

State of Arizona  
House of Representatives  
Fifty-second Legislature  
First Regular Session  
2015

# HOUSE BILL 2135

AN ACT

AMENDING SECTIONS 20-1631, 28-101, 28-142, 28-2164, 28-4009 AND 28-4033, ARIZONA REVISED STATUTES; AMENDING TITLE 28, CHAPTER 9, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 28-4038, 28-4039 AND 28-4040; AMENDING SECTIONS 41-2051, 41-2052 AND 41-2097, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 15, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 8; AMENDING SECTION 42-5062, ARIZONA REVISED STATUTES; RELATING TO TRANSPORTATION NETWORK SERVICES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 20-1631, Arizona Revised Statutes, is amended to  
3 read:

4 20-1631. Definition of motor vehicle; cancellation of or  
5 failure to renew coverage; limitations; limitation  
6 of liability; exceptions; insurance producers;  
7 definitions

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.

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

16 3. Any motor vehicle with a load capacity of more than fifteen hundred  
17 pounds.

18 4. FROM AND AFTER JANUARY 31, 2016, A VEHICLE THAT OTHERWISE QUALIFIES  
19 AS A MOTOR VEHICLE UNDER THIS SUBSECTION BUT ONLY WHILE THE DRIVER OF THE  
20 VEHICLE IS LOGGED IN TO A TRANSPORTATION NETWORK COMPANY'S DIGITAL NETWORK OR  
21 SOFTWARE APPLICATION OR IS PROVIDING TRANSPORTATION NETWORK SERVICES, UNLESS  
22 EXPRESSLY COVERED BY THE PRIVATE PASSENGER POLICY.

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

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

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

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

41 2. The insurance was obtained through fraudulent misrepresentation.

42 3. The named insured, any person who resides in the same household as  
43 the named insured and customarily operates a motor vehicle insured under the  
44 policy or any other person who regularly and frequently operates a motor  
45 vehicle insured under the policy:

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

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

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

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

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

13 (iii) Leaving the scene of an accident.

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

15 (v) Reckless driving.

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

20 5. The named insured, any person who resides in the same household as  
21 the named insured and customarily operates a motor vehicle insured under the  
22 policy or any other person who regularly and frequently operates a motor  
23 vehicle insured under the policy uses a motor vehicle rated or insured under  
24 the policy as a private passenger motor vehicle regularly and frequently for  
25 commercial purposes.

26 6. FROM AND AFTER JANUARY 31, 2016, THE NAMED INSURED, ANY PERSON WHO  
27 RESIDES IN THE SAME HOUSEHOLD AS THE NAMED INSURED AND WHO CUSTOMARILY  
28 OPERATES A MOTOR VEHICLE INSURED UNDER THE POLICY OR ANY OTHER PERSON WHO  
29 REGULARLY AND FREQUENTLY OPERATES A MOTOR VEHICLE INSURED UNDER THE POLICY  
30 USES A MOTOR VEHICLE RATED OR INSURED UNDER THE POLICY AS A TRANSPORTATION  
31 NETWORK COMPANY VEHICLE TO PROVIDE TRANSPORTATION NETWORK SERVICES UNLESS,  
32 WHILE THE DRIVER IS LOGGED IN TO THE TRANSPORTATION NETWORK COMPANY'S DIGITAL  
33 NETWORK OR SOFTWARE APPLICATION OR IS PROVIDING TRANSPORTATION NETWORK  
34 SERVICES, THE NAMED INSURED EITHER:

35 (a) HAS PROCURED AN ENDORSEMENT TO THE PRIVATE PASSENGER POLICY THAT  
36 EXPRESSLY PROVIDES SUCH COVERAGE.

37 (b) IS COVERED BY A MOTOR VEHICLE LIABILITY INSURANCE POLICY ISSUED BY  
38 ANOTHER INSURER SPECIFICALLY PROVIDING SUCH COVERAGE.

39 ~~6-~~ 7. The director determines that the continuation of the policy  
40 would place the insurer in violation of the laws of this state or would  
41 jeopardize the solvency of the insurer.

42 ~~7-~~ 8. If the insured and the insured's family members are eligible  
43 for insurance based solely on the insured's employment with the insurer,  
44 employment of the insured with that insurer is terminated and the insurer

1 exercises its right to nonrenew the policy within twelve months following the  
2 insured's termination of employment.

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

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

1 of the policy by the insurer and remains in effect until the insurer agrees  
2 in writing to provide coverage for the named individual who was previously  
3 excluded from coverage.

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

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

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

12 3. Providing insurance only on an excess basis.

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

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

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

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

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

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

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

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

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

40 K. Notwithstanding any law to the contrary, the issuance at renewal of  
41 revised policy provisions to modify an existing policy by adding coverages or  
42 policy provisions, modifying coverages or policy provisions, or eliminating  
43 coverages or policy provisions is not a nonrenewal or cancellation of the  
44 policy if the modification of a basic coverage does not eliminate the  
45 essential benefit of that basic coverage. If the modification of the basic

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

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

17 L. For the purposes of this section, ~~"fail to renew"~~ or  
18 ~~"nonrenewal"~~ does not include the issuance and delivery of a new policy  
19 within the same insurer or an insurer under the same ownership or management  
20 as the original insurer as provided in this subsection. An insurer may  
21 transfer up to one ~~per-cent~~ PERCENT of its policies to an affiliated insurer  
22 within one calendar year if under a policy to be transferred one or more of  
23 the insureds that are insured under the policy have individually within the  
24 past thirty-six months had two or more at-fault accidents under any motor  
25 vehicle insurance policy issued by this insurer in which the property damage  
26 paid by the insurer for each accident exceeded one thousand five hundred  
27 dollars or individually have had three or more moving violations. Moving  
28 violations for which an insured completes an approved traffic school program  
29 shall not be considered as a moving violation under this section. A company  
30 shall not transfer a policy if a named insured agrees in writing to exclude  
31 as an insured a person or persons who each individually meet the criteria for  
32 transfer pursuant to this subsection and further agrees to exclude coverage  
33 for any negligence that may be imputed by law to the named insured arising  
34 out of the maintenance, operation or use of a motor vehicle by such excluded  
35 person or persons. An insurer shall transfer only those individuals  
36 responsible for the at-fault accidents or moving violations, and the excluded  
37 or transferred insured's driving record shall not be used in determining  
38 rates, surcharges or premiums for the nonexcluded or nontransferred insured.  
39 The one ~~per-cent~~ PERCENT limit set forth in this subsection shall not apply  
40 to transfers of policies from the original insurer to another insurer under  
41 the same ownership or management as the original insurer if the rates charged  
42 by the other insurer are the same as or lower than the rates charged by the  
43 original insurer. No insurer shall transfer policyholders because of their  
44 location of residence, age, race, color, religion, sex, national origin or  
45 ancestry. Transfers by an insurer pursuant to this subsection shall not be

1 construed to permit a new unrestricted sixty day period for cancellation or  
2 nonrenewal.

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

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

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

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

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

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

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

26 2. To qualify as a bona fide association pursuant to this subsection,  
27 the association shall meet all of the requirements of this paragraph. The  
28 association shall file a statement with the director at least thirty days  
29 before the commencement of the offer or sale of insurance as provided by this  
30 subsection verifying that the association meets the requirements of this  
31 paragraph. The association shall update the filing required by this  
32 paragraph at least thirty days before the effective date of any material  
33 change in the information contained in the statement, and shall file a  
34 separate notice with the director if the insurance described in the statement  
35 is no longer available through the association. The statement shall include  
36 the following information:

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

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

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

44 (d) That the association does not condition membership in the  
45 association or set membership fees on the eligibility of any individual,

1 including the member, an employee of the member or a dependent of the member,  
2 to purchase or renew the insurance, or on any factor that the insurer could  
3 not lawfully consider when setting rates.

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

6 3. Membership fees collected by the bona fide association are not  
7 premiums of the insurer that issued the coverage unless the bona fide  
8 association:

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

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

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

20 N. AN INSURER MAY ISSUE AN ENDORSEMENT TO A PRIVATE PASSENGER POLICY  
21 THAT EXPRESSLY PROVIDES COVERAGE FOR THE PROVISION OF TRANSPORTATION NETWORK  
22 SERVICES, BUT THAT ENDORSEMENT MAY NOT BE TREATED AS BASIC COVERAGE AS  
23 DEFINED IN SUBSECTION K OF THIS SECTION AND ANY TERMINATION OF THE  
24 ENDORSEMENT MAY NOT BE TREATED AS A MODIFICATION OF BASIC COVERAGE. AN  
25 INSURER MAY TERMINATE THE ENDORSEMENT ALLOWED BY THIS SUBSECTION BY GIVING  
26 ADVANCE NOTICE OF THE TERMINATION. ANY NOTICE BY THE INSURER TO THE  
27 POLICYHOLDER TO TERMINATE THE ENDORSEMENT ALLOWED BY THIS SUBSECTION SHALL BE  
28 MAILED TO THE NAMED INSURED BY UNITED STATES MAIL AT LEAST FORTY-FIVE DAYS  
29 BEFORE THE EFFECTIVE DATE OF THE TERMINATION. THE NOTICE SHALL INCLUDE AN  
30 EXPLANATION TO THE NAMED INSURED THAT THE FURTHER PROVISION OF TRANSPORTATION  
31 NETWORK SERVICES FOLLOWING THE EFFECTIVE DATE OF THE TERMINATION MAY SUBJECT  
32 THE INSURED TO CANCELLATION OR NONRENEWAL OF THE PRIVATE PASSENGER MOTOR  
33 VEHICLE POLICY.

34 O. THIS SECTION AND SECTION 28-4009 DO NOT CREATE AN OBLIGATION OF AN  
35 INSURER TO OFFER, PROVIDE OR ISSUE A POLICY OR AN ENDORSEMENT THAT INCLUDES  
36 COVERAGE FOR ANY LIABILITY INCURRED WHILE A TRANSPORTATION NETWORK COMPANY  
37 DRIVER IS LOGGED IN TO THE TRANSPORTATION NETWORK COMPANY'S DIGITAL NETWORK  
38 OR SOFTWARE APPLICATION OR IS PROVIDING TRANSPORTATION NETWORK SERVICES.

39 P. FOR THE PURPOSES OF THIS SECTION, "TRANSPORTATION NETWORK COMPANY",  
40 "TRANSPORTATION NETWORK COMPANY DRIVER" AND "TRANSPORTATION NETWORK SERVICES"  
41 HAVE THE SAME MEANINGS PRESCRIBED IN SECTION 41-2051.

