

NOTICES OF FINAL RULEMAKING

The Administrative Procedure Act requires the publication of the final rules of the state's agencies. Final rules are those which have appeared in the *Register* 1st as proposed rules and have been through the formal rulemaking process including approval by the Governor's Regulatory Review Council. The Secretary of State shall publish the notice along with the Preamble and the full text in the next available issue of the *Arizona Administrative Register* after the final rules have been submitted for filing and publication.

NOTICE OF FINAL RULEMAKING

TITLE 3. AGRICULTURE

CHAPTER 4. DEPARTMENT OF AGRICULTURE

PLANT SERVICES DIVISION

PREAMBLE

1. **Sections Affected:** R3-4-204
Rulemaking Action: Amend
2. **The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**
Authorizing statute: A.R.S. § 3-107
Implementing statutes: A.R.S. §§ 3-201.01(A), 3-202, 3-209, and 3-210
3. **The effective date of the rules:**
November 7, 1996
4. **A list of all previous notices appearing in the Register addressing the final rule:**
Notice of Rulemaking Docket Opening:
1 A.A.R. 2763, December 22, 1995
Notice of Proposed Rulemaking:
2 A.A.R. 3590, August 16, 1996
5. **The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**
Name: Shirley Conard, Rules Specialist
Address: Department of Agriculture
1688 West Adams, Room 124
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6. **An explanation of the rule, including the agency's reasons for initiating the rule:**

The boll weevil and the pink bollworm are destructive pests of cotton which cause annual economic losses to the agricultural industry and consumers. Since their introduction in southern Texas in the late 1800's, the boll weevil and pink bollworm have spread across the area of the United States known as the Cotton Belt. Since the early 1950's, the United States agricultural community has acknowledged the need for a belt-wide strategy for controlling these pests. Since the 1st pilot program in 1971, programs implemented in an incremental fashion have been successful in eradicating the boll weevil from over 3.5 million acres in major areas of the Cotton Belt. To date, Arizona has effectively eradicated the boll weevil; however, the pink bollworm still continues to infest Arizona's cotton crops.

The Department of Agriculture, in cooperation with the USDA and local cotton producers, developed a program, which includes the zone classifications in R3-4-204, dealing with plow-up and planting dates, to prevent the reinfestation of boll weevil and pink bollworm in Arizona. The plow-up and planting dates are critical to the overall cotton pest control program; however, the scientific community is undecided as to the length and timing of a host-free period needed to eradicate or control cotton pests. The cotton boll weevil and the pink bollworm are not the only cotton pests controlled by these host-free periods; whitefly infestations can also be significantly reduced by early planting and plow up.

In October 1995, the Arizona Cotton Growers Association (ACGA) requested that the Department promulgate an emergency rule to allow producers who plow up on time to have the opportunity to plant 15 days earlier than the prescribed planting dates specified by R3-4-204(E)(5). The whitefly's resistance to chemicals used in the past resulted in lower cotton yields, creating an environmental concern by the vast amount of pesticides used to fight the pest, and producing a threat of sticky cotton. By establishing an earlier planting date for those growers who comply with the existing plow up requirements, the grower would be able to plant and

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harvest earlier to escape whitefly infestation in the late stages of cotton production and be able to reduce chemical usage.

Although the above concerns did not warrant an emergency rule, the Director agreed that a menace existed and that it was necessary to suppress or control this menace. (A.R.S. § 3-208(B)). On November 16, 1995, the Director signed an administrative order designating the early planting dates for growers who complied with specific tillage deadlines.

When the Department began rulemaking on R3-4-204, additional discussions were held by the Department and the cotton community. On June 20, 1996, the ACGA petitioned the Department to promulgate a rule with the following requirements: (1) The adoption of an across-the-board 15-day host-free period for all zones currently established under R3-4-204; (2) The deletion of the proposed 15-day early planting provisions; (3) No exceptions be granted for plow up, including weather, nor any exceptions be granted in assessing penalties for late plow up; (4) Should the boll weevil or the pink bollworm be detected in sufficient numbers to be considered as a reinfestation or as a threat to the Arizona cotton industry, the Department, upon request of the Arizona Cotton Research and Protection Council and the ACGA immediately re-establish a 60-day host-free period as currently established under R3-4-204; and (5) If any growers in a zone should wish to establish more stringent plow up or planting dates, they may petition the Department and the Cotton Advisory Committee for consideration of their proposal.

New legislation in A.R.S. § 3-1083(B)(4) includes the Department in the development of a program to refund the cotton abatement free to the growers. The intent of the new legislation is to form a program that will uphold the 15-day host-free period, with no exceptions. This program will result in the entire abatement fee being withheld from a grower who does not meet the plow-up deadline appropriate for their zone.

During the preliminary comment and discussion period for this Section, the zones along the Colorado River, zones "A", "C", and "E", petitioned to keep their current 45/60 day host-free period. During a July 17, 1996, meeting of the Cotton Advisory Committee, the Yuma representative testified that the current 45/60-day-time-frame is zoned to realize the best profit for Yuma growers. They have found that there has been a decrease in the pink bollworm, and that the current time-frame is economically in balance with their farming methods and with the Imperial Valley cotton growing procedures. The early planting time specified by R3-4-204(5) allows their growers to have their cotton defoliated before the whitefly becomes a menace for the lettuce crop.

When a grower destroys the host plant and root system, it doesn't matter what method the grower uses as long as it is destroyed. Not all farmers choose to till their fields by plowing. Many farmers use machines that merely cut the stalk from the root, thus effectively killing the plant and may then water down the field to begin decomposition, or wait until it is time to get the field ready for a new crop. The phrase "and to incorporate plant debris within the soil" in subsection (E)(3) is being removed. Plant debris incorporated into the soil is not an issue for plant destruction.

7. **A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**

Not applicable.

8. **The summary of the economic, small business, and consumer impact:**

Establishing a definite economic impact is impossible because the changes in this Section deal with the "threat" of the whitefly and intensity of that threat. Circumstances beyond the control of humans, such as weather conditions, drive the magnitude of this pest that results in year-to-year changes. The following summary establishes some possibilities of economic impact.

A. *The Department of Agriculture.*

No enforcement changes have been made, therefore the Department will not be impacted by this Section. The Department, however, will have to readjust its current schedule of crop inspections to meet the new deadlines.

B. *Political subdivision.*

Political subdivisions of this state are not directly affected by the implementation and enforcement of this proposed rulemaking.

C. *Businesses directly affected by the rulemaking (cotton growers).*

Growers in the 15-day host-free zones "B", "D", "F", and growers who choose to take advantage of the earlier planting dates in zones "A", "C", "E" could experience lower expenses due to the decreased amount of pesticide used. If the grower chooses to follow the current planting date and whitefly infests the grower's cotton fields, could result in lower yields and higher costs to the farmer.

D. *Private and public employment.*

Private and public employment is not directly affected by the implementation and enforcement of this proposed rulemaking.

E. *Consumers and the public.*

The consumer will not be affected by this rule, unless the whitefly infestation is such that the cotton yield drops to a point where, due to lack of supply, cotton prices would rise.

F. *State revenues.*

This rulemaking will have not impact on state revenues.

9. **A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):**

None.

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- 10. A summary of the principal comments and the agency response to them:
None.
- 11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:
None.
- 12. Incorporations by reference and their location in the rules:
Subsection (D)(2) USDA Plant Protection and Quarantine Treatment Manual, Treatment Schedule Series T200, T300, and T400.
- 13. Was this rule previously adopted as an emergency rule?
No.
- 14. The full text of the rules follows:

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CHAPTER 4. DEPARTMENT OF AGRICULTURE

PLANT SERVICES DIVISION

ARTICLE 2. QUARANTINE

Section
R3-4-204. Pink Bollworm and the Cotton Boll Weevil Complex

ARTICLE 2. QUARANTINE

R3-4-204. Pink Bollworm and the Cotton Boll Weevil Complex

- A. Definitions. In addition to the definitions provided in A.R.S. §§ 3-201 and R3-4-102, the following terms shall apply to this rule:
 - 1. "Crop remnant" means the stalks, leaves, bolls, lint, pods, and seeds of cotton;
 - 2. "Pests" means the pink bollworm, *Pectinophora gossypiella* (Saunders), and the boll weevil complex, *Anthonomus grandis* Boheman complex.
 - 3. "Stub or soca cotton" means those cotton stalks of a previous crop which begin to show signs of growing by displaying buds which swell, or which send out shoots of plant growth (either white or green).
 - 4. "Volunteer cotton" means sprout from seed of a previous crop.
- B. Covered commodities. The following items articles are designated as a host plant plants or carrier carriers of the pests:
 - 1. Cotton, all parts;
 - 2. Cotton gin trash;
 - 3. Used cotton harvesting machines; and
 - 4. Other materials, products, and equipment which that are means of disseminating or proliferating the pests.
- C. Processing of cotton gin trash. ~~Trash from cotton gins operated within the state shall be destroyed daily. The person operating the cotton gin within the state shall daily destroy cotton trash~~ by using a disposal fan as prescribed by the United States Department of Agriculture Domestic Program Manual, M301.52 Regulatory Procedures (III)(C)(4), revised December 1979. ~~This material is incorporated herein by reference, does not include any later amendments or editions of the incorporated matter, and is on file with the Office of the Secretary of State.~~
- D. Movement of covered commodities within the state.
 - 1. No covered commodity produced or located within an area infested with the pests may be moved out of that area unless a permit is issued by the Director. Persons intending to move, transport, or allow the movement of hosts plants or carriers covered commodities shall make application to provide the Department with the following

information before the date of movement or shipment. ~~The application shall contain the following:~~

- a. The quantity of the ~~article covered commodity~~ to be moved,
- b. The location of the article,
- c. The names and addresses of the cosignee and cosignor,
- d. The method of shipment, and
- e. The scheduled date of the shipment.

- 2. ~~Permits shall be attached. The shipper shall attach all permits to the manifest, waybill, or bill of lading covering the shipment and shall accompany the shipment. Permits shall specify the manner of handling or treating the host plant or carrier. Any treatment pertaining to pink bollworm prescribed by the United States Department Plant Protection and Quarantine Treatment Manual, Treatment Schedule Series T200, T300, and T400, revised November 1992 January 1996, which is applied under official supervision, is hereby prescribed for treating like commodities under the provisions of this rule. This material is incorporated herein by reference, does not include any later amendments or editions of the incorporated matter, and is on file with the Office of the Secretary of State.~~

E. Cultural practices.

- 1. ~~There are six~~ Six cultural zones are established in the state:
 - a. Zone "A" -- Yuma County west of a line extended directly north and directly south of Avenue 58E.
 - b. Zone "B" -- Cochise County, Graham County, and Greenlee County.
 - c. Zone "C" -- La Paz County (except the Cibola Valley) and Mohave County.
 - d. Zone "D" -- Pima County and the following portions of Pinal County: T10S, R10E, section 34, 35, and 36, T10S, R11E, section 31, and the Aguila area T7N, R8W and T7N, R9W and T7N, R10W and T7N, R11W to the western boundary of section 35, 26, and 23.
 - e. Zone "E" -- The following portions of La Paz County: Cibola Valley T1N, R23W and T1N, R24W and T1S, R23W and T1S, R24W.
 - f. Zone "F" -- All portions of the state not included in zones "A", "B", "C", "D", and "E."
- 2. No stub, soca, or volunteer cotton shall be grown in or allowed to grow in the state. ~~The elimination of landowner shall be responsible for eliminating stub, soca, or volunteer cotton found growing shall be the responsibility of the landowner.~~

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3. Except as provided in paragraph subsection (E)(4), the grower shall ensure that the crop remnant of the host plant remaining in the field after harvest shall be shredded and the land tilled to destroy the host plant and its root system with no stalks remaining attached to the soil; ~~and to incorporate plant debris within the soil prior to before the following dates or prior to planting another crop, whichever occurs earlier: Zone "A", December 15; Zone "B", February 15; March 1 except growers in Cochise County above 4100 feet who pasture their fields, March 2; Zone "C", January 15; Zone "D", February 1 March 1; Zone "E", December 31; Zone "F", January 15 February 15.~~
4. In lieu of the required tilling requirements under paragraph subsection (E)(3), the crop remnant remaining in the field after the harvest season shall be shredded and the land disked and cross-disked to a depth of 4 inches or more to destroy the plant material tilled by the dates specified in paragraph subsection (E)(3). The land shall be irrigated and planted to a crop other than cotton prior to before the following dates: Zone "A", December 30; Zone "B", March 1; Zone "C", January 30; Zone "D", February 16; Zone "E", January 15; Zone "F", January 30.
5. A grower who meets the tillage deadline specified in subsection (E)(3) for the preceding cotton crop year shall not plant cotton before the following dates: Zone "A", February 1; Zone "C", March 1; Zone "E", February 15. A grower who does not meet the tillage deadline specified in subsection (E)(3) for the preceding cotton crop year shall not plant cotton before the following dates: Zone "A", February 15; Zone "C", March 15; Zone "E", March

1. However, a grower who uses the practice of dry planting shall be allowed to plant cotton 10 days before the planting date for this zone, but not water until the planting date.

- 5-6. For all other zones, the earliest planting dates for cotton shall be the following: Zone "A", February 15, Zone "B", April 1 March 15; Zone "C", March 15; Zone "D", April 1 March 15; Zone "E", March 1; Zone "F", March 15, March 1. However, growers using who uses the practice of dry planting shall be allowed to plant cotton 10 days prior to before the planting date for this zone, but not water until the planting date.

6-7. An agent of the Department shall give written notice to any landowner found in violation of subsection (E). The processes set forth in paragraphs subsections (E)(3) and (E)(4) shall be repeated, as necessary, to destroy the pests.

F. Advisory Committee. The Department shall appoint an advisory committee consisting of 1 representative from each of the following organizations to make recommendations to the Department by June 30 of each year, on needed amendments to this rule.

- 1- The Arizona Cotton Growers Association,
- 2- The Arizona Farm Bureau Federation,
- 3- The Arizona Crop Protection Association,
- 4- The University of Arizona Experiment Station,
- 5- The University of Arizona Extension Service,
- 6- USDA-Research,
- 7- USDA-APHIS,
- 8- The Department of Agriculture, and
- 9- A grower from each of the 6 zones.

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TITLE 12. NATURAL RESOURCES

CHAPTER 4. GAME AND FISH COMMISSION

PREAMBLE

1. Sections Affected

- R12-4-102
- R12-4-114
- R12-4-203
- R12-4-218
- R12-4-309
- R12-4-310
- R12-4-501
- R12-4-502
- R12-4-503
- R12-4-505
- R12-4-510
- R12-4-517

Rulemaking Action

- Amend
- Amend
- New Section
- Repeal
- Amend
- New Section
- Amend
- Amend
- Amend
- Amend
- Amend
- Amend

2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):

Authorizing statutes: A.R.S. § 17-231(A)(1) is the Commission's general rulemaking authority for Title 17, and A.R.S. § 5-311(A)(1) is the Commission's general rulemaking authority for Title 5.

Implementing statutes:

- A.R.S. § 17-333 for R12-4-102, R12-4-203, and R12-4-218;
- A.R.S. § 17-332 for R12-4-114;
- A.R.S. § 17-102 for R12-4-309;
- A.R.S. § 17-331 for R12-4-310;

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A.R.S. § 5-301 for R12-4-501;
A.R.S. §§ 5-321(A), 5-391(A); and 5-311(A)(5) for R12-4-502;
A.R.S. § 5-321 for R12-4-503;
A.R.S. § 5-311(A)(5) for R12-4-505, R12-4-510, and R12-4-517.

