

House Engrossed

watercraft; insurance requirements; penalties

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HOUSE BILL 2398

AN ACT

AMENDING TITLE 5, CHAPTER 3, ARTICLE 5, ARIZONA REVISED STATUTES, BY
ADDING SECTION 5-342; AMENDING SECTION 5-371, ARIZONA REVISED STATUTES;
RELATING TO OPERATION OF WATERCRAFT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 5, chapter 3, article 5, Arizona Revised Statutes,
3 is amended by adding section 5-342, to read:

4 5-342. Watercraft; insurance responsibility requirements;
5 required limits; violation; classification

6 A. NOTWITHSTANDING ANY OTHER LAW, AN OWNER OF A WATERCRAFT WHO
7 PROVIDES A WATERCRAFT FOR RENT IN THIS STATE SHALL MAINTAIN A COMMERCIAL
8 BOAT LIABILITY POLICY.

9 B. AN OWNER'S COMMERCIAL BOAT LIABILITY POLICY SHALL PROVIDE
10 PRIMARY BOAT LIABILITY INSURANCE COVERAGE AS FOLLOWS:

11 1. \$25,000 BECAUSE OF BODILY INJURY TO OR DEATH OF ONE PERSON IN
12 ANY ONE ACCIDENT.

13 2. SUBJECT TO THE LIMIT FOR ONE PERSON, \$50,000 BECAUSE OF BODILY
14 INJURY TO OR DEATH OF TWO OR MORE PERSONS IN ANY ONE ACCIDENT.

15 3. \$20,000 BECAUSE OF INJURY TO OR DESTRUCTION OF PROPERTY OF
16 OTHERS IN ANY ONE ACCIDENT.

17 C. THE OWNER OF A WATERCRAFT WHO PROVIDES A WATERCRAFT FOR RENT IN
18 THIS STATE SHALL MAINTAIN AT ALL TIMES THE AMOUNTS PRESCRIBED IN
19 SUBSECTION B OF THIS SECTION FOR INJURIES TO PERSONS AND FOR LOSS OR
20 DAMAGE TO PROPERTY BY REASON OF THE RENTAL OR OPERATION OF THE WATERCRAFT
21 THAT IS PROVIDED BY THE OWNER OF THE WATERCRAFT FOR RENT.

22 D. THE COMMISSION MAY REQUIRE AN OWNER OF A WATERCRAFT WHO IS
23 SUBJECT TO THE INSURANCE RESPONSIBILITY REQUIREMENTS OF THIS SECTION TO
24 CERTIFY THE EXISTENCE OF INSURANCE RESPONSIBILITY IN THE FORM AND AT THE
25 TIME THE COMMISSION DEEMS NECESSARY. THE COMMISSION MAY FORWARD THE
26 CERTIFICATION TO THE NAMED INSURER TO DETERMINE IF THE CERTIFICATION IS
27 CORRECT. CIVIL LIABILITY DOES NOT ACCRUE TO THE INSURER OR ANY OF ITS
28 EMPLOYEES FOR REPORTS MADE TO THE COMMISSION IF THE REPORTS ARE MADE IN
29 GOOD FAITH BASED ON THE MOST RECENT INFORMATION AVAILABLE TO THE INSURER.

30 E. AN OWNER OF A WATERCRAFT WHO RENTS A WATERCRAFT IN THIS STATE
31 WITHOUT MEETING THE INSURANCE RESPONSIBILITY REQUIREMENTS OF THIS SECTION
32 IS GUILTY OF:

33 1. A CLASS 3 MISDEMEANOR.

34 2. A CLASS 1 MISDEMEANOR IF THE WATERCRAFT IS INVOLVED IN AN
35 ACCIDENT IN THIS STATE.

36 Sec. 2. Section 5-371, Arizona Revised Statutes, is amended to
37 read:

38 5-371. Boat liveries; requirements; insurance requirements;
39 required limits; violation; classification

40 A. The owner of a boat livery shall keep or cause to be kept a
41 record of the name and address of the person or persons hiring any
42 watercraft ~~which~~ THAT is designed or ~~permitted~~ ALLOWED by ~~him~~ THE OWNER to
43 be operated as a watercraft, the identification number ~~thereof~~ OF THE
44 WATERCRAFT, the departure date and time and the expected and actual time
45 of return. Such record shall be preserved for at least three months.