42 Sec. 2. Section 28-101, Arizona Revised Statutes, is amended to read:

43 28-101. Definitions

44 In this title, unless the context otherwise requires:

- 1           1. "Alcohol" means any substance containing any form of alcohol,  
2 including ethanol, methanol, propynol and isopropynol.
- 3           2. "Alcohol concentration" if expressed as a percentage means either:  
4           (a) The number of grams of alcohol per one hundred milliliters of  
5 blood.  
6           (b) The number of grams of alcohol per two hundred ten liters of  
7 breath.
- 8           3. "All-terrain vehicle" means either of the following:  
9           (a) A motor vehicle that satisfies all of the following:  
10           (i) Is designed primarily for recreational nonhighway all-terrain  
11 travel.  
12           (ii) Is fifty or fewer inches in width.  
13           (iii) Has an unladen weight of one thousand two hundred pounds or  
14 less.  
15           (iv) Travels on three or more nonhighway tires.  
16           (v) Is operated on a public highway.  
17           (b) A recreational off-highway vehicle that satisfies all of the  
18 following:  
19           (i) Is designed primarily for recreational nonhighway all-terrain  
20 travel.  
21           (ii) Is sixty-five or fewer inches in width.  
22           (iii) Has an unladen weight of one thousand eight hundred pounds or  
23 less.  
24           (iv) Travels on four or more nonhighway tires.
- 25           4. "Authorized emergency vehicle" means any of the following:  
26           (a) A fire department vehicle.  
27           (b) A police vehicle.  
28           (c) An ambulance or emergency vehicle of a municipal department or  
29 public service corporation that is designated or authorized by the department  
30 or a local authority.  
31           (d) Any other ambulance, fire truck or rescue vehicle that is  
32 authorized by the department in its sole discretion and that meets liability  
33 insurance requirements prescribed by the department.
- 34           5. "Aviation fuel" means all flammable liquids composed of a mixture  
35 of selected hydrocarbons expressly manufactured and blended for the purpose  
36 of effectively and efficiently operating an internal combustion engine for  
37 use in an aircraft but does not include fuel for jet or turbine powered  
38 aircraft.
- 39           6. "Bicycle" means a device, including a racing wheelchair, that is  
40 propelled by human power and on which a person may ride and that has either:  
41           (a) Two tandem wheels, either of which is more than sixteen inches in  
42 diameter.  
43           (b) Three wheels in contact with the ground, any of which is more than  
44 sixteen inches in diameter.
- 45           7. "Board" means the transportation board.

- 1           8. "Bus" means a motor vehicle designed for carrying sixteen or more  
2 passengers, including the driver.
- 3           9. "Business district" means the territory contiguous to and including  
4 a highway if there are buildings in use for business or industrial purposes  
5 within any six hundred feet along the highway, including hotels, banks or  
6 office buildings, railroad stations and public buildings that occupy at least  
7 three hundred feet of frontage on one side or three hundred feet collectively  
8 on both sides of the highway.
- 9           10. "Combination of vehicles" means a truck or truck tractor and  
10 semitrailer and any trailer that it tows but does not include a forklift  
11 designed for the purpose of loading or unloading the truck, trailer or  
12 semitrailer.
- 13           11. "Controlled substance" means a substance so classified under  
14 section 102(6) of the controlled substances act (21 United States Code  
15 section 802(6)) and includes all substances listed in schedules I through V  
16 of 21 Code of Federal Regulations part 1308.
- 17           12. "Conviction" means:  
18           (a) An unvacated adjudication of guilt or a determination that a  
19 person violated or failed to comply with the law in a court of original  
20 jurisdiction or by an authorized administrative tribunal.  
21           (b) An unvacated forfeiture of bail or collateral deposited to secure  
22 the person's appearance in court.  
23           (c) A plea of guilty or no contest accepted by the court.  
24           (d) The payment of a fine or court costs.
- 25           13. "County highway" means a public road **THAT IS** constructed and  
26 maintained by a county.
- 27           14. "Dealer" means a person who is engaged in the business of buying,  
28 selling or exchanging motor vehicles, trailers or semitrailers and who has an  
29 established place of business.
- 30           15. "Department" means the department of transportation acting  
31 directly or through its duly authorized officers and agents.
- 32           16. **"DIGITAL NETWORK OR SOFTWARE APPLICATION" HAS THE SAME MEANING**  
33 **PRESCRIBED IN SECTION 41-2051.**
- 34           ~~16-~~ 17. "Director" means the director of the department of  
35 transportation.
- 36           ~~17-~~ 18. "Drive" means to operate or be in actual physical control of  
37 a motor vehicle.
- 38           ~~18-~~ 19. "Driver" means a person who drives or is in actual physical  
39 control of a vehicle.
- 40           ~~19-~~ 20. "Driver license" means a license that is issued by a state to  
41 an individual and that authorizes the individual to drive a motor vehicle.
- 42           ~~20-~~ 21. "Electric personal assistive mobility device" means a  
43 self-balancing two nontandem wheeled device with an electric propulsion  
44 system that limits the maximum speed of the device to fifteen miles per hour  
45 or less and that is designed to transport only one person.

1           ~~21.~~ 22. "Farm" means any lands primarily used for agriculture  
2 production.

3           ~~22.~~ 23. "Farm tractor" means a motor vehicle designed and used  
4 primarily as a farm implement for drawing implements of husbandry.

5           ~~23.~~ 24. "Foreign vehicle" means a motor vehicle, trailer or  
6 semitrailer that is brought into this state other than in the ordinary course  
7 of business by or through a manufacturer or dealer and that has not been  
8 registered in this state.

9           ~~24.~~ 25. "Golf cart" means a motor vehicle that has not less than  
10 three wheels in contact with the ground, that has an unladen weight of less  
11 than one thousand eight hundred pounds, that is designed to be and is  
12 operated at not more than twenty-five miles per hour and that is designed to  
13 carry not more than four persons including the driver.

14           ~~25.~~ 26. "Hazardous material" means a material, and its mixtures or  
15 solutions, that the United States department of transportation determines  
16 under 49 Code of Federal Regulations is, or any quantity of a material listed  
17 as a select agent or toxin under 42 Code of Federal Regulations part 73 that  
18 is, capable of posing an unreasonable risk to health, safety and property if  
19 transported in commerce and that is required to be placarded or marked as  
20 required by the department's safety rules prescribed pursuant to chapter 14  
21 of this title.

22           ~~26.~~ 27. "Implement of husbandry" means a vehicle designed primarily  
23 for agricultural purposes and used exclusively in the conduct of agricultural  
24 operations, including an implement or vehicle whether self-propelled or  
25 otherwise that meets both of the following conditions:

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

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

33           ~~27.~~ 28. "Limousine" means a motor vehicle providing prearranged  
34 ground transportation service for an individual passenger, or a group of  
35 passengers, that is arranged in advance or is operated on a regular route or  
36 between specified points and includes ground transportation under a contract  
37 or agreement for services that includes a fixed rate or time and is provided  
38 in a motor vehicle with a seating capacity not exceeding fifteen passengers  
39 including the driver.

40           ~~28.~~ 29. "Livery vehicle" means a motor vehicle that:

41           (a) Has a seating capacity not exceeding fifteen passengers including  
42 the driver.

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

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

- 1 (d) May do any of the following:
- 2 (i) Operate on a regular route or between specified places.
- 3 (ii) Offer prearranged ground transportation service as defined in
- 4 section 28-141.
- 5 (iii) Offer on demand ground transportation service pursuant to a
- 6 contract with a public airport, licensed business entity or organization.
- 7 ~~29.~~ 30. "Local authority" means any county, municipal or other local
- 8 board or body exercising jurisdiction over highways under the constitution
- 9 and laws of this state.
- 10 ~~30.~~ 31. "Manufacturer" means a person engaged in the business of
- 11 manufacturing motor vehicles, trailers or semitrailers.
- 12 ~~31.~~ 32. "Moped" means a bicycle that is equipped with a helper motor
- 13 if the vehicle has a maximum piston displacement of fifty cubic centimeters
- 14 or less, a brake horsepower of one and one-half or less and a maximum speed
- 15 of twenty-five miles per hour or less on a flat surface with less than a one
- 16 ~~per-cent~~ PERCENT grade.
- 17 ~~32.~~ 33. "Motor driven cycle" means a motorcycle, including every
- 18 motor scooter, with a motor that produces not more than five horsepower.
- 19 ~~33.~~ 34. "Motor vehicle":
- 20 (a) Means either:
- 21 (i) A self-propelled vehicle.
- 22 (ii) For the purposes of the laws relating to the imposition of a tax
- 23 on motor vehicle fuel, a vehicle that is operated on the highways of this
- 24 state and that is propelled by the use of motor vehicle fuel.
- 25 (b) Does not include a motorized wheelchair, an electric personal
- 26 assistive mobility device or a motorized skateboard. For the purposes of
- 27 this subdivision:
- 28 (i) "Motorized skateboard" means a self-propelled device that has a
- 29 motor, a deck on which a person may ride and at least two tandem wheels in
- 30 contact with the ground.
- 31 (ii) "Motorized wheelchair" means a self-propelled wheelchair that is
- 32 used by a person for mobility.
- 33 ~~34.~~ 35. "Motor vehicle fuel" includes all products that are commonly
- 34 or commercially known or sold as gasoline, including casinghead gasoline,
- 35 natural gasoline and all flammable liquids, and that are composed of a
- 36 mixture of selected hydrocarbons expressly manufactured and blended for the
- 37 purpose of effectively and efficiently operating internal combustion engines.
- 38 Motor vehicle fuel does not include inflammable liquids that are specifically
- 39 manufactured for racing motor vehicles and that are distributed for and used
- 40 by racing motor vehicles at a racetrack, use fuel as defined in section
- 41 28-5601, aviation fuel, fuel for jet or turbine powered aircraft or the
- 42 mixture created at the interface of two different substances being
- 43 transported through a pipeline, commonly known as transmix.
- 44 ~~35.~~ 36. "Motorcycle" means a motor vehicle that has a seat or saddle
- 45 for the use of the rider and that is designed to travel on not more than

1 three wheels in contact with the ground but ~~excluding~~ EXCLUDES a tractor and  
2 a moped.

3 ~~36.~~ 37. "Neighborhood electric vehicle" means a self-propelled  
4 electrically powered motor vehicle to which all of the following apply:  
5 (a) The vehicle is emission free.  
6 (b) The vehicle has at least four wheels in contact with the ground.  
7 (c) The vehicle complies with the definition and standards for low  
8 speed vehicles set forth in federal motor vehicle safety standard 500 and 49  
9 Code of Federal Regulations sections 571.3(b) and 571.500, respectively.

10 ~~37.~~ 38. "Nonresident" means a person who is not a resident of this  
11 state as defined in section 28-2001.

12 ~~38.~~ 39. "Off-road recreational motor vehicle" means a motor vehicle  
13 that is designed primarily for recreational nonhighway all-terrain travel and  
14 that is not operated on a public highway. Off-road recreational motor  
15 vehicle does not mean a motor vehicle used for construction, building trade,  
16 mining or agricultural purposes.

17 ~~39.~~ 40. "Operator" means a person who drives a motor vehicle on a  
18 highway, who is in actual physical control of a motor vehicle on a highway or  
19 who is exercising control over or steering a vehicle being towed by a motor  
20 vehicle.

21 ~~40.~~ 41. "Owner" means:  
22 (a) A person who holds the legal title of a vehicle.  
23 (b) If a vehicle is the subject of an agreement for the conditional  
24 sale or lease with the right of purchase on performance of the conditions  
25 stated in the agreement and with an immediate right of possession vested in  
26 the conditional vendee or lessee, the conditional vendee or lessee.  
27 (c) If a mortgagor of a vehicle is entitled to possession of the  
28 vehicle, the mortgagor.

29 ~~41.~~ 42. "Pedestrian" means any person afoot. A person who uses an  
30 electric personal assistive mobility device or a manual or motorized  
31 wheelchair is considered a pedestrian unless the manual wheelchair qualifies  
32 as a bicycle. For the purposes of this paragraph, "motorized wheelchair"  
33 means a self-propelled wheelchair that is used by a person for mobility.

34 ~~42.~~ 43. "Power sweeper" means an implement, with or without motive  
35 power, that is only incidentally operated or moved on a street or highway and  
36 that is designed for the removal of debris, dirt, gravel, litter or sand  
37 whether by broom, vacuum or regenerative air system from asphaltic concrete  
38 or cement concrete surfaces, including parking lots, highways, streets and  
39 warehouses, and a vehicle on which the implement is permanently mounted.

