

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2135

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 Section. 1. Section 20-736, Arizona Revised Statutes, is amended to  
3 read:

4 20-736. Transfer of direct obligations; assignment; notice;  
5 findings; approval; applicability

6 A. An authorized insurer shall not transfer or assign the insurer's  
7 direct obligations under any insurance contract or policy, including  
8 annuities and any guaranteed investment contract, on subjects located,  
9 resident or to be performed in this state, that were incurred or assumed  
10 under the insurer's authority to transact business as an insurer in this  
11 state or under a certificate of exemption pursuant to section 20-401.05 to  
12 any other insurer or other party by operation of law, including any law that  
13 permits the division of a corporation into two or more resulting  
14 corporations, unless the affected contract holder or policyholder consents to  
15 or fails to reject the transfer or assignment within one hundred eighty days  
16 after receiving a fair, adequate and nonmisleading notice of the transfer or  
17 assignment or unless the director approves the transfer or assignment  
18 pursuant to this section.

19 B. The director shall not approve any transfer or assignment described  
20 in subsection A of this section unless the director makes all of the  
21 following findings:

- 22 1. The transaction is fair, reasonable and not contrary to law.
- 23 2. The transaction will not substantially reduce the security of and  
24 service to be rendered to contract holders and policyholders in this state.
- 25 3. The transaction will not be hazardous to or prejudicial against  
26 insureds in this state.
- 27 4. The nature and details of the transaction have been adequately  
28 disclosed.
- 29 5. The transaction will not have an adverse effect on the financial  
30 condition of any insurer.
- 31 6. The persons who will control the operation of the insurer or other  
32 party to which the obligations to contract holders and policyholders in this

1 state are transferred or assigned possess sufficient competence, experience  
2 and integrity.

3 7. The plans or proposals for administration of the contracts and  
4 policies subject to the transfer or assignment are fair and reasonable.

5 8. The insurer or other party to which or through which the  
6 obligations to contract holders and policyholders in this state are  
7 transferred or assigned are at all material times authorized or exempted  
8 pursuant to section 20-401.05 to transact that kind or kinds of insurance in  
9 this state and are in compliance with all applicable legal requirements.

10 9. The transfer or assignment will not impair any rights to recovery  
11 from any insurance guaranty fund or similar association.

12 C. Nothing in this section limits or otherwise affects:

13 1. The lawful administration of a delinquency proceeding or other  
14 similar proceeding initiated against an insurer for the purpose of  
15 liquidating, rehabilitating, reorganizing or conserving the insurer.

16 2. The powers of the receiver or other similar entity in the  
17 delinquency proceeding or other similar proceeding.

18 3. The jurisdiction of a court presiding over the delinquency  
19 proceeding or other similar proceeding.

20 4. The exercise of powers and duties as prescribed by the Arizona  
21 property and casualty insurance guaranty fund, the Arizona life and  
22 disability insurance guaranty fund or any similar organization in any other  
23 state.

24 D. In order to carry out the requirements of this section, the  
25 director may use independent contractor examiners, analysts and other  
26 technical and professional services in accordance with sections 20-148 and  
27 20-159. All examination and examination related expenses related to the  
28 implementation of this section shall be borne by the insurer from which the  
29 obligations would be transferred or assigned by virtue of the transaction,  
30 and shall be paid by the insurance examiners' revolving fund pursuant to  
31 section 20-159.

32 E. This section does not apply to:

33 1. The transfer of private passenger automobile insurance policies  
34 from one insurer to an affiliated insurer pursuant to section 20-1631,  
35 subsection L, [PARAGRAPH 1](#).

36 2. The transfer or assignment of the direct obligations of an  
37 authorized insurer pursuant to a contract of assumption reinsurance.

38 3. The transfer or assignment of the direct obligations of an  
39 authorized insurer pursuant to a provision of a bona fide indemnity  
40 reinsurance contract by which the reinsurer becomes directly liable under the  
41 policies or contracts to which the reinsurance contract relates.

1           4. A transfer or assignment resulting from a division or merger of a  
2 corporation that was filed for regulatory approval in the corporation's state  
3 of domicile on or before December 31, 1996.

4           Sec. 2. Section 20-1631, Arizona Revised Statutes, is amended to read:

5           20-1631. Definition of motor vehicle; cancellation of or  
6                                   failure to renew coverage; limitations; limitation  
7                                   of liability; exceptions; insurance producers

8           A. In this article, unless the context otherwise requires, "motor  
9 vehicle" means a licensed land, motor-driven vehicle but does not mean:

10           1. A private passenger or station wagon type vehicle used as a public  
11 or livery conveyance or rented to others, **EXCEPT FOR A PRIVATE AUTOMOBILE**  
12 **THAT IS USED AS A TRANSPORTATION NETWORK VEHICLE BY AN INDIVIDUAL WHO HAS**  
13 **BEEN ISSUED A TRANSPORTATION NETWORK ENDORSEMENT TO THE INDIVIDUAL'S MOTOR**  
14 **VEHICLE INSURANCE POLICY.**

15           2. Any other four-wheel motor vehicle of a load capacity of fifteen  
16 hundred pounds or less that is used in the business of transporting  
17 passengers for hire, used in business primarily to transport property or  
18 equipment, used as a public or livery conveyance or rented to others.

19           3. Any motor vehicle with a load capacity of more than fifteen hundred  
20 pounds.

21           B. A motor vehicle used as a public or livery conveyance or rented to  
22 others does not include a motor vehicle used in the course of volunteer work  
23 for a tax-exempt organization as described in section 43-1201, subsection A,  
24 paragraph 4.

25           C. An insurer shall not cancel or refuse to renew a motor vehicle  
26 insurance policy solely because of the location of residence, age, race,  
27 color, religion, sex, national origin or ancestry of anyone who is an  
28 insured.

