

## NOTICES OF PROPOSED RULEMAKING

Unless exempted by A.R.S. § 41-1005, each agency shall begin the rulemaking process by first submitting to the Secretary of State's Office a Notice of Rulemaking Docket Opening followed by a Notice of Proposed Rulemaking that contains the preamble and the full text of the rules. The Secretary of State's Office publishes each Notice in the next available issue of the *Register* according to the schedule of deadlines for *Register* publication. Under the Administrative Procedure Act (A.R.S. § 41-1001 et seq.), an agency must allow at least 30 days to elapse after the publication of the Notice of Proposed Rulemaking in the *Register* before beginning any proceedings for making, amending, or repealing any rule. (A.R.S. §§ 41-1013 and 41-1022)

### NOTICE OF PROPOSED RULEMAKING

#### TITLE 9. HEALTH SERVICES

#### CHAPTER 8. DEPARTMENT OF HEALTH SERVICES FOOD, RECREATIONAL, AND INSTITUTIONAL SANITATION

#### PREAMBLE

#### **1. Sections Affected**

Article 8  
R9-8-801  
R9-8-802  
R9-8-803  
R9-8-804  
R9-8-805  
R9-8-806  
R9-8-807  
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R9-8-815  
R9-8-816  
R9-8-817  
R9-8-823  
R9-8-824  
R9-8-838  
R9-8-847  
R9-8-851  
R9-8-852

#### **Rulemaking Action**

Amend  
New Section  
New Section  
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New Section  
Repeal  
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#### **2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statute the rule is implementing (specific):**

Authorizing statute: A.R.S. § 36-136(A)(7)

Implementing statutes: A.R.S. §§ 36-132(A)(12) and 36-136(H)(10)

#### **3. A list of all previous notices appearing in the Register addressing the proposed rules:**

Notice of Rulemaking Docket Opening: 7 A.A.R. 5391, November 30, 2001

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**4. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**

Name: Will Humble, Office Chief  
Address: Department of Health Services  
Office of Environmental Health  
3815 N. Black Canyon Highway  
Phoenix, AZ 85015

Telephone: (602) 230-5941

Fax: (602) 230-5933

E-mail: whumble@hs.state.az.us

or

Name: Kathleen Phillips  
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Phoenix, AZ 85007

Telephone: (602) 542-1264

Fax: (602) 542-1090

E-mail: kphilli@hs.state.az.us

**5. An explanation of the rule, including the agency's reasons for initiating the rule:**

In 1976, ADHS promulgated rules for the design, construction, and maintenance of public and semipublic swimming pools and spas and natural and semi-artificial bathing places. The rules are contained in 9 A.A.C. 8, Article 8. The existing rules have not been updated since 1976.

A.R.S. § 49-104(B)(12), enacted in 1986, transferred the regulatory authority for the design and construction of public and semipublic swimming pools and bathing places to the Arizona Department of Environmental Quality (ADEQ). At the same time, A.R.S. § 36-136(G)(14) was amended by removing the authority of the Director of the Department of Health Services (ADHS) to prescribe minimum standards for the design and construction of public and semipublic swimming pools and bathing places.

The amended statute, renumbered as A.R.S. § 36-136(H)(11), requires the Director of ADHS to promulgate rules for the minimum sanitary standards that shall be maintained at public and semipublic swimming pools and bathing places. The statute also states that ADHS shall develop rules, in cooperation with the Director of ADEQ, that are consistent with the rules adopted by the Director of ADEQ pursuant to A.R.S. § 49-104(B)(12).

On February 3, 1998, ADEQ adopted rules in 18 A.A.C. 5, Article 2 that relate to the design, construction, and disinfection of public and semipublic swimming pools and spas. The ADEQ rules do not apply to bathing places other than public and semipublic swimming pools and spas, such as natural and semi-artificial bathing places. On October 6, 1998, ADHS repealed those rules in 9 A.A.C. 8 that related to the design and construction of public and semipublic swimming pools and spas.

The proposed rules are necessary to fill the gap left by the ADEQ rules and the current ADHS rules. Although the ADEQ rules include a section concerning disinfection, they do not deal completely with the area of sanitation. In some areas, for example, the ADEQ rules address the capabilities that a pool or spa system must possess, but do not address its ongoing maintenance. In addition, because the ADEQ rules are expressly inapplicable to natural and semi-artificial bathing places, the only rules that currently regulate natural and semi-artificial bathing places are the current ADHS rules, which are outdated and need to be revised. Finally, only two county health departments currently regulate public and semipublic swimming pools and spas in their counties through delegations of authority from ADEQ and using the ADEQ rules. ADHS believes that promulgating rules with standards that are consistent with, and even identical in some areas to, the ADEQ rules relating to sanitation may result in greater enforcement of public and semipublic swimming pool and spa sanitation at the county level.

The proposed rules satisfy the requirement that the ADHS rules for the sanitary operation of public and semipublic swimming pools and bathing places be consistent with the ADEQ rules for the design, construction, and sanitation of public and semipublic swimming pools. The water quality standards in the proposed rules for natural, semi-artificial, and artificial bathing places are consistent with the ADEQ surface water quality standards in A.A.C. R18-11-108 and R18-11-109. The proposed rules prescribe reasonably necessary measures to prevent deleterious health conditions at all public and semipublic swimming pools and bathing places.

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The proposed rules establish minimum standards that are consistent with the voluntary national standards for public swimming pools and spas that have been developed by the American National Standards Institute (ANSI) and the National Spa and Pool Institute (NSPI). The minimum sanitary criteria are also generally consistent with the current swimming pool and spa ordinances of Maricopa and Pima counties.

The proposed rules apply only to the sanitary conditions of public and semipublic swimming pools and bathing places. A swimming pool or bathing place is "public" if it is open to members of the general public, regardless of whether a fee is charged for admission. A public swimming pool or bathing place can be operated by a county, a municipality, a school district, a political subdivision, a university, or a college or it can be operated by a commercial entity where the primary business of the entity is the operation of the swimming pool or bathing place. A swimming pool or bathing place is "semipublic" if it is operated in conjunction with a lodging such as a hotel; a motel; a resort; an apartment, townhouse, or condominium complex; a trailer court; a mobile home park; a recreational vehicle park; a country club, a health club, a camp, or a similar establishment or it could be a swimming pool or bathing place that is operated by a neighborhood or homeowner's association for the residents of the community and the residents' guests, but that is not open to members of the public. A "bathing place" is a volume of water, other than a public or semipublic swimming pool, used collectively by a number of individuals for water contact recreation, together with the shores, bathhouse, sanitary facilities, equipment, or other appurtenances pertaining to the volume of water.

