

Transportation Committee

Senator Bob Worsley, Chairman



Kaitlyn Neff, Research Analyst

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TRANSPORTATION COMMITTEE

LEGISLATION ENACTED

VLT; fee exemptions; first responders (S.B. 1008) – Chapter 12 E

An emergency measure, effective March 14, 2016, and retroactive to December 31, 2015, that specifies the applicability of the vehicle licensing tax and registration fee exemption for surviving spouses or dependents of deceased first responders.

department of transportation; continuation. (S.B. 1207) – Chapter 269

Retroactive to July 1, 2016, the Arizona Department of Transportation is continued until July 1, 2024.

~~DUI; drugs; ignition interlock requirement~~ (NOW: ignition interlock requirement; DUI; drugs) (S.B. 1228) – Chapter 57

Beginning January 1, 2017, eliminates the automatic ignition interlock device requirement for driving under the influence offenses not involving intoxicating liquor and instead grants the court discretion for requiring the device. The Motor Vehicle Division is not required to immediately revoke the person's driver license in these circumstances; however the 90-day administrative driver license suspension still applies.

photo radar prohibition; state highways (S.B. 1241) – Chapter 55

Prohibits the state or a local authority from using a photo enforcement system to identify violators of traffic signs, signals, markings or speed restrictions on a state highway.

vehicle certificates of title (S.B. 1357) – Chapter 276

Allows the Arizona Department of Transportation (ADOT) to establish electronic systems for issuing and maintaining various electronic documents and methods for sharing information with law enforcement agencies. Allows ADOT to accept electronic communication and information without adopting transfer methods in rule. Modifies various permissions, requirements and restrictions regarding certificates of title and registration. Permits a licensed insurance company to execute an electronic power of attorney without notarization for a total loss vehicle settlement and requires a lienholder to submit the repossession affidavit electronically if the lienholder is a financial institution.

Modifies requirements regarding resident status, criminal records checks and license plates for certain motor vehicle dealers. Allows the Director to establish education and training for used or wholesale motor vehicle dealer applicants. The Director may contract with a private entity and charge a fee for the education and training.

TRANSPORTATION COMMITTEE (Cont'd)

motor vehicle dealer licensing (S.B. 1358) – Chapter 277

Consolidates motor vehicle dealer application and renewal filings through the Arizona Department of Transportation (ADOT), rather than through ADOT and the Arizona Department of Financial Institutions, and specifies the conditions and allocations of application and annual renewal fees paid by motor vehicle dealers. All motor vehicle dealers who create retail installment contracts for third-party lenders or financial institutions are excluded from the requirements of a sales finance company, regardless of the total value of the contracts.

fuel taxes; streets and highways (S.B. 1398) – Chapter 163

Requires counties to publish an annual financial report containing expenditures of monies received from motor vehicle fuel and use fuel taxes.

~~unmanned aircraft; prohibited operations~~ (NOW: prohibited operations; unmanned aircraft) (S.B. 1449) – Chapter 170

Establishes violations and penalties for various offenses relating to unmanned aircraft and aircraft systems, including model aircraft, civil unmanned aircraft and public unmanned aircraft. Law enforcement agencies, first responders and emergency workers are not prohibited from operating an unmanned aircraft system while acting in certain official capacities.

Prohibits political subdivisions from enacting or adopting any ordinance, policy, rule or regulation relating to ownership or operation of an unmanned aircraft or unmanned aircraft system, unless authorized by law, and deems any current ordinance, policy or rule in violation void. Political subdivisions may adopt ordinances or rules for use of a public unmanned aircraft or aircraft system owned by the city, town or county.

transportation funding; task force (S.B. 1490) – Chapter 228

An emergency measure, effective May 12, 2016, that establishes a nine-member Surface Transportation Task Force (Task Force) to review reports and recommend revenue proposals for state highways, highway patrol and local street needs for 20 years. The Task Force will issue quarterly reports and a final report and recommendation through December 31, 2016.

