

State of Arizona  
Senate  
Fifty-second Legislature  
Second Regular Session  
2016

# SENATE BILL 1492

AN ACT

AMENDING SECTIONS 28-101, 28-141 AND 28-2401, ARIZONA REVISED STATUTES; REPEALING SECTION 28-2515, ARIZONA REVISED STATUTES; AMENDING SECTION 28-4038, ARIZONA REVISED STATUTES; REPEALING SECTIONS 28-5493 AND 28-5860, ARIZONA REVISED STATUTES; AMENDING SECTIONS 28-9501, 28-9502, 28-9503, 28-9506, 28-9521, 28-9522, 28-9523, 28-9524, 28-9525 AND 28-9526, ARIZONA REVISED STATUTES; AMENDING TITLE 28, CHAPTER 30, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 28-9527; AMENDING SECTIONS 28-9551, 28-9556, 42-5062 AND 42-6004, ARIZONA REVISED STATUTES; RELATING TO FOR-HIRE TRANSPORTATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Section 28-101, Arizona Revised Statutes, is amended to  
3 read:  
4 28-101. Definitions  
5 In this title, unless the context otherwise requires:  
6 1. "Alcohol" means any substance containing any form of alcohol,  
7 including ethanol, methanol, propynol and isopropynol.  
8 2. "Alcohol concentration" if expressed as a percentage means either:  
9 (a) The number of grams of alcohol per one hundred milliliters of  
10 blood.  
11 (b) The number of grams of alcohol per two hundred ten liters of  
12 breath.  
13 3. "All-terrain vehicle" means either of the following:  
14 (a) A motor vehicle that satisfies all of the following:  
15 (i) Is designed primarily for recreational nonhighway all-terrain  
16 travel.  
17 (ii) Is fifty or fewer inches in width.  
18 (iii) Has an unladen weight of one thousand two hundred pounds or  
19 less.  
20 (iv) Travels on three or more nonhighway tires.  
21 (v) Is operated on a public highway.  
22 (b) A recreational off-highway vehicle that satisfies all of the  
23 following:  
24 (i) Is designed primarily for recreational nonhighway all-terrain  
25 travel.  
26 (ii) Is sixty-five or fewer inches in width.  
27 (iii) Has an unladen weight of one thousand eight hundred pounds or  
28 less.  
29 (iv) Travels on four or more nonhighway tires.  
30 4. "Authorized emergency vehicle" means any of the following:  
31 (a) A fire department vehicle.  
32 (b) A police vehicle.  
33 (c) An ambulance or emergency vehicle of a municipal department or  
34 public service corporation that is designated or authorized by the department  
35 or a local authority.  
36 (d) Any other ambulance, fire truck or rescue vehicle that is  
37 authorized by the department in its sole discretion and that meets liability  
38 insurance requirements prescribed by the department.  
39 5. "Autocycle" means a three-wheeled motorcycle on which the driver  
40 and passengers ride in a completely enclosed seating area that is equipped  
41 with a roll cage, safety belts for each occupant and antilock brakes and that  
42 is designed to be controlled with a steering wheel and pedals.  
43 6. "Aviation fuel" means all flammable liquids composed of a mixture  
44 of selected hydrocarbons expressly manufactured and blended for the purpose  
45 of effectively and efficiently operating an internal combustion engine for

- 1 use in an aircraft but does not include fuel for jet or turbine powered  
2 aircraft.
- 3 7. "Bicycle" means a device, including a racing wheelchair, that is  
4 propelled by human power and on which a person may ride and that has either:  
5 (a) Two tandem wheels, either of which is more than sixteen inches in  
6 diameter.  
7 (b) Three wheels in contact with the ground, any of which is more than  
8 sixteen inches in diameter.
- 9 8. "Board" means the transportation board.
- 10 9. "Bus" means a motor vehicle designed for carrying sixteen or more  
11 passengers, including the driver.
- 12 10. "Business district" means the territory contiguous to and  
13 including a highway if there are buildings in use for business or industrial  
14 purposes within any six hundred feet along the highway, including hotels,  
15 banks or office buildings, railroad stations and public buildings that occupy  
16 at least three hundred feet of frontage on one side or three hundred feet  
17 collectively on both sides of the highway.
- 18 11. "Combination of vehicles" means a truck or truck tractor and  
19 semitrailer and any trailer that it tows but does not include a forklift  
20 designed for the purpose of loading or unloading the truck, trailer or  
21 semitrailer.
- 22 12. "Controlled substance" means a substance so classified under  
23 section 102(6) of the controlled substances act (21 United States Code  
24 section 802(6)) and includes all substances listed in schedules I through V  
25 of 21 Code of Federal Regulations part 1308.
- 26 13. "Conviction" means:  
27 (a) An unvacated adjudication of guilt or a determination that a  
28 person violated or failed to comply with the law in a court of original  
29 jurisdiction or by an authorized administrative tribunal.  
30 (b) An unvacated forfeiture of bail or collateral deposited to secure  
31 the person's appearance in court.  
32 (c) A plea of guilty or no contest accepted by the court.  
33 (d) The payment of a fine or court costs.
- 34 14. "County highway" means a public road that is constructed and  
35 maintained by a county.
- 36 15. "Dealer" means a person who is engaged in the business of buying,  
37 selling or exchanging motor vehicles, trailers or semitrailers and who has an  
38 established place of business.
- 39 16. "Department" means the department of transportation acting  
40 directly or through its duly authorized officers and agents.
- 41 17. "Digital network or software application" has the same meaning  
42 prescribed in section 28-9551.
- 43 18. "Director" means the director of the department of transportation.
- 44 19. "Drive" means to operate or be in actual physical control of a  
45 motor vehicle.

1           20. "Driver" means a person who drives or is in actual physical  
2 control of a vehicle.

3           21. "Driver license" means a license that is issued by a state to an  
4 individual and that authorizes the individual to drive a motor vehicle.

5           22. "Electric personal assistive mobility device" means a  
6 self-balancing two nontandem wheeled device with an electric propulsion  
7 system that limits the maximum speed of the device to fifteen miles per hour  
8 or less and that is designed to transport only one person.

9           23. "Farm" means any lands primarily used for agriculture production.

10          24. "Farm tractor" means a motor vehicle designed and used primarily  
11 as a farm implement for drawing implements of husbandry.

12          25. "Foreign vehicle" means a motor vehicle, trailer or semitrailer  
13 that is brought into this state other than in the ordinary course of business  
14 by or through a manufacturer or dealer and that has not been registered in  
15 this state.

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

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

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

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

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

40          29. "Limousine" means a motor vehicle providing prearranged ground  
41 transportation service for an individual passenger, or a group of passengers,  
42 that is arranged in advance or is operated on a regular route or between  
43 specified points and includes ground transportation under a contract or  
44 agreement for services that includes a fixed rate or time and is provided in

1 a motor vehicle with a seating capacity not exceeding fifteen passengers  
2 including the driver.

3 30. "Livery vehicle" means a motor vehicle that:

4 (a) Has a seating capacity not exceeding fifteen passengers including  
5 the driver.

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

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

9 (d) May do any of the following:

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

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

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

15 31. "Local authority" means any county, municipal or other local board  
16 or body exercising jurisdiction over highways under the constitution and laws  
17 of this state.

18 32. "Manufacturer" means a person engaged in the business of  
19 manufacturing motor vehicles, trailers or semitrailers.

20 33. "Moped" means a bicycle that is equipped with a helper motor if  
21 the vehicle has a maximum piston displacement of fifty cubic centimeters or  
22 less, a brake horsepower of one and one-half or less and a maximum speed of  
23 twenty-five miles per hour or less on a flat surface with less than a one  
24 percent grade.

25 34. "Motor driven cycle" means a motorcycle, including every motor  
26 scooter, with a motor that produces not more than five horsepower.

27 35. "Motor vehicle":

28 (a) Means either:

29 (i) A self-propelled vehicle.

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

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

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

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

41 36. "Motor vehicle fuel" includes all products that are commonly or  
42 commercially known or sold as gasoline, including casinghead gasoline,  
43 natural gasoline and all flammable liquids, and that are composed of a  
44 mixture of selected hydrocarbons expressly manufactured and blended for the  
45 purpose of effectively and efficiently operating internal combustion engines.

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

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

10 38. "Motorized quadricycle" means a self-propelled motor vehicle to  
11 which all of the following apply:

12 (a) The vehicle is self-propelled by an emission-free electric motor  
13 and may include pedals operated by the passengers.

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

15 (c) The vehicle seats at least eight passengers, including the driver.

16 (d) The vehicle is operable on a flat surface using solely the  
17 electric motor without assistance from the pedals or passengers.

18 (e) The vehicle is a commercial motor vehicle as defined in section  
19 28-5201.

20 (f) The vehicle is ~~licensed by the department of weights and measures~~  
21 ~~to operate as~~ a limousine OPERATING UNDER A VEHICLE FOR HIRE COMPANY PERMIT  
22 ISSUED pursuant to section 28-9503.