The proposed rules do not apply to swimming pools or bathing places at private residences, including swimming pools or bathing places at duplexes or triplexes. Nor do the rules apply to swimming pools and spas that are used for medical or physical therapy and supervised by licensed medical personnel. Finally, the rules do not apply to bodies of water that are not used for water contact recreation.

ADHS recognizes that new swimming pool and spa technologies are constantly being developed. The proposed rules provide the flexibility to use alternative disinfection methods as long as the method used effectively maintains the proper oxidation-reduction potential in the water.

The proposed rules include an inspection provision that provides authority for representatives of a regulatory authority to determine whether public and semipublic swimming pools and bathing places comply with the rules. Should inspection of a public or semipublic swimming pool or bathing place reveal a violation of the rules, which is a nuisance under the rules, the regulatory authority shall order the operator of the swimming pool or bathing place to cease and desist and abate the nuisance.

**6. A reference to any study that the agency proposed to rely on in its evaluation of or justification for the proposed 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

**7. 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

**8. The preliminary summary of the economic, small business, and consumer impact:**

Annual cost/revenue changes are designated as minimal when less than \$1,000, moderate when between \$1,000 and \$10,000, and substantial when greater than \$10,000.

**Cost Bearers**

Counties to which ADHS has delegated authority to inspect public and semipublic swimming pools and bathing places will incur some costs under the proposed rules. Persons who operate public or semipublic swimming pools or bathing places will incur some costs under the proposed rules and include the following:

- a. Operators of lodgings such as hotels, motels, and resorts;
- b. Operators of commercial swimming pools, water parks, and wave pools;
- c. Homeowner associations and operators of apartment and condominium complexes, mobile home parks, trailer courts, recreational vehicle parks, country clubs, health clubs, camps, and similar establishments with swimming pools or spas; and
- d. Political subdivisions that operator public swimming pools or bathing places.

An individual who uses a public or semipublic swimming pool or spa will incur costs if required to purchase swim diapers or rubber pants because of fecal incontinence.

### **Beneficiaries**

Individuals that use public and semipublic swimming pools and bathing places will realize the greatest benefits from the proposed rules, because public and semipublic swimming pools and bathing places operating in compliance with the rules will be more sanitary and thus less likely to cause waterborne illness.

Manufacturers and distributors of equipment and supplies for swimming pools and spas will also benefit from the proposed rules, because they will be able to sell more diverse disinfection products and additional equipment to the operators of public and semipublic swimming pools and spas.

Finally, the operators identified above will also benefit greatly from the proposed rules, because they will have more choice in the products that they use to maintain their swimming pools and bathing places in sanitary condition.

### **Costs and Benefits to State Agencies**

ADHS will also incur minimal costs as a regulatory authority, because ADHS is ultimately responsible for the inspection of the sanitary conditions of public and semipublic swimming pools and bathing places. ADHS has delegated this authority to the county health departments in each county, but the counties may agree to take only a portion of the authority or decline to take the authority. In these instances, ADHS remains as the regulatory authority and incurs all of the costs of enforcement. Also, ADHS currently acts as the regulatory authority for one public swimming pool that is owned by the state. Thus, ADHS will incur minimal costs from purchasing the test kits and equipment required by the proposed rules and from inspecting the public pool more frequently during its open season and may incur minimal costs from having to take action to abate a nuisance at the public pool.

### **Costs and Benefits to Political Subdivisions**

Each county that acts as a regulatory authority under the rules will incur minimal costs from purchasing the test kits and equipment required by the proposed rules and minimal-to-moderate costs from inspecting public swimming pools more frequently during open season. Each county may also incur minimal-to-substantial costs from having to reinspect 24 hours after issuing a cease and desist order and from taking action to abate a nuisance at a public or semipublic swimming pool or bathing place. In addition, each county with an ordinance for public or semipublic swimming pools or bathing places will incur a moderate cost in amending the ordinance. Each county will also incur a minimal cost from training staff in the new rules so that the new rules can be effectively enforced. Being able to enforce rules that are consistent with ADEQ's swimming pool rules should result in a moderate benefit to each county.

### **Costs and Benefits to Operators of Swimming Pools and Bathing Places**

Operators of public and semipublic swimming pools and bathing places, whether political subdivisions or private businesses, will incur similar costs and benefits as a result of the proposed rules. Each operator will incur minimal costs from the need to train staff on the new rule requirements, from the need to increase the amount of chlorine disinfectant required to maintain compliance, and from the need to purchase additional test kits and equipment. Each operator will also incur minimal costs in educating staff and individuals using the public or semipublic swimming pool or spa about the exclusion of individuals with fecal incontinence (unless wearing tight fitting rubber or plastic pants or a swim diaper) and individuals with diarrhea from public or semipublic swimming pools or spas and in adding these exclusions to their screening process. However, the savings to an operator from these exclusion requirements are potentially substantial. A number of serious outbreaks of waterborne illness in public bathing places have been caused by fecal contamination. Requiring exclusion of individuals with fecal incontinence and individuals with diarrhea could help protect an operator from potential liability for illness, or even death, caused by waterborne agents.

Operators of public or semipublic swimming pools or spas will also incur minimal-to-moderate costs for each fecal accident due to the new Section that requires the operator to close the pool after a fecal accident until designated actions are taken. The requirements differ for fecal accidents with solid feces and liquid feces, but should result in minimal-to-moderate costs for each incident at a public or semipublic swimming pool or spa owned by a political subdivision and minimal-to-substantial costs for each incident at a public or semipublic swimming pool or spa owned by a private business, depending on the level of lost revenue during the closure, the cost of chemicals to treat the water, the cost of staff time involved, and the cost of chemical testing materials. ADHS anticipates that only large water parks would incur a substantial cost for each incident, due primarily to the large amount of revenue lost and the large volume of chemicals needed to treat the water. The savings to an operator from the fecal accident requirements are potentially substantial. A number of serious outbreaks of waterborne illness in public bathing places have been caused by fecal contamination. Taking appropriate remedial action in the event of a fecal accident could help protect an operator from potential liability for illness, or even death, caused by waterborne agents.

