

Senate Engrossed
peer-to-peer car sharing

State of Arizona
Senate
Fifty-fifth Legislature
First Regular Session
2021

SENATE BILL 1720

AN ACT

AMENDING TITLE 28, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 31;
AMENDING SECTIONS 42-5005, 42-5009, 42-5014, 42-5040 AND 42-5071; RELATING
TO TRANSPORTATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 28, Arizona Revised Statutes, is amended by adding
3 chapter 31, to read:

4 CHAPTER 31

5 PEER-TO-PEER CAR SHARING

6 ARTICLE 1. GENERAL PROVISIONS

7 28-9601. Definitions

8 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

9 1. "CAR SHARING DELIVERY PERIOD" MEANS THE PERIOD OF TIME DURING
10 WHICH A SHARED VEHICLE IS BEING DELIVERED TO THE LOCATION OF THE CAR
11 SHARING START TIME AS DOCUMENTED BY THE GOVERNING CAR SHARING PROGRAM
12 AGREEMENT.

13 2. "CAR SHARING PERIOD" MEANS THE PERIOD OF TIME THAT BEGINS WITH
14 THE CAR SHARING DELIVERY PERIOD OR THE CAR SHARING START TIME IF THERE IS
15 NO CAR SHARING DELIVERY PERIOD AND ENDS AT THE CAR SHARING TERMINATION
16 TIME.

17 3. "CAR SHARING PROGRAM AGREEMENT":

18 (a) MEANS THE TERMS AND CONDITIONS THAT APPLY TO A SHARED VEHICLE
19 OWNER AND A SHARED VEHICLE DRIVER AND THAT GOVERN THE USE OF A SHARED
20 VEHICLE THROUGH A PEER-TO-PEER CAR SHARING PROGRAM.

21 (b) DOES NOT INCLUDE A RENTAL AGREEMENT AS DEFINED IN SECTION
22 20-331.

23 4. "CAR SHARING START TIME" MEANS THE TIME WHEN A SHARED VEHICLE
24 BECOMES SUBJECT TO THE CONTROL OF THE SHARED VEHICLE DRIVER AT OR AFTER
25 THE TIME THAT THE RESERVATION OF THE SHARED VEHICLE IS SCHEDULED TO BEGIN
26 AS DOCUMENTED IN THE RECORDS OF A PEER-TO-PEER CAR SHARING PROGRAM.

27 5. "CAR SHARING TERMINATION TIME" MEANS THE EARLIEST OF THE
28 FOLLOWING:

29 (a) THE AGREED PERIOD OF TIME ESTABLISHED FOR THE USE OF A SHARED
30 VEHICLE IN THE GOVERNING CAR SHARING PROGRAM AGREEMENT EXPIRES AND THE
31 SHARED VEHICLE IS DELIVERED TO A LOCATION THAT IS SPECIFIED IN THE
32 GOVERNING CAR SHARING PROGRAM AGREEMENT.

33 (b) WHEN THE SHARED VEHICLE IS RETURNED TO A LOCATION AS
34 ALTERNATIVELY AGREED ON BY THE SHARED VEHICLE OWNER AND SHARED VEHICLE
35 DRIVER AS COMMUNICATED THROUGH A PEER-TO-PEER CAR SHARING PROGRAM.

36 (c) THE SHARED VEHICLE OWNER OR THE SHARED VEHICLE OWNER'S DESIGNEE
37 TAKES POSSESSION AND CONTROL OF THE SHARED VEHICLE.

38 6. "INDIVIDUAL-OWNED SHARED VEHICLE" MEANS ONE OF THE FOLLOWING:

39 (a) IF THE SHARED VEHICLE IS PURCHASED IN THIS STATE, A SHARED
40 VEHICLE FOR WHICH THE OWNER CERTIFIES THAT THE TRANSACTION PRIVILEGE TAX
41 WAS PAID ON THE PURCHASE OF THE SHARED VEHICLE.

42 (b) IF THE SHARED VEHICLE IS NOT PURCHASED IN THIS STATE, A SHARED
43 VEHICLE FOR WHICH THE OWNER CERTIFIES THAT THE APPLICABLE SALES OR USE TAX
44 WAS PAID IN THE JURISDICTION IN WHICH THE SHARED VEHICLE WAS PURCHASED IF

1 THAT JURISDICTION LEVIES A SALES OR USE TAX ON THE PURCHASE OF MOTOR
2 VEHICLES.

3 (c) IF THE SHARED VEHICLE IS NOT PURCHASED IN THIS STATE, A SHARED
4 VEHICLE FOR WHICH THE OWNER CERTIFIES THAT THE APPLICABLE USE TAX WAS PAID
5 TO THIS STATE AND THE APPROPRIATE LOCAL JURISDICTION.

6 7. "PEER-TO-PEER CAR SHARING":

7 (a) MEANS THE AUTHORIZED USE OF A SHARED VEHICLE BY AN INDIVIDUAL
8 OTHER THAN THE SHARED VEHICLE OWNER THROUGH A PEER-TO-PEER CAR SHARING
9 PROGRAM.

10 (b) DOES NOT INCLUDE:

11 (i) A RENTAL VEHICLE AS DEFINED IN SECTION 20-331.

12 (ii) THE BUSINESS OF RENTING VEHICLES TO RENTERS UNDER A RENTAL
13 AGREEMENT AS DEFINED IN SECTION 20-331.

14 (iii) THE BUSINESS OF RENTING MOTOR VEHICLES WITHOUT DRIVERS THAT
15 IS SUBJECT TO A SURCHARGE PURSUANT TO SECTION 28-5810.

16 (iv) A MOTOR VEHICLE LEASE OR RENTAL THAT IS SUBJECT TO A SURCHARGE
17 PURSUANT TO SECTION 5-839 OR 48-4234.

18 8. "PEER-TO-PEER CAR SHARING PROGRAM":

19 (a) MEANS A BUSINESS PLATFORM THAT CONNECTS VEHICLE OWNERS WITH
20 DRIVERS TO ENABLE THE SHARING OF VEHICLES FOR FINANCIAL CONSIDERATION.

21 (b) DOES NOT INCLUDE:

22 (i) A RENTAL COMPANY AS DEFINED IN SECTION 20-331.

23 (ii) A PERSON OR ENTITY THAT IS ENGAGED IN THE BUSINESS OF RENTING
24 MOTOR VEHICLES WITHOUT DRIVERS AND THAT COLLECTS A SURCHARGE PURSUANT TO
25 SECTION 28-5810.

26 9. "SHARED VEHICLE":

27 (a) MEANS A VEHICLE THAT IS AVAILABLE FOR SHARING THROUGH A
28 PEER-TO-PEER CAR SHARING PROGRAM.

29 (b) DOES NOT INCLUDE A RENTAL VEHICLE OR VEHICLE AS DEFINED IN
30 SECTION 20-331.

31 10. "SHARED VEHICLE DRIVER" MEANS AN INDIVIDUAL WHO HAS BEEN
32 AUTHORIZED TO DRIVE THE SHARED VEHICLE BY THE SHARED VEHICLE OWNER UNDER A
33 CAR SHARING PROGRAM AGREEMENT.

34 11. "SHARED VEHICLE OWNER" MEANS THE REGISTERED OWNER, OR A PERSON
35 OR ENTITY DESIGNATED BY THE REGISTERED OWNER, OF A VEHICLE THAT IS MADE
36 AVAILABLE FOR SHARING TO SHARED VEHICLE DRIVERS THROUGH A PEER-TO-PEER CAR
37 SHARING PROGRAM.

38 12. "SHARED VEHICLE TRANSACTION":

39 (a) MEANS THE AUTHORIZED USE OF A SHARED VEHICLE BY AN INDIVIDUAL
40 OTHER THAN THE SHARED VEHICLE'S OWNER THROUGH A PEER-TO-PEER CAR SHARING
41 PROGRAM.

42 (b) DOES NOT INCLUDE:

43 (i) A RENTAL AGREEMENT AS DEFINED IN SECTION 20-331.

44 (ii) THE BUSINESS OF RENTING MOTOR VEHICLES WITHOUT DRIVERS THAT IS
45 SUBJECT TO A SURCHARGE PURSUANT TO SECTION 28-5810.

1 (iii) THE BUSINESS OF LEASING OR RENTING FOR LESS THAN ONE YEAR
2 MOTOR VEHICLES FOR HIRE WITHOUT A DRIVER AS DESCRIBED IN SECTION 5-839,
3 SUBSECTION C IF THE SHARED VEHICLE IS AN INDIVIDUAL-OWNED SHARED VEHICLE.

4 (iv) A MOTOR VEHICLE LEASE OR RENTAL THAT IS SUBJECT TO A SURCHARGE
5 PURSUANT TO SECTION 48-4234.

6 28-9602. Insurance requirements

7 A. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTIONS B AND C OF THIS
8 SECTION, A PEER-TO-PEER CAR SHARING PROGRAM SHALL ASSUME THE LIABILITY OF
9 A SHARED VEHICLE OWNER FOR BODILY INJURY OR PROPERTY DAMAGE THAT OCCURS TO
10 A THIRD PARTY DURING THE CAR SHARING PERIOD IN AN AMOUNT THAT IS STATED IN
11 THE CAR SHARING PROGRAM AGREEMENT AND THAT IS NOT LESS THAN THE MINIMUM
12 AMOUNT OF COVERAGE REQUIRED BY SECTION 28-4009.

13 B. A PEER-TO-PEER CAR SHARING PROGRAM IS NOT LIABLE FOR BODILY
14 INJURY OR PROPERTY DAMAGE TO A THIRD PARTY IN AN AMOUNT THAT IS MORE THAN
15 THE MINIMUM AMOUNT OF COVERAGE REQUIRED BY SECTION 28-4009 IF EITHER OF
16 THE FOLLOWING OCCURS:

17 1. THE SHARED VEHICLE OWNER MAKES AN INTENTIONAL OR FRAUDULENT
18 MATERIAL MISREPRESENTATION OR OMISSION TO THE PEER-TO-PEER CAR SHARING
19 PROGRAM BEFORE THE CAR SHARING PERIOD IN WHICH THE LOSS OCCURS AND THE
20 BODILY INJURY OR PROPERTY DAMAGE IS TO A THIRD PARTY.

21 2. THE SHARED VEHICLE OWNER ACTS IN CONCERT WITH THE SHARED VEHICLE
22 DRIVER WHO FAILS TO RETURN THE SHARED VEHICLE PURSUANT TO THE CAR SHARING
23 PROGRAM AGREEMENT.

