

**ARIZONA CODE OF JUDICIAL ADMINISTRATION**  
*Proposal Cover Sheet*

**Part 7: Administrative Office of the Courts**  
**Chapter 2: Certification and Licensing Programs**  
**Section 7-209: Alternative Business Structures**

**1. Effect of the proposal:** The Alternative Business Structure (“ABS”) Committee makes recommendations to the Court concerning the licensure of ABS applicants. Unlike most other boards governed by the Arizona Code of Judicial Administration, the Committee does not make the actual licensing decisions. The Code’s process in § 7-201 for applicants to request a hearing following a board licensing decision does not address how that process should be applied in this context or how to reconcile the hearing process with Supreme Court Rule 33.1(a)(6), which provides an opportunity for the applicant to file a response to the Committee’s recommendation with the supreme court.

The proposal would amend § 7-209 to specify how the hearing process works in the context of the Committee’s licensing recommendations to the Court in light of the Court’s own rules for considering those recommendations.

**2. Significant new or changed provisions:** As currently written, § 7-209 provides that the Committee may recommend denial of licensure under certain circumstances. *See* § 7-209(E)(2)(d). The existing Code does not specify when the Committee’s recommendation of denial is transmitted to the Court. Under § 7-209(E)(2), the applicant may file a request for a hearing with the disciplinary clerk after receiving notice of the Committee’s adverse recommendation, but the Code does not address whether this hearing is a prerequisite to challenging the recommendation before the Court under Rule 33.1(a)(6).

The proposed amendments would provide that:

- The applicant would be notified of the Committee’s recommendation of denial; the recommendation would not be effective until expiration of the deadline for the applicant to request a hearing.
- If no request for hearing is filed, the Committee’s recommendation would be filed with the Court and the applicant would have no opportunity to respond under Rule 33.1(a)(6). This ensures that a record is developed before a contested recommendation of denial reaches the Court.
- If the applicant requests a hearing, the provisions of § 7-201(H)(14) through (22)(a) and (b) will apply.
- Any party aggrieved by the hearing officer’s recommendation may request a rehearing for specified reasons.

- The Committee must decide to accept, reject, or modify the hearing officer's recommendation and file its recommendation with the Court or remand to the hearing officer for further proceedings.
- When the Committee files its recommendation to deny with the Court, the applicant may respond as provided under Rule 33.1(a)(6), unless the applicant failed to request a hearing below.

The proposal also provides that an applicant denied licensure by a final decision of the Court must address the issues that resulted in the Committee's denial if they seek to reapply.

**3. Committee actions and comments:**

The ABS Committee considered this proposal at its meeting on April 12, 2022, at which the Committee voted to recommend its adoption.

**4. Controversial issues:**

The proposed amendments to §7-209 would limit application of Rule 33.1(a)(6) to applicants who have requested and received a hearing at which a factual record is developed. If the proposal is adopted, Rule 33.1 could be amended accordingly.