



ARIZONA STATE SENATE
Fifty-Sixth Legislature, Second Regular Session

AMENDED
FACT SHEET FOR H.B. 2317

continuing care; automated external defibrillators
(NOW: sober living homes)

Purpose

Modifies requirements of the Department of Health Services (DHS) relating to the licensing, oversight and regulation of sober living homes. Prescribes guidelines for the inspection and penalizing of sober living homes that are noncompliant with applicable state and local regulations. Repeals certified sober living homes.

Background

A *sober living home* is any premises, place or building that provides alcohol-free or drug-free housing that: 1) promotes independent living and life skills development; 2) may provide activities that are directed primarily toward recovery from substance use disorders; 3) provides a supervised setting to a group of unrelated individuals who are recovering from substance use disorders; and 4) does not provide any medical or clinical services or medication administration on-site, except for verification of abstinence ([A.R.S. § 36-2061](#)).

Statute requires the Director of DHS (Director) to establish minimum standards and requirements for the licensure of sober living homes to ensure the public health, safety and welfare. The Director may use the current standards adopted by any recognized national organization approved by DHS as guidelines in prescribing the minimal standards and requirements but must include outlined statutory policies and procedures ([A.R.S. § 36-2062](#)).

Sober living homes that are not currently licensed but have been certified by a certifying organization may operate in Arizona, with the certification acting in lieu of licensure until the sober living home is licensed. Certified sober living homes must apply for licensure to DHS within 90 days after initial licensure rules are final and DHS must alert the applicable certifying organization when this occurs ([A.R.S. § 36-2064](#)).

On determination by the Director that there is reasonable cause to believe a sober living home is not adhering to state laws governing sober living homes, the Director and any duly assigned DHS employee or agent may enter the premises of the sober living home at any reasonable time to determine the home's state of compliance with state and local sober living home regulations. If an inspection reveals that a sober living home is noncompliant with state and local regulations, the Director may take action, including suspension or revocation of licensure. Noncompliant sober living homes are subject to a daily civil penalty of up to \$500 for each violation ([A.R.S. § 36-2063](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Requires DHS standards and requirements for the licensure of sober living homes to include policies and procedures to implement if a license is suspended or revoked or a cease-and-desist notice is issued.
2. Requires a sober living home license application to require the sober living home to obtain written administrative clearance from the local jurisdiction verifying compliance with all local zoning, building, fire and licensing ordinances.
3. Requires the name and contact information of the designated employee of the local jurisdiction who is authorized to provide administrative clearance to be posted on the jurisdiction's website or the website of an association representing the jurisdiction.
4. Directs DHS to identify on each license the maximum number of unrelated residents who are allowed to live in the sober living home, including and manager or other staff living on the premises.
5. Subjects a health care institution that is affiliated with an unlicensed sober living home, or facility, building or structure found to be engaging in fraudulent, abusive or misleading practices, to civil penalties, up to and including license suspension or revocation.
6. Requires DHS or its third-party contractor to conduct a physical, on-site inspection of a sober living home to verify compliance with sober living home regulations:
 - a) before approving a license or license renewal, any proposed change in the maximum number of residents or any construction or modification of a sober living home;
 - b) at least annually for each sober living home; and
 - c) promptly on determination by the Director that reasonable cause exists that a sober living home is not adhering to sober living home regulations.
7. Requires DHS to investigate a sober living home within 30 calendar days of receiving a complaint identifying an alleged violation by the sober living home.
8. Prohibits licensure applicants from self-attesting to compliance in lieu of an inspection.
9. Increases the cap on civil penalties for violations of sober living home regulations from \$500 to \$1,000.
10. Requires the Director, upon determining a person has violated sober living home regulations, to deny the application, request for a change affecting the license or both.
11. Allows the Director, if an investigation reveals a licensee has committed a violation, to either:
 - a) suspend or revoke the license; or
 - b) promptly serve the licensee a notice requiring the person to cease and desist from operating the sober living home within 10 days.
12. Requires a cease-and-desist notice to state that the licensee may make a written request for a hearing before the Director or the Director's designee.