3. **The effective date of the rules:**

R12-4-102, R12-4-114, and R12-4-309 become effective January 1, 1997.

R12-4-203 becomes effective July 1, 1997.

4. **A list of all previous notices appearing in the Register addressing the final rule:**

Notice of Rulemaking Docket Opening for R12-4-309:

1 A.A.R. 1560, September 8, 1995

Notice of Rulemaking Docket Opening for R12-4-102 and R12-4-310:

1 A.A.R. 2399, November 17, 1995

Notice of Rulemaking Docket Opening R12-4-114:

2 A.A.R. 702, January 12, 1996

Notice of Rulemaking Docket Opening for R12-4-102:

2 A.A.R. 1105, March 1, 1996

Notice of Rulemaking Docket Opening for R12-4-203, R12-4-218, R12-4-501 through R12-4-503, R12-4-505, R12-4-510, and R12-4-517:

2 A.A.R. 2028, May 17, 1996

Notice of Proposed Rulemaking for all rules:

2 A.A.R. 3272, July 5, 1996

The date the record was closed: September 6, 1996.

5. **The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**

Name: Susan L. Alandar, Administrative Services Manager

Address: Game and Fish Department DOAS
2221 West Greenway Road
Phoenix, Arizona 85023

Telephone: (602) 789-3289

Fax: (602) 789-3299

6. **An explanation of the rule, including the agency's reasons for initiating the rule:**

R12-4-102.

R12-4-102 establishes fees for licenses, tags, stamps, and permits. Amendments reduce the nonresident guide license fee to be the same as the resident guide license fee; and extend to nonresident youths the special fee of \$18 for a Class F license which was recently adopted by the Commission for resident youths.

Nonresident Guide License Fee Reduction. The 1994 Arizona Legislature amended A.R.S. § 17-362 to remove a long-standing prohibition against licensing nonresidents as guides. The Department supported this bill, which was proposed as a result of a court ruling that invalidated that prohibition. The bill also amended A.R.S. § 17-333(A)(22) to add authorization for a fee of up to \$500 for a nonresident guide license. The Game and Fish Commission adopted rulemaking which became effective December 16, 1994, establishing the fee at \$500. The ceiling amount of \$500 was adopted in order for the new fee to remain consistent with other non-resident fees for licenses and permits, which are set at an average ratio of 5:1.

However, nonresident guides have since questioned the legality of the \$500 fee. The Department's legal counsel found that courts have recently held that less favorable treatment by the state toward nonresidents runs afoul of the Privileges and Immunities Clause if the activity involved is "sufficiently basic to the livelihood of the nation" as to fall within the purview of the clause, and "it is not closely related to the advancement of a substantial state interest." *Carlson v. State*, 798 P.2d 1269 (Alaska 1990).

Professional guiding in Arizona is a commercial operation upon which people depend for their livelihoods, A.R.S. § 17-101(A)(9), and is entitled to the protection of the Privileges and Immunities Clause. Therefore, the discriminatory nonresident guide fee must demonstrate a sufficiently close connection to a legitimate state purpose to be valid.

The Game and Fish Department is unable at this time to establish a legitimate interest or "peculiar source of evil at which the state is aimed," *Hicklin v. Orbeck*, 98 S. Ct. 2482 (1978), created by nonresident guides which requires a \$500 fee. See *Powell v. Daily*, 712 P.2d 356 (Wyoming 1986).

Class F License Nonresident Youth Fee Reduction. At its meeting in August 1995, the Commission adopted an amendment to this rule to modify the fees that are assessed for the sale of certain licenses. The effective date for the implementation of the new fees will be January 1, 1997. (This is already the effective date for the resident youth fee, as reflected in subsection (G).)

One of the licenses that was modified as a result of this action was the Class F resident youth license. It was reduced from \$25 to

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\$18.

During this rulemaking, the agency discussed a suggestion to also establish a nonresident youth license for the same fee. Since the original proposed amendment to the rule did not include a consideration for a nonresident youth license, to include such a recommendation at the August Commission meeting may have been a substantive change to the proposed rule. It was believed that the public should have full opportunity to address this proposal. The Department therefore instead prepared this separate proposed amendment to the rule. The proposed amendment would establish a nonresident youth license, also for a fee of \$18, effective date January 1, 1997.

Recent trends in Arizona and other states indicate that the average age of the hunting and fishing public is rising. This means that we are seeing a decline in the interest in, and recruitment of the younger members of the population to hunting and fishing activities.

The Department and Commission are committed to developing programs that will encourage and recruit youth to hunting and fishing so they will be encouraged to retain their interest and participation in these activities when they become adults. It is necessary to continue to recruit the younger generations in order to provide for the long-term management of wildlife.

The Commission established the Class F resident youth license to help meet this objective. It is hoped this will serve as an incentive to the youth and their parents to encourage their participation in these activities. This is a major program commitment by the Commission to strive to develop hunters and anglers who will have a longer interest in the participation of hunting and fishing.

The Commission feels that the residency of youth should not be a limiting factor in the Commission's desire to recruit younger hunters and anglers.

The Class F license is authorized by A.R.S. § 17-333(A)(8) with a ceiling of \$32 for residents and \$135.50 for nonresidents. The fees implemented within R12-4-102 includes a \$2.00 surcharge authorized by A.R.S. § 17-345. No change in the surcharge is included.

R12-4-114

This rule is amended to reserve 10% of available hunt permit-tags for each hunt number for elk, buffalo, bighorn sheep, and antelope for persons and groups who have bonus points.

Background: "The Drawing." The Department uses a random selection process, generally known as "the drawing", to equitably apportion available tags among hunters when demand exceeds supply.

The Game and Fish Commission annually reviews wildlife management statistics and input from the public and, by "Commission order," establishes seasons during which wildlife may be taken. (Commission orders are exempted from rulemaking pursuant to A.R.S. § 41-1005(A)(2)). Open seasons are for a stated time period, in a specific area, and for a specific "legal animal" (as described in the Commission order.) Many of these seasons are further restricted to the "method of take" which may be used (authority for this is established by rule.) As part of this process, based upon wildlife management requirements, the Commission may determine whether only a limited number of "legal animals" may be taken during an open season, and if so, how many. The Commission Order then designates the number of "hunt permits" to be made available to the public for that season, and assigns a "hunt number" to that season to differentiate it from areas and seasons where this restriction does not apply.

The drawing becomes necessary because there are more persons wishing to hunt a particular species in a particular area by a particular method of take than there are available hunt permits for that species. The drawing is intended to ensure that this limited number of tags (known as "hunt permit-tags") is distributed fairly. R12-4-114(C) prescribes how the drawing is to be conducted.

Bonus Point System. Until March 1, 1991, hunt permit-tags were awarded on a "straight" random drawing system, wherein each applicant for a particular hunt number had exactly the same statistical probability of being drawn as every other applicant for that hunt number. Before the computer age, "the drawing" was a social event where hunters gathered to see if their name would be among those manually drawn from the big, hand-rolled cage.

However, Arizona's human population has grown greatly since those days. In 1989, during the review of the Commission's rules on the drawing, it was decided to look for ways to help the frustrated hunter who applies hopefully each year for a big game tag, but who is all too frequently unsuccessful, since certain tags must be limited while the number of hopeful hunters is not.

The Department studied different types of drawing systems (including "waiting periods" and "preference points" which are used by other states), and surveyed and talked to many hunters, and after a rulemaking process with much public involvement, adopted R12-4-107 to implement the "bonus point system" for 4 of the most popular big game species. This system has basically 2 requirements in order to participate: 1st, you must have a hunting license at the time you apply in the drawing (since the intent is to reward those who have faithfully supported wildlife management) and 2nd, you must submit a valid application in the drawing. Each time a person meets those requirements, and is not successful in being drawn, that person accumulates a bonus point for that genus. Each bonus point accumulated grants that person an extra "entry" in the drawing the next time they apply.

This system was chosen over other systems because, while it rewards those persons who have supported wildlife management and who have submitted applications regularly, it does not deny others the opportunity to be drawn. Persons who prefer to buy their license only after being drawn may always have their normal valid entry; also, new hunters...young and old alike...may compete in the drawing.

The bonus point system has been successful in meeting its objective of improving the odds for long-term participants, but not successful enough for everyone. In September 1995, Dan Westfall and Larry Knipp, 2 avid elk hunters from Glendale, came to the

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Commission with a plan to set aside some of the hunt permit-tags just for people with a lot of bonus points. The Commissioners asked the Department to explore the plan further, and get public comment. As part of this assignment, the Department contracted a survey by the Behaviour Research Center, Inc., of Phoenix. The results of this survey were that 7 out of 10 big game hunters (72%) believe the bonus point system should be modified to reserve the 1st 10% of each hunt's permits for those hunters with the greatest number of bonus points.

The modification to R12-4-114(C) contains this proposal. It should be noted that the rule does not apply to hunt numbers for which there are less than 10 hunt permit-tags available.

R12-4-218 and R12-4-203

R12-4-218 (Game Bird Stamp) is repealed and replaced with new R12-4-203 (National Harvest Information Program) which requires that persons taking ducks, geese, doves, band-tailed pigeons, snipe, coots, common moorhen, or blue grouse have evidence of compliance (either an HIP stamp or code number on their license) in possession.

The National Harvest Information Program (HIP) was developed as a cooperative effort between state wildlife agencies and the U.S. Fish and Wildlife Service (USFWS) to obtain more accurate, comparable data on the harvest of migratory game birds. Accurate harvest data is a vital tool for management of wildlife populations. Since migratory game bird populations occur in several states and countries, data must be collected throughout the annual range of the population. Although all states collect some type of harvest data, differences in methodology have not allowed compilation of regional or national totals, nor direct comparison. Data on lightly hunted species is limited.

In order to address this problem, the International Association of Fish and Wildlife Agencies recommended implementation of the HIP. Federal rules have been enacted requiring state participation. Other states began phasing into the program in 1992 (the schedule for state participation is based on the number of migratory game bird hunters within each state) and all states will be participants in 1998. Arizona is scheduled to enter the program in 1997, which is when this rule will become effective.

The role of each state in the HIP is to collect names, addresses and hunting information from migratory game bird hunters. That data is then provided to the U.S. Fish and Wildlife Service. The USFWS selects a stratified random sample of hunters based upon the hunters' responses regarding their hunting activity the previous year. The selected hunters receive a questionnaire on current harvest by period (month), area (county), and species or group of species harvested. The responses are compiled and statewide harvest estimates developed. When this information is combined with harvest data from other states and countries (including Canada and Mexico) within the range of any given population, the total harvest pressure on that population can be determined. The harvest data in conjunction with population survey data will facilitate adjustment of hunting regulations commensurate with population status and objectives. Because all states will be collecting comparable data, hunt regulations can also be adjusted to achieve equitable sharing of the resource among the various states, provinces and nations.

In order to implement this program in Arizona, R12-4-218 is replaced by new R12-4-203. R12-4-218 required hunters to obtain a "game bird stamp" to validate their hunting license for taking band-tailed pigeons, blue grouse, and/or pheasant. That rule becomes unnecessary with the enactment of the HIP, since the purpose of the game bird stamp is basically the same: to collect names and addresses for hunting surveys.

The new rule has been developed to place the least possible burden on the hunting public. It gives them a choice: they can obtain a "HIP stamp" by filling out a form, or provide the same information by phone and be given a code number to write on the back of their license. The form will be available from any Department office and will be reprinted in the annual "hunt regulations" which are distributed through license dealers statewide; the telephone number will be contained in the same publication.

This validation (the stamp or the code number) will be available from July 1 through March 10 each year and will be valid from September 1 through March 10 each year. The Migratory Bird Treaty Act prohibits migratory bird seasons between March 10 and September 1. Making validation available July 1 provides a "window" of 2 months for hunters to validate their licenses prior to the opening of the 1st migratory bird season. Many of these seasons cross over calendar years, and even though a hunter will (as always) have to have a hunting license valid for both calendar years, they will not be required to obtain 2 HIP validations. They only need to retain their old license with the stamp on it to prove compliance, or transfer their code number to the back of the new license. Waterfowl hunters are familiar with this process as the same situation exists for waterfowl stamps.

The rule does contain a provision that the HIP stamp or code number will validate a license for band-tailed pigeons only if the individual indicates the intent to take band-tailed pigeons at the time of application (this will be a question within the application process). This requirement is not yet in the federal rule, but is being promulgated, and is expected to become effective in 1997. It is necessary because such a small percentage of persons hunt band-tailed pigeons that they need to be "separated" to attain an adequate survey sample.

The rule becomes effective July 1, 1997, to begin the 1st annual cycle under the new Harvest Information Program.

R12-4-309

The purpose of R12-4-309 is to reduce the incidence of "buddy-hunting," by closing certain big game hunt areas to all hunters except those holding the required big game permits. It is important to understand what the term "buddy-hunting" means.

Buddy-hunting is a term used to describe an individual who does not have a big game permit but does accompany a lawfully permitted hunter and unlawfully participates in the take of wildlife. Buddy-hunting also includes a permitted hunter who shoots more than 1 animal for the benefit of a party of people. It is taking wildlife and tagging it for another.

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Such actions increase the total harvest of the big game resource. The number of permits made available is based upon the Department's total desired harvest and the expected factor for the percentage of successful hunters. When the success ratio goes up, the number of available permits must go down in subsequent years.

The Commission annually establishes hunting season dates and locations by Commission order (Commission orders are lawfully exempted from the rulemaking process). The types of seasons ("general", "archery-only", "muzzleloader", etc.) are established in R12-4-318 and the requirements listed in R12-4-318 apply to the seasons opened by Commission order. (For instance, when the Commission opens an "archery-only" season for elk, only archery equipment may be used to take elk during that season.)

R12-4-309(A) states that seasons for elk (general, muzzleloader, and archery) and general javelina seasons are closed to all hunters not in possession of a permit for those hunts. This is intended to reduce the number of hunters afield and to reduce the potential for buddy hunting.

There are exceptions to subsection (A), however, and the proposed amendment is to the exceptions. It results from a petition for rule change from the Arizona Bowhunters Association, which the Commission accepted on August 4, 1995.

As previously written, subsection (C)(2) of the rule allows hunting during these elk and javelina seasons by:

Persons holding "special big game license tags" pursuant to A.R.S. § 17-346. Only 2 of these tags per big game species may be issued each year to nonprofit organizations, who may then sell the tags with the resultant proceeds used for wildlife management.

Deer or antelope hunters (when the Commission has opened a season for deer or antelope in the same unit as a season for elk or javelina). People may obtain antelope tags only through the drawing, but archery deer tags may also be purchased "over the counter."

The amendments to (C)(2) result in the following changes:

Deer hunting in these units will be restricted to persons who have an elk or javelina tag or a deer "hunt permit-tag" obtained through the drawing. "Over the counter" deer tags will no longer be valid in these areas unless the holder also has the elk or javelina hunt permit-tag. This addresses a concern with overcrowding in the elk units if seasons were to be opened concurrently.

Persons with hunt permit-tags for buffalo or bighorn sheep will now be able to hunt in these units when seasons are run concurrently.

There is no change for antelope hunters.

The result of these changes is that the Commission is now able to establish concurrent, or overlapping seasons by Commission order, increasing recreational opportunity for persons with hunt permit-tags while maintaining the restrictive purpose of the rule.

R12-4-310

This is a new section establishing a free fishing permit for governmental agencies and nonprofit organizations which provide rehabilitation and treatment services for persons with disabilities. The permit allows these agencies and organizations to provide unlicensed fishing opportunity to persons with physical, developmental, or mental disabilities.