1 B. Neither the owner of a boat livery nor ~~his~~ THE OWNER'S agent or
2 employee shall ~~permit~~ ALLOW any watercraft to be operated from ~~his~~ THE
3 OWNER'S premises unless it shall have been provided, either by the owner
4 or renter, with the equipment required by this chapter.

5 C. The certificate of number for a watercraft less than twenty-six
6 feet in length that is leased or rented to a person for noncommercial use
7 of less than twenty-four hours may be retained on shore by the owner or
8 ~~his~~ THE OWNER'S representative at the place from which the watercraft
9 departs or returns to the possession of the owner or ~~his~~ THE OWNER'S
10 representative. A watercraft ~~which~~ THAT does not have the certificate of
11 number on board shall be identified while in use as may be prescribed by
12 the regulations of the commission.

13 D. THE OWNER OF A BOAT LIVERY SHALL MAINTAIN A COMMERCIAL BOAT
14 LIABILITY POLICY FOR PERSONS WHO HIRE A WATERCRAFT FOR USE ON A WATERWAY
15 IN THIS STATE. THIS LIABILITY COVERAGE SHALL BE IN EFFECT AT ANY TIME
16 THAT THE WATERCRAFT IS OPERATED ON A WATERWAY IN THIS STATE.

17 E. A BOAT LIVERY OWNER'S COMMERCIAL BOAT LIABILITY POLICY SHALL
18 PROVIDE PRIMARY BOAT LIABILITY INSURANCE COVERAGE AS FOLLOWS:

19 1. \$25,000 BECAUSE OF BODILY INJURY TO OR THE DEATH OF ONE PERSON
20 IN ANY ONE ACCIDENT.

21 2. SUBJECT TO THE LIMIT FOR ONE PERSON, \$50,000 BECAUSE OF BODILY
22 INJURY TO OR THE DEATH OF TWO OR MORE PERSONS IN ANY ONE ACCIDENT.

23 3. \$20,000 BECAUSE OF INJURY TO OR DESTRUCTION OF PROPERTY OF
24 OTHERS IN ANY ONE ACCIDENT.

25 F. THE OWNER OF A BOAT LIVERY SHALL MAINTAIN AT ALL TIMES THE
26 AMOUNTS PRESCRIBED IN SUBSECTION E OF THIS SECTION.

27 G. THE COMMISSION MAY REQUIRE THE OWNER OF A BOAT LIVERY THAT IS
28 SUBJECT TO THE INSURANCE RESPONSIBILITY REQUIREMENTS OF THIS SECTION TO
29 CERTIFY THE EXISTENCE OF INSURANCE RESPONSIBILITY IN THE FORM AND AT THE
30 TIME THE COMMISSION DEEMS NECESSARY. THE COMMISSION MAY FORWARD THE
31 CERTIFICATION TO THE NAMED INSURER TO DETERMINE WHETHER THE CERTIFICATION
32 IS CORRECT. CIVIL LIABILITY DOES NOT ACCRUE TO THE INSURER OR ANY OF ITS
33 EMPLOYEES FOR REPORTS MADE TO THE COMMISSION IF THE REPORTS ARE MADE IN
34 GOOD FAITH AND ARE BASED ON THE MOST RECENT INFORMATION AVAILABLE TO THE
35 INSURER.

36 H. THE OWNER OF A BOAT LIVERY THAT CAUSES A WATERCRAFT TO BE
37 OPERATED ON A WATERWAY IN THIS STATE WITHOUT MEETING THE INSURANCE
38 RESPONSIBILITY REQUIREMENTS OF THIS SECTION IS GUILTY OF:

39 1. A CLASS 3 MISDEMEANOR.

40 2. A CLASS 1 MISDEMEANOR IF THE WATERCRAFT IS INVOLVED IN AN
41 ACCIDENT IN THIS STATE.