29           D. An insurer shall not issue a motor vehicle insurance policy in this  
30 state unless the cancellation and renewal conditions of the policy or the  
31 endorsement on the policy includes the limitations required by this  
32 section. After a policy issued in this state has been in effect for sixty  
33 days, or if the policy is a renewal, effective immediately, the company shall  
34 not exercise its right to cancel or fail to renew the insurance afforded  
35 under the policy unless:

36           1. The named insured fails to discharge when due any of the  
37 obligations of the named insured in connection with the payment of premium  
38 for this policy or any installment of the premium.

39           2. The insurance was obtained through fraudulent misrepresentation.

40           3. The named insured, any person who resides in the same household as  
41 the named insured and customarily operates a motor vehicle insured under the

1 policy or any other person who regularly and frequently operates a motor  
2 vehicle insured under the policy:

3 (a) Has had the person's driver license suspended or revoked during  
4 the policy period.

5 (b) Develops a permanent disability, either physically or mentally,  
6 and such individual does not produce a certificate from a physician or a  
7 registered nurse practitioner testifying to such person's ability to operate  
8 a motor vehicle.

9 (c) Is or has been convicted during the thirty-six months immediately  
10 preceding the effective date of the policy or during the policy period of:

11 (i) Criminal negligence resulting in death, homicide or assault and  
12 arising out of the operation of a motor vehicle.

13 (ii) Operating a motor vehicle while in an intoxicated condition or  
14 while under the influence of drugs.

15 (iii) Leaving the scene of an accident.

16 (iv) Making false statements in an application for a driver license.

17 (v) Reckless driving.

18 4. The insurer is placed in rehabilitation or receivership by the  
19 insurance supervisory official in its state of domicile or by a court of  
20 competent jurisdiction or the director has suspended the insurer's  
21 certificate of authority based on its financially hazardous condition.

22 5. The named insured, any person who resides in the same household as  
23 the named insured and customarily operates a motor vehicle insured under the  
24 policy or any other person who regularly and frequently operates a motor  
25 vehicle insured under the policy uses a motor vehicle rated or insured under  
26 the policy as a private passenger motor vehicle regularly and frequently for  
27 commercial purposes, EXCEPT FOR A PRIVATE AUTOMOBILE THAT IS USED AS A  
28 TRANSPORTATION NETWORK VEHICLE IF THE NAMED INSURED HAS PROCURED A  
29 TRANSPORTATION NETWORK ENDORSEMENT TO THE POLICY PROVIDING COVERAGE FOR THE  
30 USE.

31 6. The director determines that the continuation of the policy would  
32 place the insurer in violation of the laws of this state or would jeopardize  
33 the solvency of the insurer.

34 7. If the insured and the insured's family members are eligible for  
35 insurance based solely on the insured's employment with the insurer,  
36 employment of the insured with that insurer is terminated and the insurer  
37 exercises its right to nonrenew the policy within twelve months following the  
38 insured's termination of employment.

39 E. In addition to the authorization to fail to renew insurance  
40 provided by subsection D of this section, an insurer may exercise its right  
41 to fail to renew a motor vehicle insurance policy pursuant to this

1 subsection. An insurer shall provide notice of the nonrenewal to the named  
2 insured as prescribed by section 20-1632 at least forty-five days before the  
3 nonrenewal. A named insured who disputes the nonrenewal of the named  
4 insured's policy may file an objection with the director pursuant to section  
5 20-1633. An insurer shall not fail to renew more than one-half of one ~~per~~  
6 ~~cent~~ PERCENT of its policies annually pursuant to this subsection. An  
7 insurer may fail to renew a motor vehicle insurance policy if the named  
8 insured, any person who resides in the same household as the named insured  
9 and who customarily operates a motor vehicle insured under the policy or any  
10 other person who regularly and frequently operates a motor vehicle insured  
11 under the policy has had at any time during the thirty-six months immediately  
12 before the notice of nonrenewal three or more at-fault accidents under any  
13 motor vehicle insurance policy issued by this insurer in which the property  
14 damage paid by the insurer for each accident that occurred prior to January  
15 1, 2000 is more than one thousand eight hundred dollars. For accidents  
16 occurring on or after January 1, 2000, the department of insurance shall  
17 annually adjust and publish, to the nearest ten dollars, the threshold amount  
18 of property damages in this subsection by the percentage change in the all  
19 items component of the consumer price index for all urban consumers of the  
20 United States department of labor, bureau of labor statistics. The insurer  
21 shall not exercise its right to fail to renew the insurance under this  
22 subsection unless the same individual has had all the accidents that make the  
23 policy subject to nonrenewal under this subsection. The insurer shall not  
24 exercise its right to fail to renew a motor vehicle insurance policy pursuant  
25 to this subsection due to the accident record of the named insured if the  
26 named insured has been insured for standard automobile bodily injury coverage  
27 for at least ten consecutive years with the same insurer prior to the most  
28 recent accident that makes the policy subject to nonrenewal under this  
29 subsection. For the purposes of this subsection, "at-fault" means the  
30 insured is at least fifty ~~per-cent~~ PERCENT responsible for the accident.

31 F. The company shall not cancel or fail to renew the insurance when a  
32 person other than the named insured has violated subsection D, paragraph 3 of  
33 this section, or fail to renew the insurance pursuant to subsection E of this  
34 section due to the driving record of an individual other than the named  
35 insured, if the named insured in writing agrees to exclude as insured the  
36 person by name when operating a motor vehicle and further agrees to exclude  
37 coverage to the named insured for any negligence that may be imputed by law  
38 to the named insured arising out of the maintenance, operation or use of a  
39 motor vehicle by the excluded person. The written agreement that excludes  
40 coverage under a policy for a named individual is effective for each renewal  
41 of the policy by the insurer and remains in effect until the insurer agrees

1 in writing to provide coverage for the named individual who was previously  
2 excluded from coverage.

3 G. This article does not apply to any policy that has been in effect  
4 less than sixty days at the time notice of cancellation is mailed or  
5 delivered by the insurer unless the policy is a renewal policy, or to  
6 policies:

7 1. Insuring any motor vehicle other than a private passenger motor  
8 vehicle as defined in section 20-117.

9 2. Insuring the motor vehicle hazard of garages, motor vehicle sales  
10 agencies, repair shops, service stations or public parking places.