A.R.S. § 17-331 prohibits the take of wildlife without a license in possession, except as provided in Title 17 or Commission "order" (since Commission Orders may only do those things specified within the Administrative Procedures Act as exempted from rulemaking, an exemption from licensing requirements must be done by rule, not order.)

The rule provides authority for a free group fishing permit for governmental agencies or departments and nonprofit organizations which provide rehabilitation and treatment services for individuals with disabilities. The intent is to provide unlicensed fishing opportunity to a segment of the public which currently has great difficulty in engaging in this recreational activity. Since the rule requires the permittee to provide 1 hour instruction to the participants, the Department will furnish an outline of the subject matter to assist the permittee in meeting this requirement.

Current statute provides for a resident youth group 2-day fishing license, as authorized in A.R.S. § 17-333(A)(6). Under this statute, only nonprofit organizations which sponsor adult supervised activities for groups of juveniles fourteen through seventeen years of age are eligible for this license. This license was established primarily for scouting groups, though other groups could be considered under this license if they meet the age restrictions. Because of the age restrictions, this license provides little practical opportunity for use by disabled patients and clients of agencies and organizations which provide rehabilitation and treatment services. The age restriction places major constraints since most patients and clients are of all ages.

The agency believes that there is a need to provide fishing recreation opportunities for individuals and groups who are under supervisory care in rehabilitation and treatment service agencies and organizations. These persons currently do not have the ability to participate in fishing activities alone, and it would be cost prohibitive for the agencies and organizations to purchase fishing licenses for these persons, as would be required under current law and rules.

Several representatives of agencies and nonprofit organizations contacted the Department requesting that provisions be made to allow those jurisdictions to conduct free fishing events for disabled persons. The intent of the events is to provide a recreational experience for their clients and patients as well as benefit the rehabilitation and treatment objectives of these organizations.

The rule authorizes the fishing events to take place at any public body of water within the state or on its borders. In waters that border other states, the Colorado River, individuals required to fish from the Arizona shoreline only, unless they possess the necessary licenses and permits which allow them to fish from a boat. Commission rule R12-4-312(A) requires persons fishing from a

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boat or other floating device on the waters of Lake Mead, Lake Mohave, or the Colorado River forming the mutual boundary between Arizona and Nevada and Utah, to have an additional permit. Also, A.R.S. § 17-342(A) through (C) has a similar requirement on the waters between Arizona and California. This situation exists because there is concurrent jurisdiction by the adjacent states; enforcement officers from each of these states enforce the same law on the water. It is not likely that many of the fishing opportunities authorized by these permits would be conducted in boats because of the potential safety concerns.

R12-4-501 and R12-4-502

R12-4-501 contains definitions applicable to the rules within 12 A.A.C. 4, Article 5, Boating and Water Sports.

R12-4-502 establishes application requirements for Arizona watercraft registration.

Definition for "letter of gift" in R12-4-501. Defining the necessary contents of a letter of gift is intended to clarify registration requirements, making the process easier for everyone concerned. However, the previous definition resulted in the requirement that the watercraft registration applicant provide the address of both the buyer and the seller of the watercraft. This was an unnecessary burden on the applicant, and reference to addresses has been removed.

Requiring surrender of all original registration or titling documentation. R12-4-502 establishes the requirements for applying for an Arizona watercraft registration.

Amendments to the rule require that an applicant surrender any titling or registration documents previously issued by an agency of jurisdiction, in order to receive current Arizona registration. Titling and/or registration documents issued by agencies are considered legal documents of existence and ownership.

Unless all such legal documents are surrendered to the agency of jurisdiction upon application for current registration, these documents remain "at large" as proof of existence and ownership useless to any individuals except thieves who may wish to use these documents to "launder" stolen watercraft. Since Arizona (like most states) does not have the resources to inspect all watercraft for which registration is sought, it is possible for a person to falsify or illegally use such documents to register a watercraft to which they are not the rightful owner. These documents may also be used to defraud an insurance company for a watercraft that does not exist. The surrender of the original certificates or titles removes these documents from circulation.

Prohibition against false statements or documentation. New language appears in subsection (K) to provide an avenue to prosecute persons that give false information or documentation when attempting to register a watercraft. Previously the only course of prosecution was within A.R.S. § 13-2407 (tampering with a public record) and A.R.S. § 13-2704 (unsworn falsification). Enforcement of A.R.S. § 5-321 and R12-4-502 pursuant to Title 13 involves several problems: 1st, these statutes involve culpable mental states for prosecution and are classified as high offenses, (class 6 felony and class 2 misdemeanor); 2nd, many precincts specify procedural requirements involving a county attorney's office and/or grand jury indictments prior to the filing of charges.

This new provision will allow for more timely prosecution of violators attempting to provide the department with false information, statements or documentation. A violation under this section would be classified as a class 3 misdemeanor.

R12-4-503

Amendment has removed the requirement that an applicant submit a notarized form in order to renew registration earlier than the 15th of the month prior to the month of expiration. This was a new provision in 1992; prior to that time, early registration had not been allowed. The form was believed necessary because of the staggered registration scheduled authorized by A.R.S. § 5-321(01). Administration of the schedule requires issuance of a variety of decals valid for a period of up to 18 months to the Department's 7 offices which register watercraft. The concern was that allowing early renewals would require handling an even greater variety of decals with subsequent increase in the chance for confusion and error. The form was intended to provide a tracking device for internal purposes as well as ensuring the renewal is issued only to the owner. However, the notarized form has proven to be an unnecessary burden on the owner.

R12-4-505

This rule prohibits registration of a watercraft without a hull identification number (HIN), and specifies when the Department may assign a HIN to a watercraft. An amendment adds a provision allowing assignment of a HIN to a watercraft which has had its HIN fraudulently removed or altered, when the assignment is requested by governmental agencies subsequent to forfeiture proceedings or civil process.

The 1995 5-year review of this rule resulted in the following findings:

A "hull identification number" as described in R12-4-501 is required for registration of watercraft as prescribed within R12-4-502. 33 CFR 181.23 and 181.25 prescribe the number, size, sequence and placement of characters to be included in the hull identification number. All manufacturers and state jurisdictions are required to comply. The hull identification number (or "HIN") is the essential element of watercraft identification, so much so that A.R.S. § 5-391(F) makes it a class 6 felony to fraudulently alter or remove a hull identification number. Assigning an identification number to a watercraft, either by the manufacturer or the issuing authority, provides for identification of a boat, regardless of state of registration. This is the only form of identification that stays with the boat from time of manufacture to the end of the life of the hull.

Additionally, the rule provides for manufacturer and governmental error or noncompliance. The rule allows for corrections that do not result in unfairly penalizing a new watercraft owner who had no responsibility for the error or the noncompliance. The rule also considers that the Department must ensure that a missing or improper HIN is not the result of fraud.

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The rule did not meet its intended objective to provide for the issuance of a unique identification number for each watercraft, provide for exemptions, and correct errors or acts of noncompliance that would render a watercraft unregistrable.

The Department discovered a minor omission in subsection (B) that over-restricts the Department's authority to issue a hull identification number for a specific and uncommon circumstance. During the investigative process of enforcing A.R.S. § 5-392, watercraft are seized that have had all identification numbers intentionally removed. These boats are suspected stolen, but because they cannot be identified, the rightful owner cannot be found. Pursuant to A.R.S. § 13-4305 the boat is forfeited to the seizing governmental agency. However, the limitations of the rule that guard against replacement of a HIN that has been fraudulently removed, also prevented a governmental agency from obtaining a HIN to sell unidentifiable forfeited craft at auction.

The rule now allows hull identification numbers to be issued to watercraft that have been forfeited to governmental agencies by civil process or court order.

R12-4-510

The previous rule allowed the Department to issue a refund for the renewal of watercraft registration when the owner erroneously paid twice for the same renewal. The rule now also allows the Department to issue a refund when a person erroneously pays for the renewal of registration on a watercraft they no longer own.

The rule amendment adds a provision that allows for a refund of a watercraft registration that was paid in error. This provision addresses only watercraft that have been sold, where the seller inadvertently renewed the incorrect watercraft. A refund will be granted, provided the certificate and decals are returned unused within 30 calendar days. This transaction will be deleted from the data base, therefore allowing the new registered owner to purchase the certificate and decals in his/her name.

The applicant is advised that they may get a refund for the fee already sent in, but not for any penalty fee which they have paid. A.R.S. § 5-321(H) is quite clear: "On renewal of any watercraft registration that has not been renewed by the current expiration date, the Department shall assess a penalty unless the watercraft ownership has been transferred and the watercraft was not re-registered subsequent to the expiration date."

The rule requires that the owner return the certificate of number and the decals that are not going to be used in order to obtain the refund. The Department wants these back, because there is always the potential for fraudulent use on an unregistered or stolen watercraft.

R12-4-517

This rule restricts the use of watercraft and boat engines on certain bodies of water in order to protect the public and the environment. Coors Lake has been added to the list of waters restricted for the use of power boats to a single electric trolling motor only.

Coors Lake is a small, shallow reservoir approximately 2 miles north of the town of Bagdad, in Yavapai County. Its size fluctuates between 28 and 35 acres, and it is a maximum of 36 feet deep. The land surrounding the lake is owned by the State Land Department on the east and by the Cyprus Bagdad Copper Company on the west. The Game and Fish Department and the Cyprus Bagdad Copper Company do have a cooperative agreement that the lake is managed as sport fishery available for public use.

This lake has been added to the list of lakes restricted to the use of an electric trolling motor only (unpowered watercraft are and will continue to be allowed on the lake.) The Department's Wildlife Manager assigned to the area received several public complaints regarding people running high horsepower outboard motors at the lake. Due to the small size of the lake and many unmarked obstructions (rocks and submerged vegetation) within the lake, this is not considered safe. Cyprus Bagdad Copper Company has posted signs against the use of gas motors, and most people abide by the signs, but there are a few who are aware there is no law prohibiting the use of gas motors on the lake. Enforcement officers must instead rely upon statutes prohibiting reckless operation of watercraft, and must witness careless or reckless operation in order to issue a citation. Prohibiting the use of gas motors will simplify law enforcement efforts and enhance public safety since it will reduce the ability of watercraft on the lake to reach unsafe speeds.

Other changes to the rule are for the purpose of clarity. Subsection (D) is deleted as unnecessary; these closures are properly accomplished by controlled-use markers.

7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:
Not applicable.

8. The summary of the economic, small business, and consumer impact:

R12-4-102: Nonresident Guides. Based upon 1995 licensing figures, Department revenue will be reduced by \$11,200 annually as a direct result of the rule change. Each nonresident guide will benefit by a reduction of \$400 in cost annually.

R12-4-102: Nonresident Youth. Direct revenue reduction to the Game and Fish Department should be less than \$90,000 and should be outweighed by the potential benefit created for the future of hunting and fishing and its peripheral benefit to the Arizona economy.

R12-4-114. This rule will have some benefit to persons who have accumulated bonus points by repeated, unsuccessful entry in the "drawing" for hunt permit-tags for buffalo, antelope and elk, at minimal cost to the Department. It would not currently benefit persons with bonus points for bighorn sheep.

R12-4-203 and R12-4-218. The rule establishing the state "game bird stamp" program is repealed and replaced with the national

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program in compliance with federal regulations. Main impact is upon dove and snipe hunters, who are the only affected hunters who do not already have to obtain either a game bird stamp or waterfowl stamp to validate their hunting license for these birds. There will be no cost to hunters. Federal grant will pay for the program the 1st 2 years; cost after that time is estimated at \$25,000 annually. The program will result in more accurate harvest data nationwide and will benefit hunters in the future.

R12-4-309. The amendment will create additional recreational opportunity at no additional cost to the Department or hunters.

R12-4-310. There will be no cost to businesses or to the organizations obtaining the free permit except costs related to conducting the 2-day fishing events authorized by the permit. Costs to the Game and Fish Department will be minimal and absorbed into ongoing programs.

R12-4-501 and R12-4-502. This rulemaking is intended to reduce opportunities for criminals to "legitimize" stolen watercraft. It will provide a clearer avenue for prosecution of persons providing false statements or documentation to register watercraft.

R12-4-503. Pursuant to A.R.S. § 41-1055(D)(3), this proposed rulemaking is exempt from the requirement to prepare an economic, small business, and consumer impact statement.

R12-4-505. The rule will provide economic benefit to federal, state, county and local governments by allowing previously "unregisterable" watercraft to be sold at public auction. The public will benefit by being provided an opportunity to purchase seized or forfeit watercraft for salvage or use.

R12-4-510. The rule does contain safeguards to ensure it is used only as intended: application for refund must be made within 30 days, and the person applying for the refund must return the original certificate of number and decals to the Department. The rule will incur some administrative costs to the State, but it is not expected that requests for refunds will exceed 20 or 30 per year, and it is believed that the costs are outweighed by the need to provide this service to the public.

R12-4-517. Persons will not be able to use gasoline motors on Coors Lake, a very small lake approximately 2 miles north of the town of Bagdad in Yavapai County. Economic impact is expected to be very limited.

9. A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):

The only rules changed from those contained in the Notice of Proposed Rulemaking are:

R12-4-102. In the text of the proposed rule, the Class F license fee was incorrectly shown as being within subsection (B)(7). In the adopted rule, the Class F license fee is corrected to its proper location within subsection (B)(6).

R12-4-203. As proposed, applicants for the HIP number would have been required to provide their Department identification number. As adopted, the rule requires that this number be provided only if it is available.

10. A summary of the principal comments and the agency response to them:

No comments were received regarding R12-4-203, R12-4-218, R12-4-501, R12-4-502, R12-4-503, R12-4-505, or R12-4-510. Comments were received and evaluated on the following:

R12-4-102

1. **Comment.** Other states charge a different fee to nonresident guides than is charged to resident guides. This proposal would create an inequity between Arizona nonresident guide license fees and nonresident guide license fees in other western states. \$500 is reasonable as it is in the same ratio (5:1) as nonresident big game tags.

Evaluation. Other states may have a different situation than Arizona. Arizona has been unable to identify a reason for the differential fee, as previously discussed in the record for this rule. There is no requirement that Arizona's fees be consistent with other states' fees. Since the Department cannot identify any need to charge nonresident guides a higher fee than resident guides, discussion on ratios is not necessary.

2. **Comment.** The nonresident youth license fee should not be reduced unless adjoining states reciprocate.

Evaluation. There is no requirement for a uniform license fee schedule throughout the states.

R12-4-114

1. **Comment.** The proposal to reserve 10% of the available permits for persons with the most bonus points is discriminatory to nonresidents. This is because persons earn a bonus point for completing the Arizona Hunter Education Course. Not all nonresidents can come to Arizona to take our course. Therefore nonresidents will always be "behind" residents in the number of bonus points they accumulate. (The argument would appear to be that the rule should exclude bonus points earned for taking the hunter education course.)

Evaluation. R12-4-107 does grant 1 bonus point to persons who take the Arizona Hunter Education Course. This was done as an incentive to get people to take the Hunter Education Course, which is extremely important to wildlife management in Arizona, as it addresses improved hunter safety and compliance with wildlife laws and a more educated and informed public. Both residents and nonresidents have taken the course and obtained the bonus point, although admittedly it may be more difficult for nonresidents to travel to Arizona to take the course. However, even though there may be a negative impact on nonresidents, the Department believes it is not unreasonable, and the benefits that accrue from increasing the number of people attending hunter education classes outweighs any impact on nonresidents.

2. **Comment.** The rule should also include a waiting period. With new computer technology this could be started again; just

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kick out those who apply early.