23 (g) The vehicle is manufactured by a motor vehicle manufacturer that  
24 is licensed pursuant to chapter 10 of this title.

25 (h) The vehicle complies with the definition and standards for  
26 low-speed vehicles set forth in federal motor vehicle safety standard 500 and  
27 49 Code of Federal Regulations ~~section~~ SECTIONS 571.3(b) and 571.500,  
28 respectively.

29 39. "Neighborhood electric vehicle" means a self-propelled  
30 electrically powered motor vehicle to which all of the following apply:

31 (a) The vehicle is emission free.

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

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

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

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

43 42. "Operator" means a person who drives a motor vehicle on a highway,  
44 who is in actual physical control of a motor vehicle on a highway or who is  
45 exercising control over or steering a vehicle being towed by a motor vehicle.

1           43. "Owner" means:

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

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

7           (c) If a mortgagor of a vehicle is entitled to possession of the  
8 vehicle, the mortgagor.

9           44. "Pedestrian" means any person afoot. A person who uses an  
10 electric personal assistive mobility device or a manual or motorized  
11 wheelchair is considered a pedestrian unless the manual wheelchair qualifies  
12 as a bicycle. For the purposes of this paragraph, "motorized wheelchair"  
13 means a self-propelled wheelchair that is used by a person for mobility.

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

20           46. "Public transit" means the transportation of passengers on  
21 scheduled routes by means of a conveyance on an individual passenger  
22 fare-paying basis excluding transportation by a sightseeing bus, school bus  
23 or taxi or a vehicle not operated on a scheduled route basis.

24           47. "Reconstructed vehicle" means a vehicle that has been assembled or  
25 constructed largely by means of essential parts, new or used, derived from  
26 vehicles or makes of vehicles of various names, models and types or that, if  
27 originally otherwise constructed, has been materially altered by the removal  
28 of essential parts or by the addition or substitution of essential parts, new  
29 or used, derived from other vehicles or makes of vehicles. For the purposes  
30 of this paragraph, "essential parts" means integral and body parts, the  
31 removal, alteration or substitution of which will tend to conceal the  
32 identity or substantially alter the appearance of the vehicle.

33           48. "Residence district" means the territory contiguous to and  
34 including a highway not comprising a business district if the property on the  
35 highway for a distance of three hundred feet or more is in the main improved  
36 with residences or residences and buildings in use for business.

37           49. "Right-of-way" when used within the context of the regulation of  
38 the movement of traffic on a highway means the privilege of the immediate use  
39 of the highway. Right-of-way when used within the context of the real  
40 property on which transportation facilities and appurtenances to the  
41 facilities are constructed or maintained means the lands or interest in lands  
42 within the right-of-way boundaries.

43           50. "School bus" means a motor vehicle that is designed for carrying  
44 more than ten passengers and that is either:

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

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

7 51. "Semitrailer" means a vehicle that is with or without motive  
8 power, other than a pole trailer, that is designed for carrying persons or  
9 property and for being drawn by a motor vehicle and that is constructed so  
10 that some part of its weight and that of its load rests on or is carried by  
11 another vehicle. For the purposes of this paragraph, "pole trailer" has the  
12 same meaning prescribed in section 28-601.

13 52. "State" means a state of the United States and the District of  
14 Columbia.

15 53. "State highway" means a state route or portion of a state route  
16 that is accepted and designated by the board as a state highway and that is  
17 maintained by the state.

18 54. "State route" means a right-of-way whether actually used as a  
19 highway or not that is designated by the board as a location for the  
20 construction of a state highway.

21 55. "Street" or "highway" means the entire width between the boundary  
22 lines of every way if a part of the way is open to the use of the public for  
23 purposes of vehicular travel.

24 56. "Taxi" means a motor vehicle that has a seating capacity not  
25 exceeding fifteen passengers, including the driver, ~~that is registered as a~~  
26 ~~taxi in this state or any other state,~~ that provides passenger services and  
27 that:

28 (a) Does not primarily operate on a regular route or between specified  
29 places.

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

33 57. "Traffic survival school" means a school that offers educational  
34 sessions to drivers who are required to attend and successfully complete  
35 educational sessions pursuant to this title that are designed to improve the  
36 safety and habits of drivers and that are approved by the department.

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

44 59. "Transportation network company" has the same meaning prescribed  
45 in section 28-9551.



1           60. "Transportation network company vehicle" has the same meaning  
2 prescribed in section 28-9551.

3           61. "Transportation network service" has the same meaning prescribed  
4 in section 28-9551.

5           62. "Truck" means a motor vehicle designed or used primarily for the  
6 carrying of property other than the effects of the driver or passengers and  
7 includes a motor vehicle to which has been added a box, a platform or other  
8 equipment for such carrying.

9           63. "Truck tractor" means a motor vehicle that is designed and used  
10 primarily for drawing other vehicles and that is not constructed to carry a  
11 load other than a part of the weight of the vehicle and load drawn.

12           64. "Vehicle" means a device in, on or by which a person or property  
13 is or may be transported or drawn on a public highway, excluding devices  
14 moved by human power or used exclusively on stationary rails or tracks.

15           65. "Vehicle transporter" means either:

16           (a) A truck tractor capable of carrying a load and drawing a  
17 semitrailer.

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

22           Sec. 2. Section 28-141, Arizona Revised Statutes, is amended to read:

23           28-141. Prearranged ground transportation; applicability;  
24 definitions

25           A. The department shall not require a ~~license~~ PERMIT or impose a fee  
26 on a motor vehicle providing prearranged ground transportation service if the  
27 motor carrier providing the service does all of the following:

28           1. Meets all applicable registration requirements for the interstate  
29 transportation of passengers under the ICC termination act of 1995 (P.L.  
30 104-88; 109 Stat. 879; 49 United States Code sections 13901 through 13908).

31           2. Meets all applicable vehicle and intrastate passenger licensing  
32 requirements of the state in which the vehicle is domiciled or registered to  
33 do business.

34           3. Provides the service pursuant to a contract for either of the  
35 following:

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

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

40           B. For the purposes of this section:

41           1. "Intermediate stop" means a pause in the transportation in order  
42 for one or more passengers to engage in personal or business activity, but  
43 only if the driver providing the transportation to the passenger does not,  
44 before resuming the transportation of the passenger or at least one of the

1 passengers, provide transportation to any other person not included among the  
2 passengers being transported when the pause began.

3 2. "Prearranged ground transportation service" means transportation  
4 for a passenger or a group of passengers that is arranged in advance or that  
5 is operated on a regular route or between specified points.

6 Sec. 3. Section 28-2401, Arizona Revised Statutes, is amended to read:  
7 28-2401. Definitions

8 In this article, unless the context otherwise requires:

9 1. "Immediate family member" means a spouse or a parent, child,  
10 brother or sister whether by adoption or blood.

11 2. "Special plates" means plates issued pursuant to this article ~~or~~  
12 ~~pursuant to section 28-2515.~~

13 Sec. 4. Delayed repeal

14 Section 28-2515, Arizona Revised Statutes, is repealed from and after  
15 June 30, 2016.

16 Sec. 5. Section 28-4038, Arizona Revised Statutes, is amended to read:  
17 28-4038. Transportation network services; financial

18 responsibility requirements; survey

19 A. For a transportation network company that requires a transportation  
20 network company driver to accept rides that are booked and paid for  
21 exclusively through the transportation network company's digital network or  
22 software application and during the time in which the transportation network  
23 company driver is logged in to the transportation network company's digital  
24 network or software application to be a driver, but is not in the act of  
25 providing transportation network services, the following insurance coverage  
26 shall be maintained:

27 1. Before March 1, 2016, the transportation network company driver  
28 shall maintain a motor vehicle liability insurance policy that meets at least  
29 the requirements of section 28-4009. A transportation network company shall  
30 provide motor vehicle liability insurance coverage in the amount of  
31 twenty-five thousand dollars because of bodily injury to or death of one  
32 person in any one accident, subject to the limit for one person, fifty  
33 thousand dollars because of bodily injury to or death of two or more persons  
34 in any one accident and twenty thousand dollars because of injury to or  
35 destruction of property of others in any one accident ~~coverage~~ in the event a  
36 transportation network company driver's policy excludes coverage according to  
37 the policy's terms.

38 2. From and after February 29, 2016, the transportation network  
39 company driver or the transportation network company, or both, shall provide  
40 primary motor vehicle liability insurance coverage in the amount of  
41 twenty-five thousand dollars because of bodily injury to or death of one  
42 person in any one accident, subject to the limit for one person, fifty  
43 thousand dollars because of bodily injury to or death of two or more persons  
44 in any one accident and twenty thousand dollars because of injury to or

1 destruction of property of others in any one accident. Coverage shall be  
2 maintained through any of the following:

3 (a) A private passenger motor vehicle policy maintained by the  
4 transportation network company driver that expressly provides liability  
5 coverage while the driver is logged in to the transportation network  
6 company's digital network or software application to be a driver.