11 3. Providing insurance only on an excess basis.

12 H. If a consumer purchases motor vehicle insurance coverage from an  
13 insurance producer licensed in this state, the insurance producer that owns  
14 the policy expiration shall remain the insurance producer of record for that  
15 insured. In the event the insurer terminates the insurance producer's  
16 contract, the insurance producer shall continue to provide customary services  
17 to the insured. The insurer shall provide the insurance producer with a  
18 minimum degree of authority necessary to provide customary services to the  
19 insured and shall provide the same level of compensation for these services  
20 that were in effect prior to the termination of the insurance producer  
21 contract.

22 I. Subsection H of this section shall not apply if one or more of the  
23 following conditions exist:

24 1. The insurance producer of record has had its license suspended or  
25 revoked by the department.

26 2. The insurance producer of record is indebted to the insurer.

27 3. The insured has supplied the insurer with a written request that  
28 its insurance producer of record be changed to another insurance producer of  
29 the insurer.

30 4. The insurance producer of record has authorized transfer of this  
31 account to another licensed insurance producer of the insurer.

32 5. The director has determined after a public hearing that  
33 continuation of this relationship is not in the best interest of the public.

34 6. The insurance producer of record is under an exclusive contract or  
35 contract requiring the insurance producer to submit all eligible business to  
36 an insurer or group of insurers under a common management.

37 J. Subsection H of this section shall not apply to any transaction in  
38 which the expiration of the policies is owned by the insurer.

39 K. Notwithstanding any law to the contrary, the issuance at renewal of  
40 revised policy provisions to modify an existing policy by adding coverages or  
41 policy provisions, modifying coverages or policy provisions, or eliminating

1 coverages or policy provisions is not a nonrenewal or cancellation of the  
2 policy if the modification of a basic coverage does not eliminate the  
3 essential benefit of that basic coverage. If the modification of the basic  
4 coverage eliminates the essential benefit of the basic coverage, the director  
5 shall order the insurer to remove the modification from the policy. This  
6 subsection does not allow the insurer, without the written consent of the  
7 insured, to eliminate the basic coverages of the policy or to reduce the  
8 monetary limits of any of the basic coverages of the policy that were  
9 selected and agreed on. This subsection does not limit a policyholder from  
10 continuing to renew uninsured or underinsured motorist coverage pursuant to  
11 section 20-259.01. For the purposes of this subsection, "basic coverage"  
12 means any of the following:

- 13 1. Bodily injury coverage.
- 14 2. Property damage coverage.
- 15 3. Uninsured motorist coverage.
- 16 4. Underinsured motorist coverage.
- 17 5. Medical payments coverage.
- 18 6. Comprehensive coverage.
- 19 7. Collision coverage.

20 L. For the purposes of this section, ~~"fail to renew"~~ or ~~"nonrenewal"~~  
21 does not include:

- 22 1. The issuance and delivery of a new policy within the same insurer  
23 or an insurer under the same ownership or management as the original insurer  
24 as provided in this subsection. An insurer may transfer up to one ~~per cent~~  
25 PERCENT of its policies to an affiliated insurer within one calendar year if  
26 under a policy to be transferred one or more of the insureds that are insured  
27 under the policy have individually within the past thirty-six months had two  
28 or more at-fault accidents under any motor vehicle insurance policy issued by  
29 this insurer in which the property damage paid by the insurer for each  
30 accident exceeded one thousand five hundred dollars or individually have had  
31 three or more moving violations. Moving violations for which an insured  
32 completes an approved traffic school program shall not be considered as a  
33 moving violation under this section. A company shall not transfer a policy  
34 if a named insured agrees in writing to exclude as an insured a person or  
35 persons who each individually meet the criteria for transfer pursuant to this  
36 subsection and further agrees to exclude coverage for any negligence that may  
37 be imputed by law to the named insured arising out of the maintenance,  
38 operation or use of a motor vehicle by such excluded person or persons. An  
39 insurer shall transfer only those individuals responsible for the at-fault  
40 accidents or moving violations, and the excluded or transferred insured's  
41 driving record shall not be used in determining rates, surcharges or premiums

1 for the nonexcluded or nontransferred insured. The one ~~per-cent~~ PERCENT  
2 limit set forth in this subsection shall not apply to transfers of policies  
3 from the original insurer to another insurer under the same ownership or  
4 management as the original insurer if the rates charged by the other insurer  
5 are the same as or lower than the rates charged by the original insurer. No  
6 insurer shall transfer policyholders because of their location of residence,  
7 age, race, color, religion, sex, national origin or ancestry. Transfers by  
8 an insurer pursuant to this subsection shall not be construed to permit a new  
9 unrestricted sixty day period for cancellation or nonrenewal.

10 2. THE CANCELLATION, TERMINATION OR REMOVAL BY AN INSURER OF AN  
11 ENDORSEMENT TO A MOTOR VEHICLE INSURANCE POLICY THAT PROVIDES COVERAGES,  
12 DIRECTLY OR INDIRECTLY, RELATED TO THE PROVISION OF TRANSPORT NETWORK  
13 SERVICES AS DEFINED IN SECTION 28-101.

14 M. Except as provided in this subsection, an insurer shall not refuse  
15 to renew a policy until after August 31, 1998, based on an insured's failure  
16 to maintain membership in a bona fide association, until both the insurer and  
17 bona fide association have complied with this subsection and shall not refuse  
18 to renew any coverage continuously in effect before September 1, 1998,  
19 subject to all the following:

20 1. In addition to any other reason provided in this section, an  
21 insurer may refuse to renew an insurance policy issued pursuant to this  
22 article if all of the following conditions apply:

23 (a) The insurer clearly discloses to the applicant and the insured in  
24 the application for insurance and insurance policy that both the payment of  
25 dues and current membership in the bona fide association are prerequisites to  
26 obtaining or renewing the insurance.

27 (b) Any money paid to the bona fide association as a membership fee:

28 (i) Is not used by the insurer directly or indirectly to defray any  
29 costs or expenses in connection with the sale or purchase of the insurance.