Evaluation. A "waiting period" is a specified period of time that a person must wait after being successful in the drawing before that person is allowed to apply in the drawing again. The rule proposal as originally noticed to the public did not include any provision for a waiting period, and adding a waiting period would therefore be outside of the scope of this rule-making. However, waiting periods were carefully considered prior to implementing the bonus point system (R12-4-107) in 1991, and that rule record contains the reasons that the bonus point system was chosen instead. For further discussion on this issue, see argument 3.

3. **Comment.** The statement "for those persons with the most points" is not clear as to who is going to participate in the 10% group. Are people with 6 points going to wait and only those with 7 will be considered? Those persons holding greater than 4, 5 or 6 bonus points should be allowed to take part in the 10% reserve. Another example of determining who would participate is for those who have gone 3 years without getting drawn.

Evaluation. The rule says: "The Department reserves a maximum of 10% of the hunt permits for each hunt number...to issue to persons and groups who have bonus points which have been issued according to R12-4-107." The rule goes on to say: "The Department issues the reserved hunt permit-tags by random selection...First, to eligible applicants with the greatest number of bonus points for that genus...Next, if there are hunt permit-tags remaining, to eligible applicants with the next highest number of bonus points for that genus...If there are still tags remaining, to the next eligible applicants with the next greatest number of bonus points; continuing until all of the reserved tags have been issued or until there are no more applicants for that hunt number who have bonus points."

The rule appears clear when read in its entirety. The rule sets aside a pool of permits; the entire 10% pool of permits will be issued. By random selection, the persons with the most bonus points compete for those permits. Persons with the highest number of bonus points compete 1st, then the next highest, and so on, until all the reserved permits are issued. This may mean that persons with the "next highest" number do not have the same opportunity as the 1st group, but what must be kept in mind is that a person loses their bonus points once they are drawn, so the unsuccessful applicants "move up" in the odds for the next drawing.

This fact should also be kept in mind regarding the last statement about persons who have gone 3 years without getting drawn. A person obtains a bonus point every time they apply in the drawing but are unsuccessful in being drawn. Therefore, a person who has been unsuccessful for 3 years would have 3 points; a person who has been unsuccessful for 5 years would have 5. So it is not necessary to add additional "waiting period" requirements regarding participation in the "bonus point pool". Applicants who are competing for tags within this pool are those who have gone the longest without being drawn. The only exception would be the person who has also earned a bonus point for taking the hunter education course...but that 1 point (which is the most they can receive for the hunter education course) will not put them ahead of someone who has applied unsuccessfully for more than 1 year.

4. **Comment.** Exclude new residents from the drawing for a period of time.

Evaluation. A definition for "new resident" was not offered, making it difficult to address the argument fully. However, it should be noted that persons new to Arizona do not have any advantage over anyone else who is entering the drawing for the 1st time.

5. **Comment.** Applicants should only be able to draw for a single species; for instance, if a person draws a tag for bighorn sheep, that is all they should get (not an elk tag, for instance, in addition.)

Evaluation. This proposal was not included in the original notice to the public, and is completely separate from the proposal under consideration. It cannot be addressed as part of this rulemaking.

6. **Comment.** By not allowing this rule to apply to hunt numbers for which there are less than 10 hunt permit-tags available, this would effectively eliminate all bighorn sheep hunts, as no hunt numbers have at least 10 tags. For sheep, the rule should apply to 10% of the total sheep tags available statewide, rather than by hunt number.

Evaluation. It is true that the rule cannot be applied to hunts with fewer than 10 available tags. At present this includes all bighorn sheep hunts. However, the rule has to apply by hunt number. The 10% pool would not be workable on a statewide basis. A person designates at the time of application where they wish to hunt. It would be biologically unacceptable to have a statewide hunt for bighorn sheep; such a hunt could result in decimation of the male portion of a population of bighorn sheep.

R12-4-309

1. **Comment.** This rule should be broken into separate rules to simplify it. The wording and intent of this rule are unclear.
- Evaluation.** It should be noted that the persons making this comment were reading from the Notice of Proposed Rulemaking, which included "no change" within the text of the proposed rule, as required by the Secretary of State. This does make it difficult to understand the entire rule. Separating the rule into different rules would make it more difficult to locate and understand. However, the rule in its entirety is currently being reviewed pursuant to A.R.S. § 41-1054 (the 5-year rules review requirement) and its understandability will be addressed as part of that review.

R12-4-310

1. **Comment.** Fishing is a good activity for the mentally disabled.

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Evaluation. The agency agrees that fishing is a good activity for everyone.

R12-4-517

1. **Comment.** Coors Lake is not large enough to support the use of gas motors. Not only is it dangerous to the users of the lake, it also contributes to the problems of maintaining water quality for the fishery and wildlife.

Evaluation. The agency agrees that this restriction is necessary for safety purposes. However, today's gasoline motors are not as likely to contribute to water pollution.

11. **Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**
Not applicable.
12. **Incorporations by reference and their location in the rules:**
None.
13. **Was this rule previously adopted as an emergency rule?**
No.
14. **The full text of the rules follows:**

TITLE 12. NATURAL RESOURCES

CHAPTER 4. GAME AND FISH COMMISSION

ARTICLE 1. DEFINITIONS AND GENERAL PROVISIONS

- R12-4-102. Fees for Licenses, Tags, Stamps, and Permits
R12-4-114. Issuance of Nonpermit-tags and Hunt Permit-tags

ARTICLE 2. MISCELLANEOUS LICENSES AND PERMITS

- R12-4-203. National Harvest Information Program
R12-4-218. Game bird stamp

ARTICLE 3. TAKING AND HANDLING OF WILDLIFE

- R12-4-309. Restricted Hunts
R12-4-310. Fishing Permits

ARTICLE 5. BOATING AND WATER SPORTS WATER-SPORTS

- R12-4-501. Boating and Water Sports Definitions
R12-4-502. Application for Watercraft Registration
R12-4-503. Renewal of Watercraft Registration
R12-4-505. Hull Identification Numbers
R12-4-510. Refunds for Renewals
R12-4-517. Watercraft and Boat Engine Restrictions

ARTICLE 1. DEFINITIONS AND GENERAL PROVISIONS

R12-4-102. Fees for Licenses, Tags, Stamps, and Permits

- A. No change.
B. No change.
1. No change.
 2. No change.
 3. No change.
 4. No change.
 5. No change.
 6. Class F, Combination hunting and fishing license. Resident Adult \$34.00

Youth fee applies before and through calendar year of the applicant's 20th birthday Resident or Nonresident Youth \$18.00

Nonresident Adult \$100.00

7. No change.
8. No change.
9. No change.
10. No change.
- C. No change.
- D. No change.
- E. Other license fees:
 1. No change.
 2. No change.
 3. No change.
 4. Guide license Resident \$100.00
Nonresident \$500.00
\$100.00
5. No change.
6. No change.
8. No change.
9. No change.
10. No change.
11. No change.
12. No change.
13. No change.
- F. No change.
- G. No change.

R12-4-114. Issuance of Nonpermit-tags and Hunt Permit Tags

- A. In accordance with A.R.S. § 17-332 and the provisions of this rule, the Department shall annually provide numbered tags for sale to the public. Each tag includes ~~shall include~~ a transportation and shipping permit as prescribed in A.R.S. §§ 17-332 and 17-371. Tags are ~~shall be~~ made of tear-resistant material with an adhesive back covered by a detachable paper backing and ~~shall~~ clearly identify, when issued, the animal for which the tag is valid.
- B. No change.
- C. When the number of hunt permits for a species in a particular hunt area must be limited, a Commission order ~~establishes shall establish~~ a hunt number for that hunt area, and a hunt permit-tag ~~is shall be~~ required to take the species in that hunt area.
1. No change.
 2. The Department uses ~~shall use~~ the following procedure to determine whether a hunt permit-tag will be issued to an applicant:
 - a. The Department reserves a maximum of 10% of the hunt permits for each hunt number for elk, buffalo,

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bighorn sheep, and antelope to issue to persons and groups who have bonus points which have been issued according to R12-4-107.

- b. The Department issues the reserved hunt permit-tags for hunt numbers designated by eligible applicants as their 1st or 2nd choices. The Department issues the reserved hunt permit-tags by random selection:
 - i. First, to eligible applicants with the greatest number of bonus points for that genus.
 - ii. Next, if there are reserved hunt permit-tags remaining, to eligible applicants with the next greatest number of bonus points for that genus.
 - iii. If there are still tags remaining, to the next eligible applicants with the next greatest number of bonus points; continuing until all of the reserved tags have been issued or until there are no more applicants for that hunt number who have bonus points.
- a-c. First selection from all unreserved hunt permit-tags is shall be by random drawing.
- b-d. When the bag limit established by Commission order is more than 1 per calendar year, or when there are hunt permit-tags remaining unissued after the random drawings 1st, these hunt permit-tags are shall be available on a set date on a 1st-come, 1st-served basis by mail or over the counter from Department offices as specified in the hunt permit-tag application schedule published annually by and available from the Department.
- D. The Department shall ensure that no ~~No~~ more than 10% of the total available bighorn sheep or buffalo hunt permit-tags in any calendar year are shall be issued to nonresidents and that no ~~No~~ more than 50% nor more than 2 bighorn sheep or buffalo hunt permit-tags in any hunt number are shall be issued to nonresidents.
- E. The Department shall ensure that no ~~No~~ more than 10% of the total available hunt permit-tags are shall be issued to nonresidents for the following hunts, except that when hunt numbers have 10 or less available hunt permit-tags, no more than 1 hunt permit-tag is shall be issued to a nonresident:
 - 1. No change.
 - 2. No change.
- F. This rule is effective January 1, 1997 1996.

ARTICLE 2. MISCELLANEOUS LICENSES AND PERMITS

R12-4-203. National Harvest Information Program (HIP)

- A. An individual taking ducks, geese, doves, band-tailed pigeons, snipe, coots, common moorhen, or blue grouse shall have in possession either:
 - 1. A Harvest Information Program (HIP) stamp, affixed to the back of a Class F, G, or H license; or
 - 2. A Harvest Information Program code number, written in the designated space on the back of a Class F, G, or H license.
- B. HIP stamps and code numbers are available from the Department annually from July 1 through March 10, and are valid from September 1 through March 10. To obtain the stamp or the code number, individuals shall provide their name, mailing address, date of birth, hunting license number, identification number (if available), and information regarding past and anticipated hunting activities. The HIP stamp or code number validates a license for taking band-tailed pigeons only if the individual indicates the intent to take band-tailed pigeons at the time of application.
 - 1. Individuals may obtain a HIP stamp by providing the required information to the Department on a form avail-

able in the annual "Hunt Regulations" publication or available from any Department office.

- 2. Individuals may obtain a HIP code number by providing the required information by touch-tone telephone to a toll-free number available from the Department.
- C. This rule is effective July 1, 1997.

R12-4-218. Game bird stamp

- A. Persons taking band-tailed pigeon, blue grouse, or pheasant shall have in possession a game bird stamp, valid for the season and affixed to the back of a Class F, G, or H license.
- B. Applicants may obtain a game bird stamp by submitting their name and mailing address on a form provided by the Department. The form and the stamp shall be available from all Department offices through the mail or in person.
- C. Game bird stamps shall be available from July 1 through the end of February.

ARTICLE 3. TAKING AND HANDLING OF WILDLIFE

R12-4-309. Restricted Hunts

- A. No change.
- B. Persons taking elk or javelina according pursuant to subsection (A) may take other wildlife in season before killing their permitted elk or javelina, according pursuant to the restrictions in R12-4-318.
- C. Following are the exceptions to subsection (A):
 - 1. Archery-only elk hunters may continue to hunt other wildlife in season with bow and arrow after killing their permitted elk;
 - 2. Persons holding special big game license tags issued pursuant to R12-4-120, or big game hunt permit-tags valid for deer, or antelope, buffalo, or bighorn sheep may take their lawful big game during an open season running concurrently with any season named in subsection (A);
 - 3. No change.
 - 4. Trappers licensed under pursuant to R12-4-307 may trap in these areas.
- D. This rule is effective January 1, 1993 1997.

R12-4-310. Fishing Permits

- A. The Department may issue a Fishing Permit to state, county, or municipal agencies or departments and to nonprofit organizations licensed by or contracted to the Department of Economic Security or Department of Health Services, whose primary purpose is to provide physical or mental rehabilitation or training for persons with physical, developmental, or mental disabilities. The permit will allow persons with physical, developmental, or mental disabilities to fish without a fishing license. The permit will authorize this activity for up to 20 persons for the 2 days specified on the permit upon any public waters except that fishing in the waters of the Colorado River is restricted to fishing from the Arizona shoreline only, unless the persons fishing under the authority of the permit also possess a valid Colorado River stamp from the adjacent state. The persons fishing under the authority of the permit shall comply with other statutes, Commission orders and rules not contained in this Section.
- B. An applicant for a Fishing Permit shall provide the following to the Department:
 - 1. A completed application form obtained from the Department, containing:
 - a. The name, address, and telephone number of the agency, department, or nonprofit organization requesting the permit;
 - b. The name, position title, and telephone number of the person who will be responsible for supervising the persons who will be fishing under the authority

- of the permit;
- c. The total number of persons who will be fishing under the authority of the permit;
- d. The dates of the 2 days for which the permit will be valid;
- e. The location for which the permit will be valid.
- 2. Nonprofit organizations shall also submit documentation that they are licensed by or contracted to the Department of Economic Security or the Department of Health Services for the purpose of providing rehabilitation or treatment services to individuals and groups possessing physical, developmental, or mental disabilities.
- C. The Department shall issue the approved Fishing Permit to the applicant within 30 calendar days of receiving an application meeting the criteria of this Section.
- D. The Fishing Permit permittee shall provide 1 hour of instruction on fish identification, fishing ethics, safety and techniques to the persons who will be fishing under authority of the permit. The lesson plan for this instruction will be provided to the permittee by the Department.
- E. Each person fishing without a license under the authority of the Fishing Permit may take only 1/2 the regular bag limit established by Commission order for any species, unless the regular bag limit is 1, in which case the permit authorizes the regular limit.
- F. The permittee shall submit a report to the Department not later than 30 days after the end of the authorized fishing dates. The Department may deny issuance of future Fishing Permits to permittees failing to submit the report. The permittee shall report on a form available from the Department:
 1. The Fishing Permit number and the information contained in the permit;
 2. The total number of persons who fished and total hours fished;
 3. The total number of fish caught, kept and released, by species.

ARTICLE 5. BOATING AND WATER SPORTS WATER-SPORTS

R12-4-501. Boating and Water Sports Definitions

- A. In addition to the definitions provided in A.R.S. § 5-301, the following definitions apply to this Article unless the context otherwise requires:
 1. No change.
 2. "Bill of sale" means a written agreement transferring which transfers ownership, and including: the name of the buyer and seller; the manufacturer of the watercraft sold, if known; the hull identification number, unless exempted by R12-4-505; and the purchase price and sales tax paid, if any; and the signature of the seller.
 3. "Boats keep out" means ~~an operator or user of~~ ~~no~~ watercraft, waterskis, surfboards, or similar contrivances shall not enter.
 4. "Controlled-use marker" means ~~an~~ ~~any~~ anchored or fixed marker on the water, shore, or on a bridge that controls the operation of watercraft, water skis, surfboard, or similar contrivances.
 5. "Homemade watercraft" means a ~~any~~ watercraft which was not fabricated or manufactured for resale and ~~to~~ ~~for~~ which a manufacturer has not attached a hull identification number ~~is not required to be attached by the manufacturer.~~ A watercraft assembled from a kit, or constructed from an unfinished manufactured hull, is ~~shall be~~ a "homemade watercraft" if not already assigned a hull identification number by the manufacturer.
 6. No change.