24 C. NOTWITHSTANDING THE CAR SHARING TERMINATION TIME, THE ASSUMPTION
25 OF LIABILITY UNDER SUBSECTION A OF THIS SECTION APPLIES TO BODILY INJURY
26 AND PROPERTY DAMAGE TO THIRD PARTIES AS REQUIRED BY SECTION 28-4009.

27 D. A PEER-TO-PEER CAR SHARING PROGRAM SHALL ENSURE THAT DURING EACH
28 CAR SHARING PERIOD THE SHARED VEHICLE OWNER AND THE SHARED VEHICLE DRIVER
29 ARE INSURED UNDER A MOTOR VEHICLE LIABILITY INSURANCE POLICY OR OTHER
30 APPLICABLE INSURANCE POLICY THAT PROVIDES INSURANCE COVERAGE IN AN AMOUNT
31 NOT LESS THAN THE MINIMUM AMOUNT OF COVERAGE REQUIRED BY SECTION 28-4009
32 AND THAT EITHER:

33 1. RECOGNIZES THAT THE VEHICLE INSURED UNDER THE POLICY IS MADE
34 AVAILABLE AND USED THROUGH A PEER-TO-PEER CAR SHARING PROGRAM.

35 2. DOES NOT EXCLUDE THE USE OF A SHARED VEHICLE BY A SHARED VEHICLE
36 DRIVER.

37 E. THE INSURANCE REQUIRED BY THIS SECTION MAY BE SATISFIED BY MOTOR
38 VEHICLE LIABILITY INSURANCE THAT IS MAINTAINED BY ANY OF THE FOLLOWING OR
39 A COMBINATION OF ALL OF THE FOLLOWING:

40 1. A SHARED VEHICLE OWNER.

41 2. A SHARED VEHICLE DRIVER.

42 3. A PEER-TO-PEER CAR SHARING PROGRAM.

43 F. THE INSURANCE REQUIRED PURSUANT TO SUBSECTIONS D AND E OF THIS
44 SECTION IS PRIMARY DURING EACH CAR SHARING PERIOD.

1 G. THE PEER-TO-PEER CAR SHARING PROGRAM SHALL ASSUME PRIMARY
2 LIABILITY FOR A CLAIM IF ALL OF THE FOLLOWING OCCUR:

3 1. THE PEER-TO-PEER CAR SHARING PROGRAM PROVIDES THE INSURANCE
4 REQUIRED BY THIS SECTION IN WHOLE OR IN PART.

5 2. A DISPUTE EXISTS AS TO WHO WAS IN CONTROL OF THE SHARED VEHICLE
6 AT THE TIME OF THE LOSS.

7 3. THE PEER-TO-PEER CAR SHARING PROGRAM FOR ANY REASON FAILS TO
8 PROVIDE THE INFORMATION REQUIRED BY SECTION 28-9605.

9 H. IF INSURANCE IS MAINTAINED BY A SHARED VEHICLE OWNER OR A SHARED
10 VEHICLE DRIVER PURSUANT TO SUBSECTION E OF THIS SECTION AND THAT INSURANCE
11 HAS LAPSED OR DOES NOT PROVIDE THE REQUIRED COVERAGE:

12 1. INSURANCE THAT IS MAINTAINED BY A PEER-TO-PEER CAR SHARING
13 PROGRAM SHALL PROVIDE THE COVERAGE REQUIRED BY SUBSECTION D OF THIS
14 SECTION BEGINNING WITH THE FIRST DOLLAR OF A CLAIM.

15 2. THE PEER-TO-PEER CAR SHARING PROGRAM HAS A DUTY TO DEFEND A
16 CLAIM EXCEPT A CLAIM TO WHICH SUBSECTION B OF THIS SECTION APPLIES.

17 I. THE SHARED VEHICLE'S INSURER SHALL INDEMNIFY THE PEER-TO-PEER
18 CAR SHARING PROGRAM TO THE EXTENT OF ITS OBLIGATION, IF ANY, UNDER THE
19 APPLICABLE INSURANCE POLICY IF IT IS DETERMINED THAT THE SHARED VEHICLE
20 OWNER WAS IN CONTROL OF THE SHARED VEHICLE AT THE TIME OF THE LOSS.

21 J. COVERAGE UNDER A MOTOR VEHICLE LIABILITY INSURANCE POLICY THAT
22 IS MAINTAINED BY A PEER-TO-PEER CAR SHARING PROGRAM IS NOT DEPENDENT ON A
23 MOTOR VEHICLE LIABILITY INSURER FIRST DENYING A CLAIM UNDER ANY OTHER
24 MOTOR VEHICLE INSURANCE POLICY.

25 K. A PEER-TO-PEER CAR SHARING PROGRAM MAY NOT:

26 1. OFFER OR SELL INSURANCE EXCEPT IN CONJUNCTION WITH AND
27 INCIDENTAL TO CAR SHARING PROGRAM AGREEMENTS.

28 2. ADVERTISE, REPRESENT OR OTHERWISE PORTRAY ITSELF OR ANY OF ITS
29 EMPLOYEES OR AGENTS AS LICENSED INSURERS OR INSURANCE PRODUCERS, UNLESS
30 THE PEER-TO-PEER CAR SHARING PROGRAM IS A LICENSED INSURER OR INSURANCE
31 PRODUCER.

32 3. PAY A PERSON ANY COMPENSATION, FEE OR COMMISSION THAT IS
33 DEPENDENT ON THE PLACEMENT OF INSURANCE UNDER A PEER-TO-PEER CAR SHARING
34 PROGRAM'S LICENSE ISSUED PURSUANT TO TITLE 20.

35 4. MAKE A CAR SHARING PROGRAM AGREEMENT CONTINGENT ON THE SHARED
36 VEHICLE DRIVER PURCHASING INSURANCE THROUGH THE PEER-TO-PEER CAR SHARING
37 PROGRAM.

38 L. NOTWITHSTANDING ANY OTHER LAW, THIS CHAPTER DOES NOT PROHIBIT A
39 PEER-TO-PEER CAR SHARING PROGRAM FROM RECOVERING ITS INSURANCE COSTS
40 INCURRED IN SATISFYING ITS OBLIGATIONS PURSUANT TO THIS SECTION FROM A
41 SHARED VEHICLE OWNER OR SHARED VEHICLE DRIVER.

42 M. SUBSECTION K OF THIS SECTION DOES NOT PROHIBIT PRODUCTION
43 PAYMENTS OR INCENTIVE PAYMENTS TO AN EMPLOYEE IF THE PAYMENTS ARE NOT
44 DEPENDENT ON THE SALE OF INSURANCE.

1 N. THIS CHAPTER DOES NOT LIMIT EITHER OF THE FOLLOWING:
2 1. THE LIABILITY OF THE PEER-TO-PEER CAR SHARING PROGRAM FOR ANY
3 ACT OR OMISSION OF THE PEER-TO-PEER CAR SHARING PROGRAM THAT RESULTS IN
4 INJURY TO ANY PERSON AS A RESULT OF THE USE OF A SHARED VEHICLE THROUGH A
5 PEER-TO-PEER CAR SHARING PROGRAM.
6 2. THE ABILITY OF THE PEER-TO-PEER CAR SHARING PROGRAM TO, BY
7 CONTRACT, SEEK INDEMNIFICATION FROM THE SHARED VEHICLE OWNER OR THE SHARED
8 VEHICLE DRIVER FOR ECONOMIC LOSS SUSTAINED BY THE PEER-TO-PEER CAR SHARING
9 PROGRAM RESULTING FROM A BREACH OF THE TERMS AND CONDITIONS OF THE CAR
10 SHARING PROGRAM AGREEMENT.
11 28-9603. Notice to owner of vehicle with lien
12 AFTER A VEHICLE OWNER REGISTERS AS A SHARED VEHICLE OWNER ON A
13 PEER-TO-PEER CAR SHARING PROGRAM AND BEFORE THE SHARED VEHICLE OWNER MAKES
14 A SHARED VEHICLE AVAILABLE FOR CAR SHARING ON THE PEER-TO-PEER CAR SHARING
15 PROGRAM, IF THERE IS A LIEN ON THE SHARED VEHICLE, THE PEER-TO-PEER CAR
16 SHARING PROGRAM SHALL NOTIFY THE SHARED VEHICLE OWNER OF BOTH OF THE
17 FOLLOWING:
18 1. USING THE SHARED VEHICLE THROUGH A PEER-TO-PEER CAR SHARING
19 PROGRAM MIGHT VIOLATE THE TERMS OF THE SHARED VEHICLE OWNER'S CONTRACT
20 WITH THE LIENHOLDER.
21 2. THE CONTRACT WITH THE LIENHOLDER MIGHT IMPOSE SPECIFIC
22 REQUIREMENTS FOR PHYSICAL DAMAGE COVERAGE.
23 28-9604. Authorized insurer exclusions
24 A. AN AUTHORIZED INSURER THAT WRITES MOTOR VEHICLE LIABILITY
25 INSURANCE IN THIS STATE MAY EXCLUDE ANY AND ALL COVERAGE AND THE DUTY TO
26 DEFEND OR INDEMNIFY ANY CLAIM AGAINST A SHARED VEHICLE OWNER'S PERSONAL
27 MOTOR VEHICLE LIABILITY INSURANCE POLICY, INCLUDING:
28 1. BODILY INJURY COVERAGE.
29 2. PROPERTY DAMAGE COVERAGE.
30 3. UNINSURED MOTORIST COVERAGE.
31 4. UNDERINSURED MOTORIST COVERAGE.
32 5. MEDICAL PAYMENTS COVERAGE.
33 6. COMPREHENSIVE COVERAGE.
34 7. COLLISION COVERAGE.
35 B. THIS CHAPTER DOES NOT INVALIDATE OR LIMIT AN EXCLUSION CONTAINED
36 IN A MOTOR VEHICLE LIABILITY INSURANCE POLICY, INCLUDING AN INSURANCE
37 POLICY IN USE OR APPROVED FOR USE THAT EXCLUDES COVERAGE FOR VEHICLES MADE
38 AVAILABLE FOR RENT, SHARING OR HIRE OR FOR ANY BUSINESS USE.
39 28-9605. Shared vehicle records; retention
40 A PEER-TO-PEER CAR SHARING PROGRAM SHALL COLLECT AND VERIFY RECORDS
41 RELATING TO THE USE OF A SHARED VEHICLE, INCLUDING TIMES USED, FEES PAID
42 BY THE SHARED VEHICLE DRIVER AND MONIES RECEIVED BY THE SHARED VEHICLE
43 OWNER, AND SHALL PROVIDE THAT INFORMATION ON REQUEST TO THE SHARED VEHICLE
44 OWNER, THE SHARED VEHICLE OWNER'S INSURER OR THE SHARED VEHICLE DRIVER'S

1 INSURER TO FACILITATE A CLAIM COVERAGE INVESTIGATION. THE PEER-TO-PEER
2 CAR SHARING PROGRAM SHALL RETAIN THESE RECORDS FOR AT LEAST SIX YEARS.