Operators will also be impacted by the replacement of the summary suspension provision with a cease and desist and abatement provision. Each affected operator will incur minimal costs from the requirement that the operator comply with a cease and desist and abatement order within 24 hours. Each affected operator may also be minimally benefited by the requirement that the regulatory authority reinspect the swimming pool or bathing place after 24 hours, because the swimming pool or bathing place may be reopened more quickly than it would have been under the summary suspension rule, which did not include a deadline for reinspection.

**Costs and Benefits to Businesses that Maintain Swimming Pools and Bathing Places**

Businesses that maintain public and semipublic swimming pools and bathing places will also be impacted by the rules. They will incur a minimal cost from the need to train their staff on the new rule requirements and should receive a minimal benefit from being able to use rules that are consistent with the ADEQ rules. If they are not already following the voluntary national standards, they will also incur a minimal cost from the need to use more chlorine disinfectant to maintain compliance. They may also incur a minimal cost from the need to purchase additional equipment to monitor swimming pools and spas. The availability of new technologies for chemical disinfection may result in a minimal cost if they need to purchase additional equipment or test kits due to client choices, but also should result in a minimal benefit, primarily due to increased customer satisfaction. The new fecal accident Section could also result in minimal-to-moderate benefits, because business may increase, resulting in a corresponding increase in revenues.

**Costs and Benefits to Businesses that Sell Pool and Spa Supplies**

Businesses that sell equipment or materials for the maintenance of swimming pools and spas will also be impacted by the rules. They will realize minimal-to-moderate benefits from increased sales of chlorine disinfectant, other disinfectants, test kits, thermometers, and oxidation-reduction potential meters.

**Costs and Benefits to Businesses that Sell Rubber or Plastic Pants or Swim Diapers**

Finally, businesses that sell rubber or plastic pants or swim diapers will likely realize a minimal-to-moderate benefit from increased sales due to the fecal incontinence exclusion.

**Costs and Benefits to Individuals who use Swimming Pools and Bathing Places**

Individuals who use public or semipublic swimming pools or bathing places will benefit by having more sanitary swimming pools and bathing places to use. They may incur minimal costs from the rules if operators choose to pass through any increased costs by increasing the prices of admission to public swimming pools or bathing places or increasing the costs of associations or lodgings that include use of semipublic swimming pools or bathing places. In addition, incontinent individuals or the parents or guardians of incontinent individuals who desire to use swimming pools or spas may need to purchase rubber or plastic pants or swim diapers to avoid exclusion from swimming pools and spas. The costs of these items are minimal.

**9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:**

Name: Will Humble, Office Chief  
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3815 N. Black Canyon Highway  
Phoenix, AZ 85015  
Telephone: (602) 230-5941  
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Phoenix, AZ 85007  
Telephone: (602) 542-1264  
Fax: (602) 542-1090

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E-mail: kphilli@hs.state.az.us

**10. The time, place, and nature of the proceedings for the adoption, amendment, or repeal of the rule or, if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:**

Date: June 11, 2002

Time: 2:00 p.m.

Location: 1740 W. Adams, Room 411  
Phoenix, AZ 85007

Nature: Oral proceeding

Written comments may be submitted until the close of record, June 11, 2002, at 5:00 p.m. to either of the individuals listed in item #4.

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

Not applicable

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

None

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

**TITLE 9. HEALTH SERVICES**

**CHAPTER 8. DEPARTMENT OF HEALTH SERVICES**

**FOOD, RECREATIONAL, AND INSTITUTIONAL SANITATION**

**ARTICLE 8. PUBLIC AND SEMIPUBLIC SWIMMING POOLS AND BATHING PLACES**

Section

R9-8-801.	<del>Reserved</del> <u>Definitions</u>
R9-8-802.	<del>Reserved</del> <u>Applicability</u>
R9-8-803.	<del>Reserved</del> <u>Public and Semipublic Swimming Pool and Spa Water Quality and Disinfection Standards</u>
R9-8-804.	<del>Reserved</del> <u>Public and Semipublic Swimming Pool and Spa Water Circulation Requirements</u>
R9-8-805.	<del>Reserved</del> <u>Public and Semipublic Swimming Pool and Spa Maximum Bathing Loads</u>
R9-8-806.	<del>Reserved</del> <u>Posting Requirements</u>
R9-8-807.	<del>Reserved</del> <u>Public and Semipublic Swimming Pool and Bathing Place Facility Sanitation</u>
R9-8-808.	<del>Reserved</del> <u>Bathing Place Towels</u>
R9-8-809.	<del>Reserved</del> <u>Disposal of Sewage, Filter Backwash, and Wasted Swimming Pool or Spa Water</u>
R9-8-810.	<del>Reserved</del> <u>Fecal Contamination in Public and Semipublic Swimming Pools and Spas</u>
R9-8-811.	<del>Definitions</del> <u>Natural and Semi-artificial Bathing Place and Artificial Lake Water Quality Standards</u>
R9-8-812.	<del>Water quality standards</del> <u>Inspections</u>
R9-8-813.	<del>Life guards; safety equipment</del> <u>Cease and Desist and Abatement</u>
R9-8-814.	<del>Excluded persons</del> <u>Repealed</u>
R9-8-815.	<del>Instructions</del> <u>Repealed</u>
R9-8-816.	<del>Suits and towels</del> <u>Repealed</u>
R9-8-817.	<del>First-aid kit</del> <u>Repealed</u>
R9-8-823.	<del>Concessions</del> <u>Repealed</u>
R9-8-824.	<del>Operation</del> <u>Repealed</u>
R9-8-838.	<del>Approval to operate</del> <u>Repealed</u>
R9-8-847.	<del>Design standards and specifications; natural and semi-artificial bathing places</del> <u>Repealed</u>
R9-8-851.	<del>Violations</del> <u>Repealed</u>
R9-8-852.	<del>Inspections</del> <u>Repealed</u>

**ARTICLE 8. PUBLIC AND SEMIPUBLIC SWIMMING POOLS AND BATHING PLACES**

**R9-8-801. Reserved Definitions**

In this Article, unless otherwise specified:

1. "Artificial lake" has the same meaning as in A.A.C. R18-5-201.
2. "Backwash" has the same meaning as in A.A.C. R18-5-201.