7. "Letter of gift" means a document, transferring ownership of a watercraft, signed by the previous owner, stating that the watercraft is a gift and listing containing the name and address of both the previous and the new owner, the name of the manufacturer of the watercraft if known, and the hull identification number, unless exempted by R12-4-505.
8. No change.
9. "No ski" means a ~~no~~ person shall not be towed on water skis or similar devices.
10. No change.
11. "Owner" in reference to a watercraft means a ~~any~~ person who claims lawful possession of a watercraft by virtue of legal title or equitable interest, which entitles that person to possession.
12. No change.
13. No change.
14. No change.
15. "Sound level" means the noise level measured in decibels on the A-weighted scale of a ~~any~~ sound level instrument that conforms with the requirements set forward by the American National Standards Institute in Specifications for Sound Level Meters.
16. No change.
17. No change.
18. No change.
19. "Watercraft" means a ~~any~~ boat or other floating device of rigid or inflatable construction designed to carry people or cargo on the water and that is propelled by machinery, oars, paddles, or wind action on a sail. ~~Exceptions are~~ ~~except~~ sea-planes, makeshift contrivances constructed of innertubes, or other floatable materials which are and not propelled by machinery, personal flotation devices worn or held in hand and other objects used as floating or swimming aids. For the purpose of registration only, "watercraft" ~~does~~ ~~shall~~ not include nonmotorized inflatable watercraft which are ~~is~~ 12 feet or less in length.
20. "Watercraft agent" means a ~~any~~ person authorized by the Department and acting in behalf of the Department to collect appropriate fees for the registration and numbering of watercraft.
21. "Watercraft number" means the registration number issued by the Department under ~~pursuant to~~ A.R.S. § 5-321.
22. No change.

R12-4-502. Application for Watercraft Registration

- A. ~~A person shall apply. Any application for watercraft registration pursuant to A.R.S. § 5-321 using shall be made upon a form provided by the Department. The applicant shall provide the following information. The following information shall be provided on the form for registration of all watercraft except homemade watercraft, which are addressed in subsection (B):~~
 1. No change.
 2. No change.
 3. No change.
 4. No change.
 5. No change.
 6. No change.
 7. No change.
 8. No change.
 9. No change.
 10. No change.
 11. Name, mailing address, and date of birth of each owner. To simplify the description of joint ownership when a watercraft is owned by more than 1 person, the applicant shall indicate ownership by use of 1 of the following

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methods:

- a. Where ownership is joint tenancy with right of survivorship or community property with right of survivorship, the applicant shall use "and/or" between the names of the owners. To transfer registration of the watercraft, each party shall provide a signature if both are living. Upon legal proof of the death of either party, the living party may transfer registration of the watercraft upon the signature of the living party.
 - b. Where ownership is a tenancy in common the applicant shall use "and" between the names of the owners. To transfer registration of the watercraft, each party shall provide a signature. In the event of the death of any party, the interest of the deceased party must be handled through probate proceedings.
 - c. Where the ownership is joint tenancy with an express intent that either of the owners have full authority to transfer registration, the applicant shall use "or" between the names of the owners. As a condition of transferring registration as just indicated above, each owner must sign the application. To transfer registration, either party's signature is sufficient for transfer.
11. Name, mailing address, and date of birth of each owner. When a watercraft is owned by more than 1 person, application for registration of that watercraft shall indicate ownership by use of 1 of the following methods, and the Department shall record and transfer registration as prescribed:
- a. The use of "and/or" between the names of individuals shall require the signatures of both parties if both are living. Upon legal proof of the death of either party, the Department shall transfer registration upon the signature of the living party.
 - b. The use of "and" between the names of individuals shall require the signatures of both parties. In the event of the death of either party the interest of the deceased party shall be handled through probate proceedings.
 - c. The use of "or" between the names of individuals shall express to the Department the intent that either of the owners have full authority to transfer registration of the watercraft.
- B. The applicant shall provide the following information for registration of homemade watercraft, using the same ownership designations specified in subsection (A). The owner shall sign the application and have it notarized unless it is signed in the presence of a Department employee. The following information shall be provided for application for registration of homemade watercraft. The application shall be signed by the owner, and the signature shall be notarized if the application is not signed in the presence of a Department employee. Ownership designation shall be the same as in subsection (A)(12).
1. No change.
 2. No change.
 3. No change.
 4. No change.
 5. No change.
 6. No change.
 7. No change.
 8. No change.
 9. No change.
 10. No change.
- C. In accordance with A.R.S. § 5-321, the applicant shall submit with the application for registration a receipt for use tax paid

from the Arizona Department of Revenue unless:

1. The applicant is exempt from use tax as provided in 15 A.A.C. 5; or
 2. The applicant is transferring the watercraft from another jurisdiction to Arizona without changing ownership; or
 3. Sales or use tax paid is shown on the bill of sale or receipt submitted by the applicant; or
 4. The applicant submits a notarized affidavit of exemption stating that the acquisition of the watercraft was for rental or resale purposes.
- C. Any application for registration shall be accompanied by a tax receipt from the Department of Revenue, unless:
1. Sales tax paid is shown on the bill of sale; or
 2. The acquisition of the watercraft was exempt from sales tax pursuant to A.R.S. Title 42, Chapter 8, Article 2; or
 3. The applicant submits proof of exemption from sales tax provided by the Department of Revenue; or
 4. Watercraft from another jurisdiction is being changed to Arizona without transfer of ownership.
- D. To In order to obtain registration as a commercial watercraft under pursuant to A.R.S. § 5-322(H), the owner shall provide evidence of payment of the *ad valorem* property tax under the provisions of Article 9, Section 16 of the Arizona Constitution; the tax privilege license number; and the business name, address, and telephone number.
- E. To In order to obtain watercraft dealer registration under pursuant to A.R.S. § 5-322(G), the applicant shall be a business offering watercraft for sale, or a watercraft manufacturer registered by the U.S. Coast Guard. The applicant shall provide the following information on a form available from the Department. The Department shall issue the number of certificates and decals specified, or deny issuance, within 30 calendar days of receiving the application.
1. All business names used for the sale or manufacture of watercraft in Arizona, and the mailing address and telephone number for each business to be issued watercraft dealer registrations.
 2. Tax privilege license number.
 3. U.S. Coast Guard manufacturer identification code, if applicable.
 4. The total number of certificates of number and decals to be issued.
 5. Name, address, signature, and phone number of the owner or manager of the principal business.
- F. An applicant registering a watercraft which has never previously been registered by any jurisdiction shall submit the following. Application for registration of a watercraft never previously registered by any jurisdiction shall be accompanied by:
1. No change.
 2. A letter of gift, if the watercraft was acquired as a gift instead of by purchase. The previous owner shall state in the letter of gift that the watercraft was never previously registered. Or: Watercraft acquired as a gift instead of by sale shall be accompanied by a letter of gift including a statement that the watercraft has never previously been registered.
 3. Watercraft may be registered without either a bill of sale or a letter of gift or compliance with R12-4-507 only if the owner submits a form either notarized or signed in the presence of a Department employee, attesting to subsection (3)(a), (b), or (c) below:
 - a. That the watercraft was manufactured prior to 1972, that it is 12 feet or less in length, and that it is not propelled by machinery other than an outboard engine; or

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- b. That the watercraft was previously owned by the applicant in a state that required neither registration nor titling; or
 - c. That the watercraft was previously owned by the applicant in a state that did require registration and titling, but that the applicant did not register or title the watercraft because the watercraft was not used; and
 - d. The applicant shall provide all of the following on the form: All of the following are to be provided on the form, by the applicant:
 - i. Full name and mailing address of each owner;
 - ii. Type of watercraft and propulsion type;
 - iii. Overall length of craft;
 - iv. Manufacturer's name, if known;
 - v. Year built or model year, if known;
 - vi. Hull identification number, unless exempted by R12-4-505;
 - vii. Hull material;
 - viii. Fuel type;
 - ix. Horsepower of engine, if any.
- G. An applicant transferring registration of an Arizona-registered watercraft to a new owner shall surrender to the Department the original certificate of number assigned by the registered owner, or a bill of sale or letter of gift. Application for registration of a watercraft registered in Arizona but for which ownership has been transferred shall be accompanied by a certificate of number assigned by the registered owner, or by the bill of sale or letter of gift. If the bill of sale or letter of gift is not signed by the registered owner, the Department shall not transfer registration until it has received a release of interest from the registered owner or until the applicant has complied with the procedures prescribed in R12-4-507. The only exception is if unless the watercraft has not been currently registered within the past 5 years, was manufactured prior to 1972, and is 12 feet or less in length and is not propelled by machinery other than an outboard engine, in which case the applicant owner shall comply with the same requirements prescribed in subsection (F)(3)(a) and (d).
- H. If ownership has been transferred from a registered owner in a manner other than sale or gift of the watercraft, or pursuant to subsection (A)(11), the applicant shall present legal documentation to prove such transfer of ownership.
- I. An applicant Application for registration of a watercraft registered in another jurisdiction shall surrender 1 of the following to the Department in order to obtain registration: be accompanied by 1 of the following:
- 1. Original registration documentation Registration by the other jurisdiction to the same applicant.
 - 2. Original registration documentation by the other Registration by another jurisdiction showing that ownership has been transferred to the applicant.
 - 3. When the other a jurisdiction's registration documentation does not include any area for showing transfer of ownership, the applicant shall submit registration shall be accompanied by a bill of sale or letter of gift from the registered owner to the applicant with the other jurisdiction's original registration documentation.
 - 4. The applicant shall submit 1 of the following if registration documentation has been lost:
 - a. A letter from the issuing jurisdiction verifying that the registered owner in that jurisdiction is the same person shown as the seller or giver on the bill of sale or letter of gift submitted to the Department.
 - b. A letter from the issuing jurisdiction verifying that the registered owner in that jurisdiction is the same person that is applying for registration in Arizona.
- 4. If documentation has been lost, a letter from the issuing jurisdiction verifying that the registered owner in that jurisdiction is either the same party shown as the seller or giver on the bill of sale or letter of gift submitted to the Department, or the person applying for registration.
 - 5. No change.
- J. An applicant Application for registration of a watercraft titled in another jurisdiction shall surrender be accompanied by 1 of the following to the Department in order to obtain registration:
- 1. The applicant's original title, or documentation from the lien holder lawfully holding such title, with a copy of the title.
 - 2. When ownership has transferred, the original title showing transfer of ownership to the Arizona applicant.
 - 3. The applicant shall submit 1 of the following if the title to the watercraft has been lost:
 - a. A letter from the issuing jurisdiction verifying that the titled owner in that jurisdiction is the same person shown as the seller or giver on the bill of sale or letter of gift submitted to the Department.
 - b. A letter from the issuing jurisdiction verifying that the titled owner in that jurisdiction is the same person that is applying for registration in Arizona.
 - 3. If documentation has been lost, a letter from the issuing jurisdiction verifying that the registered owner in that jurisdiction is either the same party shown as the seller or giver on the bill of sale or letter of gift submitted to the Department, or the person applying for registration.
 - 4. No change.
- K. A person shall not apply for or obtain a watercraft registration by making a false statement or providing false information on any application or written instrument submitted to the Department. The Department may require that any original documentation required by this rule be surrendered to the Department in order to obtain Arizona registration.
- L. The Department shall issue watercraft registrations within 30 calendar days of receiving valid application and documentation as required by this rule, whether from the applicant or from a watercraft agent pursuant to R12-4-509. An application is not shall not be considered valid if the Department receives legal documentation that legal action may affect ownership of the watercraft.
- M. No change.
- R12-4-503. Renewal of Watercraft Registration**
- A. The Department shall mail renewal notices to the address of the watercraft owner as shown on the certificate of number, 6 weeks prior to the last day of the month of expiration established under pursuant to R12-4-504. It is but it shall be the responsibility of the owner to ensure that renewal is achieved whether or not the notice is received.
 - B. In order to renew registration, the applicant shall submit the registration fee required by A.R.S. Title 5, Chapter 3, and the renewal notice provided by the Department or the form required by subsection (C). In the absence of the renewal notice, the registered owner shall present 1 of the following:
 - 1. No change.
 - 2. No change.
 - C. A currently registered owner may request renewal up to six months prior to the normal expiration date by providing the following on a form available from the Department. Compliance with subsection (B)(1) and (2) shall not be required if the applicant mails the completed form to the Department's Phoenix office and if renewal is to be mailed to the address of record.
 - 1. Name and address of the registered owner;

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- 2. The AZ number of the watercraft;
- 3. The notarized signature of the registered owner.

D.C. The Department shall renew watercraft registration within 30 calendar days of receiving the valid application for renewal. The Department shall mail the renewal registration shall be mailed to the address of record unless the applicant has achieved renewal in person or unless there is a notarized request from the registered owner to mail it to another address.

R12-4-505. Hull Identification Numbers

- A. The Department Watercraft shall not register watercraft be registered without a hull identification number as defined in R12-4-501.
- B. The Department shall assign a hull identification number to a watercraft with a missing or improper hull identification number only when the Department determines that:
 - 1. A hull identification number has not been fraudulently removed or altered, unless the application is made by a governmental agency and is accompanied by an order of forfeiture or order of seizure or other civil process;
 - 2. The missing or improper hull identification number was caused by error of the manufacturer or a government jurisdiction or failure of a previous owner of a watercraft to comply with this rule, or because the watercraft is meets the definition of a "homemade watercraft" as defined prescribed in R12-4-501.
- C. The Department shall assign or deny assignment of a hull identification number make determination pursuant to subsection (B) and the hull identification number issued or denied within 30 days of receipt of a valid application, described in pursuant to R12-4-502.
- D. The Department shall accept a bill of sale presented with a missing or improper hull identification number shall be accepted for registration purposes only if:
 - 1. It matches the hull identification number or lack of hull identification number thereof on the watercraft;
 - 2. A hull identification number is issued by the Department under pursuant to subsection (B).
- E. The applicant or the Department shall affix the hull identification number issued by the Department shall be affixed as follows:
 - 1. On watercraft with transoms, to the right or starboard side of the transom within 2 inches of the top of the transom or hull/deck joint, whichever is lowest.
 - 2. On watercraft without transoms, to the starboard outboard side of the hull, back or aft within 1 foot of the stern and within 2 inches of the top of the hull, gunwale, or hull/deck joint, whichever is lowest.
 - 3. On catamarans and pontoon boats, on the aft crossbeam within 1 foot of the starboard hull attachment.
 - 4. If the hull identification number would not be visible because of rails, fittings, or other accessories, affix it as closely as possible in the manner prescribed in subsection (E)(1), the number shall be affixed as near as possible as prescribed in paragraph (E)(1).
 - 5. Affix a duplicate of the visibly affixed hull identification number shall be affixed in an unexposed location on a permanent part of the hull.
 - 6. Each hull identification number is to be shall be burned, carved, stamped, embossed, molded, bonded, or otherwise permanently affixed to a non-removable part of the watercraft so that alteration, removal, or replacement would be obvious. A hull identification number shall not be affixed to parts of the watercraft which are removable.
 - 7. The characters of each hull identification number affixed to the watercraft are to be shall be no less than 1/4 inch in height.

R12-4-510. Refunds for Renewals

- A. The Department shall issue refunds for fees paid for renewal of watercraft registration under the following circumstances:
 - 1. The Department shall issue a refund for 1 renewal fee when the registered owner has paid twice for the same registration renewal for the same watercraft.
 - 2. The Department shall issue a refund for a renewal fee when a registered owner has erroneously paid for renewal of a watercraft that has already been sold to another individual, provided that the application for refund is made within 30 calendar days of the renewal.
 - 3. The person applying for the refund shall surrender an original certificate of number and 1 set of decals to the Department in order to receive the refund.
- B. The Department shall not refund payment of any penalty fee for late registration.

