

## NOTICES OF FINAL RULEMAKING

The Administrative Procedure Act requires the publication of the final rules of the state's agencies. Final rules are those which have appeared in the *Register* first as proposed rules and have been through the formal rulemaking process including approval by the Governor's Regulatory Review Council or the Attorney General. The Secretary of State shall publish the notice along with the Preamble and the full text in the next available issue of the *Register* after the final rules have been submitted for filing and publication.

### NOTICE OF FINAL RULEMAKING

#### TITLE 4. PROFESSIONS AND OCCUPATIONS

#### CHAPTER 9. REGISTRAR OF CONTRACTORS

#### PREAMBLE

- 1. Sections Affected**  
R4-9-130
- Rulemaking Action**  
Amend
- 2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rule is implementing (specific):**  
Authorizing statutes: A.R.S. §§ 32-1104(5) and 32-1104(6)  
Implementing statutes: A.R.S. §§ 32-1122 and 32-1126
- 3. The effective date of the rule:**  
July 2, 2001
- 4. A list of all previous notices appearing in the Register addressing the final rule:**  
Notice of Rulemaking Docket Opening: 7 A.A.R. 842, February 9, 2001  
Notice of Proposed Rulemaking: 7 A.A.R. 1222, March 16, 2001
- 5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**  
Name: Alan Felber  
Chief of Licensing  
  
Address: Registrar of Contractors  
800 West Washington, 6th Floor  
Phoenix, AZ 85007  
  
Telephone: (602) 542-1525  
Fax: (602) 542-7852
- 6. An explanation of the rule, including the agency's reasons for initiating the rule:**  
This rule contains the fee schedule for all contractor license applications, renewals, change of qualifying party, and name changes.  
  
The purpose of the rule change is to increase the fund balance of the Registrar of Contractors Fund to meet future agency funding requirements.  
  
The fees in this final rule change the current 30% reduction to a 10% reduction.
- 7. A reference to any study that the agency relied on in its evaluation of or justification for the rule and where the public may obtain or review the study, all data underlying each study, any analysis of the study and other supporting material:**  
None
- 8. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**  
Not applicable
- 9. The preliminary summary of the economic, small business, and consumer impact:**  
The Registrar of Contractors package contains one rule, R4-9-130, the agency's fee rule, amended to modify license renewal fees.

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License renewal fees were reduced by 50% in May 1998 giving contractors who paid into the fund a benefit from the reduction. The discount was reduced to 30% in May 2000. The fund has now been reduced by more than 50%, and the agency feels it is necessary to change renewal fees to a 10% reduction from the original level to bring the fund back to a fiscally prudent funding level. In addition, the agency appropriation has increased due to additional personnel and technological changes.

A probable effect on agency revenues will be an increase to the ROC and General Funds of approximately 22%.

Cost impacts for the agency will be favorable as the rule change will change the 30% reduction initiated in May 2000 to a 10% reduction of the original schedule in effect before May 1998.

The agency has attempted to limit the cost impacts for licensed contractors who renew their licenses to an average increase of \$95 for single class biennial renewal fees and an average increase of \$187 for dual class biennial renewal fees. Applicants for a new dual license will continue to receive a 25% reduction on initial first-year application fees.

**10. A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):**

The proposed rule would eliminate the current 30% reduction on license renewal fees. This final rule reflects a change of the 30% reduction to 10%. This change was made after reviewing different plans to reach an acceptable fund balance within a reasonable period of time.

**11. A summary of the principal comments and the agency response to them:**

No comments were received.

**12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**

None

**13. Incorporations by reference and their location in the rules:**

None

**14. Was this rule previously made as an emergency rule?**

Not applicable

**15. The full text of the rules follows:**

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**TITLE 4. PROFESSIONS AND OCCUPATIONS**