30 (ii) Is set independently of any factor used by the insurer to make  
31 any judgment or determination about the eligibility of any individual,  
32 including the member, an employee of a member or a dependent of a member, to  
33 purchase or renew the insurance.

34 (c) The bona fide association has filed a certification with the  
35 director verifying the eligibility of the insurer to refuse to renew an  
36 insurance policy based on membership in the bona fide association.

37 2. To qualify as a bona fide association pursuant to this subsection,  
38 the association shall meet all of the requirements of this paragraph. The  
39 association shall file a statement with the director at least thirty days  
40 before the commencement of the offer or sale of insurance as provided by this  
41 subsection verifying that the association meets the requirements of this

1 paragraph. The association shall update the filing required by this  
2 paragraph at least thirty days before the effective date of any material  
3 change in the information contained in the statement, and shall file a  
4 separate notice with the director if the insurance described in the statement  
5 is no longer available through the association. The statement shall include  
6 the following information:

7 (a) That the association has been in active existence for at least  
8 five consecutive years immediately before the filing of the statement.

9 (b) That the association has been formed and maintained in good faith  
10 for purposes other than obtaining or providing insurance and does not  
11 condition membership in the association on the purchase of insurance.

12 (c) That the association has articles of incorporation and bylaws or  
13 other similar governing documents.

14 (d) That the association does not condition membership in the  
15 association or set membership fees on the eligibility of any individual,  
16 including the member, an employee of the member or a dependent of the member,  
17 to purchase or renew the insurance, or on any factor that the insurer could  
18 not lawfully consider when setting rates.

19 (e) That the association has a relationship with a specific insurer or  
20 insurers and identifies the insurer or insurers.

21 3. Membership fees collected by the bona fide association are not  
22 premiums of the insurer that issued the coverage unless the bona fide  
23 association:

24 (a) Uses any portion of the membership fees directly or indirectly to  
25 defray any costs or expenses in connection with the sale or purchase of the  
26 insurance.

27 (b) Sets or adjusts membership fees for any member of the bona fide  
28 association based on any factor used by the insurer that issues the insurance  
29 to make any judgment or determination about the eligibility of any  
30 individual, including the member, an employee of the member or a dependent of  
31 the member, to purchase or renew the insurance.

32 4. If the membership fees constitute premiums pursuant to paragraph 3  
33 of this subsection, an insurer shall not refuse to renew a policy as  
34 otherwise permitted by this subsection.

35 Sec. 3. Section 28-101, Arizona Revised Statutes, is amended to read:

36 28-101. Definitions

37 In this title, unless the context otherwise requires:

38 1. "Alcohol" means any substance containing any form of alcohol,  
39 including ethanol, methanol, propynol and isopropynol.

40 2. "Alcohol concentration" if expressed as a percentage means either:

1 (a) The number of grams of alcohol per one hundred milliliters of  
2 blood.

3 (b) The number of grams of alcohol per two hundred ten liters of  
4 breath.

5 3. "All-terrain vehicle" means either of the following:

6 (a) A motor vehicle that satisfies all of the following:

7 (i) Is designed primarily for recreational nonhighway all-terrain  
8 travel.

9 (ii) Is fifty or fewer inches in width.

10 (iii) Has an unladen weight of one thousand two hundred pounds or  
11 less.

12 (iv) Travels on three or more nonhighway tires.

13 (v) Is operated on a public highway.

14 (b) A recreational off-highway vehicle that satisfies all of the  
15 following:

16 (i) Is designed primarily for recreational nonhighway all-terrain  
17 travel.

18 (ii) Is sixty-five or fewer inches in width.

19 (iii) Has an unladen weight of one thousand eight hundred pounds or  
20 less.

21 (iv) Travels on four or more nonhighway tires.

22 4. "Authorized emergency vehicle" means any of the following:

23 (a) A fire department vehicle.

24 (b) A police vehicle.

25 (c) An ambulance or emergency vehicle of a municipal department or  
26 public service corporation that is designated or authorized by the department  
27 or a local authority.

28 (d) Any other ambulance, fire truck or rescue vehicle that is  
29 authorized by the department in its sole discretion and that meets liability  
30 insurance requirements prescribed by the department.

31 5. "Aviation fuel" means all flammable liquids composed of a mixture  
32 of selected hydrocarbons expressly manufactured and blended for the purpose  
33 of effectively and efficiently operating an internal combustion engine for  
34 use in an aircraft but does not include fuel for jet or turbine powered  
35 aircraft.

36 6. "Bicycle" means a device, including a racing wheelchair, that is  
37 propelled by human power and on which a person may ride and that has either:

38 (a) Two tandem wheels, either of which is more than sixteen inches in  
39 diameter.

40 (b) Three wheels in contact with the ground, any of which is more than  
41 sixteen inches in diameter.

1           7. "Board" means the transportation board.

2           8. "Bus" means a motor vehicle designed for carrying sixteen or more  
3 passengers, including the driver.

4           9. "Business district" means the territory contiguous to and including  
5 a highway if there are buildings in use for business or industrial purposes  
6 within any six hundred feet along the highway, including hotels, banks or  
7 office buildings, railroad stations and public buildings that occupy at least  
8 three hundred feet of frontage on one side or three hundred feet collectively  
9 on both sides of the highway.

10          10. "Combination of vehicles" means a truck or truck tractor and  
11 semitrailer and any trailer that it tows but does not include a forklift  
12 designed for the purpose of loading or unloading the truck, trailer or  
13 semitrailer.

14          11. "Controlled substance" means a substance so classified under  
15 section 102(6) of the controlled substances act (21 United States Code  
16 section 802(6)) and includes all substances listed in schedules I through V  
17 of 21 Code of Federal Regulations part 1308.

18          12. "Conviction" means:

19           (a) An unvacated adjudication of guilt or a determination that a  
20 person violated or failed to comply with the law in a court of original  
21 jurisdiction or by an authorized administrative tribunal.

22           (b) An unvacated forfeiture of bail or collateral deposited to secure  
23 the person's appearance in court.