7 (b) A motor vehicle liability policy maintained by the transportation  
8 network company.

9 (c) A commercial motor vehicle liability policy.

10 B. For a transportation network company that requires a transportation  
11 network company driver to accept rides that are booked and paid for  
12 exclusively through the transportation network company's digital network or  
13 software application and during the time in which the transportation network  
14 company driver is providing transportation network services, the  
15 transportation network company driver or the transportation network company,  
16 or both, shall maintain the following insurance coverages:

17 1. Primary commercial motor vehicle liability insurance that covers  
18 the transportation network company driver's provision of transportation  
19 network services in a minimum amount of two hundred fifty thousand dollars  
20 per incident.

21 2. Commercial uninsured motorist coverage in a minimum amount of two  
22 hundred fifty thousand dollars per incident.

23 ~~C. For a transportation network company that does not require a~~  
24 ~~transportation network company driver to accept rides booked and paid for~~  
25 ~~exclusively through a transportation network company's digital network or~~  
26 ~~software application and during the time in which the transportation network~~  
27 ~~company driver is logged in to the transportation network company's digital~~  
28 ~~network or software application to be a driver, either the transportation~~  
29 ~~network company driver or the transportation network company shall maintain~~  
30 ~~the following insurance coverages:~~

31 ~~1. During the time in which the driver is available to provide~~  
32 ~~passenger transportation, but has not accepted a ride request and is not in~~  
33 ~~the act of providing passenger transportation, primary commercial motor~~  
34 ~~vehicle liability insurance coverage in the amount of twenty-five thousand~~  
35 ~~dollars because of bodily injury to or death of any one person in any one~~  
36 ~~accident, subject to the limit for one person, fifty thousand dollars because~~  
37 ~~of bodily injury to or death of two or more persons in any one accident and~~  
38 ~~twenty thousand dollars because of injury to or destruction of property of~~  
39 ~~others in any one accident.~~

40 ~~2. After the driver has accepted a ride request through any~~  
41 ~~communication, including a street hail, and during the time in which the~~  
42 ~~driver is providing passenger transportation:~~

43 ~~(a) Primary commercial motor vehicle liability insurance in a minimum~~  
44 ~~amount of two hundred fifty thousand dollars per incident.~~

1 ~~(b) Commercial uninsured motorist coverage in a minimum amount of two~~  
2 ~~hundred fifty thousand dollars per incident.~~

3 ~~D.~~ C. From and after February 29, 2016, unless an insurance policy  
4 expressly provides coverage or contains an amendment or endorsement that  
5 expressly provides coverage, the transportation network company driver's  
6 insurance policy and the motor vehicle owner's personal motor vehicle  
7 insurance policy shall not be required to provide coverage for the  
8 transportation network company vehicle, the transportation network company  
9 driver, the motor vehicle owner or any third party while a transportation  
10 network company driver is logged in to a transportation network company's  
11 digital network or software application to be a driver or is providing  
12 transportation network services.

13 ~~E.~~ D. Notwithstanding subsection ~~D.~~ C of this section, an insurer may  
14 offer, for the period during which a transportation network company driver is  
15 logged in to a transportation network company's digital network or software  
16 application to be a driver or is providing transportation network services,  
17 one of the following:

18 1. A motor vehicle liability insurance policy expressly providing such  
19 coverage.

20 2. An amendment or endorsement to an existing motor vehicle liability  
21 insurance policy specifically providing such coverage.

22 ~~F.~~ E. An insurance policy required by this section is deemed to  
23 satisfy the financial responsibility requirements for a motor vehicle  
24 insurance policy under this title.

25 ~~G.~~ F. A transportation network company driver shall carry proof of  
26 insurance in the transportation network company vehicle at all times while  
27 logged in to a transportation network company's digital network or software  
28 application to be a driver or is providing transportation network services.  
29 If an accident occurs involving a transportation network company vehicle, the  
30 transportation network company driver shall provide proof of insurance to the  
31 parties involved in the accident at the time of the accident. The  
32 transportation network company driver shall also notify the transportation  
33 network company of the accident.

34 ~~H.~~ G. In a claims coverage investigation, transportation network  
35 companies and any insurer providing coverage as prescribed in this section  
36 shall fully cooperate in the exchange of information, including the precise  
37 times that a transportation network company driver logged on and off of the  
38 transportation network company's digital network or software application in  
39 the twenty-four-hour period immediately preceding the accident, and shall  
40 disclose to each other a clear description of the coverage, exclusions and  
41 limits provided under any insurance policy each party issued or maintained.

42 ~~I.~~ H. From and after February 29, 2016, this section and section  
43 28-4009 do not create an obligation for an insurer that issues coverage to  
44 which section 20-1631 applies to offer, provide or issue a motor vehicle  
45 liability insurance policy or an endorsement or amendment that includes

1 coverage for any liability arising while a transportation network company  
2 driver is logged in to the transportation network company's digital network  
3 or software application to be a driver or is providing transportation network  
4 services.

5 ~~J.~~ I. An insurance policy required by this section may be placed with  
6 an insurer authorized to transact insurance in this state pursuant to title  
7 20, chapter 2, article 1 or a surplus lines insurer pursuant to title 20,  
8 chapter 2, article 5.

9 ~~K.~~ J. The department of insurance, as part of its annual survey of  
10 insurance companies, may request information from any property and casualty  
11 insurer authorized to write private passenger motor vehicle coverage in this  
12 state, including information regarding:

13 1. Whether the insurer offers for purchase a policy or an endorsement  
14 or amendment that covers transportation network company drivers while the  
15 driver is logged in to a transportation network company's digital network or  
16 software application to be a driver or is providing transportation network  
17 services.

18 2. The number of those policies, endorsements or amendments that have  
19 been purchased during the reporting period.

20 3. The number of those policies, endorsements or amendments that have  
21 been canceled during the reporting period.

22 Sec. 6. Delayed repeal

23 Sections 28-5493 and 28-5860, Arizona Revised Statutes, are repealed  
24 from and after June 30, 2016.

25 Sec. 7. Section 28-9501, Arizona Revised Statutes, is amended to read:

26 28-9501. Definitions

27 In this chapter, unless the context otherwise requires:

28 ~~1. "Commercial device" means any measuring device that is used to~~  
29 ~~determine the direct cost of things or used to establish a fee for service if~~  
30 ~~the cost is based on measure.~~

31 ~~2. 1. "Taxi meter" means a commercial device that meets the~~  
32 ~~requirements of the national institute of standards and technology handbook~~  
33 ~~44 as prescribed by section 3-3413~~ AUTOMATICALLY CALCULATES AT A  
34 PREDETERMINED RATE THE CHARGE FOR THE HIRE OF A VEHICLE AND THAT INDICATES  
35 THE CHARGE.

36 2. "VEHICLE FOR HIRE" MEANS A TAXI, LIVERY VEHICLE OR LIMOUSINE.

37 3. "VEHICLE FOR HIRE COMPANY" MEANS A COMPANY THAT OFFERS LOCAL  
38 TRANSPORTATION THROUGH USE OF A TAXI, LIVERY VEHICLE OR LIMOUSINE OR A  
39 COMBINATION OF TAXIS, LIVERY VEHICLES OR LIMOUSINES.

40 Sec. 8. Section 28-9502, Arizona Revised Statutes, is amended to read:

41 28-9502. Powers and duties

42 A. The department shall ~~+~~

43 ~~+~~ adopt any rules necessary to carry out this chapter and adopt  
44 reasonable rules for the enforcement of this chapter. These rules have the  
45 force and effect of law and shall be adopted pursuant to title 41, chapter 6.

1 ~~In adopting these rules, the director shall consider, as far as is~~  
2 ~~practicable, the requirements established by other states and by authority of~~  
3 ~~the United States, except that rules may not be made in conflict with this~~  
4 ~~chapter.~~

5 B. THE DEPARTMENT MAY:

6 ~~2.~~ 1. Investigate complaints made to the department concerning  
7 violations of this chapter and, on its own initiative, conduct investigations  
8 it deems appropriate in order to develop information relating to prevailing  
9 procedures ~~in commercial quantity~~ FOR TAXI METER RATE determination and  
10 possible violations of this chapter and to promote accuracy in the  
11 determination and representation of quantity in ~~commercial transactions~~ TAXI  
12 METER RATES.

13 ~~3.~~ 2. Inspect and test taxi meters BY A RANDOM SYSTEMATIC METHOD  
14 DETERMINED BY THE DIRECTOR OR IN RESPONSE TO A COMPLAINT BY THE PUBLIC to  
15 determine whether the taxi meters meet the requirements ~~of the national~~  
16 ~~institute of standards and technology handbook 44~~ as prescribed by ~~section~~  
17 ~~3-3413~~ THE DEPARTMENT BY RULE.