**CHAPTER 9. REGISTRAR OF CONTRACTORS**

**ARTICLE 1. GENERAL PROVISIONS**

Section  
R4-9-130. Schedule of Fees

**ARTICLE 1. GENERAL PROVISIONS**

**R4-9-130. Schedule of Fees**

An applicant shall submit a separate application for each classification of license. The following biennial license application fees, biennial license renewal fees and fees for other services shall be applicable in accordance with the provisions of A.R.S. § 32-1123.01 and § 32-1126:

| <i>Classification of License</i>   | <i><u>Fee for Each License</u></i> | <i><u>Fee for Each License Renewal</u></i> | <i><del>Fee for each License Application</del></i> | <i><del>Fee for Each License Renewal</del></i> | <i><del>Fee for Each License Application After May 1, 2000</del></i> | <i><del>Fee for Each License Renewal After May 1, 2000</del></i> |
|--|------------------------------------|--|--|--|--|--|
| <b>1. COMMERCIAL CONTRACTING</b>   |                                    |  |  |  |  |  |
| a. General Commercial Contracting (Includes all A and B classifications)   | <u>\$890</u>                       | <u>\$580</u>                               | <del>\$760</del>                                   | <del>\$320</del>                               | <del>\$820</del>   | <del>\$440</del>   |
| b. Specialty Commercial Contracting (Includes all L classifications)   | <u>\$645</u>                       | <u>\$490</u>                               | <del>\$540</del>                                   | <del>\$270</del>                               | <del>\$590</del>   | <del>\$380</del>   |
| <b>2. RESIDENTIAL CONTRACTING</b>  |                                    |  |  |  |  |  |
| a. General Residential Contracting (Includes all B classifications)  | <u>\$445</u>                       | <u>\$290</u>                               | <del>\$380</del>                                   | <del>\$160</del>                               | <del>\$400</del>   | <del>\$220</del>   |
| b. Specialty Residential Contracting (Includes all C classifications)  | <u>\$320</u>                       | <u>\$240</u>                               | <del>\$270</del>                                   | <del>\$140</del>                               | <del>\$300</del>   | <del>\$190</del>   |
| <b>3. GENERAL DUAL LICENSED CONTRACTING</b>  |                                    |  |  |  |  |  |
| a. General Dual Licensed Contracting (Includes all KA, KB, KE and KO classifications)  | <u>\$1,105</u>                     | <u>\$860</u>                               | <del>\$910</del>                                   | <del>\$480</del>                               | <del>\$1000</del>  | <del>\$670</del>   |
| b. General Dual Licensed Contracting if the applicant holds valid equivalent licenses for General Commercial and <del>licenses</del> General Residential Contracting | <u>\$860</u>                       | <u>\$860</u>                               | <del>\$360</del>                                   | <del>\$480</del>                               | <del>\$500</del>   | <del>\$670</del>   |
| c. Class KA Dual Engineering if the applicant holds a valid license in the A- General Commercial Engineering classification  | <u>\$975</u>                       | <u>\$860</u>                               | <del>\$630</del>                                   | <del>\$480</del>                               | <del>\$780</del>   | <del>\$670</del>   |

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d. Class KA Dual Engineering license if the applicant ~~Engineering~~ holds a valid license in the B-4 General Residential Engineering Contractor classification      \$1,040      \$860      ~~\$770~~      ~~\$480~~      ~~\$900~~      ~~\$670~~

e. Class KB-1 Dual Building Contractor if the applicant holds a valid license in the B-1 General Commercial Contractor classification      \$975      \$860      ~~\$630~~      ~~\$480~~      ~~\$780~~      ~~\$670~~

f. Class KB-1 Dual Building Contractor if the applicant holds a valid license in the B-General Residential Contractor classification      \$1,040      \$860      ~~\$770~~      ~~\$480~~      ~~\$900~~      ~~\$670~~

**4. SPECIALTY DUAL LICENSE CONTRACTING**

a. Class K      \$815      \$730      ~~\$650~~      ~~\$400~~      ~~\$730~~      ~~\$570~~

b. Class K if the applicant holds both a valid commercial and residential license in the equivalent classifications      \$730      \$730      ~~\$300~~      ~~\$400~~      ~~\$430~~      ~~\$570~~

c. Class K if the applicant holds a valid commercial license in the equivalent classification      \$760      \$730      ~~\$490~~      ~~\$400~~      ~~\$620~~      ~~\$570~~

d. Class K if the applicant holds a valid residential license in the equivalent classification      \$785      \$730      ~~\$570~~      ~~\$400~~      ~~\$670~~      ~~\$570~~

**5. FEES FOR OTHER SERVICES**

a. Application to change qualifying party      \$100

b. Application to change name of licensee      \$30