24           (c) A plea of guilty or no contest accepted by the court.

25           (d) The payment of a fine or court costs.

26          13. "County highway" means a public road **THAT IS** constructed and  
27 maintained by a county.

28          14. "Dealer" means a person who is engaged in the business of buying,  
29 selling or exchanging motor vehicles, trailers or semitrailers and who has an  
30 established place of business.

31          15. "Department" means the department of transportation acting  
32 directly or through its duly authorized officers and agents.

33          16. "Director" means the director of the department of transportation.

34          17. "Drive" means to operate or be in actual physical control of a  
35 motor vehicle.

36          18. "Driver" means a person who drives or is in actual physical  
37 control of a vehicle.

38          19. "Driver license" means a license that is issued by a state to an  
39 individual and that authorizes the individual to drive a motor vehicle.

40          20. "Electric personal assistive mobility device" means a  
41 self-balancing two nontandem wheeled device with an electric propulsion

1 system that limits the maximum speed of the device to fifteen miles per hour  
2 or less and that is designed to transport only one person.

3 21. "Farm" means any lands primarily used for agriculture production.

4 22. "Farm tractor" means a motor vehicle designed and used primarily  
5 as a farm implement for drawing implements of husbandry.

6 23. "Foreign vehicle" means a motor vehicle, trailer or semitrailer  
7 that is brought into this state other than in the ordinary course of business  
8 by or through a manufacturer or dealer and that has not been registered in  
9 this state.

10 24. "Golf cart" means a motor vehicle that has not less than three  
11 wheels in contact with the ground, that has an unladen weight of less than  
12 one thousand eight hundred pounds, that is designed to be and is operated at  
13 not more than twenty-five miles per hour and that is designed to carry not  
14 more than four persons including the driver.

15 25. "Hazardous material" means a material, and its mixtures or  
16 solutions, that the United States department of transportation determines  
17 under 49 Code of Federal Regulations is, or any quantity of a material listed  
18 as a select agent or toxin under 42 Code of Federal Regulations part 73 that  
19 is, capable of posing an unreasonable risk to health, safety and property if  
20 transported in commerce and that is required to be placarded or marked as  
21 required by the department's safety rules prescribed pursuant to chapter 14  
22 of this title.

23 26. "Implement of husbandry" means a vehicle designed primarily for  
24 agricultural purposes and used exclusively in the conduct of agricultural  
25 operations, including an implement or vehicle whether self-propelled or  
26 otherwise that meets both of the following conditions:

27 (a) Is used solely for agricultural purposes including the preparation  
28 or harvesting of cotton, alfalfa, grains and other farm crops.

29 (b) Is only incidentally operated or moved on a highway whether as a  
30 trailer or self-propelled unit. For the purposes of this subdivision,  
31 "incidentally operated or moved on a highway" means travel between a farm and  
32 another part of the same farm, from one farm to another farm or between a  
33 farm and a place of repair, supply or storage.

34 27. "Limousine" means a motor vehicle providing prearranged ground  
35 transportation service for an individual passenger, or a group of passengers,  
36 that is arranged in advance or is operated on a regular route or between  
37 specified points and includes ground transportation under a contract or  
38 agreement for services that includes a fixed rate or time and is provided in  
39 a motor vehicle with a seating capacity not exceeding fifteen passengers  
40 including the driver.

41 28. "Livery vehicle" means a motor vehicle that:

1 (a) Has a seating capacity not exceeding fifteen passengers including  
2 the driver.

3 (b) Provides passenger services for a fare determined by a flat rate  
4 or flat hourly rate between geographic zones or within a geographic area.

5 (c) Is available for hire on an exclusive or shared ride basis.

6 (d) May do any of the following:

7 (i) Operate on a regular route or between specified places.

8 (ii) Offer prearranged ground transportation service as defined in  
9 section 28-141.

10 (iii) Offer on demand ground transportation service pursuant to a  
11 contract with a public airport, licensed business entity or organization.

12 29. "Local authority" means any county, municipal or other local board  
13 or body exercising jurisdiction over highways under the constitution and laws  
14 of this state.

15 30. "Manufacturer" means a person engaged in the business of  
16 manufacturing motor vehicles, trailers or semitrailers.

17 31. "Moped" means a bicycle that is equipped with a helper motor if  
18 the vehicle has a maximum piston displacement of fifty cubic centimeters or  
19 less, a brake horsepower of one and one-half or less and a maximum speed of  
20 twenty-five miles per hour or less on a flat surface with less than a one ~~per~~  
21 ~~cent~~ PERCENT grade.

22 32. "Motor driven cycle" means a motorcycle, including every motor  
23 scooter, with a motor that produces not more than five horsepower.

24 33. "Motor vehicle":

25 (a) Means either:

26 (i) A self-propelled vehicle.

27 (ii) For the purposes of the laws relating to the imposition of a tax  
28 on motor vehicle fuel, a vehicle that is operated on the highways of this  
29 state and that is propelled by the use of motor vehicle fuel.

30 (b) Does not include a motorized wheelchair, an electric personal  
31 assistive mobility device or a motorized skateboard. For the purposes of  
32 this subdivision:

33 (i) "Motorized skateboard" means a self-propelled device that has a  
34 motor, a deck on which a person may ride and at least two tandem wheels in  
35 contact with the ground.

36 (ii) "Motorized wheelchair" means a self-propelled wheelchair that is  
37 used by a person for mobility.

38 34. "Motor vehicle fuel" includes all products that are commonly or  
39 commercially known or sold as gasoline, including casinghead gasoline,  
40 natural gasoline and all flammable liquids, and that are composed of a  
41 mixture of selected hydrocarbons expressly manufactured and blended for the

1 purpose of effectively and efficiently operating internal combustion engines.  
2 Motor vehicle fuel does not include inflammable liquids that are specifically  
3 manufactured for racing motor vehicles and that are distributed for and used  
4 by racing motor vehicles at a racetrack, use fuel as defined in section  
5 28-5601, aviation fuel, fuel for jet or turbine powered aircraft or the  
6 mixture created at the interface of two different substances being  
7 transported through a pipeline, commonly known as transmix.