18 ~~4.~~ 3. Apply to any court of competent jurisdiction for a temporary or  
19 permanent injunction restraining any person from violating this chapter.

20 ~~5. Report to the governor on or before August 1 of each year and at~~  
21 ~~such other times as may be required on the work accomplished under this~~  
22 ~~chapter.~~

23 ~~6.~~ 4. Subject to title 41, chapter 4, article 4, employ such  
24 personnel as needed to assist in administering this chapter.

25 ~~B. Testing and inspection conducted pursuant to this chapter shall be~~  
26 ~~done, to the extent practicable, without prior notice, by a random systematic~~  
27 ~~method determined by the director or in response to a complaint by the~~  
28 ~~public.~~

29 C. During the course of an investigation or an enforcement action by  
30 the department, information regarding the complainant is confidential and is  
31 exempt from title 39, chapter 1 unless the complainant authorizes the  
32 information to be public.

33 Sec. 9. Section 28-9503, Arizona Revised Statutes, is amended to read:

34 28-9503. Vehicle for hire company permits; fees; violation;  
35 classification

36 ~~A. A person may not use a commercial device unless the device is~~  
37 ~~licensed as provided in this chapter.~~

38 ~~B. A license shall be obtained annually from the department on forms~~  
39 ~~prescribed and furnished by the department. The fee, as determined by the~~  
40 ~~director by rule, shall be submitted with the prescribed form. A license~~  
41 ~~shall be obtained not later than thirty days following the first day of~~  
42 ~~commercial use for original installations. If the ownership of a licensed~~  
43 ~~device is transferred, the ownership of the license may be transferred. On~~  
44 ~~transfer of a license, new licensees shall notify the department of the~~  
45 ~~licensee's name and address and the location of the device.~~

1 A. A VEHICLE FOR HIRE COMPANY MAY NOT OPERATE IN THIS STATE UNLESS THE  
2 VEHICLE FOR HIRE COMPANY IS ISSUED A PERMIT BY THE DEPARTMENT. THE VEHICLE  
3 FOR HIRE COMPANY MAY APPLY TO THE DEPARTMENT ON FORMS PRESCRIBED BY THE  
4 DEPARTMENT. THE PERMIT IS VALID FOR THREE YEARS. THE DEPARTMENT SHALL  
5 CHARGE AND COLLECT AN APPLICATION FEE OF TWENTY-FOUR DOLLARS PER VEHICLE THAT  
6 IS USED AS A TAXI BY THE VEHICLE FOR HIRE COMPANY AT THE TIME OF APPLICATION,  
7 NOT TO EXCEED A TOTAL OF ONE THOUSAND DOLLARS PER APPLICANT.

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

10 C. A VEHICLE FOR HIRE COMPANY SHALL MAINTAIN AN AGENT FOR SERVICE OF  
11 PROCESS IN THIS STATE.

12 ~~C.~~ D. If a fare is based on time or mileage or both time and mileage,  
13 a taxi shall have a ~~commercial device and shall obtain a license as~~  
14 ~~prescribed by the department~~ TAXI METER, except that if the service offered  
15 by the taxi is a prearranged ground transportation service as prescribed in  
16 section 28-141 for a predetermined fare, a taxi is not required to use a  
17 ~~commercial device~~ THE TAXI METER.

18 ~~D. The department may not issue a license for a taxi, livery vehicle~~  
19 ~~or limousine unless the taxi, livery vehicle or limousine meets the~~  
20 ~~requirements for both of the following:~~

21 ~~1. Motor vehicle licensing as prescribed by the department.~~

22 ~~2. Motor vehicle insurance as prescribed by section 28-4033.~~

23 E. The department shall revoke a ~~license~~ PERMIT if the ~~taxi, livery~~  
24 ~~vehicle or limousine~~ VEHICLE FOR HIRE COMPANY fails to maintain the  
25 requirements for either of the following:

26 1. Motor vehicle licensing as prescribed by the department.

27 2. Motor vehicle insurance as prescribed by section 28-4033.

28 F. A ~~taxi or livery~~ vehicle FOR HIRE shall have a ~~license~~ COPY OF THE  
29 PERMIT issued TO THE VEHICLE FOR HIRE COMPANY under this chapter ~~posted on~~  
30 ~~the outside of the rear window as required by the department. A limousine~~  
31 ~~shall carry a license issued under this chapter~~ inside the vehicle at all  
32 times.

33 G. A taxi that is ~~licensed~~ ISSUED A PERMIT by the department and that  
34 offers local transportation for a fare determined on the basis of the  
35 distance traveled or prearranged ground transportation service as prescribed  
36 in section 28-141 for a predetermined fare is not required to ~~be additionally~~  
37 ~~licensed~~ HAVE AN ADDITIONAL PERMIT as a livery vehicle.

38 H. A person or the person's agent who knowingly files with the  
39 department any notice, statement or other document required under this  
40 section that is false or that contains any material misstatement of fact is  
41 guilty of a class 2 misdemeanor.

1           Sec. 10. Section 28-9506, Arizona Revised Statutes, is amended to  
2 read:

3           28-9506. Taxi and livery vehicle signage

4           A. A taxi or livery vehicle shall display ~~interior signage that~~  
5 ~~contains~~ ALL OF THE FOLLOWING INFORMATION EITHER ON AN INTERIOR SIGN THAT IS  
6 READILY VISIBLE AND THAT IS EITHER IN A PRINT OR AN ELECTRONIC FORMAT OR ON A  
7 DIGITAL NETWORK OR SOFTWARE APPLICATION:

8           1. The ~~licensee's~~ PERMITTEE'S business name and address. ~~and that is~~  
9 ~~all of the following:~~

10           ~~1. Permanent.~~

11           ~~2. In letters at least one-half inch in height.~~

12           ~~3. Readily visible.~~

13           ~~4.~~ 2. ~~Accurately representative~~ AN ACCURATE REPRESENTATION of all  
14 fares and the fare computation method.

15           ~~B.~~ 3. ~~A taxi or livery vehicle shall display interior signage that~~  
16 ~~contains~~ The driver's name ~~and is readily visible to passengers.~~

17           ~~C.~~ B. AT A MINIMUM, a taxi is required to display READILY VISIBLE  
18 exterior ~~signage~~ TRADE DRESS AS DEFINED IN SECTION 28-9551 that contains the  
19 ~~licensee's business name and telephone number, that contains the~~ word "taxi"  
20 or "cab". ~~and that is all of the following:~~

21           ~~1. Permanent.~~

22           ~~2. In letters at least three inches in height.~~

23           ~~3. Readily visible and a minimum of one inch in height for fare~~  
24 ~~information.~~

25           ~~4. Accurately representative of all fares and the fare computation~~  
26 ~~method.~~

27           Sec. 11. Section 28-9521, Arizona Revised Statutes, is amended to  
28 read:

29           28-9521. Unlawful use of vehicle for hire; violation;  
30 classification

31           A. When any ~~commercial device~~ VEHICLE FOR HIRE specified in this  
32 chapter is in commercial use and a valid ~~license for the device~~ PERMIT has  
33 not been procured by the ~~owner, the owner's agent or the operator of the~~  
34 ~~device~~ VEHICLE FOR HIRE COMPANY, the department, after giving notice of the  
35 ~~licensing~~ PERMIT requirements to the ~~owner, the owner's agent or the operator~~  
36 VEHICLE FOR HIRE COMPANY, shall prohibit the further commercial use of the  
37 ~~unlicensed device~~ VEHICLE until the proper ~~license~~ PERMIT has been issued.  
38 ~~The department may employ and attach to the device such forms, notices or~~  
39 ~~security seals as it considers necessary to prevent the continued~~  
40 ~~unauthorized use of the device.~~

41           ~~B. A registered service representative may also:~~

42           ~~1. With approval of the department, remove an official rejection tag~~  
43 ~~placed on a commercial device.~~

44           ~~2. Place in service, until an official examination can be made, a~~  
45 ~~commercial device that has been officially rejected or placed out of service.~~



1 ~~3. Place in service, until an official examination can be made, a~~  
2 ~~commercial device for which a commercial device application has been~~  
3 ~~completed and submitted to the department.~~

4 ~~C.~~ B. The owner of any business who has not applied for and has not  
5 been issued a ~~license~~ PERMIT BY THE DEPARTMENT for the right to do business  
6 involving the use of a ~~commercial device by the department~~ VEHICLE FOR HIRE  
7 and who is found ~~selling or offering for sale or delivering or distributing~~  
8 VEHICLE FOR HIRE SERVICES to a consumer is guilty of a class 2 misdemeanor.  
9 ~~, and the department shall confiscate and seize the commercial device or any~~  
10 ~~other such measuring device used by the business for the sale, delivery or~~  
11 ~~distribution as evidence.~~

12 ~~D. The director and any other authorized personnel are not liable to~~  
13 ~~the owner or any other persons, firms, partnerships, corporations, trusts or~~  
14 ~~agencies for damages, directly or indirectly, caused by or resulting from the~~  
15 ~~seizure.~~

16 ~~E.~~ C. If a ~~commercial device licensed pursuant to this chapter~~  
17 VEHICLE FOR HIRE is used contrary to any provision of this chapter or any  
18 rule adopted pursuant to this chapter, the department, in addition to any  
19 other penalty imposed by this chapter, shall suspend, revoke or refuse to  
20 renew the ~~license~~ PERMIT.