3 28-9606. Vicarious liability exemption

4 A PEER-TO-PEER CAR SHARING PROGRAM AND A SHARED VEHICLE OWNER ARE
5 EXEMPT FROM VICARIOUS LIABILITY CONSISTENT WITH 49 UNITED STATES CODE
6 SECTION 30106 AND UNDER ANY STATE OR LOCAL LAW THAT IMPOSES LIABILITY
7 SOLELY BASED ON VEHICLE OWNERSHIP.

8 28-9607. Insurance claims; shared vehicles; indemnification

9 A MOTOR VEHICLE INSURER THAT DEFENDS OR INDEMNIFIES A CLAIM
10 INVOLVING A SHARED VEHICLE THAT IS EXCLUDED UNDER THE TERMS OF THE MOTOR
11 VEHICLE POLICY MAY SEEK CONTRIBUTION OR INDEMNIFICATION FROM THE MOTOR
12 VEHICLE INSURER OF THE PEER-TO-PEER CAR SHARING PROGRAM IF THE CLAIM IS
13 BOTH:

- 14 1. MADE AGAINST THE SHARED VEHICLE OWNER OR THE SHARED VEHICLE
15 DRIVER FOR LOSS OR INJURY THAT OCCURS DURING THE CAR SHARING PERIOD.
- 16 2. EXCLUDED UNDER THE TERMS OF THE MOTOR VEHICLE POLICY.

17 28-9608. Insurable interests

18 A. NOTWITHSTANDING ANY OTHER LAW, A PEER-TO-PEER CAR SHARING
19 PROGRAM HAS AN INSURABLE INTEREST IN A SHARED VEHICLE DURING THE CAR
20 SHARING PERIOD.

21 B. THIS SECTION DOES NOT REQUIRE A PEER-TO-PEER CAR SHARING PROGRAM
22 TO MAINTAIN THE INSURANCE COVERAGE REQUIRED BY SECTION 28-9602.

23 C. A PEER-TO-PEER CAR SHARING PROGRAM MAY PURCHASE AND MAINTAIN AS
24 THE NAMED INSURED ONE OR MORE MOTOR VEHICLE INSURANCE POLICIES THAT
25 PROVIDE COVERAGE FOR ANY OF THE FOLLOWING:

- 26 1. LIABILITIES ASSUMED BY THE PEER-TO-PEER CAR SHARING PROGRAM
27 UNDER A CAR SHARING PROGRAM AGREEMENT.
- 28 2. ANY LIABILITY OF THE SHARED VEHICLE OWNER.
- 29 3. DAMAGE OR LOSS TO THE SHARED VEHICLE OR FOR ANY LIABILITY OF THE
30 SHARED VEHICLE DRIVER.

31 28-9609. Car sharing program agreement disclosures

32 EACH CAR SHARING PROGRAM AGREEMENT MADE IN THIS STATE SHALL DISCLOSE
33 THE FOLLOWING TO THE SHARED VEHICLE OWNER AND THE SHARED VEHICLE DRIVER:

34 1. THAT THE PEER-TO-PEER CAR SHARING PROGRAM HAS A RIGHT TO SEEK
35 INDEMNIFICATION FROM THE SHARED VEHICLE OWNER OR THE SHARED VEHICLE DRIVER
36 FOR ECONOMIC LOSS SUSTAINED BY THE PEER-TO-PEER CAR SHARING PROGRAM
37 RESULTING FROM A BREACH OF THE TERMS AND CONDITIONS OF THE CAR SHARING
38 PROGRAM AGREEMENT.

39 2. THAT A MOTOR VEHICLE LIABILITY INSURANCE POLICY ISSUED TO THE
40 SHARED VEHICLE OWNER FOR THE SHARED VEHICLE OR TO THE SHARED VEHICLE
41 DRIVER DOES NOT PROVIDE A DEFENSE OR INDEMNIFICATION FOR ANY CLAIM
42 ASSERTED BY THE PEER-TO-PEER CAR SHARING PROGRAM.

43 3. THAT THE PEER-TO-PEER CAR SHARING PROGRAM'S INSURANCE COVERAGE
44 ON THE SHARED VEHICLE OWNER AND THE SHARED VEHICLE DRIVER IS IN EFFECT
45 ONLY DURING EACH CAR SHARING PERIOD AND THAT, FOR ANY USE OF THE SHARED

1 VEHICLE BY THE SHARED VEHICLE DRIVER AFTER THE CAR SHARING TERMINATION
2 TIME, THE SHARED VEHICLE DRIVER AND THE SHARED VEHICLE OWNER MIGHT NOT
3 HAVE INSURANCE COVERAGE.

4 4. THE DAILY RATE, FEES AND INSURANCE, IF APPLICABLE, OR PROTECTION
5 PACKAGE COSTS THAT ARE CHARGED TO THE SHARED VEHICLE OWNER OR THE SHARED
6 VEHICLE DRIVER.

7 5. THAT THE SHARED VEHICLE OWNER'S MOTOR VEHICLE LIABILITY
8 INSURANCE MIGHT NOT PROVIDE COVERAGE FOR A SHARED VEHICLE.

9 6. AN EMERGENCY TELEPHONE NUMBER FOR ROADSIDE ASSISTANCE AND OTHER
10 CUSTOMER SERVICE INQUIRIES.

11 7. WHETHER THERE ARE CONDITIONS THAT REQUIRE A PERSON TO MAINTAIN A
12 PERSONAL MOTOR VEHICLE LIABILITY INSURANCE POLICY WITH CERTAIN MINIMUM
13 APPLICABLE COVERAGE LIMITS ON A PRIMARY BASIS IN ORDER FOR THE PERSON TO
14 BECOME A SHARED VEHICLE DRIVER.

15 8. THAT THE SHARED VEHICLE OWNER'S OR THE SHARED VEHICLE DRIVER'S
16 MOTOR VEHICLE LIABILITY INSURANCE MIGHT ALREADY PROVIDE THE COVERAGE
17 REQUIRED BY THIS CHAPTER.

18 28-9610. Car sharing program agreement; licensed driver; data
19 retention

20 A. A PEER-TO-PEER CAR SHARING PROGRAM MAY ENTER INTO A CAR SHARING
21 PROGRAM AGREEMENT ONLY IF THE DRIVER WHO WILL OPERATE THE SHARED VEHICLE:

22 1. HOLDS A DRIVER LICENSE ISSUED BY THE DEPARTMENT THAT AUTHORIZES
23 THE DRIVER TO OPERATE THE CLASS OF THE SHARED VEHICLE.

24 2. IS A NONRESIDENT WHO BOTH:

25 (a) HAS A DRIVER LICENSE ISSUED BY THE STATE OR COUNTRY OF THE
26 DRIVER'S RESIDENCE THAT AUTHORIZES THE DRIVER IN THAT STATE OR COUNTRY TO
27 DRIVE VEHICLES OF THE CLASS OF THE SHARED VEHICLE.

28 (b) IS AT LEAST THE SAME AGE AS THE AGE REQUIRED OF A RESIDENT TO
29 DRIVE VEHICLES OF THE CLASS OF THE SHARED VEHICLE.

30 3. OTHERWISE IS SPECIFICALLY AUTHORIZED BY THE DEPARTMENT TO DRIVE
31 VEHICLES OF THE CLASS OF THE SHARED VEHICLE.

32 B. A PEER-TO-PEER CAR SHARING PROGRAM SHALL KEEP A RECORD OF:

33 1. THE NAME AND ADDRESS OF EACH SHARED VEHICLE DRIVER.

34 2. THE DRIVER LICENSE NUMBER OF THE SHARED VEHICLE DRIVER.

35 3. THE DATE AND PLACE OF ISSUANCE OF THE SHARED VEHICLE DRIVER'S
36 DRIVER LICENSE.

37 28-9611. Responsibility for equipment

38 A PEER-TO-PEER CAR SHARING PROGRAM HAS SOLE RESPONSIBILITY FOR ANY
39 EQUIPMENT, INCLUDING A GLOBAL POSITIONING SYSTEM OR OTHER SPECIAL
40 EQUIPMENT, THAT IS PUT IN OR ON A SHARED VEHICLE TO MONITOR OR FACILITATE
41 THE SHARED VEHICLE TRANSACTION AND SHALL AGREE TO INDEMNIFY AND HOLD
42 HARMLESS THE SHARED VEHICLE OWNER FOR ANY DAMAGE TO OR THEFT OF THE
43 EQUIPMENT DURING THE CAR SHARING PERIOD IF THE SHARED VEHICLE OWNER DOES
44 NOT CAUSE THE DAMAGE OR THEFT. THE PEER-TO-PEER CAR SHARING PROGRAM MAY

1 SEEK INDEMNITY FROM THE SHARED VEHICLE DRIVER FOR ANY LOSS OR DAMAGE TO
2 THE EQUIPMENT THAT OCCURS DURING THE CAR SHARING PERIOD.

3 28-9612. Safety recalls

4 A. AFTER A VEHICLE OWNER BECOMES A SHARED VEHICLE OWNER ON A
5 PEER-TO-PEER CAR SHARING PROGRAM AND BEFORE THE SHARED VEHICLE OWNER MAKES
6 A SHARED VEHICLE AVAILABLE FOR PEER-TO-PEER CAR SHARING ON THE
7 PEER-TO-PEER CAR SHARING PROGRAM, THE PEER-TO-PEER CAR SHARING PROGRAM
8 SHALL:

9 1. VERIFY THAT THE SHARED VEHICLE DOES NOT HAVE ANY SAFETY RECALLS
10 ON THE SHARED VEHICLE FOR WHICH THE REPAIRS ARE NOT MADE.

11 2. NOTIFY THE SHARED VEHICLE OWNER OF THE REQUIREMENTS PRESCRIBED
12 BY SUBSECTIONS B, C AND D OF THIS SECTION.