taxis; limousines; livery vehicles (S.B. 1492) – Chapter 171

Removes the requirement for license and regulation of commercial device taxi meters and instead requires a vehicle-for-hire operator to obtain a vehicle-for-hire permit in order to operate in this state. Prescribes requirements for vehicle-for-hire trade dress, documentation and motor vehicle license and insurance. Requires the Arizona Department of Transportation (ADOT) to collect a \$24 fee for a 3-year vehicle for hire permit, not to exceed \$1,000 per applicant. ADOT may investigate complaints, inspect and test taxi meters, apply injunctions and hire employees to assist with for-hire transportation duties. Establishes penalties for offering vehicle-for-hire services without a valid permit and for knowingly hindering, interfering or obstructing the inspection or testing of a taxi meter and subjects violations of permit requirements to civil

TRANSPORTATION COMMITTEE (Cont'd)

penalties imposed by ADOT. The Director of ADOT may initiate judicial review proceedings for revocation or suspension of a permit and may refuse or revoke a permit until delinquent civil penalties and fees are paid in full. Specifies that transportation network companies are subject to regulation as transportation network companies, rather than vehicles for hire.

Beginning September 1, 2016, licensed taxi, livery vehicle and limousine owners and drivers are exempt from paying a transaction privilege tax or similar taxes on income derived from transporting persons for hire.

special plates; regionally accredited institutions (H.B. 2022) – Chapter 174

Allows the Arizona Department of Transportation (ADOT) to issue the regionally accredited institutions of higher education special license plate if \$32,000 is paid for its implementation by December 31, 2016. Monies collected from the plate will be deposited in the Regionally Accredited Institution of Higher Education Special Plate Fund (Fund). Requires the Director of ADOT to annually distribute all monies in the Fund, excluding administrative fees, to a qualifying foundation of a regionally accredited institution of higher education.

speed limits; local authority (H.B. 2032) – Chapter 175

Permits local authorities to modify speed limits on streets surrounding school grounds or public parks if an investigation determines current speed limits are unsafe.

uninsured and underinsured motorist coverage (H.B. 2129) – Chapter 180

SEE THE FINANCIAL INSTITUTIONS COMMITTEE.

historic federal highway; special plates (H.B. 2145) – Chapter 182

Allows the Arizona Department of Transportation (ADOT), dependent upon payment of the \$32,000 by December 31, 2016, for implementation, to issue the: 1) historical federal highway preservation special plate; 2) first responder special plate; and 3) play unified special plate. Monies collected from each plate will be deposited into the respective fund. Requires the Director of ADOT to annually distribute monies in the respective funds, excluding administrative fees, to qualifying organizations.

VLT exemption; military members; spouses (H.B. 2153) – Chapter 213

Beginning January 1, 2017, provides exemption from paying a vehicle licensing tax and registration fee for a surviving spouse or dependent of a deceased member of the U.S. military that was killed in the line of duty or died from injuries suffered in the line of duty.

weights and measures; omnibus (H.B. 2171) – Chapter 232

SEE THE NATURAL RESOURCES COMMITTEE.

TRANSPORTATION COMMITTEE (Cont'd)

autocycles; definition; class D licenses (H.B. 2248) – Chapter 29

Requires the seating area of an autocycle to be fully or partially enclosed and specifies that a class D driver license is required to operate a motor vehicle with a gross weight rating of 26,000 pounds or fewer, including an autocycle.

ADOT; authorized third parties (H.B. 2249) – Chapter 116

Requires certain authorized third parties who conduct motor vehicle inspections or have access to motor vehicle records or monies to provide a full set of fingerprints and a non-refundable fee for a state and federal criminal records check.