21 Sec. 12. Section 28-9522, Arizona Revised Statutes, is amended to  
22 read:

23 28-9522. Revocation or suspension of permits; procedure;  
24 judicial review

25 A. Except as otherwise provided by this section, any proceeding to  
26 revoke or suspend a ~~license~~ PERMIT issued pursuant to this chapter shall be  
27 conducted in accordance with title 41, chapter 6, article 10.

28 B. The director may initiate proceedings for revocation or suspension  
29 of a ~~license~~ PERMIT issued pursuant to this chapter on the director's own  
30 motion or on a verified complaint for noncompliance with or a violation of  
31 this chapter or of any rule adopted pursuant to this chapter.

32 C. If, after having been served with the notice of hearing as provided  
33 for in title 41, chapter 6, article 10, the ~~licensee~~ PERMITTEE fails to  
34 appear at the hearing and defend, the department shall proceed to hear  
35 evidence against the ~~licensee~~ PERMITTEE and shall enter an order as justified  
36 by the evidence. The order is final unless the ~~licensee~~ PERMITTEE petitions  
37 for a review as provided in title 41, chapter 6, article 10.

38 D. At all hearings, the attorney general ~~of this state~~, an assistant  
39 attorney general or a special assistant designated by the attorney general  
40 shall appear and represent the department.

41 E. Except as provided in section 41-1092.08, subsection H, any final  
42 administrative decision made pursuant to this chapter is subject to judicial  
43 review pursuant to title 12, chapter 7, article 6.

1           Sec. 13. Section 28-9523, Arizona Revised Statutes, is amended to  
2 read:

3           28-9523. Violations; classification; jurisdiction

4           A. A person is guilty of a class 1 misdemeanor who:

5           1. Knowingly hinders, interferes with or obstructs in any way the  
6 director or any of the director's agents or inspectors in entering the  
7 premises where a ~~commercial device~~ TAXI METER may be kept for inspecting or  
8 testing or in the performance of the ~~director's~~ OFFICIAL DUTIES OF THE  
9 DIRECTOR or the director's ~~agent's~~ AGENTS or ~~inspector's official duties~~  
10 INSPECTORS.

11           2. Impersonates in any way the director or any of the director's  
12 agents or inspectors by the use of the director's seal or a counterfeit of  
13 the director's seal or in any other manner.

14           3. Uses, or has in possession for the purpose of using for ~~any~~ A  
15 commercial purpose, ~~sells,~~ offers or exposes for sale or hire, or has in  
16 possession for the purpose of selling or hiring an incorrect ~~weight or~~  
17 ~~measure or any device or instrument~~ TAXI METER used or calculated to falsify  
18 ~~any weight or measure~~ THE ACCURACY OF THE TAXI METER.

19           ~~4. Sells, or offers or exposes for sale, less than the quantity the~~  
20 ~~person represents of any commodity, thing or service.~~

21           ~~5. Takes more than the quantity the person represents of any~~  
22 ~~commodity, thing or service, when, as buyer, the person furnishes the weight~~  
23 ~~or measure by means of which the amount of the commodity, thing or service is~~  
24 ~~determined.~~

25           B. A person is guilty of a class 2 misdemeanor who:

26           ~~1. Uses, or has in possession for the purpose of current use for any~~  
27 ~~commercial purpose, a weight or measure that does not bear a seal or mark of~~  
28 ~~approval based on an inspection and test, unless the weight or measure has~~  
29 ~~been exempted from testing by order of the department, or unless the device~~  
30 ~~has been placed in service as provided in this chapter. Any person or~~  
31 ~~persons making use of a commercial device that is subject to this chapter~~  
32 ~~shall report to the director or the director's representatives, in writing,~~  
33 ~~the number and location of the commercial device and shall promptly report~~  
34 ~~the installation of any new commercial device.~~

35           ~~2. Disposes of any rejected or condemned weight or measure in a manner~~  
36 ~~contrary to law or rule.~~

37           ~~3. Removes from any weight or measure, contrary to law or rule, any~~  
38 ~~tag, seal or mark placed on the weight or measure by the appropriate~~  
39 ~~authority pursuant to this chapter.~~

40           ~~4. Keeps for the purpose of selling, advertising or offering or~~  
41 ~~exposing for sale or sells any commodity, thing or service in a condition or~~  
42 ~~manner contrary to law or rule.~~

43           ~~5. 1. Uses in retail trade, except in the preparation of packages put~~  
44 ~~up in advance of sale and of medical prescriptions, a weight or measure~~ A  
45 TAXI METER that is so positioned that its indications cannot be accurately

1 read and the ~~weighing, metering, measuring or counting~~ operation cannot be  
2 observed from some position that may reasonably be assumed by a customer.

3 ~~6-~~ 2. Violates this chapter or rules adopted under this chapter. A  
4 continuing violation may be deemed to be a separate violation each day during  
5 which the violation is committed for the purpose of imposing a fine.

6 C. The provisions of this section are in addition to and not in  
7 limitation of any other provision of law.

8 D. The attorney general and the county attorney ~~shall~~ have concurrent  
9 jurisdiction to prosecute violations of this chapter.

10 Sec. 14. Section 28-9524, Arizona Revised Statutes, is amended to  
11 read:

12 28-9524. Presumptive evidence of use

13 When a ~~weight, measure, meter, counter or commercial device~~ TAXI METER  
14 is in or about any place in which or from which ~~buying or selling~~ A VEHICLE  
15 FOR HIRE TRANSACTION is commonly carried on, there ~~shall be~~ IS a rebuttable  
16 presumption that the ~~weight, measure, meter, counter or commercial device~~  
17 TAXI METER is regularly used for the business purpose of the place.

18 Sec. 15. Section 28-9525, Arizona Revised Statutes, is amended to  
19 read:

20 28-9525. Civil penalties

21 A. A person who violates this chapter, any rule of the department or  
22 any ~~license~~ PERMIT requirement is subject to a civil penalty imposed by the  
23 director. A person who violates this chapter, any rule of the department or  
24 any ~~license~~ PERMIT requirement may request a hearing to review a civil  
25 penalty imposed under this section. The department shall conduct the hearing  
26 in accordance with title 41, chapter 6, article 10. ~~Except as prescribed in~~  
27 ~~subsection B of this section,~~ The civil penalty may not exceed one thousand  
28 ~~FIVE HUNDRED~~ dollars for each infraction ~~or more than ten thousand dollars~~  
29 ~~for any thirty day period~~ at each business location ~~or for each public~~  
30 ~~weighmaster, provided that no person shall be assessed more than fifty~~  
31 ~~thousand dollars per thirty day period.~~

32 ~~B. The director may double the maximum civil penalty if any of the~~  
33 ~~following applies:~~

34 ~~1. A commercial device is found to be in violation with results that~~  
35 ~~favor the retailer at more than twice the allowable tolerance as stated in~~  
36 ~~national institute of standards and technology handbook 44.~~

37 ~~2. A package is found to exceed the maximum allowable variation for~~  
38 ~~the labeled quantity allowed in national institute of standards and~~  
39 ~~technology handbook 133 or the average error of the lot is twice the sample~~  
40 ~~error limit in favor of the retailer.~~

41 ~~3. A maximum civil penalty has been imposed on a retailer for a price~~  
42 ~~posting or price verification violation and in a reinspection, if conducted~~  
43 ~~within ninety days, the failure rate is ten percent or more and at least one~~  
44 ~~error is in favor of the retailer.~~

1 ~~C.~~ B. The attorney general shall bring actions to recover civil  
2 penalties pursuant to this section in the superior court in the county in  
3 which the violation occurred or in a county where the agency has its office.  
4 All monies derived from civil penalties shall be deposited, pursuant to  
5 sections 35-146 and 35-147, in the state general fund.

6 Sec. 16. Section 28-9526, Arizona Revised Statutes, is amended to  
7 read:

8 28-9526. Delinquent civil penalties and fees

9 In addition to any other penalty, if a civil penalty or any fee due  
10 pursuant to this chapter has not been paid within thirty days after the due  
11 date, the civil penalty or fee is delinquent and the department may refuse to  
12 issue a ~~license~~ PERMIT or may revoke a ~~license~~ PERMIT pursuant to this  
13 chapter until the civil penalty or fee is paid in full.

