS DEFINED IN SECTION 36-2061, THAT PROVIDES
30 RESIDENTIAL SERVICES.

31 F. Pursuant to section 10-122, subsection F, the commission may
32 provide for and establish same day and next day services for the filing of
33 any documents and services provided pursuant to chapters 24 through 42 of
34 this title EXCEPT FOR DOCUMENTS AND SERVICES RELATED TO A HEALTH CARE
35 ENTITY, INCLUDING A SOBER LIVING HOME AS DEFINED IN SECTION 36-2061, THAT
36 PROVIDES RESIDENTIAL SERVICES.

37 G. The commission may charge persons who access the commission's
38 data processing system that is maintained pursuant to section 10-122.01
39 from remote locations and persons requesting special computer generated
40 printouts, reports and tapes a reasonable fee that does not exceed the
41 cost of the time, equipment and personnel necessary to provide this
42 service or product as determined by the commission.

43 H. Except as provided in section 10-122.01, subsection B, paragraph
44 3, in addition to any fee charged pursuant to this section, the commission
45 may charge and collect the following nonrefundable fees to help defray the

1 cost of the improved data processing system that is maintained pursuant to
2 section 10-122.01:

3 1. Filing articles of incorporation of a domestic corporation, ~~ten~~
4 ~~dollars~~ \$10.

5 2. Filing an application of a foreign corporation for authority to
6 transact business in this state, ~~twenty-five dollars~~ \$25.

7 I. All monies received pursuant to subsections E through H of this
8 section shall be deposited, pursuant to sections 35-146 and 35-147, in the
9 public access fund established by section 10-122.01.

10 J. Fees charged pursuant to this section are exempt from section
11 39-121.03, subsection A, paragraph 3.

12 K. Any person may advance monies to the commission to pay fees
13 required pursuant to this section for future filings and services. All
14 monies received pursuant to this subsection shall be deposited, pursuant
15 to sections 35-146 and 35-147, in the money on deposit account in the
16 public access fund established by section 10-122.01.

17 Sec. 9. Section 10-3128, Arizona Revised Statutes, is amended to
18 read:

19 10-3128. Certificate of good standing

20 A. A person may apply to the commission ~~to furnish~~ FOR a
21 certificate of good standing for a domestic or foreign corporation.

22 B. The certificate of good standing sets forth all of the
23 following:

24 1. The domestic corporation's corporate name or the foreign
25 corporation's corporate name used in this state.

26 2. That either:

27 (a) The domestic corporation is incorporated under the law of this
28 state and the date of its incorporation.

29 (b) The foreign corporation is authorized to transact business in
30 this state.

31 3. That all affidavits and annual reports required before the date
32 of the certificate have been filed with the commission.

33 4. That all annual filing fees due before the date of the
34 certificate have been paid.

35 5. That, according to the records of the commission, the
36 corporation is in good standing in this state.

37 C. THE COMMISSION MAY NOT ISSUE A CERTIFICATE OF GOOD STANDING
38 UNDER SUBSECTION A OF THIS SECTION TO A DOMESTIC OR FOREIGN CORPORATION IF
39 THE CORPORATION IS A HEALTH CARE ENTITY, INCLUDING A SOBER LIVING HOME AS
40 DEFINED IN SECTION 36-2061, THAT PROVIDES RESIDENTIAL SERVICES AND THE
41 CORPORATION DOES NOT COMPLY WITH TITLE 36.

42 ~~C.~~ D. Subject to any qualification stated in the certificate, a
43 certificate of good standing issued by the commission may be relied on as
44 conclusive evidence of the matters stated in the certificate.

1 Sec. 10. Section 10-3202, Arizona Revised Statutes, is amended to
2 read:

3 10-3202. Articles of incorporation; violation; classification

4 A. The articles of incorporation shall set forth:

5 1. A corporate name for the corporation that satisfies the
6 requirements of section 10-3401.

7 2. A brief statement of the character of affairs that the
8 corporation initially intends to conduct. This statement does not limit
9 the affairs that the corporation may conduct.

10 3. The name and address of each person who is to serve as a
11 director until a successor is elected and qualifies.

12 4. The name, street address and signature of the corporation's
13 statutory agent.

14 5. The street address of the known place of business for the
15 corporation, if different from that of its statutory agent.

16 6. The name and address of each incorporator.

17 7. Whether or not the corporation will have members.

18 8. Any provision elected by the incorporators that under chapters
19 24 through 40 of this title or any other law of this state may be elected
20 only by specific inclusion in the articles of incorporation.

21 9. The signatures of all incorporators.

22 B. The articles of incorporation may set forth:

23 1. A provision eliminating or limiting the liability of a director
24 to the corporation or its members for money damages for any action taken
25 or any failure to take any action as a director, except liability for any
26 of the following:

27 (a) The amount of a financial benefit received by a director to
28 which the director is not entitled.