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3. "Bathing place" means a volume of water that is used for water contact recreation.
4. "Clean" means free from slime, scum, dirt, or other debris.
5. "Deck" has the same meaning as in A.A.C. R18-5-201.
6. "Department" means the Arizona Department of Health Services.
7. "Incontinent" means unable to restrain a bowel movement.
8. "Local health department" has the same meaning as in R9-18-101.
9. "Maximum bathing load" has the same meaning as in A.A.C. R18-5-201.
10. "Natural bathing place" has the same meaning as in A.A.C. R18-5-201.
11. "Operate" has the same meaning as in A.A.C. R18-5-201.
12. "Operator" means an individual who owns, runs, maintains, or otherwise controls or directs the functioning of a bathing place.
13. "Oxidation-reduction potential" means the measurement in millivolts of the potential for transfer of electrons from one atom or molecule to another in water.
14. "Potable water" has the same meaning as in A.A.C. R18-5-201.
15. "ppm" means parts per million.
16. "Private residential spa" has the same meaning as in A.A.C. R18-5-201.
17. "Private residential swimming pool" has the same meaning as in A.A.C. R18-5-201.
18. "Public health services district" has the same meaning as "district" in A.R.S. § 48-5801.
19. "Public spa" has the same meaning as in A.A.C. R18-5-201.
20. "Public swimming pool" has the same meaning as in A.A.C. R18-5-201.
21. "Regulatory authority" means the Department or a local health department or public health services district operating under a delegation of authority from the Department.
22. "Sanitary facility" means a designated area that includes a toilet, urinal, sink, or shower.
23. "Scum" means a film that forms on the surface of water.
24. "Semi-artificial bathing place" means a lake, pond, river, stream, swimming hole, or hot spring that has been modified to be used for water contact recreation.
25. "Semipublic spa" has the same meaning as in A.A.C. R18-5-201.
26. "Semipublic swimming pool" has the same meaning as in A.A.C. R18-5-201.
27. "Shallow area" has the same meaning as in A.A.C. R18-5-201.
28. "Shock treatment" means adding chlorine to water in an amount sufficient to destroy ammonia and nitrogenous and organic contaminants in the water by elevating the free chlorine residual to 20 ppm.
29. "Slime" means a glutinous or viscous liquid matter.
30. "Spa" has the same meaning as in A.A.C. R18-5-201.
31. "Surface water" has the same meaning as in A.A.C. R18-11-101.
32. "Swimming pool" has the same meaning as in A.A.C. R18-5-201.
33. "Turnover rate" has the same meaning as in A.A.C. R18-5-201.
34. "Wading pool" has the same meaning as in A.A.C. R18-5-201.
35. "Water circulation system" has the same meaning as in A.A.C. R18-5-201.
36. "Water circulation system components" has the same meaning as in A.A.C. R18-5-201.
37. "Water fountain" means a bathing place that functions by using mechanical means to propel a stream of water out of an opening or structure.
38. "Water contact recreation" means an activity for enjoyment in which an individual wets all or part of the individual's body with water.

**R9-8-802. Reserved Applicability**

This Article does not apply to:

1. A private residential swimming pool.
2. A private residential spa.
3. A bathing place used for medical treatment or physical therapy supervised by licensed medical personnel, or
4. A body of water that is not used as a bathing place.

**R9-8-803. Reserved Public and Semipublic Swimming Pool and Spa Quality and Disinfection Standards**

**A.** An operator of a public or semipublic swimming pool or spa shall ensure that:

1. The swimming pool or spa is filled only with potable water;
2. The water in the swimming pool or spa:
  - a. Complies with the water quality standards in this Section when the swimming pool or spa is open for water contact recreation;
  - b. Maintains a pH of between 7.2 and 7.8;
  - c. Maintains a total alkalinity of between 60 and 100 ppm; and

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- d. Is sufficiently clear so that the main drain in the swimming pool or spa is visible from the deck of the swimming pool or spa;
  - 3. The surface of the water in the swimming pool or spa is free from scum and floating debris;
  - 4. The bottom and sides of the swimming pool or spa are free of sediment, dirt, slime, and algae;
  - 5. The chemical disinfection level, pH, total alkalinity, and temperature of the water is tested at least once daily; and
  - 6. A daily operating log that includes the results of the tests in subsection (A)(5) are maintained for 12 months and are available to a regulatory authority or a member of the public upon request.
- B.** An operator of a public or semipublic swimming pool or spa:
  - 1. Shall not use chloramine as a primary disinfectant in the swimming pool or spa;
  - 2. Shall not add gaseous disinfectant directly into the swimming pool;
  - 3. Shall not add dry or liquid disinfectant directly into the swimming pool or spa for routine disinfection; and
  - 4. May add dry or liquid disinfectant directly into the swimming pool or spa for shock treatment.
- C.** An operator of a public or semipublic swimming pool or spa using chlorinated isocyanurates or cyanuric acid stabilizer for disinfection and stabilization in the swimming pool or spa shall ensure that the water in a swimming pool or spa maintains an oxidation-reduction potential equal to or greater than 650 millivolts and that cyanuric acid levels, whether from chlorinated isocyanurates or from the separate addition of cyanuric acid stabilizer, do not exceed 150 ppm.
- D.** An operator of a public or semipublic swimming pool shall ensure that the water in a swimming pool meets one of the following chemical disinfection standards:
  - 1. A free chlorine residual between 1.0 and 3.0 ppm as measured by the N,N-Diethyl-p-phenylenediamine test,
  - 2. A free bromine residual between 2.0 and 4.0 ppm as measured by the N,N-Diethyl-p-phenylenediamine test, or
  - 3. An oxidation-reduction potential equal to or greater than 650 millivolts.
- E.** An operator of a public or semipublic spa shall ensure that:
  - 1. A chlorine gas disinfection system is not used in the spa;
  - 2. The water temperature in the spa does not exceed 40EC;
  - 3. The water in a spa meets one of the following chemical disinfection standards:
    - a. A free chlorine residual between 3.0 and 5.0 ppm as measured by the N,N-Diethyl-p-phenylenediamine test,
    - b. A free bromine residual between 3.0 and 5.0 ppm as measured by the N,N-Diethyl-p-phenylenediamine test, or
    - c. An oxidation-reduction potential equal to or greater than 650 millivolts.