13. Authorizes DHS to request the county attorney with jurisdiction over a sober living home that fails to cease operations to enforce the law.
14. Allows DHS to notify the Attorney General, who must immediately seek a restraining order and an injunction against the sober living home.
15. Declares a person who continues to operate a sober living home without a license 10 days after receiving notice guilty of a class 1 misdemeanor.
16. Requires the Director, on determination that reasonable cause exists that a person is operating a sober living home without a license, to serve a cease-and-desist notice.
17. Requires a person subject to a cease-and-desist order to provide clear and convincing evidence to the Director that the premises, place or dwelling unit was not intended primarily for housing individuals recovering from or receiving treatment for a disability or disorder related to alcohol, drug or substance abuse.
18. Requires DHS, within 10 days of receiving a complaint from a political subdivision of the state, to notify the political subdivision of the complaint's status.
19. Requires DHS or its third-party contractor, within 10 calendar days after completion of an investigation, to provide the applicable political subdivision with its findings, including copies of investigative reports, all penalties and sanctions imposed and enforcement actions taken.
20. Prohibits investigative reports prepared by DHS or its third-party contractor from including personal identifying information of sober living home residents.
21. Prohibits DHS from contracting with any owner, operator, administrator or association of sober living homes.
22. Requires third-party contractors to be paid from the Health Services Licensing Fund.
23. Repeals certified sober living homes.
24. Requires DHS, on request, to disclose the address of a sober living home to a third-party contractor of DHS.
25. Requires DHS to notify the designated employee of the local jurisdiction of all approvals and denials for licensure and renewal and all requests for changes affecting a sober living home in that jurisdiction within 30 days of receipt of an application for licensure, licensure renewal or request for changes.
26. Prohibits DHS from acting on a currently licensed sober living home's license application while any enforcement or court action is pending against the sober living home or current licensee, including any city, town or county action reported to DHS.
27. Allows the Director to continue to pursue any court, administrative or enforcement action against a sober living home's current licensee even if the sober living home is in the process of being sold or transferred to a new owner.

28. Prohibits DHS from approving a change in sober living home ownership unless it determines that there has been a transfer of all legal and equitable interests, control and authority in the sober living home so that persons other than the transferring licensee, licensee's agent or other parties exercising authority or supervision over the operations or staff are responsible for and have control over the sober living home.
29. Stipulates that, if DHS approves a change in ownership of a sober living home, any remaining deficiency transfers to the new owner, but any fees or civil penalties associated with the deficiency remains the responsibility of the previous owner.
30. Requires DHS to include in its annual report the number of complaints against licensed sober living homes:
 - a) received by DHS each year;
 - b) investigated by DHS or its third-party contractor; and
 - c) that resulted in inspections by DHS or its third-party contractor.
31. Directs DHS, by January 2 of each year, to submit to the Health and Human Services Committees of the Senate and House of Representatives, or their successor committees, a report on sober living homes that are required to be licensed but are not, including the number of applicable:
 - a) complaints received;
 - b) complaints that were investigated and inspected by DHS or its third-party contractor; and
 - c) enforcement actions taken
32. Asserts that the Legislature recognizes the need to protect the public from unscrupulous operators of sober living homes and finds that strict compliance with and enforcement of the requirements of state law are necessary and required to ensure the public health, safety and welfare.
33. Redefines *sober living home* as any premises, place or dwelling unit that:
 - a) provides housing that provides or arranges for residents to receive any service or activity for recovery from any substance use disorder, including full-time or part-time supervision, observation, oversight or transportation to or from any service, treatment or activity directed primarily toward recovery from any substance use disorder;
 - b) advertises, markets, holds itself out or otherwise implies through any means, including oral, written, electronic or printed means, that it provides or will provide a living environment directed primarily toward recovery from any substance use disorder; or
 - c) provides alcohol-free and drug-free housing in a full-time or part-time supervised living environment for individuals recovering from any substance use disorder.
34. Excludes both of the following from the definition of *sober living home*:
 - a) health care institutions; and
 - b) any premises, place or dwelling unit that provides any medical or clinical services or medication administration on site, except for verification of abstinence.
35. Makes technical and conforming changes.

36. Becomes effective on the general effective date.

Amendments Adopted by Committee

1. Requires a sober living home license application to require the sober living home to obtain written administrative clearance from the local jurisdiction verifying compliance with all local zoning, building, fire and licensing ordinances.
2. Requires the name and contact information of the designated employee of the local jurisdiction who is authorized to provide administrative clearance to be posted on the jurisdiction's website or the website of an association representing the jurisdiction.
3. Requires DHS to notify the designated employee of the local jurisdiction of all approvals and denials for licensure and renewal and all requests for changes affecting a sober living home in that jurisdiction within 30 days of receipt of an application for licensure, licensure renewal or request for changes.
4. Prohibits DHS from acting on a currently licensed sober living home's license application while any enforcement or court action is pending against the sober living home or current licensee, including any city, town or county action reported to DHS.
5. Allows the Director to continue to pursue any court, administrative or enforcement action against a sober living home's current licensee even if the sober living home is in the process of being sold or transferred to a new owner.
6. Prohibits DHS from approving a change in sober living home ownership unless it determines that there has been a transfer of all legal and equitable interests, control and authority in the sober living home so that persons other than the transferring licensee, licensee's agent or other parties exercising authority or supervision over the operations or staff are responsible for and have control over the sober living home.
7. Stipulates that, if DHS approves a change in ownership of a sober living home, any remaining deficiency transfers to the new owner, but any fees or civil penalties associated with the deficiency remains the responsibility of the previous owner.
8. Redefines *sober living home*.

House Action

HHS 2/15/24 DPA/SE 8-0-2-0
3rd Read 3/4/24 31-29-0

Senate Action

HHS 3/19/24 DPA 4-0-3

Prepared by Senate Research

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MM/slp