8 35. "Motorcycle" means a motor vehicle that has a seat or saddle for  
9 the use of the rider and that is designed to travel on not more than three  
10 wheels in contact with the ground but ~~excluding~~ EXCLUDES a tractor and a  
11 moped.

12 36. "Neighborhood electric vehicle" means a self-propelled  
13 electrically powered motor vehicle to which all of the following apply:

14 (a) The vehicle is emission free.

15 (b) The vehicle has at least four wheels in contact with the ground.

16 (c) The vehicle complies with the definition and standards for low  
17 speed vehicles set forth in federal motor vehicle safety standard 500 and 49  
18 Code of Federal Regulations sections 571.3(b) and 571.500, respectively.

19 37. "Nonresident" means a person who is not a resident of this state  
20 as defined in section 28-2001.

21 38. "Off-road recreational motor vehicle" means a motor vehicle that  
22 is designed primarily for recreational nonhighway all-terrain travel and that  
23 is not operated on a public highway. Off-road recreational motor vehicle  
24 does not mean a motor vehicle used for construction, building trade, mining  
25 or agricultural purposes.

26 39. "Operator" means a person who drives a motor vehicle on a highway,  
27 who is in actual physical control of a motor vehicle on a highway or who is  
28 exercising control over or steering a vehicle being towed by a motor vehicle.

29 40. "Owner" means:

30 (a) A person who holds the legal title of a vehicle.

31 (b) If a vehicle is the subject of an agreement for the conditional  
32 sale or lease with the right of purchase on performance of the conditions  
33 stated in the agreement and with an immediate right of possession vested in  
34 the conditional vendee or lessee, the conditional vendee or lessee.

35 (c) If a mortgagor of a vehicle is entitled to possession of the  
36 vehicle, the mortgagor.

37 41. "Pedestrian" means any person afoot. A person who uses an  
38 electric personal assistive mobility device or a manual or motorized  
39 wheelchair is considered a pedestrian unless the manual wheelchair qualifies  
40 as a bicycle. For the purposes of this paragraph, "motorized wheelchair"  
41 means a self-propelled wheelchair that is used by a person for mobility.

1           42. "Power sweeper" means an implement, with or without motive power,  
2 that is only incidentally operated or moved on a street or highway and that  
3 is designed for the removal of debris, dirt, gravel, litter or sand whether  
4 by broom, vacuum or regenerative air system from asphaltic concrete or cement  
5 concrete surfaces, including parking lots, highways, streets and warehouses,  
6 and a vehicle on which the implement is permanently mounted.

7           43. "Public transit" means the transportation of passengers on  
8 scheduled routes by means of a conveyance on an individual passenger  
9 fare-paying basis excluding transportation by a ~~sight-seeing~~ SIGHTSEEING bus,  
10 school bus or taxi or a vehicle not operated on a scheduled route basis.

11           44. "Reconstructed vehicle" means a vehicle that has been assembled or  
12 constructed largely by means of essential parts, new or used, derived from  
13 vehicles or makes of vehicles of various names, models and types or that, if  
14 originally otherwise constructed, has been materially altered by the removal  
15 of essential parts or by the addition or substitution of essential parts, new  
16 or used, derived from other vehicles or makes of vehicles. For the purposes  
17 of this paragraph, "essential parts" means integral and body parts, the  
18 removal, alteration or substitution of which will tend to conceal the  
19 identity or substantially alter the appearance of the vehicle.

20           45. "Residence district" means the territory contiguous to and  
21 including a highway not comprising a business district if the property on the  
22 highway for a distance of three hundred feet or more is in the main improved  
23 with residences or residences and buildings in use for business.

24           46. "Right-of-way" when used within the context of the regulation of  
25 the movement of traffic on a highway means the privilege of the immediate use  
26 of the highway. Right-of-way when used within the context of the real  
27 property on which transportation facilities and appurtenances to the  
28 facilities are constructed or maintained means the lands or interest in lands  
29 within the right-of-way boundaries.

30           47. "School bus" means a motor vehicle that is designed for carrying  
31 more than ten passengers and that is either:

32           (a) Owned by any public or governmental agency or other institution  
33 and operated for the transportation of children to or from home or school on  
34 a regularly scheduled basis.

35           (b) Privately owned and operated for compensation for the  
36 transportation of children to or from home or school on a regularly scheduled  
37 basis.

38           48. "Semitrailer" means a vehicle that is with or without motive  
39 power, other than a pole trailer, that is designed for carrying persons or  
40 property and for being drawn by a motor vehicle and that is constructed so  
41 that some part of its weight and that of its load rests on or is carried by

1 another vehicle. For the purposes of this paragraph, "pole trailer" has the  
2 same meaning prescribed in section 28-601.

3 49. "State" means a state of the United States and the District of  
4 Columbia.

5 50. "State highway" means a state route or portion of a state route  
6 that is accepted and designated by the board as a state highway and that is  
7 maintained by the state.

8 51. "State route" means a right-of-way whether actually used as a  
9 highway or not that is designated by the board as a location for the  
10 construction of a state highway.

11 52. "Street" or "highway" means the entire width between the boundary  
12 lines of every way if a part of the way is open to the use of the public for  
13 purposes of vehicular travel.

14 53. "Taxi" means a motor vehicle that has a seating capacity not  
15 exceeding fifteen passengers, including the driver, that is registered as a  
16 taxi in this state or any other state, that provides passenger services and  
17 that:

18 (a) Does not primarily operate on a regular route or between specified  
19 places.

20 (b) Offers local transportation for a fare determined on the basis of  
21 the distance traveled or prearranged ground transportation service as defined  
22 in section 28-141 for a predetermined fare.

23 54. "Traffic survival school" means a school that offers educational  
24 sessions to drivers who are required to attend and successfully complete  
25 educational sessions pursuant to this title that are designed to improve the  
26 safety and habits of drivers and that are approved by the department.