29 (b) An intentional infliction of harm on the corporation or the
30 members.

31 (c) A violation of section 10-3833.

32 (d) An intentional violation of criminal law.

33 2. A provision ~~permitting~~ **ALLOWING** or making obligatory
34 indemnification of a director for liability, as defined in section
35 10-3850, to any person for any action taken, or any failure to take any
36 action, as a director, except liability for any of the exceptions
37 described in paragraph 1 of this subsection.

38 3. Any other provision, ~~not~~ not inconsistent with law.

39 C. The articles of incorporation need not set forth any of the
40 corporate powers enumerated in chapters 24 through 40 of this title.

41 D. The certificate of disclosure shall set forth all of the
42 following:

43 1. The following information regarding all persons who at the time
44 of its delivery are officers, directors, trustees and incorporators:

1 (a) Whether any of the persons have been convicted of a felony
2 involving a transaction in securities, consumer fraud or antitrust in any
3 state or federal jurisdiction within the five-year period immediately
4 preceding the execution of the certificate.

5 (b) Whether any of the persons have been convicted of a felony, the
6 essential elements of which consisted of fraud, misrepresentation, theft
7 by false pretenses or restraint of trade or monopoly in any state or
8 federal jurisdiction within the five-year period immediately preceding the
9 execution of the certificate.

10 (c) Whether any of the persons are or have been subject to an
11 injunction, judgment, decree or permanent order of any state or federal
12 court entered within the five-year period immediately preceding the
13 execution of the certificate, if the injunction, judgment, decree or
14 permanent order involved any of the following:

15 (i) The violation of fraud or registration provisions of the
16 securities laws of that jurisdiction.

17 (ii) The violation of consumer fraud laws of that jurisdiction.

18 (iii) The violation of the antitrust or restraint of trade laws of
19 that jurisdiction.

20 (d) With regard to any of the persons who have been convicted of
21 the crimes or who are the subject of the judicial action described in
22 subdivisions (a), (b) and (c) of this paragraph, information regarding:

23 (i) Identification of the persons, including present full name, all
24 prior names or aliases, including full birth name, present home address,
25 all prior addresses for the immediately preceding five-year period and
26 date and location of birth.

27 (ii) The nature and description of each conviction or judicial
28 action, the date and location, the court and public agency involved, and
29 the file or case number of the case.

30 2. A brief statement disclosing whether any persons who at the time
31 of its delivery are officers, directors, trustees and incorporators and
32 who have served in any such capacity in any other corporation on the
33 bankruptcy or receivership of the other corporation. If so, for each
34 corporation, the certificate shall include:

35 (a) The names and addresses of each corporation and the person or
36 persons involved.

37 (b) The state in which each corporation:

38 (i) Was incorporated.

39 (ii) Transacted business.

40 (c) The dates of corporate operation.

41 3. The signatures of all the incorporators.

42 4. The date of its execution, which shall be not more than thirty
43 days before its delivery to the commission.

44 5. A declaration by each signer that the signer swears to its
45 contents under penalty of law AND IF THE CORPORATION IS A HEALTH CARE

1 ENTITY, INCLUDING A SOBER LIVING HOME AS DEFINED IN SECTION 36-2061, THAT
2 PROVIDES RESIDENTIAL SERVICES, THE SIGNATURE MUST BE NOTARIZED.

3 E. The certificate of disclosure may set forth the name and address
4 of any other person whom the incorporator or incorporators choose to be
5 the subject of those disclosures required under subsection D, paragraph 1
6 of this section.

7 F. If within sixty days after delivering the articles of
8 incorporation and certificate of disclosure to the commission any person
9 becomes an officer, director or trustee and the person was not the subject
10 of the disclosures set forth in the certificate of disclosure, the
11 incorporator or incorporators or, if the organization of the corporation
12 has been completed as provided in section 10-3205, the corporation shall
13 execute and deliver to the commission within the sixty-day period a
14 declaration, sworn to under penalty of law, setting forth all information
15 required by subsection D, paragraph 1 of this section, regarding the
16 person. If the incorporator or incorporators or, as applicable, the
17 corporation fails to comply with this subsection, the commission may
18 administratively dissolve the corporation pursuant to section 10-11421.

19 G. If any of the persons described in subsection D, paragraph 1 of
20 this section have been convicted of the crimes or are the subject of the
21 judicial action described in subsection D, paragraph 1 of this section,
22 the commission may direct detailed interrogatories to the persons
23 requiring any additional relevant information deemed necessary by the
24 commission. The interrogatories shall be completely answered within
25 thirty days after mailing of the interrogatories. With respect to
26 corporations incorporating or seeking authority to conduct affairs,
27 articles of incorporation or an application for authority shall not be
28 filed until all outstanding interrogatories have been answered to the
29 satisfaction of the commission. With respect to existing domestic and
30 foreign corporations, if the interrogatories are not answered as provided
31 in this subsection or the answers to the interrogatories otherwise
32 indicate proper grounds for an administrative dissolution, the commission
33 shall initiate an administrative dissolution in accordance with chapters
34 24 through 40 of this title.