13 B. IF A VEHICLE OWNER HAS RECEIVED AN ACTUAL NOTICE OF A SAFETY
14 RECALL ON THE OWNER'S VEHICLE, THE VEHICLE OWNER MAY NOT MAKE THE VEHICLE
15 AVAILABLE AS A SHARED VEHICLE UNTIL THE SAFETY RECALL REPAIR IS MADE.

16 C. IF A SHARED VEHICLE OWNER RECEIVES A NOTICE OF A SAFETY RECALL
17 ON THE SHARED VEHICLE WHILE THE SHARED VEHICLE IS MADE AVAILABLE ON THE
18 PEER-TO-PEER CAR SHARING PROGRAM, THE SHARED VEHICLE OWNER SHALL REMOVE
19 THE SHARED VEHICLE FROM AVAILABILITY ON THE PEER-TO-PEER CAR SHARING
20 PROGRAM AS SOON AS PRACTICABLE. THE SHARED VEHICLE OWNER MAY NOT MAKE THE
21 SHARED VEHICLE AVAILABLE ON THE PEER-TO-PEER CAR SHARING PROGRAM UNTIL THE
22 SAFETY RECALL REPAIR IS MADE.

23 D. IF A SHARED VEHICLE OWNER RECEIVES A NOTICE OF A SAFETY RECALL
24 WHILE THE SHARED VEHICLE IS IN THE POSSESSION OF A SHARED VEHICLE DRIVER,
25 AS SOON AS PRACTICABLE, THE SHARED VEHICLE OWNER SHALL NOTIFY THE
26 PEER-TO-PEER CAR SHARING PROGRAM ABOUT THE SAFETY RECALL SO THAT THE
27 SHARED VEHICLE OWNER MAY MAKE THE SAFETY RECALL REPAIR.

28 28-9613. Peer-to-peer car sharing program; individual-owned
29 shared vehicle

30 IF THE SHARED VEHICLE IS AN INDIVIDUAL-OWNED SHARED VEHICLE, A
31 PEER-TO-PEER CAR SHARING PROGRAM IS NOT EITHER OF THE FOLLOWING:

32 1. IN THE BUSINESS OF LEASING OR RENTING FOR LESS THAN ONE YEAR
33 MOTOR VEHICLES FOR HIRE WITHOUT A DRIVER AS DESCRIBED IN SECTION 5-839,
34 SUBSECTION C.

35 2. SUBJECT TO THE SURCHARGE COLLECTED PURSUANT TO SECTION 48-4234.

36 28-9614. Public airports; shared vehicle transaction
37 regulations; definition

38 A. THIS CHAPTER DOES NOT PROHIBIT OR RESTRICT A PUBLIC AIRPORT FROM
39 IMPLEMENTING RULES OR LICENSING REQUIREMENTS OR FROM ASSESSING FEES OR
40 CHARGES THAT APPLY TO SHARED VEHICLE TRANSACTIONS THAT EITHER:

41 1. ARE CONDUCTED AT THE PUBLIC AIRPORT.

42 2. USE AN OFF-AIRPORT SHUTTLE SERVICE PROVIDER THAT CONTRACTS WITH
43 THE PUBLIC AIRPORT IN ORDER TO ACCESS THE SHARED VEHICLE OFF OF THE PUBLIC
44 AIRPORT PREMISES.

1 28-9615. Motor vehicle manufacturers; licensed motor vehicle
2 dealers; rights, obligations and limitations not
3 expanded or restricted

4 THIS CHAPTER DOES NOT EXPAND OR RESTRICT IN ANY MANNER THE
5 RESPECTIVE RIGHTS, OBLIGATIONS AND LIMITATIONS OF MOTOR VEHICLE
6 MANUFACTURERS AND LICENSED MOTOR VEHICLE DEALERS AS SET FORTH IN CHAPTER
7 10, ARTICLE 5 OF THIS TITLE.

8 28-9616. Shared vehicle transactions; transaction privilege
9 tax; exceptions; prohibition

10 A. A SHARED VEHICLE TRANSACTION IS SUBJECT TO THE TRANSACTION
11 PRIVILEGE TAX IMPOSED PURSUANT TO TITLE 42, CHAPTERS 5 AND 6.

12 B. A SHARED VEHICLE TRANSACTION IS NOT SUBJECT TO THE RENTAL
13 VEHICLE SURCHARGE ESTABLISHED BY SECTION 28-5810.

14 C. A SHARED VEHICLE TRANSACTION IS NOT SUBJECT TO THE SURCHARGES
15 ESTABLISHED BY SECTIONS 5-839 AND 48-4234 IF THE SHARED VEHICLE OWNER
16 CERTIFIES TO THE DEPARTMENT OF REVENUE, ON A FORM PRESCRIBED BY THE
17 DEPARTMENT, THAT THE SHARED VEHICLE IS AN INDIVIDUAL-OWNED SHARED
18 VEHICLE. THE SHARED VEHICLE OWNER'S CERTIFICATION IS REQUIRED ONLY ONCE
19 FOR THE DURATION OF THE TIME THAT THE SHARED VEHICLE OWNER OWNS THE SHARED
20 VEHICLE. THE DEPARTMENT OF REVENUE SHALL VERIFY THAT THE VEHICLE IS AN
21 INDIVIDUAL-OWNED SHARED VEHICLE BY DETERMINING WHETHER TRANSACTION
22 PRIVILEGE OR USE TAX WAS PAID FOR THE ACQUISITION OF THE VEHICLE.

23 D. A PEER-TO-PEER CAR SHARING PROGRAM THAT ACCEPTS PAYMENT FOR A
24 SHARED VEHICLE TRANSACTION IN THIS STATE IS SUBJECT TO TITLE 42, CHAPTER 5
25 SHALL PAY THE TAXES LEVIED UNDER TITLE 42, CHAPTERS 5 AND 6.

26 E. A PEER-TO-PEER CAR SHARING PROGRAM MAY RELY IN GOOD FAITH ON THE
27 SHARED VEHICLE OWNER'S REPRESENTATION THAT THE SHARED VEHICLE IS AN
28 INDIVIDUAL-OWNED SHARED VEHICLE CERTIFIED WITH THE DEPARTMENT OF REVENUE
29 PURSUANT TO SUBSECTION C OF THIS SECTION. IF THE PEER-TO-PEER CAR SHARING
30 PROGRAM RELIES IN GOOD FAITH ON THE SHARED VEHICLE OWNER'S REPRESENTATION
31 THAT THE SHARED VEHICLE IS AN INDIVIDUAL-OWNED SHARED VEHICLE CERTIFIED
32 WITH THE DEPARTMENT OF REVENUE, THE PEER-TO-PEER CAR SHARING PROGRAM IS
33 NOT LIABLE FOR ANY TAX, PENALTY, FEE OR OTHER SANCTION IMPOSED ON THE
34 SHARED VEHICLE OWNER.

35 F. EXCEPT AS PROVIDED IN SECTION 28-9614 AND THIS SECTION, A
36 COUNTY, CITY, TOWN OR POLITICAL SUBDIVISION OF THIS STATE MAY NOT IMPOSE
37 ANY ADDITIONAL TAXES, FEES OR CHARGES ON THE GROSS PROCEEDS OR GROSS
38 INCOME OF A SHARED VEHICLE TRANSACTION THAT IS NOT IMPOSED ON EVERY OTHER
39 TRANSACTION INVOLVING MOTOR VEHICLES FOR HIRE WITHOUT A DRIVER BY THAT
40 JURISDICTION.

1 Sec. 2. Section 42-5005, Arizona Revised Statutes, is amended to
2 read:

3 42-5005. Transaction privilege tax and municipal privilege
4 tax licenses; fees; renewal; revocation;
5 violation; classification

6 A. Every person who receives gross proceeds of sales or gross
7 income on which a transaction privilege tax is imposed by this article and
8 who desires to engage or continue in business shall apply to the
9 department for an annual transaction privilege tax license accompanied by
10 a fee of \$12. A person shall not engage or continue in business until the
11 person has obtained a transaction privilege tax license.

12 B. A person desiring to engage or continue in business within a
13 city or town that imposes a municipal privilege tax shall apply to the
14 department of revenue for an annual municipal privilege tax license
15 accompanied by a fee of up to \$50, as established by ordinance of the city
16 or town. The person shall submit the fee with each new license
17 application. The person may not engage or continue in business until the
18 person has obtained a municipal privilege tax license. The department
19 must collect, hold, pay and manage the fees in trust for the city or town
20 and may not use the monies for any other purposes. The fee imposed by
21 this subsection does not apply to a marketplace facilitator or remote
22 seller that is only required to obtain a transaction privilege tax license
23 pursuant to section 42-5043.

24 C. A transaction privilege tax license is valid only for the
25 calendar year in which it is issued, but it may be renewed for the
26 following calendar year. There is no fee for the renewal of the
27 transaction privilege tax license. The transaction privilege tax license
28 must be renewed at the same time and in the manner as the municipal
29 privilege tax license renewal.

30 D. A municipal privilege tax license is valid only for the calendar
31 year in which it is issued, but it may be renewed for the following
32 calendar year by the payment of a license renewal fee of up to \$50. The
33 renewal fee is due and payable on January 1 and is considered delinquent
34 if not received on or before the last business day of January. The
35 department must collect, hold, pay and manage the fees in trust for the
36 city or town and may not use the monies for any other purposes. The
37 renewal fee imposed by this subsection does not apply to a marketplace
38 facilitator or remote seller that is only required to obtain a transaction
39 privilege tax license pursuant to section 42-5043.

40 E. A licensee that remains in business after the municipal
41 privilege tax license has expired is subject to the payment of the license
42 renewal fee and the civil penalty prescribed in section 42-1125,
43 subsection R.

1 F. If the applicant is not in arrears in payment of any tax imposed
2 by this article, the department shall issue a license authorizing the
3 applicant to engage and continue in business on the condition that the
4 applicant complies with this article. The license number shall be
5 continuous.

6 G. The transaction privilege tax license and the municipal
7 privilege tax license are not transferable on a complete change of
8 ownership or change of location of the business. For the purposes of this
9 subsection:

10 1. "Location" means the business address appearing in the
11 application for the license and on the transaction privilege tax or
12 municipal privilege tax license.

13 2. "Ownership" means any right, title or interest in the business.

14 3. "Transferable" means the ability to convey or change the right
15 or privilege to engage or continue in business by virtue of the issuance
16 of the transaction privilege tax or municipal privilege tax license.