**R9-8-804. ~~Reserved~~ Public and Semipublic Swimming Pool and Spa Water Circulation Requirements**

- A.** An operator of a public or semipublic swimming pool or spa shall ensure that:
  - 1. The swimming pool or spa water circulation system complies with the water circulation requirements in 18 A.A.C. 5, Article 2; and
  - 2. The swimming pool or spa is equipped with:
    - a. A flow meter as specified in 18 A.A.C. 5, Article 2; and
    - b. A vacuum cleaning system as specified in 18 A.A.C. 5, Article 2.
- B.** An operator may draw water from a swimming pool for a water slide or a water fountain without filtering or disinfecting the water.

**R9-8-805. ~~Reserved~~ Public and Semipublic Swimming Pool and Spa Maximum Bathing Loads**

An operator of a public or semipublic swimming pool or spa shall ensure that the maximum bathing load, as specified in 18 A.A.C. 5, Article 2, is not exceeded.

**R9-8-806. ~~Reserved~~ Posting Requirements**

An operator of a public or semipublic swimming pool or spa shall ensure that a sign is posted within 50 feet of the swimming pool or spa, that includes the following instructions to an individual who will be using the public or semipublic swimming pool or spa:

- 1. Use the toilet before entering the pool or spa;
- 2. Take a shower before entering the pool or spa;
- 3. Do not enter the pool with a cold, skin or other body infections, open wounds, diarrhea, or any other contagious condition;
- 4. If incontinent, wear tight fitting rubber or plastic pants or a swim diaper; and
- 5. Observe all safety regulations.

**R9-8-807. ~~Reserved~~ Public and Semipublic Swimming Pool and Spa Facility Sanitation**

- A.** An operator of a public or semipublic swimming pool or spa shall ensure that a sanitary facility at the public or semipublic swimming pool is maintained in a clean condition.
- B.** An operator of a public or semipublic swimming pool or bathing place shall provide a soap dispenser with liquid or powdered soap at each sink in a sanitary facility.



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**R9-8-808. Reserved Bathing Place Towels**

If a towel is provided to an individual using a bathing place, an operator of the bathing place shall ensure that the towel is washed with soap or detergent and hot water and thoroughly dried after each individual use.

**R9-8-809. Reserved Disposal of Sewage, Filter Backwash, and Wasted Swimming Pool or Spa Water**

An operator of a public or semipublic swimming pool or spa shall ensure that sewage, filter backwash, and wasted swimming pool or spa water are disposed of according to A.A.C. R18-5-236.

**R9-8-810. Reserved Fecal Contamination in Public and Semipublic Swimming Pools and Spas**

**A.** If solid feces are found in a public or semipublic swimming pool or spa, an operator of the swimming pool or spa shall ensure that:

1. Each individual in the swimming pool or spa is required to exit the swimming pool or spa and the swimming pool or spa is closed;
2. The feces in the swimming pool or spa are removed and disposed of in a toilet;
3. The chemical disinfection level of the water in the swimming pool or spa is tested to determine whether the water complies with the water quality and disinfection standards in R9-8-803; and
4. The swimming pool or spa is not reopened until a test conducted under subsection (A)(3) indicates that the water complies with the water quality and disinfection standards in R9-8-803.

**B.** If liquid feces are found in a public or semipublic swimming pool or spa, an operator of the swimming pool or spa shall ensure that:

1. Each individual in the swimming pool or spa is required to exit the swimming pool or spa and the swimming pool or spa is closed;
2. The swimming pool or spa is closed for at least 24 hours;
3. As much of the liquid feces as possible in the swimming pool or spa is removed and disposed of in a toilet;
4. The swimming pool or spa is chemically treated with a shock treatment;
5. The water in the swimming pool or spa is tested 24 hours after applying the shock treatment to determine whether the water complies with the water quality and disinfection standards in R9-8-803; and
6. The swimming pool or spa is not reopened until a test conducted under subsection (B)(4) indicates that water complies with the water quality and disinfection standards in R9-8-803.

**R9-8-811. Definitions Natural and Semi-artificial Bathing Place and Artificial Lake Water Quality Standards**

**A.** “Approved” means acceptable to the Department.

**B.** The term “bathing place” as used in these regulations includes all bodies of water used collectively by a number of persons for swimming, wading or recreation bathing purposes, together with the shores, bathhouse, sanitary facilities, bathing suits, equipment and appurtenances pertaining to such bathing places; except that these regulations do not apply to private swimming pools as herein defined, nor do they include baths used for cleansing purposes, hydrotherapy or for the healing arts, unless such baths consist of a pool or pools used collectively by a number of individuals.

**C.** “Construct” means, and includes, building or installing a new bathing place or enlarging or altering existing facilities.

**D.** “Cross connection” is any physical connection or arrangement between two otherwise separate piping systems, one of which contains potable water and the other sewage or water of unknown or questionable safety, through which water may flow from one system to the other, the direction of flow depending on the pressure differential between the two systems.

**E.** “Department” means the Arizona Department of Health Services or its designated representative.

**F.** “Fill and draw pool” means a swimming pool where the principal means of cleaning is the complete removal of the used water and the replacement thereof with clean water.

**G.** “Flow through pool” means a swimming pool where clean water constantly enters the pool and an equal quantity of used water constantly flows out of the pool.

**H.** “Natural bathing place” includes natural outdoor lakes, ponds, rivers, etc.

**I.** “Operate” means to conduct, maintain or otherwise provide facilities and appurtenances at bathing places.

**J.** “Private pool” means a pool established or maintained on any premise by an individual for his own or his family’s use or for guests of his household.

**K.** “Public pool” means a swimming pool such as municipal, community, commercial, or cooperative, admission to which may be gained by the general public with or without payment of a fee.

**L.** “Recirculating pool” means a swimming pool where a portion of the pool water is constantly being removed, treated, filtered and disinfected and then returned to the pool.

**M.** “Semi-artificial bathing place” means outdoor bathing places which are partly artificial and partly natural in character.