ADOT advertising; sponsorship; nonhighway assets (H.B. 2250) – Chapter 66

Allows the Arizona Department of Transportation (ADOT) to establish a program for monetary sponsorship, lease or sale of advertising on non-highway assets and allows ADOT to contract with third parties to perform certain aspects of the program. Monies collected from the advertising and sponsorship program will be deposited into the State Highway Fund. The program ends on July 1, 2026.

commercial motor vehicles (H.B. 2251) – Chapter 52

Requires the Arizona Department of Transportation to disqualify commercial license or instruction permit holders for certain violations. Reduces, from 90 days to 60 days, the length of validity for a temporary proportional registration that is used by an interstate motor carrier to add vehicles to an existing fleet. Modifies weight limits and length restrictions for over-the-road buses, vehicles operated by a natural gas-fueled engine and vehicle transporter combination vehicles. Allows a vehicle transporter to transport cargo or freight on a backhaul. Transfers regulation of interstate movement of household goods to the Department of Public Safety.

motor vehicle dealers; compensation (H.B. 2348) – Chapter 193

Establishes requirements and calculations for compensation that a motor vehicle manufacturer or distributor pays to a new motor vehicle dealer for warranty diagnostic work, repair service, parts and labor. Establishes procedures to accept, rebut and adjust the retail rate and allows for mediation and an administrative hearing, if required to settle disputes. Allows the manufacturer to audit claims for legitimacy for 12 months, rather than 6, and establishes a correction and resubmission process for denied claims. The manufacturer is prohibited from recovering costs for compensating the dealer for warranty parts and service, except in the ordinary course of business.

regional transportation authority; membership; election (H.B. 2373) – Chapter 295

Modifies membership of a Regional Transportation Authority (RTA) to include members representing only the municipalities in the county where the RTA is located, rather than all municipalities who are members of the regional council of governments. Provides alternative procedures for when the majority of qualified voters fail to approve a proposed substantial

TRANSPORTATION COMMITTEE (Cont'd)

change to a previously approved regional transportation plan or the funding measure for an approved regional transportation plan. Modifies distribution requirements of RTA fund monies.

~~auxiliary containers; scrap metal dealers~~ (NOW: towing; bond requirement) (H.B. 2444) – Chapter 256

Reduces the bond required for a towing company employee who conducts Level 1 motor vehicle inspections from a \$100,000 minimum to \$25,000 maximum. Extends bond coverage to all towing company locations, rather than a single location.

motor vehicle insurance; nonrenewal (H.B. 2445) – Chapter 363

Allows a motor vehicle insurance provider to nonrenew an insurance policy and establishes procedures for nonrenewal. A person who believes a policy has been nonrenewed in violation may file a written objection with the Director of the Department of Insurance within 10 days of receiving a nonrenewal notice. Allows an insurer to transfer policies to an affiliate provider and prohibits an insurance provider from inquiring if an insurance applicant has been previously nonrenewed.

sporting event tax revenue; tourism (H.B. 2495) – Chapter 366

SEE THE APPROPRIATIONS COMMITTEE.

vehicle equipment; lighting (H.B. 2509) – Chapter 261

Requires every stop lamp, tail lamp or signal lamp equipped on a motor vehicle to be maintained in working condition and not project a glare or dazzling light. The first violation is a warning that may not result in a citation.

~~community college boards; terms; duration~~ (NOW: motor vehicle dealers; titles; licensing) (H.B. 2535) – Chapter 263

Allows the Arizona Department of Transportation (ADOT) to establish electronic systems for issuing and maintaining various electronic documents and methods for sharing information with law enforcement agencies. Allows ADOT to accept electronic communication and information without adopting transfer methods in rule. Modifies various permissions, requirements and restrictions regarding certificates of title and registration. Permits a licensed insurance company to execute an electronic power of attorney without notarization for a total-loss vehicle settlement and requires a lienholder to submit the repossession affidavit electronically if the lienholder is a financial institution.

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civil traffic violations; alternative service (H.B. 2591) – Chapter 370

Prohibits, beginning January 1, 2017, driving privileges from being suspended or revoked as a result of a citation that is served by alternative service of process.

LEGISLATION VETOED

abandoned vehicles; towing reimbursement (H.B. 2434) – VETOED

Awards towing companies 20 percent, rather than \$100, of the fees associated with towing abandoned vehicles and removes the restriction for towing companies to only receive fees from towing abandoned vehicles on national forest, state park, Bureau of Land Management or state trust land.

The Governor indicates in his veto letter that H.B. 2434 would cost the state nearly a \$1 million annually but that he would be open to revenue neutral changes in the towing fee structure.