17 H. When the ownership or location of a business on which a
18 transaction privilege tax or municipal privilege tax is imposed has been
19 changed within the meaning of subsection G of this section, the licensee
20 shall surrender the license to the department. The license shall be
21 reissued to the new owners or for the new location on application by the
22 taxpayer and payment of the \$12 fee for a transaction privilege tax
23 license and a fee of up to \$50 per jurisdiction for a municipal privilege
24 tax license. The department must collect, hold, pay and manage the fees
25 in trust for the city or town and may not use the monies for any other
26 purposes.

27 I. A person who is engaged in or conducting a business in two or
28 more locations or under two or more business names shall procure a
29 transaction privilege tax license for each location or business name
30 regardless of whether all locations or business names are reported on a
31 consolidated return under a single transaction privilege tax license
32 number. This requirement shall not be construed as conflicting with
33 section 42-5020.

34 J. A person who is engaged in or conducting a business in two or
35 more locations or under two or more business names shall procure a
36 municipal privilege tax license for each location or business name
37 regardless of whether all locations or business names are reported on a
38 consolidated return.

39 K. A person who is engaged in or conducting business at two or more
40 locations or under two or more business names and who files a consolidated
41 return under a single transaction privilege tax license number as provided
42 by section 42-5020 is required to pay only a single municipal privilege
43 tax license renewal fee for each local jurisdiction pursuant to subsection
44 D of this section. A person who is engaged in or conducting business at
45 two or more locations or under two or more business names and who does not

1 file a consolidated return under a single license number is required to
2 pay a license renewal fee for each location or license in a local
3 jurisdiction.

4 L. For the purposes of this chapter and chapter 6 of this title:

5 1. Through December 31, 2018, an online lodging marketplace, as
6 defined in section 42-5076, may register with the department for a license
7 for the payment of taxes levied by this state and one or more counties,
8 cities, towns or special taxing districts, at the election of the online
9 lodging marketplace, for taxes due from an online lodging operator on any
10 online lodging transaction facilitated by the online lodging marketplace,
11 subject to sections 42-5076 and 42-6009.

12 2. Beginning from and after December 31, 2018, an online lodging
13 marketplace, as defined in section 42-5076, shall register with the
14 department for a license for the payment of taxes levied by this state and
15 one or more counties, cities, towns or special taxing districts for taxes
16 due from an online lodging operator on any online lodging transaction
17 facilitated by the online lodging marketplace, subject to sections 42-5076
18 and 42-6009.

19 M. For the purposes of this chapter and chapter 6 of this title, a
20 person who is licensed pursuant to title 32, chapter 20 and who files an
21 electronic consolidated tax return for individual real properties under
22 management on behalf of the property owners may be licensed with the
23 department for the payment of taxes levied by this state and by any
24 county, city or town with respect to those properties. There is no fee
25 for a license issued pursuant to this subsection.

26 N. FOR THE PURPOSES OF THIS CHAPTER, A PEER-TO-PEER CAR SHARING
27 PROGRAM SHALL REGISTER WITH THE DEPARTMENT FOR A LICENSE FOR THE PAYMENT
28 OF TAXES LEVIED BY THIS STATE AND ONE OR MORE COUNTIES, CITIES, TOWNS OR
29 SPECIAL DISTRICTS FOR TAXES DUE FROM A SHARED VEHICLE OWNER ON ANY SHARED
30 VEHICLE TRANSACTION FACILITATED BY THE PEER-TO-PEER CAR SHARING PROGRAM,
31 SUBJECT TO THE LIMITATIONS IN SECTION 28-9616. A PEER-TO-PEER CAR SHARING
32 PROGRAM SHALL REMIT THE SURCHARGES ESTABLISHED PURSUANT TO SECTIONS 5-839
33 AND 48-4234 ONLY IF THE PEER-TO-PEER CAR SHARING PROGRAM ALLOWS SHARED
34 VEHICLE TRANSACTIONS THAT INVOLVE A VEHICLE FOR WHICH THE SHARED VEHICLE
35 OWNER HAS NOT CERTIFIED TO THE DEPARTMENT PURSUANT TO SECTION 28-9616,
36 SUBSECTION C THAT IT IS AN INDIVIDUAL-OWNED SHARED VEHICLE. FOR THE
37 PURPOSES OF THIS SUBSECTION, "INDIVIDUAL-OWNED SHARED VEHICLE",
38 "PEER-TO-PEER CAR SHARING PROGRAM", "SHARED VEHICLE OWNER" AND "SHARED
39 VEHICLE TRANSACTION" HAVE THE SAME MEANINGS PRESCRIBED IN SECTION 28-9601.

40 ~~N.~~ O. If a person violates this article or any rule adopted under
41 this article, the department upon hearing may revoke any transaction
42 privilege tax or municipal privilege tax license issued to the person.
43 The department shall provide ten days' written notice of the hearing,
44 stating the time and place and requiring the person to appear and show
45 cause why the license or licenses should not be revoked. The department

1 shall provide written notice to the person of the revocation of the
2 license. The notices may be served personally or by mail pursuant to
3 section 42-5037. After revocation, the department shall not issue a new
4 license to the person unless the person presents evidence satisfactory to
5 the department that the person will comply with this article and with the
6 rules adopted under this article. The department may prescribe the terms
7 under which a revoked license may be reissued.

8 ~~P.~~ P. The department may revoke any transaction privilege tax or
9 municipal privilege tax license issued to any person who fails for
10 thirteen consecutive months to make and file a return required by this
11 article on or before the due date or the due date as extended by the
12 department unless the failure is due to a reasonable cause and not due to
13 wilful neglect.

14 ~~P.~~ Q. A person who violates any provision of this section is
15 guilty of a class 3 misdemeanor.

16 Sec. 3. Section 42-5009, Arizona Revised Statutes, is amended to
17 read:

18 42-5009. Certificates establishing deductions; liability for
19 making false certificate; tax exclusion;
20 definitions

21 A. A person who conducts any business classified under article 2 of
22 this chapter may establish entitlement to the allowable deductions from
23 the tax base of that business by both:

24 1. Marking the invoice for the transaction to indicate that the
25 gross proceeds of sales or gross income derived from the transaction was
26 deducted from the tax base.

27 2. Obtaining a certificate executed by the purchaser indicating the
28 name and address of the purchaser, the precise nature of the business of
29 the purchaser, the purpose for which the purchase was made, the necessary
30 facts to establish the appropriate deduction and the tax license number of
31 the purchaser to the extent the deduction depends on the purchaser
32 conducting business classified under article 2 of this chapter and a
33 certification that the person executing the certificate is authorized to
34 do so on behalf of the purchaser. The certificate may be disregarded if
35 the seller has reason to believe that the information contained in the
36 certificate is not accurate or complete.

37 B. A person who does not comply with subsection A of this section
38 may establish entitlement to the deduction by presenting facts necessary
39 to support the entitlement, but the burden of proof is on that person.

40 C. The department may prescribe a form for the certificate
41 described in subsection A of this section. Under such rules as it may
42 prescribe, the department may also describe transactions with respect to
43 which a person is not entitled to rely solely on the information contained
44 in the certificate provided for in subsection A of this section but must

1 instead obtain such additional information as required by the rules in
2 order to be entitled to the deduction.

3 D. If a seller is entitled to a deduction by complying with
4 subsection A of this section, the department may require the purchaser
5 that caused the execution of the certificate to establish the accuracy and
6 completeness of the information required to be contained in the
7 certificate that would entitle the seller to the deduction. If the
8 purchaser cannot establish the accuracy and completeness of the
9 information, the purchaser is liable in an amount equal to any tax,
10 penalty and interest that the seller would have been required to pay under
11 this article if the seller had not complied with subsection A of this
12 section. Payment of the amount under this subsection exempts the
13 purchaser from liability for any tax imposed under article 4 of this
14 chapter. The amount shall be treated as tax revenues collected from the
15 seller in order to designate the distribution base for purposes of section
16 42-5029.

17 E. If a seller is entitled to a deduction by complying with
18 subsection B of this section, the department may require the purchaser to
19 establish the accuracy and completeness of the information provided to the
20 seller that entitled the seller to the deduction. If the purchaser cannot
21 establish the accuracy and completeness of the information, the purchaser
22 is liable in an amount equal to any tax, penalty and interest that the
23 seller would have been required to pay under this article if the seller
24 had not complied with subsection B of this section. Payment of the amount
25 under this subsection exempts the purchaser from liability for any tax
26 imposed under article 4 of this chapter. The amount shall be treated as
27 tax revenues collected from the seller in order to designate the
28 distribution base for purposes of section 42-5029.

29 F. The department may prescribe a form for a certificate used to
30 establish entitlement to the deductions described in section 42-5061,
31 subsection A, paragraph 46 and section 42-5063, subsection B, paragraph 3.
32 Under rules the department may prescribe, the department may also require
33 additional information for the seller to be entitled to the deduction. If
34 a seller is entitled to the deductions described in section 42-5061,
35 subsection A, paragraph 46 and section 42-5063, subsection B, paragraph 3,
36 the department may require the purchaser who executed the certificate to
37 establish the accuracy and completeness of the information contained in
38 the certificate that would entitle the seller to the deduction. If the
39 purchaser cannot establish the accuracy and completeness of the
40 information, the purchaser is liable in an amount equal to any tax,
41 penalty and interest that the seller would have been required to pay under
42 this article. Payment of the amount under this subsection exempts the
43 purchaser from liability for any tax imposed under article 4 of this
44 chapter. The amount shall be treated as tax revenues collected from the

1 seller in order to designate the distribution base for purposes of section
2 42-5029.

3 G. If a seller claims a deduction under section 42-5061,
4 subsection A, paragraph 25 and establishes entitlement to the deduction
5 with an exemption letter that the purchaser received from the department
6 and the exemption letter was based on a contingent event, the department
7 may require the purchaser that received the exemption letter to establish
8 the satisfaction of the contingent event within a reasonable time. If the
9 purchaser cannot establish the satisfaction of the event, the purchaser is
10 liable in an amount equal to any tax, penalty and interest that the seller
11 would have been required to pay under this article if the seller had not
12 been furnished the exemption letter. Payment of the amount under this
13 subsection exempts the purchaser from liability for any tax imposed under
14 article 4 of this chapter. The amount shall be treated as tax revenues
15 collected from the seller in order to designate the distribution base for
16 purposes of section 42-5029. For the purposes of this subsection,
17 "reasonable time" means a time limitation that the department determines
18 and that does not exceed the time limitations pursuant to section 42-1104.