The Department shall issue a refund for 1 renewal of watercraft registration when the registered owner has paid twice for the same renewal, provided that no refund shall be made for payment of any penalty fee for late registration, and provided that 1 certificate of number and 1 set of decals are returned to the Department.

R12-4-517. Watercraft and Boat Engine Restrictions

- A. Persons operating power boats on the following waters shall use a single electric trolling motor only: Power boats on the following waters are restricted to the use of a single electric motor only:

Arivaca Lake	McKellips Park Lake
Bear Canyon Lake	Nelson Reservoir
Becker Lake	Pena Blanca Lake
Black Canyon Lake	Riggs Flat Lake
Bunch Reservoir	River Reservoir
Chaparral Lake	Roper Lake
Cluff Ponds	Rucker Canyon Lake
Coconino Reservoir	Santa Fe Lake
Concho Lake	Scott's Reservoir
Coors Lake	Sierra Blanca Lake
Dankwork Pond	Soldier Lake (in Coconino County)
Dogtown Reservoir	Stehr Lake
Granite Basin Lake	Stoneman Lake
J.D. Lake	Tunnel Reservoir
Knoll Lake	Whitehorse Lake
Lee Valley Lake	Woodland Reservoir
Lower Lake Pleasant	Woods Canyon Lake
Lynx Lake	
- B. Persons operating power boats on the following waters shall use only a single electric trolling motor or a single gasoline motor not exceeding 8 manufacturer-rated horsepower: Power boats on the following lakes are restricted to the use of a single electric motor or a single gasoline engine not to exceed eight manufacturer-rated horsepower.

Ashurst Lake	Kaibab Lake
Big Lake	Kinnikinick Lake
Blue Ridge Reservoir	Luna Lake
Cataract Lake	Parker Canyon Lake
Chevelon Canyon Lake	Rainbow Lake
Cholla Lake Hot Pond	Show Low Lake
Crescent Lake	Willow Springs Lake
Fool Hollow Lake	
- C. Persons shall not operate watercraft. Watercraft are prohibited on Frye Mesa Reservoir, Rose Canyon Lake, and Snow Flat Lake.
- D. Watercraft are prohibited from entering the following waters during the dates designated:
 - 1. The posted portion of Luna Lake from April 1 through July 31.

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2. The posted portions of Alamo Lake from December 1 to the end of waterfowl season.
3. The posted portions of the Tonto Arm of Roosevelt Lake from November 15 through February 15.
4. The posted portions of Mitty Lake from November 15 through February 28.
5. The posted portions of Becker Lake from April 1 through

July 31.
E.D. This rule does not apply to boats of governmental agencies while on official duty or to Department-approved emergency standby boats operated by lake concessionaires when operating to address public safety or public welfare when approved by the Department.

NOTICE OF FINAL RULEMAKING

TITLE 19. ALCOHOL, HORSE AND DOG RACING, LOTTERY, AND GAMING

CHAPTER 2. ARIZONA RACING COMMISSION

PREAMBLE

1. **Sections Affected:** R19-2-125
Rulemaking Action: New Section
2. **The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**
Authorizing statutes: A.R.S. §§ 5-104(A)(2) and 5-104(T)
Implementing statute: A.R.S. §§ 5-113(G) and 5-114(D)
3. **The effective date of the rules:**
November 7, 1996
4. **A list of all previous notices appearing in the Register addressing the final rule:**
Notice of Rulemaking Docket Opening:
1 A.A.R. 1069, July 14, 1995
Notice of Proposed Rulemaking:
2 A.A.R. 3359, July 12, 1996
5. **The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**
Name: William J. Walsh
Address: Department of Racing
3877 North 7th Street, Suite 201
Phoenix, Arizona 85014
Telephone: (602) 277-1704
Fax: (602) 277-1165
6. **An explanation of the rule, including the agency's reasons for initiating the rule:**
The covers eligibility, application forms, due dates, fees, disqualification, eligible races, distribution of awards, and the appeals process of decisions made. It establishes the basis for distribution of stallion awards mandated by statute.
7. **A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**
Not applicable.
8. **The summary of the economic, small business, and consumer impact:**
There is no negative effect.
9. **A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):**
There are capitalization changes in Section headings to reflect the guidelines of the Office of the Secretary of State and specific changes made to R19-2-125(J) to meet the requirements of A.R.S. § 1092.02.
10. **A summary of the principal comments and the agency response to them:**
There were no comments.
11. **Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**
None.
12. **Incorporations by reference and their location in the rules:**
Not applicable.
13. **Was this rule previously adopted as an emergency rule?**
No.

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14. **The full text of the rules follows:**

TITLE 19. ALCOHOL, HORSE AND DOG RACING, LOTTERY, AND GAMING

CHAPTER 2. ARIZONA RACING COMMISSION

ARTICLE 1. HORSE RACING

Section

R19-2-125. Arizona Stallion Awards

ARTICLE 1. HORSE RACING

R19-2-125. Arizona Stallion Awards

A. Definitions

1. "Arizona stallion" means an uncastrated, adult male horse that stands the entire breeding season in Arizona.
2. "Breeding year" means the period beginning January 1 and ending July 31.
3. "Fiscal year" means the period beginning July 1 and ending June 30.
4. "Owner" means the person who possesses the stallion at the time of the person's certification application for the fiscal year, according to the records of the Department.

B. Owner and lessee eligibility. For an owner or the lessee of an Arizona stallion to be eligible for an award of funds for a fiscal year:

1. The owner or lessee shall:
 - a. Apply for stallion certification by the due date set by the breeders association for complying with the requirement in subsection (D).
 - b. Submit the breeder report required in subsection (E); and
 - c. Comply with subsection (F) if applicable.
2. In the event of death or the retirement of a stallion, the owner or lessee remains eligible for awards if the requirements in subsection (D) are followed.
3. The stallion shall be certified at the time its eligible Arizona-bred offspring earn purse money in races listed in subsection (H).

C. Qualifications for Arizona stallion certification. To qualify for Arizona stallion certification for the fiscal year, an owner or lessee shall:

1. Permanently domicile the stallion in Arizona from January 1 through July 31. During this time, the owner or lessee may move the stallion outside of Arizona for racing or for medical treatment;
2. Register the stallion with the Arizona breed registry that corresponds to the stallion's national breed registry; and
3. Notify the appropriate Arizona breed registry within 10 days of the stallion entering or leaving Arizona during the breeding year.

D. Application procedure for stallion certification

1. By the due date set by the appropriate Arizona breeders association, and approved by the Commission in accordance with subsection (D)(2)(b), an owner or lessee may apply for Arizona stallion certification for the fiscal year. The owner or lessee shall:
 - a. File an official application form with the Arizona breeders' association for each stallion owned or leased; and
 - b. Pay a certification fee for each stallion when the application form is filed.
2. The Arizona breeders association shall:
 - a. Forward a legible copy of the completed application to the Department;

- b. Set an application due date and reasonable certification fee, if these actions are authorized by the Commission in a contract permitted under A.R.S. § 5-114(D).

3. The Commission shall review and approve or reject each contract for stallion certification.

E. Breeding report

1. A quarter horse stallion owner or lessee shall submit a legible copy of the annual "Stallion Breeding Report" to the breeders association monitoring quarter horse stallions by November 30 of the current breeding year.
2. Except as provided in subsection (F), a thoroughbred stallion owner or lessee shall submit a legible copy of the annual "Report of Mares Bred" to the breeders association monitoring thoroughbred stallions by August 1 of the current breeding year.

F. Thoroughbred stallion bred to quarter horse mares

1. If a thoroughbred stallion is being bred to quarter horse mares, an owner or lessee shall send the application, fees, and breeding report required in subsections (D) and (E)(1) to the breeders association monitoring quarter horse stallions.
2. If a thoroughbred stallion is being bred to thoroughbred and quarter horse mares, an owner or lessee shall send the application, fees, and breeding reports required in subsections (D) and (E) to both of the Arizona breeders associations.

G. Disqualification and Reinstatement

1. If a stallion owner or lessee fails to comply with applicable requirements in subsections (B), (C), (D), (E), and (F) the Department shall disqualify the owner or lessee from receiving an award of fund monies during the affected fiscal year.
2. To reinstate eligibility for subsequent years, the owner or lessee shall pay the certification fee prescribed in subsection (D)(1)(b) and comply with applicable requirements in subsections (B), (C), (D), (E), and (F).

H. Award races. Except for maiden claiming and maiden allowance races at Arizona racetracks, the following are eligible races:

1. Quarter horses:
 - a. All races with a purse value of \$10,000 or more;
 - b. All allowance races;
 - c. At the Turf Paradise meet, all claiming races with a claiming price of \$3,500 or more; and
 - d. At other Arizona racetracks, all claiming races with a claiming price of \$2,500 or more.
2. Thoroughbreds:
 - a. The Prescott Futurity, the Prescott Derby, and all races with a purse value of \$15,000 or more;
 - b. The Inaugural, the Mile High, and all allowance races;
 - c. At the Turf Paradise meet, all claiming races with a claiming price of \$6,000 or more; and
 - d. At other Arizona racetracks, all claiming races with a claiming price of \$3,500 or more.

I. Fund distribution procedures

1. The Arizona breeders associations shall submit to the Department, at least annually, a written report that contains the following information:

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- a. The names of certified Arizona stallions for the fiscal year;
 - b. The names of certified Arizona-bred offspring of the Arizona stallions. Arizona-bred horses may be certified by following the procedures prescribed in R19-2-116(A) and (B);
 - c. The 1st, 2nd, and 3rd place finishes of each certified Arizona-bred horse, sired by a certified Arizona stallion, in each eligible race; and,
 - d. The earnings in each race of each Arizona-bred horse sired by a certified Arizona stallion.
2. The Department shall:
- a. Hold 10% of the monies accumulated prior to the 1996-97 fiscal year for contingent liabilities;
 - b. Calculate a payment factor at the end of each fiscal year by dividing the total monies available, under subsections (1)(2)(d), (e), (f), or (g), by the total dollar value of purses, not to exceed \$30,000 per horse per race, won in eligible races during the fiscal year;
 - c. Multiply the payment factor by the total purse amount won in eligible races during the fiscal year;
 - d. Distribute to eligible owners or lessees 40% of the amount accumulated in the fund prior to the 1996-97 fiscal year and the amount earned by the fund during the 1996-97 fiscal year;
 - e. Distribute to eligible owners or lessees 25% of the amount accumulated in the fund prior to the 1996-97 fiscal year and the amount earned by the fund during the 1997-98 fiscal year;
- f. Distribute to eligible owners or lessees 25% of the amount accumulated in the fund prior to the 1996-97 fiscal year and the amount earned by the fund during the 1998-99 fiscal year; and,
 - g. Distribute to eligible owners or lessees the amount earned by the fund during the fiscal year for the years after the 1998-99 fiscal year.
3. The owner or lessee shall designate, on a form provided by the Department, the single payee to whom Arizona stallion award checks shall be issued when there is more than 1 owner of a stallion.
- J. Appeal of Director's rulings**
- 1. The Director shall make the final decision concerning a stallion award.
 - 2. The Department shall give written notice of the decision to an applicant by mailing it to the address of record filed with the Department.
 - 3. After service of the Director's decision, an aggrieved party may file a written request for a hearing, under R19-2-124.
 - 3. After service of the Director's decision, an aggrieved party may obtain a hearing under A.R.S. §§ 1092.03 through 41-1092.11.
 - 4. The aggrieved party shall file a notice of appeal with the Department within 30 days after receiving the notice prescribed in R19-2-125(1)(2).
 - 5. The Department shall notify the Office of Administrative Hearings, which shall schedule and conduct the hearing.

NOTICE OF FINAL RULEMAKING

TITLE 19. ALCOHOL, HORSE AND DOG RACING, LOTTERY, AND GAMING

CHAPTER 3. ARIZONA STATE LOTTERY COMMISSION

PREAMBLE

- | | |
|-----------------------------|--------------------------|
| 1. Sections Affected | Rulemaking Action |
| R19-3-301 | Repeal |
| R19-3-701 | New Section |
| R19-3-702 | New Section |
| R19-3-704 | New Section |
| R19-3-705 | New Section |
| R19-3-706 | New Section |
| R19-3-707 | New Section |
| R19-3-708 | New Section |
| R19-3-709 | New Section |
2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):
 Authorizing statute: A.R.S. § 5-504(B)
 Implementing statute: A.R.S. § 5-504(B)
3. The effective date of the rules:
 October 25, 1996
4. A list of all previous notices appearing in the Register addressing the final rule:
Notice of Docket Opening
 2 A.A.R. 2030, May 17, 1996

Notice of Proposed Rulemaking:
 2 A.A.R. 3531, August 9, 1996

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5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:

Name: Sandy Williams, Executive Director
Address: Arizona State Lottery Commission
4740 East University
Phoenix, Arizona
Telephone: (602) 921-4400

6. An explanation of the rule, including the agency's reasons for initiating the rule:

R19-3-701 through R19-3-709 set forth provisions unique to the conduct of the Arizona Lottery's instant games. These rules explain the common components of instant games: game profiles, game playstyles, how to identify a winning ticket, the procedures required to claim prizes and the claim period, ticket ownership, ticket validation, termination of an instant game, and disputes concerning a ticket. These rules replace R19-3-301.

7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:

Not applicable.

8. The summary of the economic, small business, and consumer impact:

These rules will allow the Lottery to introduce new instant games in a more timely manner, thus providing the state and retailers with a potential increase in sales revenue.

9. A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):

There were no substantive changes to these rules. Several grammatical changes and sentence structure changes were implemented to make these rules more concise and easier to understand. The changes are as follows:

A. The phrase, "Article 7. Design and Operation of Instant Games" was added in the Preamble.

B. The "Sections" were rearranged and reworded to read:

R19-3-706. Ticket Ownership and Payment of Instant Prize Winnings
R19-3-707. Claim Period
R19-3-708. Procedure for Claiming Prizes
R19-3-709. Disputes Concerning a Ticket

C. Changes in R19-3-701. Definitions

1. The definition of "game profile" was changed to read: "Game profile" means the written document that includes non-confidential game information including, but not limited to, the game prize structure, game playstyle, and special game features.
2. The definition of "high tier" was changed to read: "High tier" means any instant game ticket prize of \$600 or more.
3. The definition of "instant game" was changed to read: "Instant game" means a game that is played by removing the protective covering from a ticket to reveal the play and/or prize symbols that determine if a ticket holder is entitled to a prize(s).
4. The definition of "low tier" was changed to read: "Low tier" means any instant game ticket prize of less than \$100.
5. The definition of "mid-tier" was changed to read: "Mid-tier" means any instant game ticket prize of \$100 or more, up to and including \$599.
6. The definition of "play area" was changed to read: "Play area" means the portion or portions of the ticket which contains the play symbols(s). More than 1 play area may appear on a ticket.
7. The definition of "play symbol" was changed to read: "Play symbols" mean the numbers, letters, symbols, or pictures printed in the play area of each instant ticket that determine if the ticket holder is entitled to a prize or prizes.
8. The definition of "play symbol caption" was changed to read: "Play symbol caption" means the printed characters under the protective covering on the ticket, located immediately below each play symbol, that verifies the play symbol. No more than 1 play symbol caption appears under each play symbol.
9. The definition of "prize symbol caption" was changed to read: "Prize symbol caption" means the printed characters under the protective covering on the ticket, located immediately below each prize symbol that verify the prize symbol. No more than 1 prize symbol caption appears under each prize symbol.
10. The definition of "retailer validation code" was changed to read: "Retailer validation code" means the multiple letters in the play area, under the protective covering that verify low- and mid-tier prize amounts.
11. The definition of "theirs" was changed to read: "Theirs" means the opponent's play area or areas, (for example, "dealer's hand(s)", "house card(s)", "house roll(s)").
12. The definition of "validation number" was changed to read: "Validation number" means the unique multi-digit code under the protective covering on each ticket that is used to validate winning tickets.