27 55. "Trailer" means a vehicle that is with or without motive power,  
28 other than a pole trailer, that is designed for carrying persons or property  
29 and for being drawn by a motor vehicle and that is constructed so that no  
30 part of its weight rests on the towing vehicle. A semitrailer equipped with  
31 an auxiliary front axle commonly known as a dolly is deemed to be a trailer.  
32 For the purposes of this paragraph, "pole trailer" has the same meaning  
33 prescribed in section 28-601.

34 56. "TRANSPORTATION NETWORK COMPANY" HAS THE SAME MEANING PRESCRIBED  
35 IN SECTION 41-2051.

36 57. "TRANSPORTATION NETWORK SERVICE" HAS THE SAME MEANING PRESCRIBED  
37 IN SECTION 41-2051.

38 58. "TRANSPORTATION NETWORK VEHICLE" HAS THE SAME MEANING PRESCRIBED  
39 IN SECTION 41-2051.

40 ~~56.~~ 59. "Truck" means a motor vehicle designed or used primarily for  
41 the carrying of property other than the effects of the driver or passengers

1 and includes a motor vehicle to which has been added a box, a platform or  
2 other equipment for such carrying.

3 ~~57.~~ 60. "Truck tractor" means a motor vehicle that is designed and  
4 used primarily for drawing other vehicles and that is not constructed to  
5 carry a load other than a part of the weight of the vehicle and load drawn.

6 ~~58.~~ 61. "Vehicle" means a device in, on or by which a person or  
7 property is or may be transported or drawn on a public highway, excluding  
8 devices moved by human power or used exclusively on stationary rails or  
9 tracks.

10 ~~59.~~ 62. "Vehicle transporter" means either:

11 (a) A truck tractor capable of carrying a load and drawing a  
12 semitrailer.

13 (b) A truck tractor with a stinger-steered fifth wheel capable of  
14 carrying a load and drawing a semitrailer or a truck tractor with a dolly  
15 mounted fifth wheel that is securely fastened to the truck tractor at two or  
16 more points and that is capable of carrying a load and drawing a semitrailer.

17 Sec. 4. Section 28-141, Arizona Revised Statutes, is amended to read:

18 ~~28-141.~~ Prearranged ground transportation; applicability;  
19 definitions

20 A. The department shall not require a license or impose a fee on a  
21 motor vehicle providing prearranged ground transportation service if the  
22 motor carrier providing the service does all of the following:

23 1. Meets all applicable registration requirements for the interstate  
24 transportation of passengers under the ICC termination act of 1995 (P.L.  
25 104-88; 109 Stat. 879; 49 United States Code sections 13901 through 13908).

26 2. Meets all applicable vehicle and intrastate passenger licensing  
27 requirements of the state in which the vehicle is domiciled or registered to  
28 do business.

29 3. Provides the service pursuant to a contract for either of the  
30 following:

31 (a) Transportation from this state, including intermediate stops, to a  
32 destination in another state.

33 (b) Transportation from this state, including intermediate stops in  
34 another state, to a destination in this state.

35 B. For the purposes of this section:

36 1. "Intermediate stop" means a pause in the transportation in order  
37 for one or more passengers to engage in personal or business activity, but  
38 only if the driver providing the transportation to the passenger does not,  
39 before resuming the transportation of the passenger or at least one of the  
40 passengers, provide transportation to any other person not included among the  
41 passengers being transported when the pause began.

1           2. "Prearranged ground transportation service" means transportation  
2 for a passenger or a group of passengers that is arranged in advance, ~~or~~ that  
3 is operated on a regular route or between specified points **OR THAT IS**  
4 **ARRANGED THROUGH AN ONLINE-ENABLED APPLICATION OR PLATFORM.**

5           Sec. 5. Section 41-2051, Arizona Revised Statutes, is amended to read:  
6 **41-2051. Definitions**

7           In this chapter, unless the context otherwise requires:

8           1. "Biodiesel" means a diesel fuel substitute that is produced from  
9 nonpetroleum renewable resources as defined by the United States  
10 environmental protection agency and that meets the registration requirements  
11 for fuels and fuel additives established by the United States environmental  
12 protection agency pursuant to section 211 of the clean air act, as defined in  
13 section 49-401.01.

14           2. "Biodiesel blend" means a motor fuel that is ~~comprised~~ **COMPOSED** of  
15 biodiesel and diesel fuel and that is designated by the letter "B", followed  
16 by the numeric value of the volume percentage of biodiesel in the blend.

17           3. "Biofuel" means a solid, liquid or gaseous fuel that is derived  
18 from biomass and that can be used directly for heating or power or as a motor  
19 fuel.

20           4. "Biofuel blend" means a motor fuel that is ~~comprised~~ **COMPOSED** of a  
21 biofuel, that is combined with a petroleum based fuel and that is designated  
22 by the volume percentage of biofuel in the blend.

23           5. "Biomass" means biological material, such as plant or animal  
24 matter, excluding organic material that has been transformed by geological  
25 processes into substances such as coal or petroleum or derivatives thereof,  
26 that may be transformed into biofuel.

27           6. "Certification" means the process of determining the accuracy of a  
28 commercial device to the standards of this state by a registered service  
29 representative or the department.

30           7. "Commercial device" means any weighing, measuring, metering or  
31 counting device that is used to determine the direct cost of things sold or  
32 offered or exposed for sale, or used to establish a fee for service if the  
33 cost is based on weight, measure or count, except that it does not include  
34 those devices used for in-house packaging, inventory control or law  
35 enforcement purposes.

36           8. "Commodity" means any merchandise, product or substance produced or  
37 distributed for sale to or use by others.

38           9. "Correct" as used in connection with weights and measures means  
39 conformance to all applicable requirements of this chapter.

40           10. "Department" means the department of weights and measures.

1           11. "Diesel fuel" means a refined middle distillate that is used as a  
2 fuel in a compression-ignition internal combustion engine and that meets the  
3 specifications of ASTM D975.

4           12. "Director" means the director of the department of weights and  
5 measures.

6           13. "E85" means a fuel ethanol gasoline blend that meets the  
7 specifications of ASTM D5798.