14 Sec. 17. Title 28, chapter 30, article 2, Arizona Revised Statutes, is  
15 amended by adding section 28-9527, to read:

16 28-9527. Transaction privilege tax prohibited

17 A VEHICLE FOR HIRE OWNER, COMPANY OR DRIVER THAT HAS A PERMIT ISSUED  
18 PURSUANT TO ARTICLE 1 OF THIS CHAPTER IS EXEMPT FROM TRANSACTION PRIVILEGE  
19 TAX ON INCOME DERIVED FROM TRANSPORTING PERSONS FOR HIRE PURSUANT TO SECTIONS  
20 42-5062 AND 42-6004.

21 Sec. 18. Section 28-9551, Arizona Revised Statutes, is amended to  
22 read:

23 28-9551. Definitions

24 In this article, unless the context otherwise requires:

25 1. "Digital network or software application" means any online-enabled  
26 application, software, website or system that is offered or used by a  
27 transportation network company and that enables a potential passenger to  
28 arrange a ride with a transportation network company driver.

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

36 ~~3. "Livery vehicle" means a motor vehicle that:~~

37 ~~(a) Has a seating capacity not exceeding fifteen passengers, including  
38 the driver.~~

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

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

42 ~~(d) May do any of the following:~~

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

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

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

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

6 ~~5. "Taxi" means a motor vehicle that has a seating capacity not~~  
7 ~~exceeding fifteen passengers, including the driver, that is registered as a~~  
8 ~~taxi in this state or any other state, that provides passenger services and~~  
9 ~~that:~~

10 ~~(a) Does not primarily operate on a regular route or between specified~~  
11 ~~places.~~

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

15 ~~6.~~ 2. "Trade dress" means a removable and distinct logo, insignia or  
16 emblem attached to or visible from the exterior of EITHER OF THE FOLLOWING:

17 (a) A transportation network company vehicle during the performance of  
18 transportation network services.

19 (b) A TAXI WHILE PROVIDING VEHICLE FOR HIRE SERVICES.

20 ~~7.~~ 3. "Transportation network company" means an entity that has been  
21 issued a permit pursuant to this article, that operates in this state, that  
22 uses a digital network or software application to connect passengers to  
23 transportation network services provided by transportation network company  
24 drivers and that may but is not deemed to own, operate or control a personal  
25 motor vehicle of a transportation network company driver. Transportation  
26 network company does not include the following:

27 (a) This state or a county, city, town or political subdivision of  
28 this state and any related entity, a nonprofit agency or any other public  
29 body that coordinates, operates, promotes or sponsors public transportation,  
30 OR carpool or vanpool services.

31 (b) A program that is in place to meet federal air quality standards  
32 pursuant to section 49-404.

33 (c) Any individual, company or activity that meets the requirements of  
34 a rental car agent or rental company as defined in section 20-331 if all of  
35 the following apply:

36 (i) Transportation is provided to another person or is arranged by the  
37 rental company but provided by another person.

38 (ii) The route is predetermined.

39 (iii) Any money exchanged between the provider of the transportation  
40 and the recipient does not exceed the cost of providing the transportation.

41 ~~8.~~ 4. "Transportation network company driver" means an individual who  
42 receives connections to potential passengers and related services from a  
43 transportation network company in exchange for payment of a fee to the  
44 transportation network company and who operates a motor vehicle that is both  
45 of the following:

1 (a) Owned, leased or otherwise authorized for use by the individual.

2 (b) Used to provide transportation network services.

3 ~~9-~~ 5. "Transportation network company vehicle" means a motor vehicle  
4 that meets all of the following:

5 (a) Has a seating capacity not exceeding eight passengers, including  
6 the driver.

7 (b) Is authorized by a transportation network company.

8 (c) Is used by a transportation network company driver to provide  
9 transportation network services.

10 ~~10-~~ 6. "Transportation network services" means the transportation of  
11 a passenger between points chosen by the passenger and arranged with a  
12 transportation network company driver through the use of a transportation  
13 network company's digital network or software application beginning when a  
14 transportation network company driver accepts a request for transportation  
15 network services received through the transportation network company's  
16 digital network or software application, continuing while the transportation  
17 network company driver provides transportation network services in a  
18 transportation network company vehicle and ending when the passenger exits  
19 the transportation network company vehicle or when the trip is canceled.

20 Sec. 19. Section 28-9556, Arizona Revised Statutes, is amended to  
21 read:

22 28-9556. Transportation network services; civil penalty; street  
23 hails prohibited; records

24 A. A transportation network company driver shall accept rides booked  
25 and paid for exclusively through a transportation network company's digital  
26 network or software application. The department may impose a civil penalty  
27 of not more than one thousand five hundred dollars per violation against any  
28 transportation network company driver who is found to be soliciting or  
29 accepting street hails.

30 ~~B. Subsection A of this section does not apply to a transportation~~  
31 ~~network company driver of a transportation network company vehicle insured~~  
32 ~~pursuant to section 28-4038, subsection C.~~

33 ~~C.~~ B. A transportation network company shall maintain individual trip  
34 records for at least one year after the date each trip was provided and  
35 transportation network company driver records until the one-year anniversary  
36 of the date of the driver's activation on the transportation network  
37 company's digital network or software application has ended and shall make  
38 the records available to the department on request.

39 Sec. 20. Section 42-5062, Arizona Revised Statutes, is amended to  
40 read:

41 42-5062. Transporting classification

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

- 1           1. Transporting for hire persons, freight or property by:
- 2           (a) Motor carriers subject to a fee prescribed in title 28, chapter
- 3 16, article 4. ~~or by~~
- 4           (b) Light motor vehicles subject to a fee under title 28, chapter 15,
- 5 article 4. ~~,~~
- 6           (c) Transportation network companies subject to a fee prescribed ~~by~~
- 7 PURSUANT TO section 28-9552. ~~or~~
- 8           (d) Transportation network company drivers on transactions involving
- 9 transportation network services as defined in section 28-9551.
- 10          (e) VEHICLE FOR HIRE COMPANIES ISSUED A PERMIT PURSUANT TO SECTION
- 11 28-9503.
- 12          (f) VEHICLE FOR HIRE DRIVERS OPERATING UNDER A COMPANY PERMIT ISSUED
- 13 PURSUANT TO SECTION 28-9503 ON TRANSACTIONS INVOLVING VEHICLE FOR HIRE
- 14 SERVICES.
- 15          2. The business of transporting for hire persons traveling in air
- 16 commerce by aircraft if taxation of the business is preempted by federal law.
- 17          3. Ambulances or ambulance services provided under title 48 or
- 18 certified pursuant to title 36, chapter 21.1 or provided by a city or town in
- 19 a county with a population of less than one hundred fifty thousand persons as
- 20 determined in the most recent United States decennial census.
- 21          4. Public transportation program services for the dial-a-ride programs
- 22 and special needs transportation services.
- 23          5. Transporting freight or property for hire by a railroad operating
- 24 exclusively in this state if the transportation comprises a portion of a
- 25 single shipment of freight or property, involving more than one railroad,
- 26 either from a point in this state to a point outside this state or from a
- 27 point outside this state to a point in this state. For the purposes of this
- 28 paragraph, "a single shipment" means the transportation that begins at the
- 29 point at which one of the railroads first takes possession of the freight or
- 30 property and continues until the point at which one of the railroads
- 31 relinquishes possession of the freight or property to a party other than one
- 32 of the railroads.
- 33          6. Arranging transportation as a convenience or service to a person's
- 34 customers if that person is not otherwise engaged in the business of
- 35 transporting persons, freight or property for hire. This exception does not
- 36 apply to businesses that dispatch vehicles pursuant to customer orders and
- 37 send the billings and receive the payments associated with that activity,
- 38 including when the transportation is performed by third-party independent
- 39 contractors. For the purposes of this paragraph, "arranging" includes
- 40 billing for or collecting transportation charges from a person's customers on
- 41 behalf of the persons providing the transportation.
- 42          B. The tax base for the transporting classification is the gross
- 43 proceeds of sales or gross income derived from the business, except that the
- 44 following shall be deducted from the tax base:

1           1. The gross proceeds of sales or gross income derived from  
2 transporting for hire persons, freight or property by a railroad pursuant to  
3 a contract with another railroad that is also considered to be engaged in the  
4 businesses of transporting persons, freight or property for hire if the other  
5 railroad is liable for the tax on gross proceeds of sales or gross income  
6 attributable to the transportation.

7           2. The gross proceeds of sales or gross income derived from business  
8 activity that is properly included in any other business classification under  
9 this article and that is taxable to the person engaged in that  
10 classification, but the gross proceeds of sales or gross income to be  
11 deducted shall not exceed the consideration paid to the person conducting the  
12 activity.

13           3. The gross proceeds of sales or gross income derived from a business  
14 activity that is arranged by the person who is subject to tax under this  
15 section and that is not taxable to the person conducting the activity due to  
16 an exclusion, exemption or deduction under this section or section 42-5073,  
17 but the gross proceeds of sales or gross income to be deducted shall not  
18 exceed the consideration paid to the person conducting the activity.