**N.** “Semipublic pool” means a swimming pool on the premises of, or part of, a hotel, motel, trailer court, apartment house, country club, camp or similar establishment where the primary business of the establishment is not the operation of swimming facilities and where admission to the use of the pool is included in the fee, or consideration paid or given for the primary use of the premises.

**O.** “Spray pond” means an artificially constructed basin into which water is sprayed but not allowed to accumulate.

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- P.** “Swimming pool” means, and includes, all entirely artificially constructed fill and draw, flow through or recirculating pools, either indoors or outdoors.
- Q.** “Wading pool” means a shallow pool intended chiefly for use by children, having a separate basin to contain the water and a maximum water depth of 20 inches.

An operator of a public or semipublic natural bathing place, a semi-artificial bathing place, or an artificial lake shall ensure that the public or semipublic natural bathing place, semi-artificial bathing place, or artificial lake meets the narrative and numeric water quality standards in 18 A.A.C. 11, Article 1 when the public or semipublic natural bathing place, semi-artificial bathing place, or artificial lake is open for water contact recreation.

**R9-8-812. Water quality standards Inspections**

- A.** Quality of water — Swimming pool water shall be so treated and maintained, whenever the swimming pool is open for use, that the bacterial, chemical and physical quality of the water meets the standards set forth in this Article.
- B.** Only water from approved sources shall be used in swimming pools and other bathing places
- C.** Bacterial standards — Of any 3 consecutive dechlorinated samples of the pool water collected when the pool is open for use:
1. None shall contain more than 200 bacteria per milliliter nor shall the average bacteria count of the 3 samples exceed 100 per milliliter.
  2. At least 60% of the 10 milliliter portion shall give a negative test for bacteria of the coliform group and no sample shall show positive for the coliform group in 3 out of 5 ten milliliter portions.
- D.** Chemical standards — Whenever chlorine, or a chlorine compound, is employed for swimming pool disinfection, the amount of free chlorine in the water as shown by the orthotolidine “flash” test shall not be less than 0.4 ppm nor more than 1.0 ppm; nor shall the pH of the water be less than 7.0 nor more than 8.0, except that higher residuals will be allowed with corresponding increase in pH. During periods of heavy bathing loads, disinfection residuals shall be maintained near the upper limits of the permissible range.
- E.** Physical standards — The surface of the pool water shall be kept free of scum and foreign floating matter. The bottom and sides of the pool shall be maintained free of sediment, dirt, slime and algae. Water in the pool spa shall be maintained free of turbidity and shall be sufficiently clear so that the main drain grille is clearly visible from the side of the pool.
- F.** Tests — Tests of the residual disinfectant, pH, temperature and cleanliness of the pool water shall be made by the operator as frequently as necessary to maintain the standards required by this regulation. The pool operator shall use approved equipment suitable for the performance of these tests and shall maintain daily operating records. Such records shall be made available to state and county health department upon request.
- A.** A regulatory authority shall inspect a bathing place to determine whether the bathing place complies with this Article.
- B.** A regulatory authority shall inspect a public swimming pool at least once each month that the swimming pool is open for water contact recreation.

**R9-8-813. Life guards; safety equipment Cease and Desist and Abatement**

- A.** In all public pools one life guard, expert in rescue and resuscitation, shall be provided for each 2,000 square feet of pool surface area or fraction thereof.
- B.** Life guards shall be in constant attendance during bathing hours and no bather shall be permitted in a pool area unless such life guards are present.
- C.** Each public swimming pool shall have at least one elevated life guard chair for each 2,000 square feet of pool surface or fraction thereof.
- D.** Safety equipment consisting of at least 2 ring buoys, each with 50 feet of ½ inch rope attached, and one shepherd’s crook shall be provided at each public pool. One ring buoy, with lifeline attached, and one shepherd’s crook shall be provided at each semipublic pool. Safety equipment shall be located and maintained ready for immediate use at all times.
- E.** A lifeline shall be installed in all public swimming pools at the change in floor slope between the shallow and deep portions of the pool. The lifeline shall be ¾ inch minimum diameter.
- A.** Engaging in any practice in violation of this Article is a public nuisance.
- B.** If a regulatory authority has reasonable cause to believe that an operator of a public or semipublic swimming pool or bathing place is creating or maintaining a public nuisance at the public or semipublic swimming pool or bathing place, the regulatory authority shall order the operator to discontinue the activity and to abate the public nuisance as follows:
1. The regulatory authority shall serve on the operator a written cease and desist and abatement order requiring the operator to discontinue the activity and to remove the public nuisance at the operator’s expense within 24 hours after service of the order. The order shall contain:
    - a. A reference to the statute or rule that is alleged to have been violated or on which the order is based.
    - b. A description of the operator’s right to request a hearing, and
    - c. A description of the operator’s right to request an informal settlement conference.

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2. The regulatory authority shall serve the order and any subsequent notices by personal delivery or certified mail, return receipt requested, to the operator's or other party's last address of record with the regulatory authority or by any other method reasonably calculated to effect actual notice on the operator or other party.
3. The operator or another party whose rights are determined by the order may obtain a hearing to appeal the order by filing a written notice of appeal with the regulatory authority within 30 days after service of the order. The operator or other party appealing the order shall serve the notice of appeal upon the regulatory authority by personal delivery or certified mail, return receipt requested, to the office of the regulatory authority or by any other method reasonably calculated to effect actual notice on the regulatory authority.
4. If a notice of appeal is timely filed, the regulatory authority shall do one of the following:
  - a. If the regulatory authority is the Department or a local health department or public health services district to which the duty to comply with A.R.S. Title 41, Chapter 6, Article 10 has been delegated, the notification and hearing shall comply with A.R.S. Title 41, Chapter 6, Article 10 and any rules promulgated by the Office of Administrative Hearings.
  - b. For all other regulatory authorities, the notification and hearing shall comply with the procedures adopted by a county board of supervisors as required by A.R.S. § 36-183.04(E).
5. If a written notice of appeal is not timely filed, the order shall become final without further proceedings.
6. A regulatory authority shall inspect the public or semipublic swimming pool or bathing place 24 hours after service of the order to determine whether the operator has complied with the order. If the regulatory authority determines upon inspection that the operator has not ceased the activity and abated the public nuisance, the regulatory authority shall cause the public nuisance to be removed, regardless of whether the operator is appealing the order.
7. If the operator fails or refuses to comply with the order after a hearing has upheld the order or after the time to appeal the order has expired, the regulatory authority may file an action against the operator in the superior court of the county in which the violation occurred, requesting that a permanent injunction be issued to restrain the operator from engaging in further violations as described in the order.