40 ~~43.~~ 44. "Public transit" means the transportation of passengers on  
41 scheduled routes by means of a conveyance on an individual passenger  
42 fare-paying basis excluding transportation by a ~~sight-seeing~~ SIGHTSEEING bus,  
43 school bus or taxi or a vehicle not operated on a scheduled route basis.

44 ~~44.~~ 45. "Reconstructed vehicle" means a vehicle that has been  
45 assembled or constructed largely by means of essential parts, new or used,

1 derived from vehicles or makes of vehicles of various names, models and types  
2 or that, if originally otherwise constructed, has been materially altered by  
3 the removal of essential parts or by the addition or substitution of  
4 essential parts, new or used, derived from other vehicles or makes of  
5 vehicles. For the purposes of this paragraph, "essential parts" means  
6 integral and body parts, the removal, alteration or substitution of which  
7 will tend to conceal the identity or substantially alter the appearance of  
8 the vehicle.

9 ~~45.~~ 46. "Residence district" means the territory contiguous to and  
10 including a highway not comprising a business district if the property on the  
11 highway for a distance of three hundred feet or more is in the main improved  
12 with residences or residences and buildings in use for business.

13 ~~46.~~ 47. "Right-of-way" when used within the context of the regulation  
14 of the movement of traffic on a highway means the privilege of the immediate  
15 use of the highway. Right-of-way when used within the context of the real  
16 property on which transportation facilities and appurtenances to the  
17 facilities are constructed or maintained means the lands or interest in lands  
18 within the right-of-way boundaries.

19 ~~47.~~ 48. "School bus" means a motor vehicle that is designed for  
20 carrying more than ten passengers and that is either:

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

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

27 ~~48.~~ 49. "Semitrailer" means a vehicle that is with or without motive  
28 power, other than a pole trailer, that is designed for carrying persons or  
29 property and for being drawn by a motor vehicle and that is constructed so  
30 that some part of its weight and that of its load rests on or is carried by  
31 another vehicle. For the purposes of this paragraph, "pole trailer" has the  
32 same meaning prescribed in section 28-601.

33 ~~49.~~ 50. "State" means a state of the United States and the District  
34 of Columbia.

35 ~~50.~~ 51. "State highway" means a state route or portion of a state  
36 route that is accepted and designated by the board as a state highway and  
37 that is maintained by the state.

38 ~~51.~~ 52. "State route" means a right-of-way whether actually used as a  
39 highway or not that is designated by the board as a location for the  
40 construction of a state highway.

41 ~~52.~~ 53. "Street" or "highway" means the entire width between the  
42 boundary lines of every way if a part of the way is open to the use of the  
43 public for purposes of vehicular travel.

44 ~~53.~~ 54. "Taxi" means a motor vehicle that has a seating capacity not  
45 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 ~~54.~~ 55. "Traffic survival school" means a school that offers  
9 educational sessions to drivers who are required to attend and successfully  
10 complete educational sessions pursuant to this title that are designed to  
11 improve the safety and habits of drivers and that are approved by the  
12 department.

13 ~~55.~~ 56. "Trailer" means a vehicle that is with or without motive  
14 power, other than a pole trailer, that is designed for carrying persons or  
15 property and for being drawn by a motor vehicle and that is constructed so  
16 that no part of its weight rests on the towing vehicle. A semitrailer  
17 equipped with an auxiliary front axle commonly known as a dolly is deemed to  
18 be a trailer. For the purposes of this paragraph, "pole trailer" has the same  
19 meaning prescribed in section 28-601.

20 57. "TRANSPORTATION NETWORK COMPANY" HAS THE SAME MEANING PRESCRIBED  
21 IN SECTION 41-2051.

22 58. "TRANSPORTATION NETWORK SERVICE" HAS THE SAME MEANING PRESCRIBED  
23 IN SECTION 41-2051.

24 59. "TRANSPORTATION NETWORK COMPANY VEHICLE" HAS THE SAME MEANING  
25 PRESCRIBED IN SECTION 41-2051.

26 ~~56.~~ 60. "Truck" means a motor vehicle designed or used primarily for  
27 the carrying of property other than the effects of the driver or passengers  
28 and includes a motor vehicle to which has been added a box, a platform or  
29 other equipment for such carrying.

30 ~~57.~~ 61. "Truck tractor" means a motor vehicle that is designed and  
31 used primarily for drawing other vehicles and that is not constructed to  
32 carry a load other than a part of the weight of the vehicle and load drawn.

33 ~~58.~~ 62. "Vehicle" means a device in, on or by which a person or  
34 property is or may be transported or drawn on a public highway, excluding  
35 devices moved by human power or used exclusively on stationary rails or  
36 tracks.

37 ~~59.~~ 63. "Vehicle transporter" means either:

38 (a) A truck tractor capable of carrying a load and drawing a  
39 semitrailer.

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

1           Sec. 3. Section 28-142, Arizona Revised Statutes, is amended to read:  
2           28-142. Livery vehicle, taxi, transportation network company  
3                     vehicle, transportation network company and limousine  
4                     regulation; state preemption

5           The regulation and use of livery vehicles, taxis, TRANSPORTATION  
6           NETWORK COMPANY VEHICLES, TRANSPORTATION NETWORK COMPANIES and limousines are  
7           of statewide concern. Livery vehicles, taxis, TRANSPORTATION NETWORK COMPANY  
8           VEHICLES and limousines and their use AND TRANSPORTATION NETWORK COMPANIES  
9           that are regulated pursuant to this title are not subject to further  
10          regulation by a county, city, town or other political subdivision of this  
11          state, except that a public airport operator that operates a public airport  
12          pursuant to section 28-8421, 28-8423 or 28-8424 or a public body operating a  
13          public airport may establish the number of livery vehicles, taxis,  
14          TRANSPORTATION NETWORK COMPANY VEHICLES, TRANSPORTATION NETWORK COMPANIES or  
15          limousines that may conduct business at a public airport or may set  
16          additional or more restrictive requirements for the conduct of that business  
17          at a public airport.

18          Sec. 4. Section 28-2164, Arizona Revised Statutes, is amended to read:  
19          28-2164. Reregistration on becoming liable for weight fee;  
20                     exceptions

21          A. On using or offering to use a registered vehicle for transportation  
22          of passengers for compensation or on altering or reconstructing it for the  
23          transportation of property, whether or not the weight fee has been paid, the  
24          owner shall immediately:

25                 1. Surrender to the department the certificate of title and  
26                 registration card to and the license plate assigned to the vehicle.

27                 2. Apply for a corrected certificate of title.

28                 3. Obtain a new registration, and an additional fee, other than the  
29                 weight fee, is not required.

30          B. SUBSECTION A OF THIS SECTION DOES NOT APPLY TO TRANSPORTATION  
31          NETWORK COMPANIES, TRANSPORTATION NETWORK COMPANY DRIVERS OR TRANSPORTATION  
32          NETWORK COMPANY VEHICLES.

33          Sec. 5. Section 28-4009, Arizona Revised Statutes, is amended to read:  
34          28-4009. Motor vehicle liability policy requirements

35          A. An owner's motor vehicle liability policy shall comply with the  
36          following:

37                 1. The policy shall designate by explicit description or by  
38                 appropriate reference all motor vehicles for which coverage is granted. If  
39                 coverage is provided for a fleet of seven or more motor vehicles, the maximum  
40                 payable for any one accident is the limit of liability stated in the policy.  
41                 There is no accumulation of coverage for each separate vehicle covered.

1           2. The policy shall insure the person named in the policy as the  
2 insured and any other person, as insured, using the motor vehicle or motor  
3 vehicles with the express or implied permission of the named insured against  
4 loss from the liability imposed by law for damages arising out of the  
5 ownership, maintenance or use of the motor vehicle or motor vehicles within  
6 the United States or the Dominion of Canada, subject to limits exclusive of  
7 interest and costs, for each motor vehicle as follows:

8           (a) Fifteen thousand dollars because of bodily injury to or death of  
9 one person in any one accident.

10           (b) Subject to the limit for one person, thirty thousand dollars  
11 because of bodily injury to or death of two or more persons in any one  
12 accident.

13           (c) Ten thousand dollars because of injury to or destruction of  
14 property of others in any one accident.

15           3. By agreement in writing between a named insured and the insurer the  
16 policy may exclude as insured a person or persons designated by name when  
17 operating a motor vehicle. The written agreement between the named insured  
18 and insurer is effective for each renewal of the policy by the insurer and  
19 remains in effect until the insurer agrees in writing to provide coverage for  
20 the person or persons who were previously excluded from coverage.

21           B. An operator's motor vehicle liability policy shall insure the  
22 person named as insured in the policy against loss from the liability imposed  
23 on the person by law for damages arising out of the use by the person of a  
24 motor vehicle not owned by the person, within the same territorial limits and  
25 subject to the same limits of liability provided in subsection A of this  
26 section for an owner's motor vehicle liability policy.

27           C. A motor vehicle liability policy:

28           1. Shall state the name and address of the named insured, the coverage  
29 afforded by the policy, the premium charged for the policy, the complete  
30 vehicle identification number of all vehicles covered by the policy, the  
31 policy period and the limits of liability.

32           2. Shall contain an agreement or be endorsed that insurance is  
33 provided under the policy in accordance with the coverage defined in this  
34 chapter for bodily injury and death or property damage, or both.

35           3. Is subject to all of the provisions of this chapter.

36           4. Is not required to insure liability either:

37           (a) Under any workers' compensation law.

38           (b) On account of bodily injury to or death of an employee of the  
39 insured while engaged in the employment, other than domestic, of the insured  
40 or while engaged in the operation, maintenance or repair of the motor  
41 vehicle.

42           (c) For damage to property owned by, rented to, in charge of or  
43 transported by the insured.

44           (d) For damage to property or bodily injury caused intentionally by or  
45 at the direction of the insured.

1 (e) FROM AND AFTER JANUARY 31, 2016, FOR A PRIVATE PASSENGER MOTOR  
2 VEHICLE USED WHILE A TRANSPORTATION NETWORK COMPANY DRIVER IS LOGGED IN TO A  
3 TRANSPORTATION NETWORK COMPANY'S DIGITAL NETWORK OR SOFTWARE APPLICATION OR  
4 IS PROVIDING TRANSPORTATION NETWORK SERVICES UNLESS EXPRESSLY AUTHORIZED BY  
5 THE TERMS OF THE MOTOR VEHICLE LIABILITY INSURANCE POLICY OR AN ENDORSEMENT  
6 OR AMENDMENT TO THE POLICY.

7 5. Is subject to the following provisions that are not required to be  
8 in the policy:

9 (a) The liability of the insurance carrier with respect to the  
10 insurance required by this chapter becomes absolute when injury or damage  
11 covered by the motor vehicle liability policy occurs. The policy may not be  
12 cancelled or annulled as to that liability by an agreement between the  
13 insurance carrier and the insured after the occurrence of the injury or  
14 damage, and a statement made by the insured or someone on the insured's  
15 behalf or a violation of the policy shall not defeat or void the policy.

16 (b) The satisfaction by the insured of a judgment for the injury or  
17 damage is not a condition precedent to the right or duty of the insurance  
18 carrier to make payment on account of the injury or damage.