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13. The definition of "variant symbol" was deleted.
 14. The definition of "yours" was changed to read: "Yours" means the ticket holder's play area(s) (for example, "your hand(s)", "your card(s)", "your roll(s)").
- D. In "R19-3-703. Game Playstyle", the following changes were made:
1. Subsection (A)(10) Punctuation was added after "Bingo".
 2. Subsection (B) was changed to read: More than 1 game and more than 1 playstyle may appear on a ticket.
- E. In "R19-3-704. Determination of a Winning Ticket", the following changes were made:
1. (A) was changed to read: The play symbols are the only determining factor for prize eligibility for a valid ticket.
 2. (B) was changed to read: For each play area on an individual ticket, the player shall remove the protective covering to find the play symbols, or the play and prize symbols. Eligibility to win a prize is based on compliance with the designated playstyle as follows:
 3. (A)(1) was changed to read: Match Two. The play shall win the prize or prizes indicated by uncovering 2 identical play symbols on a play area.
 4. (A)(2) was changed to read: Match Three. The player shall win the prize or prizes indicated by uncovering 3 identical play symbols on a play area.
 5. (A)(5) was changed to read: Key Symbol(s) Match. The player shall win the prize or prizes indicated by uncovering a play symbol(s) designated as "yours" in the ticket play area that is greater than the play symbol(s) designated as "theirs".
 6. (A)(6) was changed to read: Key Symbol(s) Beat. The player shall win the prize or prizes indicated by uncovering a play symbol(s) designated as "yours" in the ticket play area that is greater than the play symbol(s) designated as "theirs".
 7. (A)(7) was changed to read: Symbols in Sequence. The player shall win the prize or prizes indicated by uncovering the designated play symbols in the specified sequential order.
 8. (A)(8) was changed to read: Spellouts. The player shall win the prize or prizes indicated by uncovering the play symbols to form the designated word(s).
 9. (A)(9) was changed to read: In Between. The player shall win the prize or prizes indicated by uncovering the play symbol(s) designated as "their high card" and greater than the play symbol or symbols designated as "their low card".
 10. (A)(10) was changed to read: Bingo. The player shall win the prize or prizes indicated by uncovering the play symbols on the "Caller's Card" play area that are identical to the play symbols on 1 or more of the "Player's Card" which are located on the "Player's Cards" in 1 or more of the following ways as indicated on the ticket:
 11. (A)(10)(a) was changed to read: Five consecutive play symbols, including the "free" play symbol, if appropriate, in any horizontal, vertical, or diagonal line, or
 12. (A)(10)(b) was changed to read: Play symbols in all 4 corners, or,
 13. (A)(10)(c) was changed to read: All 5 consecutive play symbols in the top row, the bottom row, and the 1st and 5th columns, forming an outer frame pattern, or
 14. (A)(10)(d) was changed to read: The 2nd, 3rd, and 4th play symbols in the 2nd row, the 4th row, the 2nd column, and the 4th column, forming an inner frame pattern, or
 15. (A)(10)(e) was changed to read: The 1st, 2nd, 4th, and 5th play symbols in the 1st, 2nd, 4th, and 5th rows, forming a box pattern in each of the 4 corners, or
 16. (A)(10)(f) was changed to read: The 3rd play symbol in the 1st and 5th rows, the 2nd and 4th play symbols in the 2nd and 4th rows, and the 3rd play symbol in the 1st and 5th rows, forming a diamond pattern, or
 17. (A)(10)(g) was changed to read: The 3rd, 4th, and 5th play symbols in the 1st and 5th rows, the 2nd and 3rd play symbols in the 2nd and 4th rows, the 3rd play symbol in the 1st row, and the "free" play symbol, forming an "A" pattern, or
 18. (A)(10)(h) was changed to read: The 1st, 2nd, 3rd, 4th, and 5th play symbols in the 1st and 5th rows, and the 1st play symbols in the 2nd, 3rd, and 4th rows, forming a "C" pattern, or
 19. (A)(10)(i) was changed to read: The 1st, 2nd, 3rd, 4th, and 5th play symbols in the 1st column, and the 2nd, 3rd, 4th, and 5th play symbols in the 5th row, forming an "L" pattern, or
 20. (A)(10)(j) was changed to read: The 2nd, 3rd, 4th, and 5th play symbols in the 1st and 5th columns, and the 3rd play symbol in the 2nd and 4th columns, and the "free" play symbol, forming an "H" pattern, or
 21. (A)(10)(k) was changed to read: The 1st, 2nd, 3rd, 4th, 5th play symbols in the 1st row, and the 2nd play symbol in the 3rd column, the "free" play symbol, and the 4th, and 5th play symbols in the 3rd column, forming a "T" pattern, or
 22. (A)(10)(l) was changed to read: Five consecutive play symbols in both diagonals, forming an "X" pattern, or

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23. (A)(10)(m) was changed to read: The 1st, 2nd, 3rd, 4th, and 5th play symbols in the 1st row and 5th row, the 2nd play symbol in the 4th column, the "free" play symbol, and the 4th play symbol in the 2nd column, forming a "Z" pattern, or
 24. (A)(10)(n) was changed to read: The 1st, 2nd, 3rd, 4th, and 5th play symbols in the 1st row, the 2nd play symbol in the 4th column, the "free" play symbol, the 4th play symbol in the 2nd column, and the 5th play symbol in the 1st column, forming a "7" pattern, or
 25. (A)(10)(o) was changed to read: All of the play symbols in the 1st, 2nd, 3rd, 4th, and 5th rows, and the "free" play symbol, creating a "blackout".
- F. (E) was changed to (C) and corrected to read: (c) Each of the playstyles described in R19-3-704(B) may include a specific variant such as "automatic win feature", "doubler feature", "wild card" or "free space" that provides added or alternative methods of winning.
- G. R19-3-705. Ticket Validation Requirements.
1. The 1st letters in the 3 words in R19-3-705 were capitalized.
 2. "Arizona State Lottery" was changed to "Lottery" in (B)(1), (B)(6), and (B)(10).
 3. (B)(6) was changed to read: The play and prize symbols shall have the captions that confirm and agree with those applicable to that instant game.
 4. (B)(13) contains 2 typographical errors: "The play" was changed to "The play" and "right side up" was changed to "right-side-up".
- H. R19-3-706. Ticket Ownership and Payment of Instant Prize Winnings
- 1 (A) was changed to read: If the winning ticket was purchased by a group of players, the group shall designate 1 of the claimants to sign the ticket. Each claimant shall complete an individual claim form to receive the claimants' portion of the prize.
 2. (B) was changed to read: The Lottery shall only make payment to the claimant, less any authorized debt set-off amounts, who is also the ticket holder.
 3. (C) was changed to read: Prior to payment of a prize, a claimant who has signed the ticket may designate another claimant to receive the prize in signing a relinquishment of claim statement.
 4. (D) and (E) were deleted.
- H. R19-3-707. Claim Period
- 1 (A) was changed to read: "In order for the claimant to receive payment, a winning instant game ticket shall be received by the Lottery or a retailer no later than 5 p.m. (Phoenix time) on the 180th calendar day following the announced end of the instant game." The last sentence in subsection (A) was deleted.
 2. (B) was deleted.
 3. (C) was relettered to (B) and was changed to read: In the case of a drawing prize, the claimant must claim the prize no later than 5:00 p.m. (Phoenix time) on the final day designated by the Director and on file at the Lottery.
 4. (D) was relettered to (C) and was changed to read: The end of an instant game shall be designated by the Director and on file at the Lottery.
 5. (E) was relettered to (D) and was changed to read: The Director is authorized to place any person's eligible entry that was not entered in the grand prize drawing into a subsequent grand prize drawing or drawings which have an equal or greater grand prize value.
 6. (F) was deleted.
- I. R19-3-709. Disputes Concerning a Ticket
1. (A) was changed to read: If a dispute between the Lottery and a claimant occurs concerning a ticket, the Director is authorized to replace the disputed ticket with a ticket or tickets of equivalent sales price from any current instant game.
 2. (B) was changed to read: If a defective ticket is purchased, the Lottery shall replace the defective ticket with a ticket or tickets of equivalent sales price from any current instant game.
 3. (C) was changed to read: The Lottery shall not be liable for paying the difference in a prize amount previously paid to a claimant and the actual amount that should be paid unless the claimant provides documentation establishing (1) that the claimant was paid the lesser amount, and (2) that the claimant is entitled to a greater amount, according to the records on file at the Lottery and the criteria set forth in these rules and in order for the game approved by the Lottery Commission pursuant to A.R.S. § 5-504(C).

10. A summary of the principal comments and the agency response to them:

There were no comments.

- 11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:
None.
- 12. Incorporations by reference and their location in the rules:
Not applicable.
- 13. Was this rule previously adopted as an emergency rule?
No.
- 14. The full text of the rules follows:

TITLE 19. ALCOHOL, HORSE AND DOG RACING, LOTTERY, AND GAMING

CHAPTER 3. ARIZONA STATE LOTTERY COMMISSION

ARTICLE 3. INSTANT LOTTERY GAMES

R19-3-301. ~~Arizona Instant Games—General Provisions~~

ARTICLE 7. DESIGN AND OPERATION OF INSTANT GAMES

Section

- R19-3-701. Definitions
- R19-3-702. Game Profile
- R19-3-703. Game Playstyle
- R19-3-704. Determination of a Winning Ticket
- R19-3-705. Ticket Validation Requirements
- R19-3-706. Ticket Ownership and Payment of Instant Prize Winnings
- R19-3-707. Claim Period
- R19-3-708. Procedure for Claiming Prizes
- R19-3-709. Disputes Concerning a Ticket

ARTICLE 3. INSTANT LOTTERY GAMES

R19-3-301. ~~Arizona Instant Games—General Provisions~~

A. ~~Definitions. In this Article, unless the context otherwise requires:~~

- 1. ~~"Low tier" means any winning instant game ticket of up to \$100.00 that the Director specifies shall be redeemable at the instant game retailers.~~
- 2. ~~"Pack" means a group of 500 fanfolded tickets bearing a common "pack number."~~
- 3. ~~"Pack ticket number" means the nine digit number, with a hyphen between the first six and the last three digits, printed in gray black ink located on one line on the front of a ticket. The first six digits are the "pack number." The last three digits are the "ticket number."~~
- 4. ~~"Play symbol caption" means the small printed material under the latex on the ticket, located immediately beneath each play symbol, which spells out completely or in abbreviated form the play symbol. Only one of these captions appears under each play symbol and is printed in gray black ink.~~
- 5. ~~"Play symbol" means the symbol printed in gray black ink, which appears under the latex located on the front of the ticket. Each play symbol appears within the play area under the latex.~~
- 6. ~~"Retailer validation code" means the multi letter code which appears among the play symbols, under the latex, and on the ticket in varying locations. The retailer validation code is printed in gray black ink and used by retailers to verify low tier instant winning tickets.~~
- 7. ~~"Ticket" means an Arizona instant game ticket.~~
- 8. ~~"Validation number" means the unique eight digit number printed in gray black ink found under the latex on the front of the ticket.~~

B. ~~Price of tickets. Each ticket shall sell for no more than the dollar amount printed on the front of the ticket.~~

C. ~~Determination of prize winners.~~

- 1. ~~No more than the highest instant prize amount established shall be paid on a ticket.~~
- 2. ~~No portion of the display printing nor any extraneous matter is a playable part of a ticket.~~

D. ~~Ticket validation requirements.~~

- 1. ~~To be a valid ticket, all of the following requirements shall be met:~~
 - a. ~~A complete and fully legible play symbol caption corresponds with and appears with each play symbol, of which both are printed in gray black ink.~~
 - b. ~~The pack ticket number, retailer validation code, and validation number on the front of the ticket are present in their entirety, fully legible, and are printed in gray black ink.~~
 - c. ~~Each play symbol corresponds, using the Lottery's codes, to the pack ticket number and the validation number on the front of the ticket.~~
 - d. ~~The ticket is:~~
 - i. ~~Legible and not tampered with in any manner.~~
 - ii. ~~Not counterfeit in whole or in part.~~
 - iii. ~~Issued by the Lottery in an authorized manner and purchased through an instant game retailer.~~
 - iv. ~~Not stolen and not on any list of omitted tickets on file at the Lottery.~~
 - v. ~~Complete and without printing errors.~~
 - vi. ~~Equipped with exactly one pack ticket number, one validation number, one retailer validation code, and the specified number of play symbols with corresponding play symbol captions on the front of the ticket.~~
 - vii. ~~Able to pass all additional tests of the Lottery necessary for validation.~~
 - e. ~~Each play symbol, play symbol caption, retailer validation code, pack ticket number, and validation number is properly aligned and is not reversed in any manner.~~
 - f. ~~The ticket data is in the Lottery's official file of winning tickets and the ticket has not been previously paid.~~
 - g. ~~Each play symbol, play symbol caption, pack ticket number, and validation number on the ticket corresponds to the artwork on file at the Lottery.~~
 - h. ~~The display printing corresponds with the artwork on file at the Lottery.~~
- 2. ~~Any ticket not passing all of the validation requirements is void and ineligible for any prize payment.~~
- 3. ~~If a defective ticket is purchased, the only responsibility of the Lottery shall be the replacement of the defective ticket with an unplayed ticket in any current instant game.~~

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- E. Claim period. In order for the claimant to receive payment, an instant game prize shall be claimed within 180 days of the announced end of the instant game or, in the case of a drawing prize, within 180 days after the drawing in which the prize was won. Any prize not claimed within the period specified reverts to the unclaimed prize fund.
- F. Procedure for any instant game with a grand prize drawing.
 - 1. Finalists shall be selected in one or more elimination drawings or preliminary drawings. The Director shall determine the number of finalists to be selected in each drawing.
 - 2. The Director is authorized to place any person's entry that was not entered in the grand prize drawing process, and subsequently determined by the Director to have been entitled to the entry, into a subsequent grand prize drawing process having an equal or greater total value of prizes available.
 - 3. The dates, times, locations, and procedures for conducting any elimination drawing, preliminary drawing, or grand prize drawing shall be determined by the Director.
- G. Procedure for claiming prizes.
 - 1. To claim a low-tier instant game cash prize, a claimant shall:
 - a. Complete the back of the ticket.
 - b. Redeem the ticket in one of the following ways:
 - i. Present the ticket to the retailer from whom the ticket was purchased.
 - ii. Mail the ticket to the Lottery at the location printed on the back of the ticket.
 - iii. Hand deliver the ticket to the Lottery at 4740 East University Drive in Phoenix, or 2851 North Country Club in Tucson.
 - 2. The retailer or Lottery shall verify the claim and, if validated, make payment of the amount due to the claimant and void the ticket.
 - 3. If the retailer does not verify the claim, the claimant may appeal to the Director. Any claimant appealing the decision of the retailer shall:
 - a. Fill out a claim form obtained from any retailer.
 - b. Present or mail the completed form and the disputed ticket to the Lottery for validation at the Phoenix or Tucson office.
 - 4. To claim any other Arizona instant game prize, the claimant shall complete the back of the ticket and fill out a claim form obtained from any retailer. The ticket shall be redeemed in one of the following ways:
 - a. Mail the completed form and the ticket to the Lottery at the location listed on the back of the ticket.
 - b. Hand deliver the completed form and the ticket to the Phoenix or Tucson office.
 - 5. If a claim is:
 - a. Validated by the Lottery, a check shall be presented or mailed to the claimant in payment of the prize amount, less any authorized federal, state, and local withholding.
 - b. Not validated by the Lottery, the claimant shall be notified within 15 days from the day the claim is received in the Lottery office.
 - 6. If the death of a prize winner occurs, the Lottery shall pay all remaining prize money to the prize winner's beneficiary or to any person designated by an appropriate judicial order.
 - 7. The Lottery is discharged of all further liability upon payment of the prize money.
 - 8. Payment of prize money shall not be accelerated ahead of its normal date of payment.