8           14. "Inspector" means state officials of the department of weights and  
9 measures.

10           15. "Limousine" means a motor vehicle providing prearranged ground  
11 transportation service for an individual passenger, or a group of passengers,  
12 that is arranged in advance or is operated on a regular route or between  
13 specified points and includes ground transportation under a contract or  
14 agreement for services that includes a fixed rate or time and is provided in  
15 a motor vehicle with a seating capacity not exceeding fifteen passengers,  
16 including the driver.

17           16. "Liquid fuel measuring device" means any meter, pump, tank, gauge  
18 or apparatus used for volumetrically determining the quantity of any internal  
19 combustion engine fuel, liquefied petroleum gas or low-viscosity heating oil.

20           17. "Livery vehicle" means a motor vehicle that:

21           (a) Has a seating capacity not exceeding fifteen passengers, including  
22 the driver.

23           (b) Provides passenger services for a fare determined by a flat rate  
24 or flat hourly rate between geographic zones or within a geographic area.

25           (c) Is available for hire on an exclusive or shared-ride basis.

26           (d) May do any of the following:

27           (i) Operate on a regular route or between specified places.

28           (ii) Offer prearranged ground transportation service as defined in  
29 section 28-141.

30           (iii) Offer on demand ground transportation service pursuant to a  
31 contract with a public airport, licensed business entity or organization.

32           (e) IS NOT A TRANSPORTATION NETWORK VEHICLE.

33           18. "Misfuel" means the act of dispensing into the fuel tank of a  
34 motor vehicle a motor fuel that was not intended to be used in the engine of  
35 that motor vehicle.

36           19. "Motor fuel" means a petroleum or a petroleum-based substance that  
37 is motor gasoline, aviation gasoline, number one or number two diesel fuel or  
38 any grade of oxygenated gasoline typically used in the operation of a motor  
39 engine, including biodiesel blends, biofuel blends and the ethanol blend E85  
40 as defined in ASTM D5798.

1           20. "Package" means any commodity enclosed in a container or wrapped  
2 in any manner in advance of sale in units suitable for either wholesale or  
3 retail trade.

4           21. "Person" means both the plural and the singular, as the case  
5 demands, and includes individuals, partnerships, corporations, companies,  
6 societies and associations.

7           22. "Public weighmaster" means any person who is engaged in any of the  
8 following:

9           (a) The business of weighing any object or thing for the public  
10 generally for hire or for internal use and issuing for that weighing a weight  
11 certificate intended to be accepted as an accurate weight ~~upon~~ ON which a  
12 purchase or sale is to be based or on which a service fee is to be charged.

13           (b) The business of weighing for-hire motor vehicles, trailers or  
14 semitrailers and issuing weight certificates intended to be accepted as an  
15 accurate weight for the purpose of determining the amount of any tax, fee or  
16 other assessment on the vehicles.

17           23. "Reference standards" means the physical standards of the state  
18 that serve as the legal reference from which all other standards and weights  
19 and measures are derived.

20           24. "Registered service agency" means any agency, firm, company or  
21 corporation that for hire, award, commission or any other payment of any kind  
22 installs, services, repairs or reconditions a commercial device or tests or  
23 repairs vapor recovery systems or vapor recovery components and that has been  
24 issued a license by the department.

25           25. "Registered service representative" means any individual who for  
26 hire, award, commission or any other payment of any kind installs, services,  
27 repairs or reconditions a commercial device or tests or repairs vapor  
28 recovery systems or vapor recovery components and who has been issued a  
29 license by the department.

30           26. "Retail seller" means a person whose business purpose is to sell,  
31 expose or offer for sale or use any package or commodity by weight, measure  
32 or count.

33           27. "Sale from bulk" means the sale of commodities when the quantity  
34 is determined at the time of sale.

35           28. "Secondary standards" means the physical standards that are  
36 traceable to the reference standards through comparisons, using acceptable  
37 laboratory procedures, and that are used in the enforcement of weights and  
38 measures laws and rules.

39           29. "Taxi" means a motor vehicle that has a seating capacity not  
40 exceeding fifteen passengers, including the driver, that is registered as a

1 taxi in this state or any other state, that provides passenger services and  
2 that:

3 (a) Does not primarily operate on a regular route or between specified  
4 places.

5 (b) Offers local transportation for a fare determined on the basis of  
6 the distance traveled or prearranged ground transportation service as defined  
7 in section 28-141 for a predetermined fare.

8 (c) IS NOT A TRANSPORTATION NETWORK VEHICLE.

9 30. "Taxi meter" means a commercial device that meets the requirements  
10 of the national institute of standards and technology handbook 44 as  
11 prescribed by section 41-2064.

12 31. "TRANSPORTATION NETWORK COMPANY" MEANS A COMPANY THAT PROVIDES  
13 PREARRANGED GROUND TRANSPORTATION SERVICES FOR COMPENSATION, DONATION OR TIPS  
14 USING AN ONLINE-ENABLED APPLICATION OR PLATFORM.

15 32. "TRANSPORTATION NETWORK SERVICE" MEANS THE PROVISION OF A  
16 TRANSPORTATION SERVICE BY A PARTICIPATING DRIVER THROUGH A TRANSPORTATION  
17 NETWORK.

18 33. "TRANSPORTATION NETWORK VEHICLE" MEANS A VEHICLE THAT IS USED BY A  
19 PARTICIPATING DRIVER TO PROVIDE TRANSPORTATION NETWORK SERVICES, THAT HAS AT  
20 LEAST FOUR DOORS AND THAT IS DESIGNED TO CARRY NOT MORE THAN EIGHT  
21 PASSENGERS, INCLUDING THE DRIVER.

22 ~~31.~~ 34. "Weight" as used in connection with any commodity means net  
23 weight.

24 ~~32.~~ 35. "Weights" or "measures", or both, means all weights,  
25 measures, meters or counters of every kind, instruments and devices for  
26 weighing, measuring, metering or counting and any appliance and accessories  
27 associated with any or all such instruments and devices."

28 Amend title to conform

KAREN FANN

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C: ns