19 (c) The insurance carrier may settle any claim covered by the policy,  
20 and if the settlement is made in good faith, the amount of the claim is  
21 deductible from the limits of liability specified in subsection A, paragraph  
22 2 of this section.

23 (d) The policy, the written application for the policy, if any, and  
24 any rider or endorsement that does not conflict with this chapter constitute  
25 the entire contract between the parties.

26 6. May provide that the insured shall reimburse the insurance carrier  
27 for any payment the insurance carrier would not have been obligated to make  
28 under the terms of the policy except for this chapter.

29 7. May provide for the prorating of the insurance under the policy  
30 with other valid and collectible insurance.

31 D. A policy that grants the coverage required for a motor vehicle  
32 liability policy may also grant lawful coverage in excess of or in addition  
33 to the coverage specified for a motor vehicle liability policy, and the  
34 excess or additional coverage is not subject to this chapter. With respect  
35 to a policy that grants the excess or additional coverage, the term "motor  
36 vehicle liability policy" applies only to that part of the coverage that is  
37 required by this section.

38 E. The requirements for a motor vehicle liability policy may be  
39 fulfilled by the policies of one or more insurance carriers that together  
40 meet the requirements.

41 F. A binder issued pending the issuance of a motor vehicle liability  
42 policy fulfills the requirements for the policy.

1           Sec. 6. Section 28-4033, Arizona Revised Statutes, is amended to read:  
2           28-4033. Financial responsibility requirements

3           A. A person **THAT IS** subject to the requirements of this article shall  
4 maintain motor vehicle combined single limit liability insurance as follows:

5           1. For the transportation of nonhazardous property:

6           (a) For a vehicle with a gross vehicle weight of more than twenty-six  
7 thousand pounds, minimum coverage in the amount of seven hundred fifty  
8 thousand dollars.

9           (b) For a vehicle with a gross vehicle weight of twenty thousand one  
10 pounds to twenty-six thousand pounds, minimum coverage in the amount of three  
11 hundred thousand dollars.

12           2. For the transportation of passengers:

13           (a) In a vehicle with a seating capacity of sixteen passengers or  
14 more, minimum coverage in the amount of five million dollars and uninsured  
15 motorist coverage in the amount of at least three hundred thousand dollars.

16           (b) In a vehicle with a seating capacity of less than sixteen  
17 passengers including the driver, but more than eight passengers including the  
18 driver, minimum coverage in the amount of seven hundred fifty thousand  
19 dollars and uninsured motorist coverage in the amount of at least three  
20 hundred thousand dollars.

21           (c) In a vehicle with a seating capacity of not more than eight  
22 passengers including the driver, a policy containing **ONE OF THE FOLLOWING:**

23           (i) Minimum coverage in the amount of ~~three~~ **TWO** hundred **FIFTY** thousand  
24 dollars and uninsured motorist coverage in the amount of at least ~~three~~ **TWO**  
25 hundred **FIFTY** thousand dollars issued by an insurer that holds a valid  
26 certificate of authority or that is permitted to transact surplus lines  
27 insurance in this state.

28           (ii) **MINIMUM COVERAGE AS PRESCRIBED BY SECTION 28-4039.**

29           3. For the transportation of hazardous materials, hazardous substances  
30 or hazardous wastes:

31           (a) Minimum coverage in the amount of five million dollars for the  
32 transportation of:

33           (i) Hazardous substances, as defined in 49 Code of Federal Regulations  
34 part 171, transported in a cargo tank, portable tank or hopper-type vehicle  
35 with capacities in excess of three thousand five hundred water gallons.

36           (ii) Any quantity of class A or B explosives.

37           (iii) Any quantity of poison gas (poison A).

38           (iv) Liquefied compressed gas or compressed gas transported in a cargo  
39 tank, portable tank or hopper-type vehicle with capacities in excess of three  
40 thousand five hundred water gallons.

41           (v) The quantity of radioactive materials that requires specialized  
42 handling and transportation controls as indicated in 49 Code of Federal  
43 Regulations part 173.

44           (b) Minimum coverage in the amount of one million dollars for the  
45 transportation of the following:

1 (i) Any quantity of oil listed in 49 Code of Federal Regulations  
2 part 172.

3 (ii) Any quantity of hazardous wastes, hazardous materials or  
4 hazardous substances as defined and listed in 49 Code of Federal Regulations  
5 part 171 and in 49 Code of Federal Regulations part 172 but not included in  
6 subdivision (a) of this paragraph.

7 B. If a motor vehicle is leased or rented, the lessor shall ensure  
8 that the lessee is covered under the lessor's liability insurance as provided  
9 by this section or the lessor shall require that the lessee meet the  
10 financial responsibility requirements of this section. In the case of taxis,  
11 livery vehicles or limousines, a person who is listed on the department's  
12 records as the owner shall comply with the financial responsibility  
13 requirements of this article and article 4 of this chapter.

14 C. If a lessee uses the motor vehicle for a purpose that is required  
15 under this section to have a higher amount of financial responsibility than  
16 was required of the lessor or renter, the lessee shall maintain the higher  
17 financial responsibility requirements of this section.

18 D. The uninsured motorist coverage required by this section is not  
19 required until June 1, 1987 and may be provided by a self-insurance program  
20 authorized under section 28-4007. A person who is under contract with this  
21 state or a political subdivision of this state, who operates a motor vehicle  
22 owned by this state or a political subdivision of this state and who is  
23 included in the self-insurance program of this state or a political  
24 subdivision of this state is exempt from the uninsured motorist requirements  
25 of this section.

26 Sec. 7. Title 28, chapter 9, article 2, Arizona Revised Statutes, is  
27 amended by adding sections 28-4038, 28-4039 and 28-4040, to read:

28 28-4038. Transportation network services; financial  
29 responsibility requirements

30 A. DURING THE TIME IN WHICH THE TRANSPORTATION NETWORK COMPANY DRIVER  
31 IS LOGGED IN TO THE TRANSPORTATION NETWORK COMPANY'S DIGITAL NETWORK OR  
32 SOFTWARE APPLICATION AND IS AVAILABLE TO PROVIDE TRANSPORTATION NETWORK  
33 SERVICES, BUT IS NOT IN THE ACT OF PROVIDING TRANSPORTATION NETWORK SERVICES,  
34 THE FOLLOWING INSURANCE COVERAGE SHALL BE MAINTAINED:

35 1. BEFORE JANUARY 31, 2016, THE TRANSPORTATION NETWORK COMPANY DRIVER  
36 SHALL MAINTAIN A MOTOR VEHICLE LIABILITY INSURANCE POLICY THAT MEETS AT LEAST  
37 THE REQUIREMENTS OF SECTION 28-4009. A TRANSPORTATION NETWORK COMPANY SHALL  
38 PROVIDE MOTOR VEHICLE LIABILITY INSURANCE COVERAGE IN THE AMOUNT OF  
39 TWENTY-FIVE THOUSAND DOLLARS BECAUSE OF BODILY INJURY TO OR DEATH OF ONE  
40 PERSON IN ANY ONE ACCIDENT. SUBJECT TO THE LIMIT FOR ONE PERSON, FIFTY  
41 THOUSAND DOLLARS BECAUSE OF BODILY INJURY TO OR DEATH OF TWO OR MORE PERSONS  
42 IN ANY ONE ACCIDENT AND TWENTY THOUSAND DOLLARS BECAUSE OF INJURY TO OR  
43 DESTRUCTION OF PROPERTY OF OTHERS IN ANY ONE ACCIDENT COVERAGE IN THE EVENT A  
44 TRANSPORTATION NETWORK COMPANY DRIVER'S POLICY EXCLUDES COVERAGE ACCORDING TO  
45 THE POLICY'S TERMS.

1           2. FROM AND AFTER JANUARY 30, 2016, THE TRANSPORTATION NETWORK COMPANY  
2 DRIVER OR THE TRANSPORTATION NETWORK COMPANY, OR BOTH, SHALL PROVIDE PRIMARY  
3 MOTOR VEHICLE LIABILITY INSURANCE COVERAGE IN THE AMOUNT OF TWENTY-FIVE  
4 THOUSAND DOLLARS BECAUSE OF BODILY INJURY TO OR DEATH OF ONE PERSON IN ANY  
5 ONE ACCIDENT. SUBJECT TO THE LIMIT FOR ONE PERSON, FIFTY THOUSAND DOLLARS  
6 BECAUSE OF BODILY INJURY TO OR DEATH OF TWO OR MORE PERSONS IN ANY ONE  
7 ACCIDENT AND TWENTY THOUSAND DOLLARS BECAUSE OF INJURY TO OR DESTRUCTION OF  
8 PROPERTY OF OTHERS IN ANY ONE ACCIDENT COVERAGE SHALL BE MAINTAINED THROUGH  
9 ANY OF THE FOLLOWING:

10           (a) A PRIVATE PASSENGER MOTOR VEHICLE POLICY MAINTAINED BY THE  
11 TRANSPORTATION NETWORK COMPANY DRIVER THAT EXPRESSLY PROVIDES LIABILITY  
12 COVERAGE WHILE THE DRIVER IS LOGGED IN TO THE TRANSPORTATION NETWORK  
13 COMPANY'S DIGITAL NETWORK OR SOFTWARE APPLICATION.

14           (b) A MOTOR VEHICLE LIABILITY POLICY MAINTAINED BY THE TRANSPORTATION  
15 NETWORK COMPANY.

16           (c) A MOTOR VEHICLE LIABILITY POLICY THAT MEETS THE REQUIREMENTS OF  
17 SECTION 28-4033.

18           B. DURING THE TIME IN WHICH THE TRANSPORTATION NETWORK COMPANY DRIVER  
19 IS PROVIDING TRANSPORTATION NETWORK SERVICES, THE TRANSPORTATION NETWORK  
20 COMPANY DRIVER OR THE TRANSPORTATION NETWORK COMPANY, OR BOTH, SHALL MAINTAIN  
21 THE FOLLOWING INSURANCE COVERAGES:

22           1. PRIMARY MOTOR VEHICLE LIABILITY INSURANCE THAT COVERS THE  
23 TRANSPORTATION NETWORK COMPANY DRIVER'S PROVISION OF TRANSPORTATION NETWORK  
24 SERVICES IN A MINIMUM AMOUNT OF TWO HUNDRED FIFTY THOUSAND DOLLARS PER  
25 INCIDENT.

26           2. UNINSURED AND UNDERINSURED MOTORIST COVERAGE IN A MINIMUM AMOUNT OF  
27 TWO HUNDRED FIFTY THOUSAND DOLLARS PER INCIDENT.

28           C. FROM AND AFTER JANUARY 30, 2016, THE TRANSPORTATION NETWORK COMPANY  
29 DRIVER'S INSURANCE POLICY AND THE MOTOR VEHICLE OWNER'S PERSONAL MOTOR  
30 VEHICLE INSURANCE POLICY PROVIDE NO COVERAGE FOR THE MOTOR VEHICLE, THE  
31 TRANSPORTATION NETWORK COMPANY DRIVER, THE MOTOR VEHICLE OWNER OR ANY THIRD  
32 PARTY WHILE A TRANSPORTATION NETWORK COMPANY DRIVER IS LOGGED IN TO A  
33 TRANSPORTATION NETWORK COMPANY'S DIGITAL NETWORK OR SOFTWARE APPLICATION OR  
34 IS PROVIDING TRANSPORTATION NETWORK SERVICES, UNLESS THE INSURANCE POLICY  
35 CONTAINS AN AMENDMENT OR ENDORSEMENT THAT EXPRESSLY PROVIDES SUCH COVERAGE.