19 H. The department shall prescribe forms for certificates used to
20 establish the satisfaction of the criteria necessary to qualify the sale
21 of a motor vehicle for the deductions described in section 42-5061,
22 subsection A, paragraph 14, paragraph 28, subdivision (a) and paragraph 44
23 and subsection U. Except as provided in subsection J of this section, to
24 establish entitlement to these deductions, a motor vehicle dealer shall
25 retain:

26 1. A valid certificate as prescribed by this subsection completed
27 by the purchaser and obtained ~~prior to~~ BEFORE the issuance of the
28 nonresident registration permit authorized by section 28-2154.

29 2. A copy of the nonresident registration permit authorized by
30 section 28-2154.

31 3. A legible copy of a current valid driver license issued to the
32 purchaser by another state or foreign country that indicates an address
33 outside of this state. For the sale of a motor vehicle to a nonresident
34 entity, the entity's representative must have a current valid driver
35 license issued by the same jurisdiction as that in which the entity is
36 located.

37 4. For the purposes of the deduction provided by section 42-5061,
38 subsection A, paragraph 14, a certificate documenting the delivery of the
39 motor vehicle to an out-of-state location.

40 I. Notwithstanding subsection A, paragraph 2 of this section, if a
41 motor vehicle dealer has established entitlement to a deduction by
42 complying with subsection H of this section, the department may require
43 the purchaser who executed the certificate to establish the accuracy and
44 completeness of the information contained in the certificate that entitled
45 the motor vehicle dealer to the deduction. If the purchaser cannot

1 establish the accuracy and completeness of the information, the purchaser
2 is liable in an amount equal to any tax, penalty and interest that the
3 motor vehicle dealer would have been required to pay under this article
4 and under articles IV and V of the model city tax code as defined in
5 section 42-6051. Payment of the amount under this subsection exempts the
6 purchaser from liability for any tax imposed under article 4 of this
7 chapter and any tax imposed under article VI of the model city tax code as
8 defined in section 42-6051. The amount shall be treated as tax revenues
9 collected from the motor vehicle dealer in order to designate the
10 distribution base for purposes of section 42-5029.

11 J. To establish entitlement to the deduction described in section
12 42-5061, subsection A, paragraph 44, a public consignment auction dealer
13 as defined in section 28-4301 shall submit the valid certificate
14 prescribed by subsection H of this section to the department and retain a
15 copy for its records.

16 K. Notwithstanding any other law, compliance with subsection H of
17 this section by a motor vehicle dealer entitles the motor vehicle dealer
18 to the exemption provided in section 42-6004, subsection A, paragraph 4.

19 L. The department shall prescribe a form for a certificate to be
20 used by a person that is not subject to tax under section 42-5075 when the
21 person is engaged by a contractor that is subject to tax under section
22 42-5075 for a project that is taxable under section 42-5075. The
23 certificate permits the person purchasing tangible personal property to be
24 incorporated or fabricated by the person into any real property,
25 structure, project, development or improvement to provide documentation to
26 a retailer that the sale of tangible personal property qualifies for the
27 deduction under section 42-5061, subsection A, paragraph 27,
28 subdivision (b). A prime contractor shall obtain the certificate from the
29 department and shall provide a copy to any such person working on the
30 project. The prime contractor shall obtain a new certificate for each
31 project to which this subsection applies. For the purposes of this
32 subsection, the following apply:

33 1. The person that is not subject to tax under section 42-5075 may
34 use the certificate issued pursuant to this subsection only with respect
35 to tangible personal property that will be incorporated into a project for
36 which the gross receipts are subject to tax under section 42-5075.

37 2. The department shall issue the certificate to the prime
38 contractor on receiving sufficient documentation to establish that the
39 prime contractor meets the requirements of this subsection.

40 3. If any person uses the certificate provided under this
41 subsection to purchase tangible personal property to be used in a project
42 that is not subject to tax under section 42-5075, the person is liable in
43 an amount equal to any tax, penalty and interest that the seller would
44 have been required to pay under this article if the seller had not
45 complied with subsection A of this section. Payment of the amount under

1 this section exempts the person from liability for any tax imposed under
2 article 4 of this chapter. The amount shall be sourced under section
3 42-5040, subsection A, paragraph 2.

4 M. Notwithstanding any other law, compliance with subsection L of
5 this section by a person that is not subject to tax under section 42-5075
6 entitles the person to the exemption allowed by section 465,
7 subsection (k) of the model city tax code when purchasing tangible
8 personal property to be incorporated or fabricated by the person into any
9 real property, structure, project, development or improvement.

10 N. The requirements of subsections A and B of this section do not
11 apply to owners, proprietors or tenants of agricultural lands or farms who
12 sell livestock or poultry feed that is grown or raised on their lands to
13 any of the following:

14 1. Persons who feed their own livestock or poultry.

15 2. Persons who are engaged in the business of producing livestock
16 or poultry commercially.

17 3. Persons who are engaged in the business of feeding livestock or
18 poultry commercially or who board livestock noncommercially.

19 O. A vendor who has reason to believe that a certificate prescribed
20 by this section is not accurate or complete will not be relieved of the
21 burden of proving entitlement to the exemption. A vendor that accepts a
22 certificate in good faith will be relieved of the burden of proof and the
23 purchaser may be required to establish the accuracy of the claimed
24 exemption. If the purchaser cannot establish the accuracy and
25 completeness of the information provided in the certificate, the purchaser
26 is liable for an amount equal to the transaction privilege tax, penalty
27 and interest that the vendor would have been required to pay if the vendor
28 had not accepted the certificate.

29 P. Notwithstanding any other law, an online lodging operator, as
30 defined in section 42-5076, shall be entitled to an exclusion from any
31 applicable taxes for any online lodging transaction, as defined in section
32 42-5076, facilitated by an online lodging marketplace, as defined in
33 section 42-5076, for which the online lodging operator has obtained from
34 the online lodging marketplace written notice that the online lodging
35 marketplace is registered with the department to collect applicable taxes
36 for all online lodging transactions facilitated by the online lodging
37 marketplace, and transaction history documenting tax collected by the
38 online lodging marketplace, pursuant to section 42-5005, subsection L.

39 Q. The department shall prescribe the form of a certificate to be
40 used by a person purchasing an aircraft to document eligibility for a
41 deduction pursuant to section 42-5061, subsection B, paragraph 7,
42 subdivision (a), item (v) or an exemption pursuant to section 42-5159,
43 subsection B, paragraph 7, subdivision (a), item (v), relating to
44 aircraft. The person must provide this certificate and documentation
45 confirming that the operational control of the aircraft has been

1 transferred or will be transferred immediately after the purchase to one
2 or more persons described in section 42-5061, subsection B, paragraph 7,
3 subdivision (a), item (i), (ii), (iii) or (iv) or section 42-5159,
4 subsection B, paragraph 7, subdivision (a), item (i), (ii), (iii) or (iv).
5 Operational control of the aircraft must be transferred for at least fifty
6 percent of the aircraft's flight hours. If such operational control is
7 not transferred for at least fifty percent of the aircraft's flight hours
8 during the recapture period, the owner of the aircraft is liable for an
9 amount equal to any tax that the seller or purchaser would have been
10 required to pay under this chapter at the time of the sale, plus penalty
11 and interest. The recapture period begins on the date that operational
12 control of the aircraft is first transferred and ends on the later of the
13 date the aircraft is fully depreciated for federal income tax purposes or
14 five years after operational control was first transferred. For the
15 purposes of this subsection, operational control of the aircraft must be
16 within the meaning of federal aviation administration operations
17 specification A008, or its successor, except that:

18 1. If it is determined that operational control has been
19 transferred for less than fifty percent but more than forty percent of the
20 aircraft's flight hours, the owner of the aircraft is liable for an amount
21 equal to any tax that the seller or purchaser would have been required to
22 pay under this chapter at the time of the sale, plus interest.

23 2. If the aircraft is sold during the recapture period, the seller
24 is not liable for the amount determined pursuant to this subsection unless
25 the operational control of the aircraft had not been transferred for at
26 least fifty percent of the aircraft's flight hours at the time of the
27 sale.

28 R. NOTWITHSTANDING ANY OTHER LAW, A SHARED VEHICLE OWNER IS
29 ENTITLED TO AN EXCLUSION FROM ANY APPLICABLE TAXES FOR A SHARED VEHICLE
30 TRANSACTION THAT IS FACILITATED BY A PEER-TO-PEER CAR SHARING PROGRAM AND
31 FOR WHICH THE PEER-TO-PEER CAR SHARING PROGRAM HAS COLLECTED AND REMITTED
32 APPLICABLE TAXES.

33 S. FOR THE PURPOSES OF THIS SECTION, "PEER-TO-PEER CAR SHARING
34 PROGRAM", "SHARED VEHICLE OWNER" AND "SHARED VEHICLE TRANSACTION" HAVE THE
35 SAME MEANINGS PRESCRIBED IN SECTION 28-9601.

36 Sec. 4. Section 42-5014, Arizona Revised Statutes, is amended to
37 read:

38 42-5014. Return and payment of tax; estimated tax;
39 extensions; abatements; definitions

40 A. Except as provided in subsection B, C, D, E or F of this
41 section, the taxes levied under this article:

42 1. Are due and payable monthly in the form required by section
43 42-5018 for the amount of the tax, to the department, on or before the
44 twentieth day of the month next succeeding the month in which the tax
45 accrues.

1 2. Are delinquent as follows:

2 (a) For taxpayers that are required or elect to file and pay
3 electronically in any month, if not received by the department on or
4 before the last business day of the month.

5 (b) For all other taxpayers, if not received by the department on
6 or before the business day preceding the last business day of the month.

7 B. The department, for any taxpayer whose estimated annual
8 liability for taxes imposed or administered by this article or chapter 6
9 of this title is between \$2,000 and \$8,000, shall authorize the taxpayer
10 to pay the taxes on a quarterly basis. The department, for any taxpayer
11 whose estimated annual liability for taxes imposed by this article is less
12 than \$2,000, shall authorize the taxpayer to pay the taxes on an annual
13 basis. For the purposes of this subsection, the taxes due under this
14 article:

15 1. For taxpayers that are authorized to pay on a quarterly basis,
16 are due and payable monthly in the form required by section 42-5018 for
17 the amount of the tax, to the department, on or before the twentieth day
18 of the month next succeeding the quarter in which the tax accrues.

19 2. For taxpayers that are authorized to pay on an annual basis, are
20 due and payable monthly in the form required by section 42-5018 for the
21 amount of the tax, to the department, on or before the twentieth day of
22 January next succeeding the year in which the tax accrues.