**R9-8-814. ~~Excluded persons~~ Repealed**

~~Persons with sore or inflamed eyes, colds, nasal or ear discharges, boils, or other acute or obvious skin or body infections, or cuts shall be excluded from the pool. No person in or at a swimming pool shall commit, or be permitted to commit, any act prejudicial to the life or health of any other person using the pool.~~

**R9-8-815. ~~Instructions~~ Repealed**

~~All persons shall be instructed before entering the pool, by means of suitable, clearly lettered signs properly located, to use the toilet, take a cleansing shower and observe all safety regulations.~~

**R9-8-816. ~~Suits and towels~~ Repealed**

~~Bathing suits, towels, linens, or similar articles provided to patrons shall be properly washed with soap and boiling water and thoroughly dried after each individual use and before another use.~~

**R9-8-817. ~~First aid kit~~ Repealed**

~~There shall be provided for emergency use a standard first aid kit. In addition, at public pools, a standard stretcher and two blankets shall be provided.~~

**R9-8-823. ~~Concessions~~ Repealed**

~~Drinks, candy, tobacco, popcorn, gum, or food of any kind shall not be permitted within the pool enclosure.~~

**R9-8-824. ~~Operation~~ Repealed**

~~All bathing place facilities shall be operated and maintained in a clean and sanitary condition at all times.~~

**R9-8-838. ~~Approval to operate~~ Repealed**

~~Operation of newly constructed public or semipublic bathing places shall not commence before a final inspection has been made and approval to operate has been given by the local health department. Where a local health department does not exist the final inspection shall be made by the Department.~~

**R9-8-847. ~~Design standards and specifications; natural and semi-artificial bathing places~~ Repealed**

- ~~A. Approval of natural and semi-artificial bathing places will be based upon the results of a sanitary survey of the drainage area and the results of bacteriological, chemical and physical quality of the water in the proposed bathing area.~~
- ~~B. The water shall be considered acceptable for bathing purposes, from a bacterial standpoint, when the average MPN of coliform organisms of a representative number of samples is not greater than 1000 per 100 ml.~~
- ~~C. A bathing place shall be located so that it will not be adversely affected by the discharge of sewage or objectionable industrial wastes; nor shall it be so located that by its use it will affect the source of supply of a public water supply system.~~
- ~~D. The provisions of R9-8-846 shall apply to all natural and semi-artificial bathing places, except that hot water for showers and lavatories may not be required.~~

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**R9-8-851. Violations Repealed**

~~Any person, firm, company, corporation or political subdivision constructing, operating or maintaining a public or semipublic bathing place contrary to the provisions of these rules shall be prosecuted in accordance with A.R.S. § 36-140.~~

**R9-8-852. Inspections Repealed**

~~Inspections of public and semipublic bathing places shall be made by representatives of the state or county health departments to determine that installed facilities and operational procedures comply with these rules. Should the Department, after inspection of a bathing place, that an extreme health hazard exists, they may order the immediate suspension of the operation of the establishment. Such suspension of operation shall continue until, in the opinion of the Department, the hazard has ceased to exist. The Department may suspend operation for repeated or continued violation of any of the Department's rules.~~

**NOTICE OF PROPOSED RULEMAKING**

**TITLE 20. COMMERCE, BANKING, AND INSURANCE**

**CHAPTER 4. BANKING DEPARTMENT**

**PREAMBLE**

- 1. Sections Affected**

<u>Section</u>	<u>Rulemaking Action</u>
R20-4-1001	Amend
R20-4-1101	Amend
R20-4-1102	Amend
  
- 2. The specific statutory authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**

Authorizing statute: A.R.S. § 6-123(2)

Implementing statutes: A.R.S. §§ 6-123(1), 6-1003, 35-321
  
- 3. A list of all previous notices appearing in the Register addressing the proposed rule:**

Notice of Rulemaking Docket Opening: 7 A.A.R. 5028, October 26, 2001
  
- 4. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**

Name:	John P. Hudock
Address:	State Banking Department 2910 N. 44th St., Suite 310 Phoenix, AZ 85018
Telephone:	(602) 255-4421, ext. 167
Fax:	(602) 381-1225
E-mail:	jhudock@azbanking.com
  
- 5. An explanation of the rule, including the agency's reasons for initiating the rule:**

The sole Section in Article 10, R20-4-1001, governs the conduct of the Safe Deposit and Safekeeping industry in Arizona. Specifically, it regulates the conduct of licensees in giving notice of their intent to close a Safe Deposit Repository. The Department is revising the Section as promised in a 5-year rule review report to modernize and streamline the writing style, correct grammatical errors, and remove an out-dated statutory reference.

Article 11 contains definitions required to administer the provisions of A.R.S. Title 35, Chapter 2, Articles 2 and 2.1. Those statutory provisions govern management of public monies by the state (Article 2) and by its political subdivisions (Article 2.1). Specifically, A.R.S. §§ 35-315(A) and 35-325(A) establish the minimal capital required for eligibility as a servicing bank for the state or its political subdivisions.

The Statute requires the Superintendent to define, by rule, the "Capital Structure" of financial institutions. The definitions list the reserve and capital accounts that qualify as capital to meet the required minimum. The mandate to create the definitions is found at A.R.S. § 35-321(2). It is fulfilled by R20-4-1101 and by R20-4-1102.

This rulemaking amends the definitions to cast them in modern terminology that is consistent with the language of the statutes they implement.

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**6. A reference to any study that the agency proposes to rely on in its evaluation of or justification for the proposed 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

**7. 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

**8. The preliminary summary of the economic, small business, and consumer impact:**

**A. The Banking Department**

The amendment of R20-4-1001 will have a marginally beneficial effect on the Department because it will standardize the timing of notice paper work submitted to comply with this Section. The amendment will also make communication with licensees more efficient and thereby save the Department time, effort, and money.

Likewise, the amendments of R20-4-1101 and R20-4-1102 will streamline communication with licensees about the substance of these rules because the definitions will be consistent with the language of the implemented statutes. This minimizes the chance of confusion.