36           D. NOTWITHSTANDING SUBSECTION C OF THIS SECTION, AN INSURER MAY OFFER,  
37 WHILE A TRANSPORTATION NETWORK COMPANY DRIVER IS LOGGED IN TO A  
38 TRANSPORTATION NETWORK COMPANY'S DIGITAL NETWORK OR SOFTWARE APPLICATION OR  
39 IS PROVIDING TRANSPORTATION NETWORK SERVICES, ONE OF THE FOLLOWING:

40           1. A MOTOR VEHICLE LIABILITY INSURANCE POLICY EXPRESSLY PROVIDING SUCH  
41 COVERAGE.

42           2. AN AMENDMENT OR ENDORSEMENT TO AN EXISTING MOTOR VEHICLE LIABILITY  
43 INSURANCE POLICY SPECIFICALLY PROVIDING SUCH COVERAGE.

1 E. AN INSURANCE POLICY REQUIRED BY THIS SECTION IS DEEMED TO SATISFY  
2 THE FINANCIAL RESPONSIBILITY REQUIREMENTS FOR A MOTOR VEHICLE INSURANCE  
3 POLICY UNDER THIS TITLE.

4 F. A TRANSPORTATION NETWORK COMPANY DRIVER SHALL CARRY PROOF OF  
5 INSURANCE IN THE TRANSPORTATION NETWORK COMPANY VEHICLE AT ALL TIMES WHILE  
6 PROVIDING TRANSPORTATION NETWORK SERVICES. IF AN ACCIDENT OCCURS INVOLVING A  
7 TRANSPORTATION NETWORK COMPANY VEHICLE, THE TRANSPORTATION NETWORK COMPANY  
8 DRIVER SHALL PROVIDE PROOF OF INSURANCE INFORMATION TO THE PARTIES INVOLVED  
9 IN THE ACCIDENT REGARDING LIABILITY INSURANCE COVERAGE FOR THE TRANSPORTATION  
10 NETWORK COMPANY VEHICLE AT THE TIME OF THE ACCIDENT. THE TRANSPORTATION  
11 NETWORK COMPANY DRIVER SHALL ALSO NOTIFY THE TRANSPORTATION NETWORK COMPANY  
12 OF THE ACCIDENT.

13 G. IN A CLAIMS COVERAGE INVESTIGATION, TRANSPORTATION NETWORK  
14 COMPANIES AND ANY INSURER PROVIDING COVERAGE UNDER SECTION 28-4040 SHALL  
15 FULLY COOPERATE IN THE EXCHANGE OF INFORMATION, INCLUDING THE PRECISE TIMES  
16 THAT A TRANSPORTATION NETWORK COMPANY DRIVER LOGGED ON AND OFF OF THE  
17 TRANSPORTATION NETWORK COMPANY'S DIGITAL NETWORK OR SOFTWARE APPLICATION IN  
18 THE TWENTY-FOUR-HOUR PERIOD IMMEDIATELY PRECEDING THE ACCIDENT, AND SHALL  
19 DISCLOSE TO EACH OTHER A CLEAR DESCRIPTION OF THE COVERAGE, EXCLUSIONS AND  
20 LIMITS PROVIDED UNDER ANY INSURANCE POLICY EACH PARTY ISSUED OR MAINTAINED.

21 H. FROM AND AFTER JANUARY 30, 2016, THIS SECTION AND SECTION 28-4009  
22 DO NOT CREATE AN OBLIGATION FOR AN INSURER THAT ISSUES COVERAGE TO WHICH  
23 SECTION 20-1631 APPLIES TO OFFER, PROVIDE OR ISSUE A MOTOR VEHICLE LIABILITY  
24 INSURANCE POLICY OR AN ENDORSEMENT OR AMENDMENT THAT INCLUDES COVERAGE FOR  
25 ANY LIABILITY ARISING WHILE THE DRIVER IS LOGGED IN TO THE TRANSPORTATION  
26 NETWORK COMPANY'S DIGITAL NETWORK OR SOFTWARE APPLICATION OR IS PROVIDING  
27 TRANSPORTATION NETWORK SERVICES.

28 I. AN INSURANCE POLICY REQUIRED BY THIS SECTION MAY BE PLACED WITH AN  
29 INSURER AUTHORIZED TO TRANSACT INSURANCE IN THIS STATE PURSUANT TO TITLE 20,  
30 CHAPTER 2, ARTICLE 1 OR A SURPLUS LINES INSURER PURSUANT TO TITLE 20, CHAPTER  
31 2, ARTICLE 5.

32 28-4039. Taxi, livery or limousine; financial responsibility

33 A TAXI, LIVERY VEHICLE OR LIMOUSINE MAY MAINTAIN MOTOR VEHICLE  
34 LIABILITY INSURANCE AS FOLLOWS:

35 1. DURING THE TIME IN WHICH THE TAXI, LIVERY VEHICLE OR LIMOUSINE  
36 DRIVER IS AVAILABLE TO PROVIDE PASSENGER TRANSPORTATION, BUT HAS NOT ACCEPTED  
37 A RIDE REQUEST AND IS NOT IN THE ACT OF PROVIDING PASSENGER TRANSPORTATION,  
38 THE TAXI, LIVERY VEHICLE OR LIMOUSINE DRIVER OR THE TAXI, LIVERY VEHICLE OR  
39 LIMOUSINE COMPANY, OR BOTH, SHALL PROVIDE PRIMARY MOTOR VEHICLE LIABILITY  
40 INSURANCE COVERAGE IN THE AMOUNT OF TWENTY-FIVE THOUSAND DOLLARS BECAUSE OF  
41 BODILY INJURY TO OR DEATH OF ANY ONE PERSON IN ANY ONE ACCIDENT, SUBJECT TO  
42 THE LIMIT FOR ONE PERSON, FIFTY THOUSAND DOLLARS BECAUSE OF BODILY INJURY TO  
43 OR DEATH OF TWO OR MORE PERSONS IN ANY ONE ACCIDENT AND TWENTY THOUSAND  
44 DOLLARS BECAUSE OF INJURY TO OR DESTRUCTION OF PROPERTY OF OTHERS IN ANY ONE  
45 ACCIDENT THROUGH ANY OF THE FOLLOWING:

1 (a) A PRIVATE PASSENGER MOTOR VEHICLE POLICY MAINTAINED BY THE TAXI,  
2 LIVERY VEHICLE OR LIMOUSINE DRIVER THAT EXPRESSLY PROVIDES LIABILITY COVERAGE  
3 WHILE THE DRIVER IS AVAILABLE TO PROVIDE PASSENGER TRANSPORTATION.

4 (b) A MOTOR VEHICLE LIABILITY POLICY MAINTAINED BY THE TAXI, LIVERY  
5 VEHICLE OR LIMOUSINE COMPANY.

6 (c) ANY COMBINATION OF SUBDIVISIONS (a) AND (b) OF THIS PARAGRAPH.

7 2. AFTER THE TAXI, LIVERY VEHICLE OR LIMOUSINE DRIVER HAS ACCEPTED A  
8 RIDE REQUEST THROUGH ANY COMMUNICATION, INCLUDING A STREET HAIL, AND DURING  
9 THE TIME IN WHICH THE TAXI, LIVERY VEHICLE OR LIMOUSINE DRIVER IS PROVIDING  
10 PASSENGER TRANSPORTATION, THE TAXI, LIVERY VEHICLE OR LIMOUSINE DRIVER OR THE  
11 TAXI, LIVERY VEHICLE OR LIMOUSINE COMPANY, OR BOTH, SHALL MAINTAIN THE  
12 FOLLOWING INSURANCE COVERAGE:

13 (a) PRIMARY MOTOR VEHICLE LIABILITY INSURANCE IN A MINIMUM AMOUNT OF  
14 TWO HUNDRED FIFTY THOUSAND DOLLARS PER INCIDENT.

15 (b) UNINSURED AND UNDERINSURED MOTORIST COVERAGE IN A MINIMUM AMOUNT  
16 OF TWO HUNDRED FIFTY THOUSAND DOLLARS PER INCIDENT.

17 28-4040. Transportation network company disclosures; insurance  
18 proceeds

19 A. A TRANSPORTATION NETWORK COMPANY SHALL DISCLOSE TO ITS  
20 TRANSPORTATION NETWORK COMPANY DRIVERS, IN WRITING OR IN AN ELECTRONIC  
21 FORMAT, THE FOLLOWING INFORMATION BEFORE THE DRIVERS MAY ACCEPT A REQUEST FOR  
22 TRANSPORTATION NETWORK SERVICES ON THE TRANSPORTATION NETWORK COMPANY'S  
23 DIGITAL NETWORK OR SOFTWARE APPLICATION:

24 1. THE INSURANCE COVERAGE AND LIMITS OF LIABILITY THAT THE  
25 TRANSPORTATION NETWORK COMPANY PROVIDES WHILE THE TRANSPORTATION NETWORK  
26 COMPANY DRIVER USES A TRANSPORTATION NETWORK COMPANY VEHICLE IN CONNECTION  
27 WITH TRANSPORTATION NETWORK COMPANY'S DIGITAL NETWORK OR SOFTWARE  
28 APPLICATION.

29 2. THAT THE TRANSPORTATION NETWORK COMPANY DRIVER'S OWN INSURANCE  
30 POLICY MIGHT NOT PROVIDE COVERAGE WHILE THE TRANSPORTATION NETWORK COMPANY  
31 DRIVER USES A TRANSPORTATION NETWORK COMPANY VEHICLE IN CONNECTION WITH A  
32 TRANSPORTATION NETWORK COMPANY'S DIGITAL NETWORK OR SOFTWARE APPLICATION,  
33 DEPENDING ON ITS TERMS.

34 3. THAT IF THE VEHICLE THE TRANSPORTATION NETWORK COMPANY DRIVER PLANS  
35 TO USE TO PROVIDE TRANSPORTATION NETWORK SERVICES FOR THE TRANSPORTATION  
36 NETWORK COMPANY HAS A LIEN AGAINST IT, USING THE VEHICLE TO PROVIDE  
37 TRANSPORTATION NETWORK SERVICES MIGHT VIOLATE THE TERMS OF THE TRANSPORTATION  
38 NETWORK COMPANY DRIVER'S CONTRACT WITH THE DRIVER'S LIENHOLDER.

39 B. THE DISCLOSURES SET FORTH IN THIS SECTION SHALL BE PLACED IN THE  
40 PROSPECTIVE TRANSPORTATION NETWORK COMPANY DRIVER'S WRITTEN TERMS OF SERVICE.

41 C. IF A TRANSPORTATION NETWORK COMPANY'S INSURER MAKES A PAYMENT FOR A  
42 CLAIM COVERED UNDER COMPREHENSIVE COVERAGE OR COLLISION COVERAGE, THE  
43 TRANSPORTATION NETWORK COMPANY SHALL CAUSE ITS INSURER TO ISSUE THE PAYMENT  
44 DIRECTLY TO THE BUSINESS REPAIRING THE VEHICLE OR JOINTLY TO THE OWNER OF THE  
45 VEHICLE AND THE PRIMARY LIENHOLDER ON THE COVERED VEHICLE.

1           Sec. 8. Section 41-2051, Arizona Revised Statutes, is amended to read:

2           41-2051. Definitions

3           In this chapter, unless the context otherwise requires:

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

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

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

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

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

23          6. "Certification" means the process of determining the accuracy of a  
24 commercial device to the standards of this state by a registered service  
25 representative or the department.