35 H. On a quarterly updated basis, the commission shall provide to
36 the attorney general a list of all persons who are convicted of the crimes
37 or who are the subject of the judicial action described in subsection D,
38 paragraph 1 of this section as indicated by the certificate of disclosure
39 filed during the preceding three months.

40 I. Any person who executed or contributed information for a
41 certificate of disclosure and who intentionally makes any untrue statement
42 of material fact or withholds any material fact with regard to the
43 information required in subsection D, paragraph 1 of this section is
44 guilty of a class 6 felony.

1 Sec. 11. Section 10-3401, Arizona Revised Statutes, is amended to
2 read:

3 10-3401. Corporate name

4 A. A corporate name shall not contain language that states or
5 implies that the corporation is organized for a purpose other than the
6 purpose allowed by section 10-3301 and in its articles of incorporation.
7 **IF THE CORPORATION IS A SOBER LIVING HOME AS DEFINED IN SECTION 36-2061, A**
8 **CORPORATE NAME SHALL CONTAIN THE WORDS "SOBER LIVING HOME".**

9 B. Except as authorized by subsections C and D of this section, a
10 corporate name must be distinguishable from all of the following:

11 1. The corporate name of a corporation incorporated in this state
12 or a foreign corporation authorized to conduct affairs in this state.

13 2. A corporate name reserved under section 10-402 or 10-3402 or
14 registered under section 10-403 or 10-3403.

15 3. A fictitious name of a foreign corporation under section 10-1506
16 or 10-11506.

17 4. The corporate name of a business corporation incorporated under
18 this title or a foreign business corporation authorized to transact
19 business in this state.

20 5. The partnership name of a limited partnership organized and
21 registered under the laws of this state or of a foreign limited
22 partnership authorized to transact business in this state.

23 6. The name of a limited liability company organized under title 29
24 or a foreign limited liability company authorized to transact business in
25 this state.

26 7. A trade name registered pursuant to title 44, chapter 10,
27 article 3.1.

28 8. The name of a registered limited liability partnership
29 registered under title 29, chapter 5, article 10 or a foreign registered
30 limited liability partnership authorized to transact business in this
31 state.

32 C. A corporation may apply to the commission for authorization to
33 use a name that is not distinguishable from one or more of the names
34 described in subsection B of this section. The commission shall authorize
35 use of the name applied for if either:

36 1. The other corporation consents to the use in writing and submits
37 an undertaking in a form satisfactory to the commission to change its name
38 to a name that is distinguishable from the name of the applying
39 corporation.

40 2. The applicant delivers to the commission a certified copy of a
41 final judgment of a court of competent jurisdiction establishing the
42 applicant's right to use the name applied for in this state.

43 D. A corporation may use the name, including a fictitious name, of
44 another domestic or foreign business or nonprofit corporation that is used
45 in this state if the other corporation is incorporated or authorized to

1 transact business or conduct affairs in this state and the proposed user
2 corporation either has:

- 3 1. Merged with the other corporation.
- 4 2. Been formed by reorganization of the other corporation.
- 5 3. Acquired all or substantially all of the assets, including the
6 corporate name, of the other corporation.

7 E. Chapters 24 through 42 of this title do not control the use of
8 fictitious names.

9 Sec. 12. Section 10-3501, Arizona Revised Statutes, is amended to
10 read:

11 10-3501. Known place of business and statutory agent

12 A. Each corporation shall continuously maintain in this state both:

13 1. A known place of business that may be the address of its
14 statutory agent.

15 2. A statutory agent who may be either:

16 (a) An individual who resides in this state.

17 (b) A domestic business or nonprofit corporation formed under this
18 title.

19 (c) A foreign business or nonprofit corporation authorized to
20 transact business or conduct affairs in this state.

21 (d) A limited liability company formed under title 29.

22 (e) A limited liability company authorized to transact business in
23 this state.

24 B. IF THE CORPORATION IS A HEALTH CARE ENTITY, INCLUDING A SOBER
25 LIVING HOME AS DEFINED IN SECTION 36-2061, THAT PROVIDES RESIDENTIAL
26 SERVICES:

27 1. THE ADDRESS:

28 (a) MAY NOT BE A POST OFFICE BOX.

29 (b) MUST BE LOCATED IN THIS STATE.

30 (c) MUST BE LOCATED IN THE COUNTY WHERE THE HEALTH CARE ENTITY IS
31 LOCATED.