23 3. Are delinquent as follows:

24 (a) For taxpayers that are required or elect to file and pay
25 electronically in any quarter, if not received by the department on or
26 before the last business day of the month.

27 (b) For all other taxpayers that are required to file and pay
28 quarterly, if not received by the department on or before the business day
29 preceding the last business day of the month.

30 (c) For taxpayers that are required or elect to file and pay
31 electronically on an annual basis, if not received by the department on or
32 before the last business day of January.

33 (d) For all other taxpayers that are required to file and pay
34 annually, if not received by the department on or before the business day
35 preceding the last business day of January.

36 C. The department may require a taxpayer whose business is of a
37 transient character to file the return and remit the taxes imposed by this
38 article on a daily, a weekly or a transaction-by-transaction basis, and
39 those returns and payments are due and payable on the date fixed by the
40 department without a grace period otherwise allowed by this section. For
41 the purposes of this subsection, "business of a transient character" means
42 sales activity by a taxpayer not regularly engaged in selling within this
43 state that is conducted from vehicles, portable stands, rented spaces,
44 structures or booths, or concessions at fairs, carnivals, circuses,
45 festivals or similar activities for not more than thirty consecutive days.

1 D. If the business entity under which a taxpayer reports and pays
2 income tax under title 43 has an annual total tax liability under this
3 article, article 6 of this chapter and chapter 6, article 3 of this title
4 of \$1,000,000 or more in 2019, \$1,600,000 or more in 2020, \$2,300,000 or
5 more in 2021, \$3,100,000 or more in 2022 or \$4,100,000 or more in 2023 and
6 each year thereafter, based on the actual tax liability in the preceding
7 calendar year, regardless of the number of offices at which the taxes
8 imposed by this article, article 6 of this chapter or chapter 6, article 3
9 of this title are collected, or if the taxpayer can reasonably anticipate
10 such liability in the current year, the taxpayer shall report on a form
11 prescribed by the department and pay an estimated tax payment each June.
12 Any other taxpayer may voluntarily elect to pay the estimated tax payment
13 pursuant to this subsection. The payment shall be made on or before
14 June 20 in the same manner as the taxpayer is required to make regular
15 payments and is delinquent if not received by the department on or before
16 the last business day of June if the taxpayer is required to make the
17 payment by electronic means, ~~or~~ IS delinquent on or before the business
18 day preceding the last business day of June for those taxpayers allowed to
19 file by mail, ~~or~~ IS delinquent if not received by the department on the
20 business day preceding the last business day of June for those taxpayers
21 allowed to file in person. The estimated tax paid shall be credited
22 against the taxpayer's tax liability under this article, article 6 of this
23 chapter and chapter 6, article 3 of this title for the month of June for
24 the current calendar year. The estimated tax payment shall equal either:

25 1. One-half of the actual tax liability under this article plus
26 one-half of any tax liability under article 6 of this chapter and chapter
27 6, article 3 of this title for May of the current calendar year.

28 2. The actual tax liability under this article plus any tax
29 liability under article 6 of this chapter and chapter 6, article 3 of this
30 title for the first fifteen days of June of the current calendar year.

31 E. An online lodging marketplace, as defined in section 42-5076,
32 that is registered with the department pursuant to section 42-5005,
33 subsection L:

34 1. Shall remit to the department the applicable taxes payable
35 pursuant to section 42-5076 and chapter 6 of this title with respect to
36 each online lodging transaction, as defined in section 42-5076,
37 facilitated by the online lodging marketplace.

38 2. Shall report the taxes monthly and remit the aggregate total
39 amounts for each of the respective taxing jurisdictions.

40 3. Shall not be required to list or otherwise identify any
41 individual online lodging operator, as defined in section 42-5076, on any
42 return or any attachment to a return.

1 F. A person who is licensed pursuant to title 32, chapter 20 and
2 who is licensed with the department pursuant to section 42-5005,
3 subsection M shall:

4 1. File a consolidated return monthly with respect to all managed
5 properties for which the licensee files an electronic consolidated tax
6 return pursuant to section 42-6013.

7 2. Remit to the department the aggregate total amount of the
8 applicable taxes payable pursuant to this chapter and chapter 6 of this
9 title for all of the respective taxing jurisdictions with respect to the
10 managed properties.

11 G. A PEER-TO-PEER CAR SHARING PROGRAM THAT IS LICENSED BY THE
12 DEPARTMENT PURSUANT TO SECTION 42-5005, SUBSECTION N:

13 1. SHALL ELECTRONICALLY REMIT TO THE DEPARTMENT THE APPLICABLE
14 TAXES PURSUANT TO SECTION 42-5071 AND CHAPTER 6 OF THIS TITLE AND ANY
15 ADDITIONAL TAXES, FEES OR CHARGES ON THE GROSS PROCEEDS OR GROSS INCOME OF
16 A SHARED VEHICLE TRANSACTION, SUBJECT TO THE LIMITATIONS IN SECTION
17 28-9616, AND, IF THE PEER-TO-PEER CAR SHARING PROGRAM ALLOWS OWNERS OF
18 VEHICLES THAT ARE NOT INDIVIDUAL-OWNED SHARED VEHICLES TO USE THE
19 PEER-TO-PEER CAR SHARING PROGRAM, APPLICABLE SURCHARGES PURSUANT TO
20 SECTIONS 5-839 AND 48-4234.

21 2. SHALL ELECTRONICALLY REPORT THE TAXES MONTHLY AND REMIT THE
22 AGGREGATE TOTAL AMOUNTS FOR EACH RESPECTIVE TAXING JURISDICTION.

23 3. IS NOT REQUIRED TO LIST OR OTHERWISE IDENTIFY AN
24 INDIVIDUAL-OWNED SHARED VEHICLE ON ANY RETURN OR ANY ATTACHMENT TO A
25 RETURN. THE PEER-TO-PEER CAR SHARING PROGRAM SHALL RETAIN SURCHARGE AND
26 TAX INFORMATION FOR EACH PEER-TO-PEER CAR SHARING PROGRAM TRANSACTION AND
27 SHALL PROVIDE THE INFORMATION TO THE DEPARTMENT AT THE DEPARTMENT'S
28 REQUEST.

29 H. THE REMITTANCE OF TRANSACTION PRIVILEGE TAX AND ANY OTHER TAX
30 APPLICABLE TO A SHARED VEHICLE TRANSACTION BY A PEER-TO-PEER CAR SHARING
31 PROGRAM FULLY SATISFIES ANY OBLIGATION OF A SHARED VEHICLE OWNER TO REMIT
32 ANY TAXES APPLICABLE TO THE SHARED VEHICLE TRANSACTION.

33 ~~G.~~ I. The taxpayer shall prepare a return showing the amount of
34 the tax for which the taxpayer is liable for the preceding month, and
35 shall mail or deliver the return to the department in the same manner and
36 time as prescribed for the payment of taxes in subsection A of this
37 section. If the taxpayer fails to file the return in the manner and time
38 as prescribed for the payment of taxes in subsection A of this section,
39 the amount of the tax required to be shown on the return is subject to the
40 penalty imposed pursuant to section 42-1125, subsection X, without any
41 reduction for taxes paid on or before the due date of the return. The
42 return shall be verified by the oath of the taxpayer or an authorized
43 agent or as prescribed by the department pursuant to section 42-1105,
44 subsection B.

1 ~~H.~~ J. Any person who is taxable under this article and who makes
2 cash and credit sales shall report the cash and credit sales separately
3 and may apply for and obtain from the department an extension of time to
4 pay taxes due on the credit sales. The department shall grant the
5 extension under such rules as the department prescribes. When the
6 extension is granted, the taxpayer shall thereafter include in each
7 monthly report all collections made on such credit sales during the month
8 next preceding and shall pay the taxes due at the time of filing such a
9 report.

10 ~~I.~~ K. The returns required under this article shall be made on
11 forms prescribed by the department and shall capture data with sufficient
12 specificity to meet the needs of all taxing jurisdictions.

13 ~~J.~~ L. Any person who is engaged in or conducting business in two
14 or more locations or under two or more business names shall file the
15 return required under this article using an electronic filing program
16 established by the department.

17 ~~K.~~ M. For taxable periods beginning from and after December 31,
18 2017, any taxpayer with an annual total tax liability under this chapter
19 and chapter 6 of this title of \$20,000 or more, based on the actual tax
20 liability in the preceding calendar year, regardless of the number of
21 offices at which the taxes imposed by this chapter or chapter 6 of this
22 title are collected, or a taxpayer that can reasonably anticipate that
23 liability in the current year, shall file the return required under this
24 article using an electronic filing program established by the department.

25 ~~L.~~ N. For taxable periods beginning from and after December 31,
26 2018, any taxpayer with an annual total tax liability under this chapter
27 and chapter 6 of this title of \$10,000 or more, based on the actual tax
28 liability in the preceding calendar year, regardless of the number of
29 offices at which the taxes imposed by this chapter or chapter 6 of this
30 title are collected, or a taxpayer that can reasonably anticipate that
31 liability in the current year, shall file the return required under this
32 article using an electronic filing program established by the department.

33 ~~M.~~ O. For taxable periods beginning from and after December 31,
34 2019, any taxpayer with an annual total tax liability under this chapter
35 and chapter 6 of this title of \$5,000 or more, based on the actual tax
36 liability in the preceding calendar year, regardless of the number of
37 offices at which the taxes imposed by this chapter or chapter 6 of this
38 title are collected, or a taxpayer that can reasonably anticipate that
39 liability in the current year, shall file the return required under this
40 article using an electronic filing program established by the department.

41 ~~N.~~ P. For taxable periods beginning from and after December 31,
42 2020, any taxpayer with an annual total tax liability under this chapter
43 and chapter 6 of this title of \$500 or more, based on the actual tax
44 liability in the preceding calendar year, regardless of the number of
45 offices at which the taxes imposed by this chapter or chapter 6 of this

1 title are collected, or a taxpayer that can reasonably anticipate that
2 liability in the current year, shall file the return required under this
3 article using an electronic filing program established by the department.

4 ~~Q.~~ Q. Any taxpayer that is required to report and pay using an
5 electronic filing program established by the department may apply to the
6 director, on a form prescribed by the department, for an annual waiver
7 from the electronic filing requirement. The director may grant a waiver,
8 which may be renewed, if any of the following applies:

- 9 1. The taxpayer has no computer.
- 10 2. The taxpayer has no internet access.
- 11 3. Any other circumstance considered to be worthy by the director
12 exists.