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

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

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

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

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

40          12. "DIGITAL NETWORK OR SOFTWARE APPLICATION" MEANS ANY ONLINE-ENABLED  
41 APPLICATION, SOFTWARE, WEBSITE OR SYSTEM THAT IS OFFERED OR USED BY A  
42 TRANSPORTATION NETWORK COMPANY AND THAT ENABLES A POTENTIAL PASSENGER TO  
43 ARRANGE A RIDE WITH A TRANSPORTATION NETWORK COMPANY DRIVER.

44          ~~12-~~ 13. "Director" means the director of the department of weights  
45 and measures.

1           ~~13-~~ 14. "E85" means a fuel ethanol gasoline blend that meets the  
2 specifications of ASTM D5798.  
3           ~~14-~~ 15. "Inspector" means state officials of the department of  
4 weights and measures.  
5           ~~15-~~ 16. "Limousine" means a motor vehicle providing prearranged  
6 ground transportation service for an individual passenger, or a group of  
7 passengers, that is arranged in advance or is operated on a regular route or  
8 between specified points and includes ground transportation under a contract  
9 or agreement for services that includes a fixed rate or time and is provided  
10 in a motor vehicle with a seating capacity not exceeding fifteen passengers,  
11 including the driver.  
12           ~~16-~~ 17. "Liquid fuel measuring device" means any meter, pump, tank,  
13 gauge or apparatus used for volumetrically determining the quantity of any  
14 internal combustion engine fuel, liquefied petroleum gas or low-viscosity  
15 heating oil.  
16           ~~17-~~ 18. "Livery vehicle" means a motor vehicle that:  
17           (a) Has a seating capacity not exceeding fifteen passengers, including  
18 the driver.  
19           (b) Provides passenger services for a fare determined by a flat rate  
20 or flat hourly rate between geographic zones or within a geographic area.  
21           (c) Is available for hire on an exclusive or shared-ride basis.  
22           (d) May do any of the following:  
23           (i) Operate on a regular route or between specified places.  
24           (ii) Offer prearranged ground transportation service as defined in  
25 section 28-141.  
26           (iii) Offer on demand ground transportation service pursuant to a  
27 contract with a public airport, licensed business entity or organization.  
28           ~~18-~~ 19. "Misfuel" means the act of dispensing into the fuel tank of a  
29 motor vehicle a motor fuel that was not intended to be used in the engine of  
30 that motor vehicle.  
31           ~~19-~~ 20. "Motor fuel" means a petroleum or a petroleum-based substance  
32 that is motor gasoline, aviation gasoline, number one or number two diesel  
33 fuel or any grade of oxygenated gasoline typically used in the operation of a  
34 motor engine, including biodiesel blends, biofuel blends and the ethanol  
35 blend E85 as defined in ASTM D5798.  
36           ~~20-~~ 21. "Package" means any commodity enclosed in a container or  
37 wrapped in any manner in advance of sale in units suitable for either  
38 wholesale or retail trade.  
39           ~~21-~~ 22. "Person" means both the plural and the singular, as the case  
40 demands, and includes individuals, partnerships, corporations, companies,  
41 societies and associations.  
42           ~~22-~~ 23. "Public weighmaster" means any person who is engaged in any  
43 of the following:  
44           (a) The business of weighing any object or thing for the public  
45 generally for hire or for internal use and issuing for that weighing a weight

1 certificate intended to be accepted as an accurate weight ~~upon~~ ON which a  
2 purchase or sale is to be based or on which a service fee is to be charged.

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

7 ~~23.~~ 24. "Reference standards" means the physical standards of the  
8 state that serve as the legal reference from which all other standards and  
9 weights and measures are derived.

10 ~~24.~~ 25. "Registered service agency" means any agency, firm, company  
11 or corporation that for hire, award, commission or any other payment of any  
12 kind installs, services, repairs or reconditions a commercial device or tests  
13 or repairs vapor recovery systems or vapor recovery components and that has  
14 been issued a license by the department.

15 ~~25.~~ 26. "Registered service representative" means any individual who  
16 for hire, award, commission or any other payment of any kind installs,  
17 services, repairs or reconditions a commercial device or tests or repairs  
18 vapor recovery systems or vapor recovery components and who has been issued a  
19 license by the department.

20 ~~26.~~ 27. "Retail seller" means a person whose business purpose is to  
21 sell, expose or offer for sale or use any package or commodity by weight,  
22 measure or count.

23 ~~27.~~ 28. "Sale from bulk" means the sale of commodities when the  
24 quantity is determined at the time of sale.

25 ~~28.~~ 29. "Secondary standards" means the physical standards that are  
26 traceable to the reference standards through comparisons, using acceptable  
27 laboratory procedures, and that are used in the enforcement of weights and  
28 measures laws and rules.

29 ~~29.~~ 30. "Taxi" means a motor vehicle that has a seating capacity not  
30 exceeding fifteen passengers, including the driver, that is registered as a  
31 taxi in this state or any other state, that provides passenger services and  
32 that:

33 (a) Does not primarily operate on a regular route or between specified  
34 places.

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

38 ~~30.~~ 31. "Taxi meter" means a commercial device that meets the  
39 requirements of the national institute of standards and technology handbook  
40 44 as prescribed by section 41-2064.

41 32. "TRADE DRESS" MEANS A REMOVABLE AND DISTRICT LOGO, INSIGNIA OR  
42 EMBLEM ATTACHED TO OR VISIBLE FROM THE EXTERIOR OF A TRANSPORTATION NETWORK  
43 COMPANY VEHICLE DURING THE PERFORMANCE OF TRANSPORTATION NETWORK SERVICES.

44 33. "TRANSPORTATION NETWORK COMPANY" MEANS AN ENTITY THAT HAS BEEN  
45 ISSUED A PERMIT PURSUANT TO ARTICLE 8 OF THIS CHAPTER, THAT OPERATES IN THIS

1 STATE, THAT USES A DIGITAL NETWORK OR SOFTWARE APPLICATION TO CONNECT  
2 PASSENGERS TO TRANSPORTATION NETWORK SERVICES PROVIDED BY TRANSPORTATION  
3 NETWORK COMPANY DRIVERS AND THAT IS NOT DEEMED TO CONTROL OR MANAGE THE  
4 PERSONAL MOTOR VEHICLES OF TRANSPORTATION NETWORK COMPANY DRIVERS.  
5 TRANSPORTATION NETWORK COMPANY DOES NOT INCLUDE THE FOLLOWING:

6 (a) THIS STATE OR A COUNTY, CITY, TOWN OR POLITICAL SUBDIVISION OF  
7 THIS STATE AND ANY RELATED ENTITY, A NONPROFIT AGENCY OR ANY OTHER PUBLIC  
8 BODY THAT COORDINATES, OPERATES, PROMOTES OR SPONSORS PUBLIC TRANSPORTATION,  
9 CARPOOL OR VANPOOL SERVICES.

10 (b) A PROGRAM THAT IS IN PLACE TO MEET FEDERAL AIR QUALITY STANDARDS  
11 PURSUANT TO SECTION 49-404.

12 (c) ANY INDIVIDUAL, COMPANY OR ACTIVITY THAT MEETS THE REQUIREMENTS OF  
13 A RENTAL CAR AGENT OR RENTAL COMPANY AS DEFINED IN SECTION 20-331 IF ALL OF  
14 THE FOLLOWING APPLY:

15 (i) TRANSPORTATION IS PROVIDED TO ANOTHER PERSON OR IS ARRANGED BY THE  
16 RENTAL COMPANY BUT PROVIDED BY ANOTHER PERSON.

17 (ii) THE ROUTE IS PREDETERMINED.

18 (iii) ANY MONEY EXCHANGED BETWEEN THE PROVIDER OF THE TRANSPORTATION  
19 AND THE RECIPIENT DOES NOT EXCEED THE COST OF PROVIDING THE TRANSPORTATION.

20 (d) A TAXICAB ASSOCIATION OR LIMOUSINE SERVICE.

21 34. "TRANSPORTATION NETWORK COMPANY DRIVER" MEANS AN INDIVIDUAL WHO  
22 RECEIVES CONNECTIONS TO POTENTIAL PASSENGERS AND RELATED SERVICES FROM A  
23 TRANSPORTATION NETWORK COMPANY IN EXCHANGE FOR PAYMENT OF A FEE TO THE  
24 TRANSPORTATION NETWORK COMPANY AND WHO OPERATES A MOTOR VEHICLE THAT IS ALL  
25 OF THE FOLLOWING:

26 (a) OWNED, LEASED OR OTHERWISE AUTHORIZED FOR USE BY THE INDIVIDUAL.

27 (b) NOT A TAXI, LIVERY VEHICLE OR LIMOUSINE.

28 (c) USED TO PROVIDE TRANSPORTATION NETWORK SERVICES.

29 35. "TRANSPORTATION NETWORK COMPANY VEHICLE" MEANS A MOTOR VEHICLE  
30 THAT MEETS ALL OF THE FOLLOWING:

31 (a) HAS A SEATING CAPACITY NOT EXCEEDING EIGHT PASSENGERS, INCLUDING  
32 THE DRIVER.

33 (b) IS AUTHORIZED BY A TRANSPORTATION NETWORK COMPANY.

34 (c) IS USED BY A TRANSPORTATION NETWORK COMPANY DRIVER TO PROVIDE  
35 TRANSPORTATION NETWORK SERVICES.

36 36. "TRANSPORTATION NETWORK SERVICES" MEANS THE TRANSPORTATION OF A  
37 PASSENGER BETWEEN POINTS CHOSEN BY THE PASSENGER AND ARRANGED WITH A  
38 TRANSPORTATION NETWORK COMPANY DRIVER THROUGH THE USE OF A TRANSPORTATION  
39 NETWORK COMPANY'S DIGITAL NETWORK OR SOFTWARE APPLICATION BEGINNING WHEN A  
40 TRANSPORTATION NETWORK COMPANY DRIVER ACCEPTS A REQUEST FOR TRANSPORTATION  
41 NETWORK SERVICES RECEIVED THROUGH THE TRANSPORTATION NETWORK COMPANY'S  
42 DIGITAL NETWORK OR SOFTWARE APPLICATION, CONTINUING WHILE THE TRANSPORTATION  
43 NETWORK COMPANY DRIVER PROVIDES TRANSPORTATION NETWORK SERVICES IN A  
44 TRANSPORTATION NETWORK COMPANY VEHICLE AND ENDING WHEN THE PASSENGER EXITS  
45 THE TRANSPORTATION NETWORK COMPANY VEHICLE OR WHEN THE TRIP IS CANCELED.

1           ~~31.~~ 37. "Weight" as used in connection with any commodity means net  
2 weight.

3           ~~32.~~ 38. "Weights" or "measures", or both, means all weights,  
4 measures, meters or counters of every kind, instruments and devices for  
5 weighing, measuring, metering or counting and any appliance and accessories  
6 associated with any or all such instruments and devices.