**B. Other Public Agencies**

The state will incur normal publishing costs incident to rulemaking.

**C. Private Persons and Businesses Directly Affected**

Costs of services will not increase to any measurable degree. Nor should these revisions increase any licensee's cost of doing business in compliance with these rules.

**D. Consumers**

No measurable effect on consumers is expected.

**E. Private and Public Employment**

The Department expects no measurable effect on private and public employment.

**F. State Revenues**

This rulemaking will not change state revenues.

**9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:**

Name: John P. Hudock  
Address: State Banking Department  
2910 N. 44th St., Suite 310  
Phoenix, AZ 85018  
Telephone: (602) 255-4421, ext. 167  
Fax: (602) 381-1225  
E-mail: jhudock@azbanking.com

**10. The time, place, and nature of the proceedings for the making, amendment, or repeal of the rule or, if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:**

No oral proceedings are scheduled. The Department will schedule an oral proceeding on the proposed rule if it receives a written request for a proceeding within 30 days after the publication date of this notice, under the provisions of A.R.S. § 41-1023(C). Send requests to the Department personnel listed in this preamble's items #4 and #9. The Department invites and will accept written comments on the proposed rule or the preliminary economic, small business, and consumer impact statement. Submit comments during regular business hours, at the address listed in this preamble's item #9, until the close of the record for this proposed rulemaking. The record will close on the 31st day following publication of this notice, unless the Department schedules an oral proceeding.

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

Not applicable

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

None

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

**TITLE 20. COMMERCE, BANKING, AND INSURANCE**

**CHAPTER 4. BANKING DEPARTMENT**

**ARTICLE 10. SAFE DEPOSIT AND SAFEKEEPING CODE**

Section

R20-4-1001. Notice of ~~Change change of Location location of Safe Deposit Repository safe-deposit repository~~ A.R.S. § ~~6-923~~

**ARTICLE 11. PUBLIC DEPOSITORIES FOR PUBLIC MONIES**

Section

R20-4-1101. Capital ~~Structure structure of Banks banks; Defined defined~~

R20-4-1102. Capital ~~Structure structure of Savings savings and Loan Associations loan-associations; Defined defined~~

**ARTICLE 10. SAFE DEPOSIT AND SAFEKEEPING CODE**

**R20-4-1001. Notice of ~~Change change of Location location of Safe Deposit Repository safe-deposit repository~~ A.R.S. § ~~6-923~~**

- A.** A ~~corporation or association that leases lessor of a safe deposit or safekeeping space repository~~ may, during the term of any lease, move a ~~repository its repositories~~ and the contents to another location. A ~~corporation or association that moves a repository shall give by giving~~ written notice of ~~the such location change of location~~ to the Superintendent and constructive notice to ~~its customers the lessees~~.
- B.** A ~~corporation or association shall send a letter to the Superintendent describing when it will move its repository. The letter shall be delivered by first class mail no less than 30 days before the scheduled moving date. In the same mailing, the corporation or association shall send the Superintendent a copy of the notice published to satisfy subsection (C)~~
- C.** A ~~corporation or association shall give customers constructive Constructive notice of such change of location shall be made by publication in an English language a newspaper of general circulation in the county where in which the repository will be closed is located which is printed in English. The corporation or association shall arrange two consecutive publications if If publication will be is made in a weekly newspaper, two weekly publications. The corporation or association shall arrange three consecutive publications if If publication will be is made in a daily newspaper, three consecutive times. The corporation or association shall arrange publication of the notice to occur no more than 90 days, and no less than 30 days, before the scheduled moving date. The published notice shall include all the following information:~~
1. ~~The time and date scheduled to move the repository.~~
  2. ~~The earliest date customers can remove contents and transact other business related to the move.~~
  3. ~~The latest date customers can remove contents and transact other business related to the move.~~
  4. ~~The street address of the repository to be closed, and~~
  5. ~~The street address of the new repository.~~

**ARTICLE 11. PUBLIC DEPOSITORIES FOR PUBLIC MONIES**

**R20-4-1101. Capital ~~Structure structure of Banks banks; Defined defined~~**

“Capital structure” as the term is applied to banks ~~in under~~ A.R.S. §§ 35-310 through 35-329 ~~Article 2, Chapter 2, Title 35, Arizona Revised Statutes~~, means the sum of a ~~bank’s the~~ following reserves and capital accounts ~~of the institution~~ as stated in the ~~bank’s consolidated the institution’s~~ report of condition required by the supervisory banking authority for the year end ~~next~~ preceding the ~~bank’s institution’s~~ bid for deposit:

1. Reserve for bad debt losses on loans,-
2. Other reserves on loans,-
3. Reserves on securities,-
4. Capital notes and debentures,-
5. ~~Total par value of perpetual preferred Preferred stock — total par value,-~~
6. ~~Total par value of common Common stock — total par value,-~~
7. Surplus,-
8. Undivided profits,-
9. Reserve for contingencies and other capital reserves, ~~and-~~
10. ~~Net unrealized gains or losses on available-for-sale securities.~~

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**R20-4-1102. Capital Structure ~~structure~~ of ~~Savings savings~~ and ~~Loan Associations loan-associations~~; ~~Defined defined~~**

“Capital structure” as the term is applied to savings and loan associations ~~in under~~ A.R.S. §§ 35-310 through 35-329 Article 2, Chapter 2, Title 35, Arizona Revised Statutes, means the sum of ~~an the~~ the association’s following reserves and net worth accounts ~~of the institution~~ as stated in the association’s consolidated institution’s report of condition required by the supervisory banking authority for the year end ~~next~~ preceding the association’s institution’s bid for deposit:

- ~~1. Capital notes and debentures.~~
- ~~2. Guaranty capital stock.~~
- ~~3. General reserves. (Including bad debt reserves)~~
- ~~4. Other reserves.~~
- ~~5. Paid in surplus.~~
- ~~6. Earned surplus and undivided profits.~~
1. Reserve for bad debt losses on loans.
2. Other reserves on loans.
3. Reserves on securities.
4. Capital notes and debentures.
5. Total par value of perpetual preferred stock.
6. Total par value of common stock.
7. Surplus.
8. Net unrealized gains or losses on marketable equity securities, and
9. Retained earnings.