32 2. THE STATUTORY AGENT MAY NOT BE AN INTERESTED PARTY THAT CAN
33 INFLUENCE THE HEALTH CARE ENTITY'S MANAGEMENT.

34 Sec. 13. Section 36-2062, Arizona Revised Statutes, is amended to
35 read:

36 36-2062. Licensure; standards; violation; classification;
37 civil penalty; use of title

38 A. The director shall adopt rules to establish minimum standards
39 and requirements for the licensure of sober living homes in this state
40 necessary to ensure the public health, safety and welfare. The director
41 may use the current standards adopted by any recognized national
42 organization approved by the department as guidelines in prescribing the
43 minimum standards and requirements under this subsection. The standards
44 shall include:

- 1 1. A requirement that each sober living home ~~to~~ develop policies
2 and procedures to allow individuals who are on medication-assisted
3 treatment to continue to receive this treatment while living in the sober
4 living home.
- 5 2. Consistent and fair practices for drug and alcohol testing,
6 including frequency, that promote the residents' recovery.
- 7 3. Policies and procedures for the residence to maintain an
8 environment that promotes the safety of the surrounding neighborhood and
9 the community at large.
- 10 4. Policies and procedures for discharge planning of persons living
11 in the residence that do not negatively impact the surrounding community.
- 12 5. A good neighbor policy to address neighborhood concerns and
13 complaints.
- 14 6. A requirement that the operator of each sober living home have
15 available for emergency personnel an up-to-date list of current
16 medications and medical conditions of each person living in the home.
- 17 7. A policy that ensures residents are informed of all sober living
18 home rules, residency requirements and resident agreements.
- 19 8. Policies and procedures for ~~the management of~~ MANAGING all
20 monies received and spent by the sober living home in accordance with
21 standard accounting practices, including monies received from residents of
22 the sober living home.
- 23 9. A requirement that each sober living home post a statement of
24 resident rights that includes the right to file a complaint about the
25 residence or provider and information about how to file a complaint.
- 26 10. Policies that promote recovery by requiring residents to
27 participate in treatment, self-help groups or other recovery supports.
- 28 11. Policies requiring abstinence from alcohol and illicit drugs.
- 29 12. Procedures regarding the appropriate use and security of
30 medication by a resident.
- 31 13. Policies regarding the maintenance of sober living homes,
32 including the installation of functioning smoke detectors, carbon monoxide
33 detectors and fire extinguishers and compliance with local fire codes
34 applicable to comparable dwellings occupied by single families.
- 35 14. Policies and procedures that prohibit a sober living home
36 owner, employee or administrator from requiring a resident to sign any
37 document for the purpose of relinquishing the resident's public assistance
38 benefits, including medical assistance benefits, cash assistance and
39 supplemental nutrition assistance program benefits.
- 40 15. Policies and procedures for managing complaints about sober
41 living homes.
- 42 16. Requirements for ~~the notification of~~ NOTIFYING a family member
43 or other emergency contact designated by a resident under certain
44 circumstances, including death due to an overdose.

1 17. THAT THE LICENSE IS ISSUED AT LEAST TEN BUSINESS DAYS BEFORE
2 THE SOBER LIVING HOME OPENS TO CONDUCT BUSINESS.

3 B. The licensure of a sober living home under this article is for
4 one year. A person operating a sober living home in this state that has
5 failed to attain or maintain licensure of the sober living home IS GUILTY
6 OF A CLASS 6 FELONY AND THE DIRECTOR shall ~~pay~~ ASSESS a civil penalty of
7 ~~up to one thousand dollars~~ AT LEAST \$5,000 AND NOT MORE THAN \$10,000 for
8 each violation. EACH DAY THE PERSON OPERATES A SOBER LIVING HOME WITHOUT
9 A LICENSE IS A SEPARATE VIOLATION.

10 C. To receive and maintain licensure, a sober living home must
11 comply with all federal, state and local laws, including the Americans
12 with disabilities act of 1990.

13 D. A treatment facility that is licensed by the department ~~for the~~
14 ~~treatment of~~ TO TREAT substance use disorders and that has one or more
15 sober living homes on the same campus as the facility's program shall
16 obtain licensure for each sober living home pursuant to this article.

17 E. Once the director adopts the minimum standards as required in
18 subsection A of this section, a person may not establish, conduct or
19 maintain in this state a sober living home unless that person holds a
20 current and valid license issued by the department or is certified as
21 prescribed in section 36-2064. The license is valid only for the
22 establishment, operation and maintenance of the sober living home. The
23 licensee may not:

24 1. Imply by advertising, ~~OR~~ OR directory listing or otherwise that
25 the licensee is authorized to perform services more specialized or of a
26 higher degree of care than is authorized by this article and the
27 ~~underlying~~ ADOPTED rules for sober living homes.

28 2. Transfer or assign the license. A license is valid only for the
29 premises occupied by the sober living home at the time of its issuance.