7           Sec. 9. Section 41-2052, Arizona Revised Statutes, is amended to read:

8           41-2052. Livery vehicle, taxi, transportation network company  
9                                   vehicle, transportation network company and  
10                                   limousine regulation; state preemption

11           The regulation and use of livery vehicles, taxis, TRANSPORTATION  
12 NETWORK COMPANY VEHICLES, TRANSPORTATION NETWORK COMPANIES and limousines are  
13 of statewide concern. Livery vehicles, taxis, ~~and~~ limousines AND  
14 TRANSPORTATION NETWORK COMPANY VEHICLES and their use AND TRANSPORTATION  
15 NETWORK COMPANIES that are regulated pursuant to this title are not subject  
16 to further regulation by a county, city, town or other political subdivision  
17 of this state, except that a public airport operator that operates a public  
18 airport pursuant to section 28-8421, 28-8423 or 28-8424 or a public body  
19 operating a public airport may establish the number of livery vehicles,  
20 taxis, TRANSPORTATION NETWORK COMPANY VEHICLES, TRANSPORTATION NETWORK  
21 COMPANIES or limousines that may conduct business at ~~a~~ THE public airport or  
22 may set additional or more restrictive requirements for the conduct of that  
23 business at ~~a~~ THE public airport.

24           Sec. 10. Section 41-2097, Arizona Revised Statutes, is amended to  
25 read:

26           41-2097. Livery vehicles, taxis and limousines; criminal  
27                                   background checks; vehicle safety records;  
28                                   zero-tolerance policy; drug and alcohol use by  
29                                   driver

30           A. An owner of a livery vehicle, taxi or limousine licensed through  
31 the department shall have ~~available for inspection at all times by the~~  
32 ~~department written evidence of~~ a criminal background check ~~and drug testing~~  
33 ~~records~~ CONDUCTED of any driver operating a livery vehicle, taxi or limousine  
34 for the owner, whether as an employee or lessee. The criminal background  
35 check ~~and preemployment drug testing~~ shall be completed before the driver is  
36 engaged as an employee or lessee, ~~and random drug testing shall be completed~~  
37 ~~annually for the driver, whether as an employee or lessee. Drug testing~~  
38 ~~records shall include preemployment drug testing results and random annual~~  
39 ~~drug testing results for the driver, whether as an employee or lessee.~~

40           B. An owner of a livery vehicle, taxi or limousine licensed through  
41 the department shall ~~have available for inspection at all times by the~~  
42 ~~department all vehicle maintenance records of all the owner's livery~~  
43 ~~vehicles, taxis or limousines. At a minimum, the vehicle maintenance records~~  
44 ~~shall include information of a routine brake and tire inspection that is~~  
45 ~~performed by a qualified or professional motor vehicle mechanic. Such~~

1 ~~maintenance records shall be updated at least annually.~~ REQUIRE THAT ALL OF  
2 THE OWNER'S TAXIS, LIVERY VEHICLES OR LIMOUSINES USED TO PROVIDE PASSENGER  
3 TRANSPORTATION MEET STATE VEHICLE SAFETY AND EMISSIONS STANDARDS FOR PRIVATE  
4 VEHICLES AND SHALL REQUIRE THE TAXIS, LIVERY VEHICLES OR LIMOUSINES TO HAVE,  
5 AT A MINIMUM, AN ANNUAL BRAKE AND TIRE INSPECTION THAT IS PERFORMED BY A  
6 QUALIFIED PARTY. THE DEPARTMENT SHALL MAINTAIN VEHICLE SAFETY AND EMISSIONS  
7 INSPECTION RECORDS FOR AT LEAST TWO YEARS.

8 C. AN OWNER OF A TAXI, LIVERY VEHICLE OR LIMOUSINE SHALL IMPLEMENT A  
9 ZERO-TOLERANCE POLICY ON THE USE OF DRUGS AND ALCOHOL WHILE A TAXI, LIVERY  
10 VEHICLE OR LIMOUSINE DRIVER IS PROVIDING PASSENGER TRANSPORTATION OR IS  
11 AVAILABLE TO PROVIDE PASSENGER TRANSPORTATION. THE OWNER OF A TAXI, LIVERY  
12 VEHICLE OR LIMOUSINE SHALL PROVIDE NOTICE OF THIS POLICY ON ITS WEBSITE OR IN  
13 THE TAXI, LIVERY VEHICLE OR LIMOUSINE, INCLUDING PROCEDURES TO FILE A  
14 COMPLAINT ABOUT A DRIVER WITH WHOM A PASSENGER WAS MATCHED AND WHO THE  
15 PASSENGER REASONABLY SUSPECTS WAS UNDER THE INFLUENCE OF DRUGS OR ALCOHOL  
16 DURING THE COURSE OF THE PASSENGER TRANSPORTATION.

17 D. ON RECEIPT OF A PASSENGER COMPLAINT ALLEGING A VIOLATION OF THE  
18 ZERO-TOLERANCE POLICY, THE OWNER OF THE TAXI, LIVERY VEHICLE OR LIMOUSINE  
19 SHALL DO BOTH OF THE FOLLOWING:

20 1. IMMEDIATELY SUSPEND THE TAXI, LIVERY VEHICLE OR LIMOUSINE DRIVER'S  
21 ACCESS TO THE OWNER'S TAXI, LIVERY VEHICLE OR LIMOUSINE.

22 2. CONDUCT AN INVESTIGATION INTO THE FILED COMPLAINT. THE SUSPENSION  
23 SHALL LAST THE DURATION OF THE INVESTIGATION.

24 E. IF THE TAXI, LIVERY VEHICLE OR LIMOUSINE OWNER'S INVESTIGATION  
25 CONFIRMS THAT THE DRIVER HAS VIOLATED SUBSECTION C OF THIS SECTION, THE OWNER  
26 SHALL PERMANENTLY PROHIBIT THE DRIVER'S ACCESS TO THE OWNER'S TAXI, LIVERY  
27 VEHICLE OR LIMOUSINE. THE OWNER OF A TAXI, LIVERY VEHICLE OR LIMOUSINE SHALL  
28 MAINTAIN ENFORCEMENT RECORDS FOR AT LEAST TWO YEARS AFTER THE DATE A  
29 PASSENGER COMPLAINT IS RECEIVED BY THE OWNER.

30 Sec. 11. Title 41, chapter 15, Arizona Revised Statutes, is amended by  
31 adding article 8, to read:

32 ARTICLE 8. TRANSPORTATION NETWORK COMPANIES

33 41-2139. Transportation network companies; permit; fee; agent;  
34 trade dress

35 A. A PERSON MAY NOT OPERATE A TRANSPORTATION NETWORK COMPANY IN THIS  
36 STATE WITHOUT A PERMIT ISSUED BY THE DEPARTMENT. THE PERSON MAY APPLY TO THE  
37 DEPARTMENT ON FORMS PRESCRIBED BY THE DEPARTMENT. THE DEPARTMENT SHALL  
38 CHARGE AND COLLECT AN APPLICATION FEE AS DETERMINED BY THE DIRECTOR.

39 B. THE DEPARTMENT SHALL ISSUE A PERMIT TO AN APPLICANT THAT MEETS THE  
40 REQUIREMENTS OF THIS ARTICLE.

41 C. THE TRANSPORTATION NETWORK COMPANY SHALL MAINTAIN AN AGENT FOR  
42 SERVICE OF PROCESS IN THIS STATE.

43 D. A TRANSPORTATION NETWORK COMPANY VEHICLE SHALL DISPLAY TRADE DRESS  
44 WHILE BEING USED TO PROVIDE TRANSPORTATION NETWORK SERVICES. THE TRADE DRESS  
45 SHALL IDENTIFY THE TRANSPORTATION NETWORK COMPANY VEHICLE WITH A PARTICULAR

1 TRANSPORTATION NETWORK COMPANY. THE TRANSPORTATION NETWORK COMPANY SHALL  
2 FILE AN ILLUSTRATION OF THE TRADE DRESS WITH THE DEPARTMENT.

3 41-2139.01. Transportation network services; fares; driver  
4 identification; electronic receipt

5 A. ON BEHALF OF A TRANSPORTATION NETWORK COMPANY, A TRANSPORTATION  
6 NETWORK COMPANY MAY CHARGE A FARE FOR TRANSPORTATION NETWORK SERVICES  
7 PROVIDED TO PASSENGERS. IF A FARE IS CHARGED, THE TRANSPORTATION NETWORK  
8 COMPANY SHALL DISCLOSE TO PASSENGERS THE FARE CALCULATION METHOD ON ITS  
9 WEBSITE OR WITHIN THE DIGITAL NETWORK OR SOFTWARE APPLICATION.

10 B. THE TRANSPORTATION NETWORK COMPANY SHALL PROVIDE PASSENGERS WITH  
11 THE APPLICATION RATES BEING CHARGED AND THE OPTION TO RECEIVE AN ESTIMATED  
12 FARE BEFORE THE PASSENGER ENTERS THE TRANSPORTATION NETWORK COMPANY VEHICLE.

13 C. BEFORE THE PASSENGER ENTERS THE TRANSPORTATION NETWORK COMPANY  
14 VEHICLE, THE TRANSPORTATION NETWORK COMPANY'S DIGITAL NETWORK OR SOFTWARE  
15 APPLICATION SHALL DISPLAY A PICTURE OF THE TRANSPORTATION NETWORK COMPANY  
16 DRIVER AND THE LICENSE PLATE NUMBER OF THE MOTOR VEHICLE USED FOR PROVIDING  
17 THE TRANSPORTATION NETWORK SERVICE.

18 D. WITHIN A REASONABLE PERIOD OF TIME FOLLOWING THE COMPLETION OF A  
19 TRIP, THE TRANSPORTATION NETWORK COMPANY SHALL TRANSMIT TO THE PASSENGER AN  
20 ELECTRONIC RECEIPT THAT LISTS ALL OF THE FOLLOWING:

- 21 1. THE ORIGIN AND DESTINATION OF THE TRIP.
- 22 2. THE TOTAL TIME AND DISTANCE OF THE TRIP.
- 23 3. AN ITEMIZATION OF THE TOTAL FARE PAID, IF ANY.

24 41-2139.02. Zero-tolerance policy; drug and alcohol use by  
25 driver

26 A. A TRANSPORTATION NETWORK COMPANY SHALL IMPLEMENT A ZERO-TOLERANCE  
27 POLICY ON THE USE OF DRUGS AND ALCOHOL WHILE A TRANSPORTATION NETWORK COMPANY  
28 DRIVER IS PROVIDING TRANSPORTATION NETWORK SERVICES OR IS LOGGED IN TO THE  
29 DIGITAL NETWORK OR SOFTWARE APPLICATION BUT IS NOT PROVIDING TRANSPORTATION  
30 NETWORK SERVICES. THE TRANSPORTATION NETWORK COMPANY SHALL PROVIDE NOTICE OF  
31 THIS POLICY ON ITS WEBSITE, INCLUDING PROCEDURES TO FILE A COMPLAINT ABOUT A  
32 TRANSPORTATION NETWORK COMPANY DRIVER WITH WHOM A PASSENGER WAS MATCHED AND  
33 WHO THE PASSENGER REASONABLY SUSPECTS WAS UNDER THE INFLUENCE OF DRUGS OR  
34 ALCOHOL DURING THE COURSE OF THE TRIP.

35 B. ON RECEIPT OF A PASSENGER COMPLAINT ALLEGING A VIOLATION OF THE  
36 ZERO-TOLERANCE POLICY, THE TRANSPORTATION NETWORK COMPANY SHALL DO BOTH OF  
37 THE FOLLOWING:

38 1. IMMEDIATELY SUSPEND THE TRANSPORTATION NETWORK COMPANY DRIVER'S  
39 ACCESS TO THE TRANSPORTATION NETWORK COMPANY'S DIGITAL NETWORK OR SOFTWARE  
40 APPLICATION.

41 2. CONDUCT AN INVESTIGATION INTO THE FILED COMPLAINT. THE SUSPENSION  
42 SHALL LAST THE DURATION OF THE INVESTIGATION.