19           4. The gross proceeds of sales or gross income derived from business  
20 activity that is arranged by a person who is subject to tax under this  
21 section and that is taxable to another person under this section who conducts  
22 the activity, but the gross proceeds of sales or gross income to be deducted  
23 shall not exceed the consideration paid to the person conducting the  
24 activity.

25           5. The gross proceeds of sales or gross income derived from  
26 transporting fertilizer by a railroad from a point in this state to another  
27 point in this state.

28           Sec. 21. Section 42-6004, Arizona Revised Statutes, is amended to  
29 read:

30           42-6004. Exemption from municipal tax; definitions

31           A. A city, town or special taxing district shall not levy a  
32 transaction privilege, sales, use or other similar tax on:

33           1. Exhibition events in this state sponsored, conducted or operated by  
34 a nonprofit organization that is exempt from taxation under section  
35 501(c)(3), 501(c)(4) or 501(c)(6) of the internal revenue code if the  
36 organization is associated with a major league baseball team or a national  
37 touring professional golfing association and no part of the organization's  
38 net earnings inures to the benefit of any private shareholder or individual.

39           2. Interstate telecommunications services, which include that portion  
40 of telecommunications services, such as subscriber line service, allocable by  
41 federal law to interstate telecommunications service.

42           3. Sales of warranty or service contracts.

43           4. Sales of motor vehicles to nonresidents of this state for use  
44 outside this state if the motor vehicle dealer ships or delivers the motor  
45 vehicle to a destination outside this state.



- 1           5. Interest on finance contracts.
- 2           6. Dealer documentation fees on the sales of motor vehicles.
- 3           7. Sales of food or other items purchased with United States  
4 department of agriculture food stamp coupons issued under the food stamp act  
5 of 1977 (P.L. 95-113; 91 Stat. 958) or food instruments issued under section  
6 17 of the child nutrition act (P.L. 95-627; 92 Stat. 3603; P.L. 99-661,  
7 section 4302; 42 United States Code section 1786) but may impose such a tax  
8 on other sales of food. If a city, town or special taxing district exempts  
9 sales of food from its tax or imposes a different transaction privilege rate  
10 on the gross proceeds of sales or gross income from sales of food and nonfood  
11 items, it shall use the definition of food prescribed by rule adopted by the  
12 department pursuant to section 42-5106.
- 13           8. Orthodontic devices dispensed by a dental professional who is  
14 licensed under title 32, chapter 11 to a patient as part of the practice of  
15 dentistry.
- 16           9. Sales of internet access services to the person's subscribers and  
17 customers. For the purposes of this paragraph:
- 18           (a) "Internet" means the computer and telecommunications facilities  
19 that comprise the interconnected worldwide network of networks that employ  
20 the transmission control protocol or internet protocol, or any predecessor or  
21 successor protocol, to communicate information of all kinds by wire or radio.
- 22           (b) "Internet access" means a service that enables users to access  
23 content, information, electronic mail or other services over the internet.  
24 Internet access does not include telecommunication services provided by a  
25 common carrier.
- 26           10. The gross proceeds of sales or gross income retained by the Arizona  
27 exposition and state fair board from ride ticket sales at the annual Arizona  
28 state fair.
- 29           11. Through August 31, 2014, sales of Arizona centennial medallions by  
30 the historical advisory commission.
- 31           12. Leasing real property between affiliated companies, businesses,  
32 persons or reciprocal insurers. For the purposes of this paragraph:
- 33           (a) "Affiliated companies, businesses, persons or reciprocal insurers"  
34 means the lessor holds a controlling interest in the lessee, the lessee holds  
35 a controlling interest in the lessor, affiliated persons hold a controlling  
36 interest in both the lessor and the lessee, or an unrelated person holds a  
37 controlling interest in both the lessor and lessee.
- 38           (b) "Affiliated persons" means members of the individual's family or  
39 persons who have ownership or control of a business entity.
- 40           (c) "Controlling interest" means direct or indirect ownership of at  
41 least eighty percent of the voting shares of a corporation or of the  
42 interests in a company, business or person other than a corporation.
- 43           (d) "Members of the individual's family" means the individual's spouse  
44 and brothers and sisters, whether by whole or half blood, including adopted  
45 persons, ancestors and lineal descendants.

1 (e) "Reciprocal insurer" has the same meaning prescribed in section  
2 20-762.

3 13. The gross proceeds of sales or gross income derived from a contract  
4 for the installation, assembly, repair or maintenance of machinery, equipment  
5 or other tangible personal property that is described in section 42-5061,  
6 subsection B and that has independent functional utility, pursuant to the  
7 following provisions:

8 (a) The deduction provided in this paragraph includes the gross  
9 proceeds of sales or gross income derived from all of the following:

10 (i) Any activity performed on machinery, equipment or other tangible  
11 personal property with independent functional utility.

12 (ii) Any activity performed on any tangible personal property relating  
13 to machinery, equipment or other tangible personal property with independent  
14 functional utility in furtherance of any of the purposes provided for under  
15 subdivision (d) of this paragraph.

16 (iii) Any activity that is related to the activities described in  
17 items (i) and (ii) of this subdivision, including inspecting the installation  
18 of or testing the machinery, equipment or other tangible personal property.

19 (b) The deduction provided in this paragraph does not include gross  
20 proceeds of sales or gross income from the portion of any contracting  
21 activity that consists of the development of, or modification to, real  
22 property in order to facilitate the installation, assembly, repair,  
23 maintenance or removal of machinery, equipment or other tangible personal  
24 property described in section 42-5061, subsection B.

25 (c) The deduction provided in this paragraph shall be determined  
26 without regard to the size or useful life of the machinery, equipment or  
27 other tangible personal property.

28 (d) For the purposes of this paragraph, "independent functional  
29 utility" means that the machinery, equipment or other tangible personal  
30 property can independently perform its function without attachment to real  
31 property, other than attachment for any of the following purposes:

32 (i) Assembling the machinery, equipment or other tangible personal  
33 property.

34 (ii) Connecting items of machinery, equipment or other tangible  
35 personal property to each other.

36 (iii) Connecting the machinery, equipment or other tangible personal  
37 property, whether as an individual item or as a system of items, to water,  
38 power, gas, communication or other services.

39 (iv) Stabilizing or protecting the machinery, equipment or other  
40 tangible personal property during operation by bolting, burying or performing  
41 other dissimilar nonpermanent connections to either real property or real  
42 property improvements.

43 14. The leasing or renting of certified ignition interlock devices  
44 installed pursuant to the requirements prescribed by section 28-1461. For

1 the purposes of this paragraph, "certified ignition interlock device" has the  
2 same meaning prescribed in section 28-1301.

3 15. Computer data center equipment purchased by the owner, operator or  
4 qualified colocation tenant of the computer data center or an authorized  
5 agent of the owner, operator or qualified colocation tenant during the  
6 qualification period for use in a computer data center that is certified by  
7 the Arizona commerce authority under section 41-1519. To qualify for this  
8 deduction, at the time of purchase, the owner, operator or qualified  
9 colocation tenant must present to the retailer its certificate that is issued  
10 pursuant to section 41-1519 and that establishes its qualification for the  
11 deduction. For the purposes of this paragraph, "computer data center",  
12 "computer data center equipment", "qualification period" and "qualified  
13 colocation tenant" have the same meanings prescribed in section 41-1519.

14 16. The gross proceeds of sales or gross income derived from a contract  
15 with the owner of real property or improvements to real property for the  
16 maintenance, repair, replacement or alteration of existing property, except  
17 as specified in this paragraph. The gross proceeds of sales or gross income  
18 derived from a de minimis amount of modification activity does not subject  
19 the contract or any part of the contract to tax. For the purposes of this  
20 paragraph:

21 (a) Each contract is independent of another contract, except that any  
22 change order that directly relates to the scope of work of the original  
23 contract shall be treated the same as the original contract under this  
24 ~~chapter~~ PARAGRAPH, regardless of the amount of modification activities  
25 included in the change order. If a change order does not directly relate to  
26 the scope of work of the original contract, the change order shall be treated  
27 as a new contract, with the tax treatment of any subsequent change order to  
28 follow the tax treatment of the contract to which the scope of work of the  
29 subsequent change order directly relates.

30 (b) Any term not defined in this paragraph that is defined in section  
31 42-5075 has the same meaning prescribed in section 42-5075.

32 (c) This paragraph does not apply to a contract that primarily  
33 involves surface or subsurface improvements to land and that is subject to  
34 title 28, chapter 19, 20 or 22 or title 34, chapter 2 or 6 even if the  
35 contract also includes vertical improvements. If a city or town imposes a  
36 tax on contracts that are subject to procurement processes under those  
37 provisions, the city or town shall include in the request for proposals a  
38 notice to bidders when those projects are subject to the tax. This  
39 subdivision does not apply to contracts with:

40 (i) Community facilities districts, fire districts, county television  
41 improvement districts, community park maintenance districts, cotton pest  
42 control districts, hospital districts, pest abatement districts, health  
43 service districts, agricultural improvement districts, county free library  
44 districts, county jail districts, county stadium districts, special health

1 care districts, public health services districts, theme park districts,  
2 regional attraction districts or revitalization districts.