13 ~~R.~~ R. A waiver is not required if the return cannot be
14 electronically filed for reasons beyond the taxpayer's control, including
15 situations in which the taxpayer was instructed by either the internal
16 revenue service or the department of revenue to file by paper.

17 ~~S.~~ S. The department, for good cause, may extend the time for
18 making any return required by this article and may grant such reasonable
19 additional time within which to make the return as it deems proper, but
20 the time for filing the return shall not be extended beyond the first day
21 of the third month next succeeding the regular due date of the return.

22 ~~T.~~ T. The department, with the approval of the attorney general,
23 may abate small tax balances if the administration costs exceed the amount
24 of tax due.

25 ~~U.~~ U. For the purposes of subsection D of this section, "taxpayer"
26 means the business entity under which the business reports and pays state
27 income taxes regardless of the number of offices at which the taxes
28 imposed by this article, article 6 of this chapter or chapter 6, article 3
29 of this title are collected.

30 V. FOR THE PURPOSES OF THIS SECTION, "INDIVIDUAL-OWNED SHARED
31 VEHICLE", "PEER-TO-PEER CAR SHARING PROGRAM", "SHARED VEHICLE OWNER" AND
32 "SHARED VEHICLE TRANSACTION" HAVE THE SAME MEANINGS PRESCRIBED IN SECTION
33 28-9601.

34 Sec. 5. Section 42-5040, Arizona Revised Statutes, is amended to
35 read:

36 42-5040. Sourcing of certain transactions involving tangible
37 personal property; definitions

38 A. Except as provided in section 42-5075, retail sales of tangible
39 personal property shall be sourced as follows:

40 1. To the seller's business location if the seller receives the
41 order at a business location in this state.

42 2. Except as provided in section 42-5008.01, to the purchaser's
43 location in this state if the seller receives the order at a business
44 location outside this state or, if there is no delivery address, to the
45 purchaser's billing address.

- 1 B. A SHARED VEHICLE TRANSACTION SHALL BE SOURCED AS FOLLOWS:
2 1. TO THE PERMANENT STREET ADDRESS OF THE REGISTERED SHARED VEHICLE
3 OWNER IF THE SHARED VEHICLE IS REGISTERED IN THIS STATE.
4 2. TO THE STREET ADDRESS IN THIS STATE WHERE THE SHARED VEHICLE
5 OWNER RESIDES WHILE IN THIS STATE IF THE SHARED VEHICLE IS REGISTERED IN
6 ANOTHER STATE OR COUNTRY.
7 3. TO THE LOCATION OF THE SHARED VEHICLE AT THE CAR SHARING START
8 TIME IF THE SHARED VEHICLE OWNER DOES NOT RESIDE IN THIS STATE AND THE
9 SHARED VEHICLE IS REGISTERED IN ANOTHER STATE OR COUNTRY.

10 ~~B.~~ C. For the purposes of SUBSECTION A OF this section, an order
11 is received when all of the information necessary to accept the order has
12 been received by or on behalf of the seller, regardless of where the order
13 is accepted or approved. The place of business or residence of the
14 purchaser does not determine where the order is received.

15 ~~C.~~ D. The gross receipts from leasing or renting tangible personal
16 property shall be sourced as follows:

17 1. To the lessor's business location if the lessor has a business
18 location in this state.

19 2. To the lessee's address if the lessor does not have a business
20 location in this state or, if there is no lessee's address, to the
21 lessee's billing address. The gross receipts are taxable when the
22 property is shipped, delivered or otherwise brought into this state for
23 use in this state.

24 ~~D.~~ E. For the purposes of this section:

25 1. "CAR SHARING START TIME" HAS THE SAME MEANING PRESCRIBED IN
26 SECTION 28-9601.

27 ~~E.~~ 2. "Lessee's address" means the residential address of an
28 individual lessee and the primary business address of any other lessee.

29 ~~F.~~ 3. "Lessor's business location" means the business address that
30 appears on the lessor's transaction privilege tax license.

31 4. "SHARED VEHICLE" HAS THE SAME MEANING PRESCRIBED IN SECTION
32 28-9601.

33 5. "SHARED VEHICLE OWNER" HAS THE SAME MEANING PRESCRIBED IN
34 SECTION 28-9601.

35 6. "SHARED VEHICLE TRANSACTION" HAS THE SAME MEANING PRESCRIBED IN
36 SECTION 28-9601.

37 Sec. 6. Section 42-5071, Arizona Revised Statutes, is amended to
38 read:

39 42-5071. Personal property rental classification; definitions

40 A. The personal property rental classification is comprised of the
41 business of leasing or renting tangible personal property for a
42 consideration AND INCLUDES PEER-TO-PEER CAR SHARING. The tax does not
43 apply to:

44 1. Leasing or renting films, tapes or slides used by theaters or
45 movies, which are engaged in business under the amusement classification,

1 or used by television stations or radio stations.

2 2. Activities engaged in by the Arizona exposition and state fair
3 board or county fair commissions in connection with events sponsored by
4 such entities.

5 3. Leasing or renting tangible personal property by a parent
6 business entity to a subsidiary business entity or by a subsidiary
7 business entity to another subsidiary of the same parent business entity
8 if taxes were paid under this chapter on the gross proceeds or gross
9 income accruing from the initial sale of the tangible personal property.
10 For the purposes of this paragraph, "subsidiary" means a business entity
11 of which at least eighty percent of the voting shares are owned by the
12 parent business entity.

13 4. Operating coin-operated washing, drying and dry cleaning
14 machines or coin-operated car washing machines at establishments for the
15 use of such machines.

16 5. Leasing or renting tangible personal property for incorporation
17 into or comprising any part of a qualified environmental technology
18 facility as described in section 41-1514.02. This paragraph shall apply
19 for ten full consecutive calendar or fiscal years following the initial
20 lease or rental by each qualified environmental technology manufacturer,
21 producer or processor.

22 6. Leasing or renting aircraft, flight simulators or similar
23 training equipment to students or staff by nonprofit, accredited
24 educational institutions that offer associate or baccalaureate degrees in
25 aviation or aerospace related fields.

26 7. Leasing or renting photographs, transparencies or other creative
27 works used by this state on internet websites, in magazines or in other
28 publications that encourage tourism.

29 8. Leasing or renting certified ignition interlock devices
30 installed pursuant to the requirements prescribed by section 28-1461. For
31 the purposes of this paragraph, "certified ignition interlock device" has
32 the same meaning prescribed in section 28-1301.

33 9. The leasing or renting of space to make attachments to utility
34 poles, as follows:

35 (a) By a person that is engaged in business under section 42-5063
36 or 42-5064 or that is a cable operator.

37 (b) To a person that is engaged in business under section 42-5063
38 or 42-5064 or that is a cable operator.

39 10. Leasing or renting billboards that are designed, intended or
40 used to advertise or inform and that are visible from any street, road or
41 other highway.

42 B. The tax base for the personal property rental classification is
43 the gross proceeds of sales or gross income derived from the business, but
44 the gross proceeds of sales or gross income derived from the following
45 shall be deducted from the tax base:

1 1. Reimbursements by the lessee to the lessor of a motor vehicle
2 for payments by the lessor of the applicable fees and taxes imposed by
3 sections 28-2003, 28-2352, 28-2402, 28-2481 and 28-5801, title 28, chapter
4 15, article 2 and article IX, section 11, Constitution of Arizona, to the
5 extent such amounts are separately identified as such fees and taxes and
6 are billed to the lessee.

7 2. Leases or rentals of tangible personal property that, if it had
8 been purchased instead of leased or rented by the lessee, would have been
9 exempt under:

10 (a) Section 42-5061, subsection A, paragraph 8, 9, 12, 13, 25, 29,
11 49 or 53.

12 (b) Section 42-5061, subsection B, except that a lease or rental of
13 new machinery or equipment is not exempt pursuant to section 42-5061,
14 subsection B, paragraph 13 if the lease is for less than two years.

15 (c) Section 42-5061, subsection I, paragraph 1.

16 (d) Section 42-5061, subsection M.

17 3. Motor vehicle fuel and use fuel that are subject to a tax
18 imposed under title 28, chapter 16, article 1, sales of use fuel to a
19 holder of a valid single trip use fuel tax permit issued under section
20 28-5739 and sales of aviation fuel that are subject to the tax imposed
21 under section 28-8344.

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

24 5. Amounts received by a motor vehicle dealer for the first month
25 of a lease payment if the lease and the lease payment for the first month
26 of the lease are transferred to a third-party leasing company.

27 C. Sales of tangible personal property to be leased or rented to a
28 person engaged in a business classified under the personal property rental
29 classification are deemed to be resale sales.

30 D. In computing the tax base, the gross proceeds of sales or gross
31 income from the lease or rental of a motor vehicle does not include any
32 amount attributable to the car rental surcharge under section 5-839,
33 28-5810 or 48-4234.

34 E. Until December 31, 1988, leasing or renting animals for
35 recreational purposes is exempt from the tax imposed by this section.
36 Beginning January 1, 1989, the gross proceeds or gross income from leasing
37 or renting animals for recreational purposes is subject to taxation under
38 this section. Tax liabilities, penalties and interest paid for taxable
39 periods before January 1, 1989 shall not be refunded unless the taxpayer
40 requesting the refund provides proof satisfactory to the department that
41 the monies paid as taxes will be returned to the customer.

42 F. THE TAX BASE OF THE PERSONAL PROPERTY RENTAL CLASSIFICATION DOES
43 NOT INCLUDE THE GROSS PROCEEDS OR GROSS INCOME RECEIVED BY A SHARED
44 VEHICLE OWNER FROM A PEER-TO-PEER CAR SHARING PROGRAM PURSUANT TO SECTION
45 42-5009, SUBSECTION R.

- 1 ~~F.~~ G. For the purposes of this section:
2 1. "Cable operator" has the same meaning prescribed in section
3 9-505 and includes a video service provider.
4 2. "PEER-TO-PEER CAR SHARING" HAS THE SAME MEANING PRESCRIBED IN
5 SECTION 28-9601.
6 3. "PEER-TO-PEER CAR SHARING PROGRAM" HAS THE SAME MEANING
7 PRESCRIBED IN SECTION 28-9601.
8 4. "SHARED VEHICLE OWNER" HAS THE SAME MEANING PRESCRIBED IN
9 SECTION 28-9601.
10 ~~E.~~ 5. "Utility pole" means any wooden, metal or other pole used
11 for utility purposes and the pole's appurtenances that are attached or
12 authorized for attachment by the person controlling the pole.