- H. Disputes concerning a ticket.
 - 1. If a dispute between the Lottery and a claimant occurs concerning a ticket, the Director is authorized to replace the disputed ticket with a ticket of equivalent sales price from any current instant game.
 - 2. Replacement of the disputed ticket is the sole remedy for a claimant.
- I. Ticket ownership and responsibility for instant prize winnings and the grand prize drawing process.
 - 1. Until a ticket is signed, the ticket is owned by its physical possessor.
 - 2. When signed, the claimant whose signature appears on the ticket is the owner of the ticket and is entitled to the corresponding prize.
 - 3. If more than one signature appears on the ticket, the Director is authorized to require that one or more of those claimants be designated to receive payment.
 - 4. A claim form shall be submitted by each claimant who is designated by the Director to receive a portion of the prize claimed from the winning ticket.
 - 5. Any claim forms submitted shall be signed by all other claimants whose signatures appear on the ticket and who are relinquishing their individual claims to the winning ticket.
 - 6. Payment shall be made to any claimants designated on the claim form.
 - 7. The Lottery is not responsible for:
 - a. Lost or stolen tickets;
 - b. Tickets previously claimed in error by a claimant for a lower prize amount.
- J. Termination of the game. The termination date and time for an instant game shall be announced by the Director. No tickets in that game shall be sold after the announced termination date and time.
- K. Retailer conduct. Each retailer shall:
 - 1. Sell tickets in pack order, from 000 to last ticket number in pack.
 - 2. Not exchange Arizona instant game packs with other retailers.
- L. Promotional tickets. The Director shall authorize any tickets that are sold at a discount or are made available without charge for promotional purposes.
- M. Retailer incentives. Any retailer incentive programs that are offered shall be authorized by the Director.

ARTICLE 7. INSTANT LOTTERY GAMES

R19-3-701. Definitions

In this Article, unless the context otherwise requires:

- 1. "Game profile" means the written document that includes non-confidential game information including, but not limited to, the game prize structure, game playstyle, and special game features.
- 2. "High tier" means any instant game ticket prize of \$600 or more.
- 3. "Instant game" means a game that is played by removing the protective covering from a ticket to reveal the play and/or prize symbols that determine if a ticket holder is entitled to a prize or prizes.
- 4. "Low tier" means any instant game ticket prize of less than \$100.
- 5. "Mid-tier" means any instant game ticket prize of \$100 or more, up to and including \$599.
- 6. "Pack" means a group of tickets bearing a common identification number.

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7. "Pack-ticket number" means a unique multi-digit number that includes a game number, a pack number, and a ticket number which distinguishes each ticket from every other ticket within an instant game.
8. "PIN" means the designated characters within the validation number that allows an on-line terminal to validate an instant ticket.
9. "Play area" means the portion or portions of the ticket which contains the play symbol or symbols. More than 1 play area may appear on a ticket.
10. "Play symbols" mean the numbers, letters, symbols, or pictures printed in the play area of each instant ticket that determine if the ticket holder is entitled to a prize or prizes.
11. "Play symbol caption" means the printed characters under the protective covering on the ticket, located immediately below each play symbol, that verify the play symbol. No more than 1 play symbol caption appears under each play symbol.
12. "Prize structure" means the estimated number, value, and odds of winning prizes for an individual game.
13. "Prize symbol" means a character or characters printed that indicates the prize available in that game, as described in the Game Profile.
14. "Prize symbol caption" means the printed characters under the protective covering on the ticket, located immediately below each prize symbol. No more than 1 prize symbol caption appears under each prize symbol.
15. "Retailer validation code" means the multiple letters in the play area, under the protective covering that verify low- and mid-tier prize amounts.
16. "Theirs" means the opponent's play area or areas, (for example, "dealer's hand(s)", "house card(s)", "house roll(s)").
17. "Ticket" means paper stock containing a play area or areas and the game play data for an individual game.
18. "Ticket holder" means a person who has possession of an unsigned ticket, or a person whose signature appears on a signed ticket.
19. "Validation number" means the unique multi-digit code found under the protective covering on each ticket that is used to validate winning tickets.
20. "Yours" means the ticket holder's play area or areas (for example, "your hand(s)", "your card(s)", or "your roll(s)").

R19-3-702. Game Profile

- A. The Commission shall approve the individual Game Profile prior to the game being introduced to the public for sale.
- B. At a minimum, the Game Profile for each game shall contain the following information:
 1. Game name;
 2. Game number;
 3. Prize structure, including the number and size of prizes available, free tickets, and merchandise prizes, if applicable;
 4. Playstyle;
 5. Play symbols, including variant symbol or symbols, if any;
 6. Retailer validation codes;
 7. Special feature, if any;
 8. Retail sales price;
 9. Prize draw eligibility requirements, including filing period for eligibility in a winners drawing, if applicable.

R19-3-703. Game Playstyle

- A. The playstyle for an individual game shall be fully described in the Game Profile and shall be 1 of the following methods of play unless a different method is prescribed by another rule:
 1. Match Two,
 2. Match Three,
 3. Add-up,
 4. Tic-Tac-Toe,
 5. Key Symbol or Symbols Match,
 6. Key Symbol or Symbols Beat,
 7. Symbols in Sequence,
 8. Spellouts,
 9. In Between,
 10. Bingo.
- B. More than 1 game and more than 1 playstyle may appear on a ticket.

R19-3-704. Determination of a Winning Ticket

- A. The play symbols are the only determining factor for prize eligibility for a valid ticket.
- B. For each play area on an individual ticket, the player shall remove the protective covering to find the play symbols, or the play and prize symbols. Eligibility to win a prize is based on compliance with the designated playstyle as follows:
 1. Match Two. The player shall win the prize or prizes indicated by uncovering 2 identical play symbols on a play area.
 2. Match Three. The player shall win the prize or prizes indicated by uncovering 3 identical play symbols on a play area.
 3. Add-Up. The player shall win the prize or prizes indicated in either of the following ways:
 - a. The player adds up the play symbols and the amount is greater than or equal to the designated key symbol on the ticket, or
 - b. The player adds up the play symbols designated as "yours" and the total is greater than or equal to the key symbol or symbols designated as "theirs".
 4. Tic-Tac-Toe. The player shall win the prize or prizes indicated by uncovering 3 identical play symbols, in any row, column, or diagonal, on a 9 symbol grid on the play area.
 5. Key Symbol or Symbols Match. The player shall win the prize or prizes indicated by uncovering the play symbol or symbols which matches the designated key play symbol or symbols.
 6. Key Symbol or Symbols Beat. The player shall win the prize or prizes indicated by uncovering the play symbol or symbols designated as "yours" in the ticket play area which is greater than the play symbol or symbols designated as "theirs".
 7. Symbols in Sequence. The player shall win the prize or prizes indicated by uncovering the designated play symbols in a sequential order.
 8. Spellouts. The player shall win the prize or prizes indicated by revealing the play symbols to form the designated word or words.
 9. In Between. The player shall win the prize or prizes indicated by uncovering the play symbol or symbols designated as "yours" with a value less than the play symbol or symbols designated as "their high card" and greater than the play symbol or symbols designated as "their low card".
 10. Bingo. The player shall win the prize or prizes indicated by uncovering the play symbols on the "Caller's Card" play area that are identical to the play symbols on 1 or more of the "Player's Card" which are located on the

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"Player's Card in 1 or more of the following ways as indicated on the ticket:

- a. Five consecutive play symbols, including the "free" play symbol, if appropriate, in any horizontal, vertical, or diagonal line; or
- b. Play symbols in all 4 corners; or
- c. All 5 consecutive play symbols in the top row, the bottom row, and the 1st and 5th columns, forming an outer frame pattern; or
- d. The 2nd, 3rd, and 4th play symbols in the 2nd row, the 4th row, the 2nd column, and the 4th column forming an inner frame pattern; or
- e. The 1st, 2nd, 4th, and 5th play symbols in the 1st, 2nd, 4th, and 5th rows, forming a box pattern in each of the 4 corners; or
- f. The 3rd play symbol in the 1st and 5th rows, the 2nd and 4th play symbols in the 2nd and 4th rows, and the 3rd play symbol in the 1st and 5th rows, forming a diamond pattern; or
- g. The 3rd, 4th, and 5th play symbols in the 1st and 5th rows, the 2nd and 3rd play symbols in the 2nd and 4th rows, the 3rd play symbol in the 1st row, and the "free" play symbol, forming an "A" pattern; or
- h. The 1st, 2nd, 3rd, 4th, and 5th play symbols in the 1st and 5th rows, and the 1st play symbols in the 2nd, 3rd, and 4th rows, forming a "C" pattern; or
- i. The 1st, 2nd, 3rd, 4th, and 5th play symbols in the 1st column, and the 2nd, 3rd, 4th, and 5th play symbols in the 5th row, forming an "L" pattern; or
- j. The 1st, 2nd, 3rd, 4th, 5th play symbols in the 1st and 5th columns, and the 3rd play symbol in the 2nd and 4th columns, and the "free" play symbol, forming an "H" pattern; or
- k. The 1st, 2nd, 3rd, 4th, and 5th play symbols in the 1st row, and the 2nd play symbol in the 3rd column, the "free" play symbol, and the 4th and 5th play symbols in the 3rd column, forming a "T" pattern; or
- l. Five consecutive play symbols in both diagonals forming an "X" pattern; or
- m. The 1st, 2nd, 3rd, 4th, and 5th play symbols in the 1st row and 5th row, the 2nd play symbol in the 4th column, the "free" play symbol, and the 4th play symbol in the 2nd column, forming a "Z" pattern; or
- n. The 1st, 2nd, 3rd, 4th, and 5th play symbols in the 1st row, the 2nd play symbol in the 4th column, the "free" play symbol, the 4th play symbol in the 2nd column, and the 5th play symbol in the 1st column, forming a "7" pattern; or
- o. All of the play symbols in the 1st, 2nd, 3rd, 4th, and 5th rows, and the "free" play symbol, creating a "blackout".

C. Each of the playstyles described in subsection (B) may include a specific variant such as "automatic win feature", "doubler feature", "wild card", or "free space" that provides added or alternative methods of winning.

R19-3-705. Ticket Validation Requirements

- A. Each instant game ticket shall be valid and validated prior to payment of a prize.
- B. To be a valid ticket, all of the following requirements shall be met:
 1. The ticket shall not be stolen or appear on any list of omitted tickets on file with the Arizona State Lottery Commission;
 2. The ticket shall not be counterfeit or forged, in whole or in part;

3. The ticket shall not be mutilated, altered, unreadable, reconstituted, or tampered with in any manner;
4. The ticket shall not be blank, partially blank, misregistered, defective, or printed or produced in error;
5. The play and prize symbols shall have the captions that confirm and agree with those applicable to that instant game;
6. The ticket shall have been issued by the Arizona State Lottery Commission in an authorized manner;
7. The ticket shall have been legally obtained;
8. The ticket shall pass the confidential validation and security tests appropriate to the applicable playstyle;
9. The display printed on the ticket shall correspond precisely with the approved artwork on file at the Arizona State Lottery Commission;
10. The validation number of a winning ticket shall appear in the Arizona State Lottery Commission's official file of validation numbers of winning tickets. A ticket with that validation number shall not have been paid previously;
11. All of the ticket symbols originally printed on the ticket shall appear in the play area on the ticket and shall correspond to those shown in the Game Profile;
12. The play and prize symbols shall have the required captions that confirm and agree with those of the appropriate instant game;
13. The ticket shall contain exactly 1 ticket validation number, 1 retailer validation code, 1 game number, 1 pack-ticket number, and 1 PIN number. The play and prize symbols, the play and prize symbol captions, ticket validation number, retailer validation code, game number, pack-ticket number, and PIN number shall be right-side up and not reversed in any manner.

R19-3-706. Ticket Ownership and Payment for Instant Prize Winnings

- A. If the winning ticket was purchased by a group of players, the group shall designate 1 of the claimants to sign the ticket. Each claimant shall complete a individual form to receive the claimants' portion of the prize.
- B. The Arizona State Lottery Commission shall only make payment to the claimant, less any authorized debt set-off amounts, who is also the ticket holder.
- C. Prior to payment of a prize, a claimant who has signed the ticket may designate another claimant to receive the prize by signing a relinquishment of claim statement.

R19-3-707. Claim Period

- A. In order for the claimant to receive payment, a winning instant game ticket shall be received by the Arizona State Lottery Commission no later than 5 p.m. (Phoenix time) on the 180th calendar day following the announced end of the instant game.
- B. In the case of a drawing prize, the claimant must claim the prize no later than 5 p.m. (Phoenix time) on the final day designated on file at the Arizona State Lottery Commission.
- C. The end of an instant game shall be designated by the Director and on file at the Arizona State Lottery Commission
- D. The Director is authorized to place any person's eligible entry that was not entered in the grand prize drawing into a subsequent grand prize drawing or drawings which have an equal or greater grand prize value.

R19-3-708. Procedure for Claiming Prizes

- A. To claim a low- or mid-tier instant game cash prize, a claimant may take the ticket to a retailer or to a Lottery office, or mail the ticket to a Lottery office for validation. If the claim is verified and if the ticket is validated as a winning ticket, the Lottery or the retailer shall make payment of the amount due to

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the claimant. If the retailer does not verify the claim, validate the ticket, or pay the amount due, the claimant may take or mail the ticket to a Lottery office for verification and validation. If the ticket is validated in accordance with these rules, the claimant shall receive payment.

- B. To claim a high-tier instant game prize, the claimant shall sign the back of the ticket, and take or mail the ticket and claim form to a Lottery office for validation. If the claim is verified and the ticket is validated as a winning ticket, the Arizona State Lottery Commission shall make payment of the amount due to the claimant. The claimant shall be notified if the ticket is not validated as a winning ticket by the Arizona State Lottery Commission.
- C. If a prize winner dies prior to receiving full payment, the Arizona State Lottery Commission shall pay all remaining prize money to the prize winner's beneficiary or to any person designated by an appropriate judicial order.
- D. The Arizona State Lottery Commission shall be discharged of all liability upon payment of the prize money.
- E. Payment of prize money shall not be accelerated ahead of its normal date of payment.

R19-3-709. Disputes Concerning a Ticket

- A. If a dispute between the Arizona State Lottery Commission and a claimant occurs concerning a ticket, the Director is authorized to replace the disputed ticket with a ticket of equivalent sales price from any current instant game.
- B. If a defective ticket is purchased, the Arizona State Lottery Commission shall replace the defective ticket with a ticket or tickets of equivalent sales price from any current instant game.
- C. The Arizona State Lottery Commission shall not be liable for paying the difference in a prize amount previously paid to a claimant and the actual amount that should be paid unless the claimant provides documentation establishing:
 - 1. That the claimant was paid the less amount; and
 - 2. That the claimant is entitled to a greater amount, according to the records on file at the Arizona State Lottery Commission and the criteria set forth in these rules and in orders for the game approved by the Arizona State Lottery Commission pursuant to A.R.S. § 5-504(C).