3 (ii) Any special taxing district not specified in item (i) of this  
4 subdivision if the district does not substantially engage in the  
5 modification, maintenance, repair, replacement or alteration of surface or  
6 subsurface improvements to land.

7 17. Monitoring services relating to an alarm system as defined in  
8 section 32-101.

9 18. Tangible personal property, job printing or publications sold to or  
10 purchased by, or tangible personal property leased, rented or licensed for  
11 use to or by, a qualifying health sciences educational institution as defined  
12 in section 42-5001.

13 19. The transfer of title or possession of coal back and forth between  
14 an owner or operator of a power plant and a person who is responsible for  
15 refining coal if both of the following apply:

16 (a) The transfer of title or possession of the coal is for the purpose  
17 of refining the coal.

18 (b) The title or possession of the coal is transferred back to the  
19 owner or operator of the power plant after completion of the coal refining  
20 process. For the purposes of this subdivision, "coal refining process" means  
21 the application of a coal additive system that aids the reduction of power  
22 plant emissions during the combustion of coal and the treatment of flue gas.

23 20. The gross proceeds of sales or gross income from sales of low or  
24 reduced cost articles of food or drink to eligible elderly or homeless  
25 persons or persons with a disability by a business subject to tax under  
26 section 42-5074 that contracts with the department of economic security and  
27 that is approved by the food and nutrition service of the United States  
28 department of agriculture pursuant to the supplemental nutrition assistance  
29 program established by the food and nutrition act of 2008 (P.L. 110-246; 122  
30 Stat. 1651; 7 United States Code sections 2011 through 2036a), if the  
31 purchases are made with the benefits issued pursuant to the supplemental  
32 nutrition assistance program.

33 21. Tangible personal property incorporated or fabricated into a  
34 project described in paragraph 16 of this subsection, that is located within  
35 the exterior boundaries of an Indian reservation for which the owner, as  
36 defined in section 42-5075, of the project is an Indian tribe or an  
37 affiliated Indian. For the purposes of this paragraph:

38 (a) "Affiliated Indian" means an individual native American Indian who  
39 is duly registered on the tribal rolls of the Indian tribe for whose benefit  
40 the Indian reservation was established.

41 (b) "Indian reservation" means all lands that are within the limits of  
42 areas set aside by the United States for the exclusive use and occupancy of  
43 an Indian tribe by treaty, law or executive order and that are recognized as  
44 Indian reservations by the United States department of the interior.

1 (c) "Indian tribe" means any organized nation, tribe, band or  
2 community that is recognized as an Indian tribe by the United States  
3 department of the interior and includes any entity formed under the laws of  
4 that Indian tribe.

5 22. The charges for the leasing or renting of space to make attachments  
6 to utility poles as follows:

7 (a) By a person that is engaged in the business of providing or  
8 furnishing electrical services or telecommunication services or that is a  
9 cable operator.

10 (b) To a person that is engaged in the business of providing or  
11 furnishing electrical services or telecommunication services or that is a  
12 cable operator.

13 B. A city, town or other taxing jurisdiction shall not levy a  
14 transaction privilege, sales, use, franchise or other similar tax or fee,  
15 however denominated, on natural gas or liquefied petroleum gas used to propel  
16 a motor vehicle.

17 C. A city, town or other taxing jurisdiction shall not levy a  
18 transaction privilege, sales, gross receipts, use, franchise or other similar  
19 tax or fee, however denominated, on gross proceeds of sales or gross income  
20 derived from any of the following:

21 1. A motor carrier's use on the public highways in this state if the  
22 motor carrier is subject to a fee prescribed in title 28, chapter 16,  
23 article 4.

24 2. Leasing, renting or licensing a motor vehicle subject to and on  
25 which the fee has been paid under title 28, chapter 16, article 4.

26 3. The sale of a motor vehicle and any repair and replacement parts  
27 and tangible personal property becoming a part of such motor vehicle to a  
28 motor carrier who is subject to a fee prescribed in title 28, chapter 16,  
29 article 4 and who is engaged in the business of leasing, renting or licensing  
30 such property.

31 4. Incarcerating or detaining in a privately operated prison, jail or  
32 detention facility prisoners who are under the jurisdiction of the United  
33 States, this state or any other state or a political subdivision of this  
34 state or of any other state.

35 5. Transporting for hire persons, freight or property by light motor  
36 vehicles subject to a fee under title 28, chapter 15, article 4.

37 6. Any amount attributable to development fees that are incurred in  
38 relation to the construction, development or improvement of real property and  
39 paid by the taxpayer as defined in the model city tax code or by a contractor  
40 providing services to the taxpayer. For the purposes of this paragraph:

41 (a) The attributable amount shall not exceed the value of the  
42 development fees actually imposed.

43 (b) The attributable amount is equal to the total amount of  
44 development fees paid by the taxpayer or by a contractor providing services  
45 to the taxpayer and the total development fees credited in exchange for the

1 construction of, contribution to or dedication of real property for providing  
2 public infrastructure, public safety or other public services necessary to  
3 the development. The real property must be the subject of the development  
4 fees.

5 (c) "Development fees" means fees imposed to offset capital costs of  
6 providing public infrastructure, public safety or other public services to a  
7 development and authorized pursuant to section 9-463.05, section 11-1102 or  
8 title 48 regardless of the jurisdiction to which the fees are paid.

9 7. ANY AMOUNT ATTRIBUTABLE TO FEES COLLECTED BY TRANSPORTATION NETWORK  
10 COMPANIES ISSUED A PERMIT PURSUANT TO SECTION 28-9552.

11 8. TRANSPORTING FOR HIRE PERSONS BY TRANSPORTATION NETWORK COMPANY  
12 DRIVERS ON TRANSACTIONS INVOLVING TRANSPORTATION NETWORK SERVICES AS DEFINED  
13 IN SECTION 28-9551.

14 9. TRANSPORTING FOR HIRE PERSONS BY VEHICLE FOR HIRE COMPANIES ISSUED  
15 A PERMIT PURSUANT TO SECTION 28-9503.

16 10. TRANSPORTING FOR HIRE PERSONS BY VEHICLE FOR HIRE DRIVERS ON  
17 TRANSACTIONS INVOLVING VEHICLE FOR HIRE SERVICES AS DEFINED IN SECTION  
18 28-9501.

19 D. A city, town or other taxing jurisdiction shall not levy a  
20 transaction privilege, sales, use, franchise or other similar tax or fee,  
21 however denominated, in excess of one-tenth of one percent of the value of  
22 the entire product mined, smelted, extracted, refined, produced or prepared  
23 for sale, profit or commercial use, on persons engaged in the business of  
24 mineral processing, except to the extent that the tax is computed on the  
25 gross proceeds or gross income from sales at retail.

26 E. In computing the tax base, any city, town or other taxing  
27 jurisdiction shall not include in the gross proceeds of sales or gross  
28 income:

29 1. A manufacturer's cash rebate on the sales price of a motor vehicle  
30 if the buyer assigns the buyer's right in the rebate to the retailer.

31 2. The waste tire disposal fee imposed pursuant to section 44-1302.

32 F. A city or town shall not levy a use tax on the storage, use or  
33 consumption of tangible personal property in the city or town by a school  
34 district or charter school.

35 G. For the purposes of this section:

36 1. "Cable operator" has the same meaning prescribed by section 9-505.

37 2. "Electrical services" means transmitting or distributing  
38 electricity, electric lights, current or power over lines, wires or cables.

39 3. "Telecommunication services" means transmitting or relaying sound,  
40 visual image, data, information, images or material over lines, wires or  
41 cables by radio signal, light beam, telephone, telegraph or any other  
42 electromagnetic means.

43 4. "Utility pole" means any wooden, metal or other pole used for  
44 utility purposes and the pole's appurtenances that are attached or authorized  
45 for attachment by the person controlling the pole.

1           Sec. 22. Effective date

2           A. Sections 28-101, 28-141, 28-2401, 28-4038, 28-9501, 28-9502,  
3 28-9503, 28-9506, 28-9521, 28-9522, 28-9523, 28-9524, 28-9525, 28-9526,  
4 28-9551 and 28-9556, Arizona Revised Statutes, as amended by this act, are  
5 effective from and after June 30, 2016.

6           B. Section 28-9527, Arizona Revised Statutes, as added by this act, is  
7 effective from and after June 30, 2016.

8           C. Sections 42-5062 and 42-6004, Arizona Revised Statutes, as amended  
9 by this act, are effective for taxable periods beginning from and after the  
10 last day of the month of the general effective date of the fifty-second  
11 legislature, second regular session.