43 C. IF THE TRANSPORTATION NETWORK COMPANY'S INVESTIGATION CONFIRMS THAT  
44 THE TRANSPORTATION NETWORK COMPANY DRIVER HAS VIOLATED THIS SECTION, THE  
45 TRANSPORTATION NETWORK COMPANY SHALL PERMANENTLY DEACTIVATE THE DRIVER'S

1 ACCESS TO THE TRANSPORTATION NETWORK COMPANY'S DIGITAL NETWORK OR SOFTWARE  
2 APPLICATION. THE TRANSPORTATION NETWORK COMPANY SHALL MAINTAIN ENFORCEMENT  
3 RECORDS FOR AT LEAST TWO YEARS AFTER THE DATE A PASSENGER COMPLAINT IS  
4 RECEIVED BY THE TRANSPORTATION NETWORK COMPANY.

5 41-2139.03. Transportation network company driver: requirements

6 A. BEFORE A PERSON MAY ACCEPT TRIP REQUESTS THROUGH A DIGITAL NETWORK  
7 OR SOFTWARE APPLICATION, THE TRANSPORTATION NETWORK COMPANY SHALL DO ALL OF  
8 THE FOLLOWING:

9 1. REQUIRE THE PERSON TO SUBMIT AN APPLICATION TO THE TRANSPORTATION  
10 NETWORK COMPANY THAT INCLUDES THE PERSON'S NAME, ADDRESS, AGE, DRIVER LICENSE  
11 NUMBER, DRIVING HISTORY, MOTOR VEHICLE REGISTRATION, MOTOR VEHICLE INSURANCE  
12 INFORMATION AND ANY OTHER INFORMATION REQUESTED BY THE TRANSPORTATION NETWORK  
13 COMPANY.

14 2. CONDUCT, OR HAVE A THIRD PARTY CONDUCT, A LOCAL AND NATIONAL  
15 CRIMINAL BACKGROUND CHECK FOR EACH APPLICANT THAT INCLUDES A SEARCH OF A  
16 MULTIJURISDICTION CRIMINAL RECORDS LOCATOR OR SIMILAR, VALIDATED COMMERCIAL  
17 NATIONWIDE DATABASE AND A NATIONAL SEX OFFENDER REGISTRY DATABASE.

18 3. OBTAIN AND REVIEW A DRIVING HISTORY REPORT FOR THE APPLICANT.

19 4. REQUIRE THAT ALL TRANSPORTATION NETWORK COMPANY VEHICLES USED BY  
20 TRANSPORTATION NETWORK COMPANY DRIVERS MEET STATE VEHICLE SAFETY AND  
21 EMISSIONS STANDARDS FOR PRIVATE VEHICLES AND HAVE AT A MINIMUM AN ANNUAL  
22 BRAKE AND TIRE INSPECTION THAT IS PERFORMED BY A QUALIFIED THIRD PARTY.

23 B. A TRANSPORTATION NETWORK COMPANY MAY NOT ALLOW A PERSON TO ACT AS A  
24 TRANSPORTATION NETWORK COMPANY DRIVER WHO:

25 1. HAS HAD MORE THAN THREE MOVING VIOLATIONS OR ONE MAJOR VIOLATION  
26 PURSUANT TO TITLE 28 IN THE PRECEDING THREE YEARS. FOR THE PURPOSES OF THIS  
27 PARAGRAPH, "MAJOR VIOLATION" INCLUDES ATTEMPTING TO EVADE THE POLICE,  
28 RECKLESS DRIVING OR DRIVING ON A SUSPENDED OR REVOKED LICENSE.

29 2. HAS BEEN CONVICTED WITHIN THE PRECEDING SEVEN YEARS OF VIOLATION OF  
30 SECTION 13-706, 28-1381, 28-1382 OR 28-1383 OR TITLE 13, CHAPTER 14, 19, 22,  
31 23, 34 OR 35.1.

32 3. IS LISTED IN A NATIONAL SEX OFFENDER REGISTRY DATABASE.

33 4. DOES NOT POSSESS A VALID DRIVER LICENSE.

34 5. DOES NOT POSSESS PROOF OF REGISTRATION FOR THE MOTOR VEHICLE THAT  
35 WILL BE USED AS A TRANSPORTATION NETWORK COMPANY VEHICLE.

36 6. DOES NOT POSSESS PROOF OF FINANCIAL RESPONSIBILITY FOR THE MOTOR  
37 VEHICLE THAT WILL BE USED AS A TRANSPORTATION NETWORK COMPANY VEHICLE.

38 7. IS NOT AT LEAST NINETEEN YEARS OF AGE.

39 41-2139.04. Transportation network services; civil penalty;  
40 street hails prohibited; records

41 A. A TRANSPORTATION NETWORK COMPANY DRIVER SHALL ACCEPT RIDES BOOKED  
42 EXCLUSIVELY THROUGH A TRANSPORTATION NETWORK COMPANY'S DIGITAL NETWORK OR  
43 SOFTWARE APPLICATION. THE DEPARTMENT MAY IMPOSE A CIVIL PENALTY OF NOT MORE  
44 THAN ONE THOUSAND FIVE HUNDRED DOLLARS PER VIOLATION ON ANY TRANSPORTATION

1 NETWORK COMPANY DRIVER WHO IS FOUND TO BE SOLICITING OR ACCEPTING STREET  
2 HAILS.

3 B. SUBSECTION A OF THIS SECTION DOES NOT APPLY TO A TRANSPORTATION  
4 NETWORK COMPANY DRIVER OF A TRANSPORTATION NETWORK COMPANY VEHICLE INSURED  
5 PURSUANT TO SECTION 28-4039.

6 C. A TRANSPORTATION NETWORK COMPANY SHALL MAINTAIN INDIVIDUAL TRIP  
7 RECORDS FOR AT LEAST ONE YEAR AFTER THE DATE EACH TRIP WAS PROVIDED AND  
8 TRANSPORTATION NETWORK COMPANY DRIVER RECORDS UNTIL THE ONE-YEAR ANNIVERSARY  
9 OF THE DATE OF THE DRIVER'S ACTIVATION ON THE TRANSPORTATION NETWORK  
10 COMPANY'S DIGITAL NETWORK OR SOFTWARE APPLICATION HAS ENDED.

11 41-2139.05. Transportation network companies; drivers;  
12 transaction privilege tax prohibited

13 A TRANSPORTATION NETWORK COMPANY THAT HAS A PERMIT ISSUED PURSUANT TO  
14 THIS ARTICLE AND A TRANSPORTATION NETWORK COMPANY DRIVER MAY NOT BE REQUIRED  
15 TO PAY TRANSACTION PRIVILEGE TAX OR ANY SIMILAR TAX IMPOSED BY ANY TAXING  
16 AUTHORITY IN THIS STATE ON TRANSACTIONS IN WHICH A TRANSPORTATION NETWORK  
17 COMPANY DRIVER IS PROVIDING TRANSPORTATION NETWORK SERVICES.

18 Sec. 12. Section 42-5062, Arizona Revised Statutes, is amended to  
19 read:

20 42-5062. Transporting classification

21 A. The transporting classification is comprised of the business of  
22 transporting for hire persons, freight or property by motor vehicle,  
23 railroads or aircraft from one point to another point in this state. The  
24 transporting classification does not include:

25 1. Transporting for hire persons, freight or property by motor  
26 carriers subject to a fee prescribed in title 28, chapter 16, article 4 or by  
27 light motor vehicles subject to a fee under title 28, chapter 15, article 4,  
28 TRANSPORTATION NETWORK COMPANIES SUBJECT TO A FEE PRESCRIBED BY SECTION  
29 41-2139 OR TRANSPORTATION NETWORK COMPANY DRIVERS ON TRANSACTIONS INVOLVING  
30 TRANSPORTATION NETWORK SERVICES AS DEFINED IN SECTION 41-2051.

31 2. The business of transporting for hire persons traveling in air  
32 commerce by aircraft if taxation of the business is preempted by federal law.

33 3. Ambulances or ambulance services provided under title 48 or  
34 certified pursuant to title 36, chapter 21.1 or provided by a city or town in  
35 a county with a population of less than one hundred fifty thousand persons as  
36 determined in the most recent United States decennial census.

37 4. Public transportation program services for the dial-a-ride programs  
38 and special needs transportation services.

39 5. Transporting freight or property for hire by a railroad operating  
40 exclusively in this state if the transportation comprises a portion of a  
41 single shipment of freight or property, involving more than one railroad,  
42 either from a point in this state to a point outside this state or from a  
43 point outside this state to a point in this state. For the purposes of this  
44 paragraph, "a single shipment" means the transportation that begins at the  
45 point at which one of the railroads first takes possession of the freight or

1 property and continues until the point at which one of the railroads  
2 relinquishes possession of the freight or property to a party other than one  
3 of the railroads.

4 6. Arranging transportation as a convenience or service to a person's  
5 customers if that person is not otherwise engaged in the business of  
6 transporting persons, freight or property for hire. This exception does not  
7 apply to businesses that dispatch vehicles pursuant to customer orders and  
8 send the billings and receive the payments associated with that activity,  
9 including when the transportation is performed by third-party independent  
10 contractors. For the purposes of this paragraph, "arranging" includes  
11 billing for or collecting transportation charges from a person's customers on  
12 behalf of the persons providing the transportation.

13 B. The tax base for the transporting classification is the gross  
14 proceeds of sales or gross income derived from the business, except that the  
15 following shall be deducted from the tax base:

16 1. The gross proceeds of sales or gross income derived from  
17 transporting for hire persons, freight or property by a railroad pursuant to  
18 a contract with another railroad that is also considered to be engaged in the  
19 businesses of transporting persons, freight or property for hire if the other  
20 railroad is liable for the tax on gross proceeds of sales or gross income  
21 attributable to the transportation.

22 2. The gross proceeds of sales or gross income derived from business  
23 activity that is properly included in any other business classification under  
24 this article and that is taxable to the person engaged in that  
25 classification, but the gross proceeds of sales or gross income to be  
26 deducted shall not exceed the consideration paid to the person conducting the  
27 activity.

28 3. The gross proceeds of sales or gross income derived from a business  
29 activity that is arranged by the person who is subject to tax under this  
30 section and that is not taxable to the person conducting the activity due to  
31 an exclusion, exemption or deduction under this section or section 42-5073,  
32 but the gross proceeds of sales or gross income to be deducted shall not  
33 exceed the consideration paid to the person conducting the activity.

34 4. The gross proceeds of sales or gross income derived from business  
35 activity that is arranged by a person who is subject to tax under this  
36 section and that is taxable to another person under this section who conducts  
37 the activity, but the gross proceeds of sales or gross income to be deducted  
38 shall not exceed the consideration paid to the person conducting the  
39 activity.

40 5. The gross proceeds of sales or gross income derived from  
41 transporting fertilizer by a railroad from a point in this state to another  
42 point in this state.

1           Sec. 13. Legislative intent: department of insurance

2           It is the intent of the legislature that the department of insurance  
3 expedite review of any application for approval of a motor vehicle insurance  
4 product providing coverage for a transportation network company as defined in  
5 section 41-2051, Arizona Revised Statutes, or a transportation network  
6 company driver as defined in section 41-2051, Arizona Revised Statutes, who  
7 is engaged in providing transportation network services as defined in section  
8 41-2051, Arizona Revised Statutes, and that these products be available for  
9 purchase on or before January 31, 2016.