



*Arizona Administrative Register*  
**Notices of Proposed Rulemaking**

R13-3-602	New Section
R13-3-603	New Section
R13-3-604	New Section
Article 7	New Article
R13-3-701	New Section
R13-3-702	New Section
R13-3-703	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. § 28-1108(C)

Implementing statutes: A.R.S. § 28-1108

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

Name: Lt. K.F. Barton  
Address: Special Services Region  
2610 South 16th Street  
or  
P.O. Box 6638  
Phoenix, Arizona 85005-6638  
Telephone: (602) 223-2522  
Fax: (602) 223-2508

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

The Department of Public Safety is updating and reorganizing the rules regulating tow trucks. Except for minor changes in 1985, these rules have not been updated for 25 years. In the meantime, tow trucks, tow truck equipment and related safety standards have changed significantly. With assistance from members of the Motor Vehicle Towing Advisory Council and other interested parties, the Department is repealing the existing rules at 13 A.A.C. 3 and replacing them with new rules in a concurrent rulemaking. The new rules reflect the current rulemaking style, are easier to understand, are consistent with standards in the towing industry, and will provide safer conditions for tow truck operators and the motoring public.

5. **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.

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

*Introduction.* This preliminary summary presents the Department's estimates of costs, benefits and economic impacts of the revised rules. Anyone with supporting or contrary information on this subject is encouraged to submit that information at 1 of the 4 public hearings the Department will conduct. A person may also send comments by mail during the public comment period, which will conclude at 5 p.m., February 27, 1998. After the public comment period, the Department will complete a final analysis of the economic impacts and publish the results with the final rule. Therefore, the final Economic, Small Business, and Consumer Impact Statement may differ from the findings presented in this summary.

*Proposed rulemaking.* The purpose of the proposed rulemaking is to update and improve the Tow Truck rules. The revised rules differ from the current rules in 4 ways. First, emphasis is placed on clarity to ensure the rules are easier to understand, including an increase in definitions from 7 to 43. Second, unnecessary citations to Arizona Revised Statutes are removed. Third, the section on administrative hearings is deleted because appeals are now heard by the Office of Administrative Hearings. Fourth, newer types of tow trucks will have to obtain permits and comply with the standards for their class of tow trucks. These changes are authorized by A.R.S. § 28-1108(C).

*Impact statement summary.* The only substantive changes in the proposed rules are: (1) phasing out of certain light-duty and medium-duty tow trucks over a period of 7 years, and (2) the inclusion of new types of tow trucks known as "truck-tractor semi-trailers". These new tow trucks rightfully belong under the purview of A.R.S. § 28-1108. Changes to the remaining Tow Truck Rules will have minimal impact on tow truck companies, small businesses, consumers, government agencies and the economy. The revised rules do not change the basic requirements for company registration, financial responsibility, annual inspections, a permit decal for each tow truck, and compliance with the specifications and requirements for each type of tow truck.

a. **Estimated Costs and Benefits to the State and the Department**

**COSTS:** The current budget for the Tow Truck Unit is \$117,500 per year. The Department estimates that the cost for implementing the new rules will be about \$155 per year. The components of incremental cost are estimated at \$125 for mileage and \$30 for permit decals. These estimates are based on the cost of processing 90 truck-tractor semi-trailers (hereafter referred to as "new style tow trucks").

**BENEFITS:** The primary mission of the Tow Truck Unit is public safety. This is accomplished by requiring tow truck companies and operators to: obtain and use the right equipment for each call-for-service, maintain their tow trucks and equipment in a safe and serviceable condition, and participate in an annual inspection of each tow truck. The Department also conducts random

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checks of tow trucks and their operators. Citations are issued when appropriate. Based on its experience, the Department attests that the cost of enforcing these rules is more than offset by safer operation of tow trucks, thereby helping to protect the motoring public and tow truck drivers.

**b. Estimated Costs and Benefits to Businesses, including Small Businesses**

**COSTS:** Businesses directly affected by these rules include large, medium and small tow truck companies, including owner/operators. The rules require a company to register with the Department, apply for a permit for each tow truck, and submit to an annual pass/fail safety inspection of each tow truck. Registering and applying for a permit involve nominal time and expense. The annual inspection takes about 30 minutes per tow truck, during which time the truck is "out-of-service". If deficiencies are noted during a safety inspection, the truck remains out-of-service until the deficiencies are corrected. It is estimated that being out-of-service during an annual inspection may cost a tow truck company gross revenue averaging \$65 per truck. This is not a new cost for the 820 companies and 1,809 tow trucks currently registered with the Department. However, when these rules become effective, about 90 new style tow trucks will be subject to the Department's inspections for the 1st time. Tow truck companies typically pass on to their customers all of the direct costs associated with annual inspections and random safety checks.

**BENEFITS:** The Department minimizes out-of-service time for inspections by making appointments with tow truck companies and traveling to the owners' sites to conduct the safety inspections. Annual inspections and random checks alert tow truck companies to deficiencies that pose potential hazards or liability. When deficiencies are found and corrected, tow truck operations are safer, thus reducing breakdowns, accidents, time delays, industrial compensation claims, and accident insurance premiums. As a result of these interactions, the Department estimates that its inspections and enforcement activities benefit tow truck companies, their operators, and the motoring public by avoiding costs averaging \$750,000 per year.

**c. Estimated Costs and Benefits of phasing out "Grandfathered" Tow Trucks**

**COSTS:** Under the new rules, about 300 light- and medium-duty tow trucks will be phased out over a 7-year period under a grandfather clause that begins on the effective date of the rules. If the owners do not sell the trucks during the phase-out period, the owners may incur an average capital equipment loss of about \$1,000 per truck when fully depreciated. After the 7-year phase-out period, the owners may still disassemble and sell the trucks for parts.

**BENEFITS:** Removal of grandfathered tow trucks, which do not meet current wheelbase and weight standards, will improve the margin of safety for tow truck operations.

As grandfathered trucks are replaced by new or upgraded tow trucks, the tow truck manufacturers and related businesses will profit from sales and service of new or used trucks. The newer trucks are faster and more efficient to operate, further benefiting the tow truck companies. Repair shops will also benefit by maintaining or upgrading used trucks to assure full compliance with current requirements. Based upon these facts and its experience with tow truck companies, the Department estimates that phasing-out the grandfathered tow trucks will increase revenues from tow truck sales, upgrades, and more efficient operations by \$1,000,000 over 7 years.

**d. Estimated Benefits to Police, Public Safety and Emergency Service Agencies**

It is estimated that police and fire agencies in the state now expend 20% of their time responding to and controlling traffic accident scenes. This has required public safety officials to divert personnel and equipment to traffic control instead of other priorities.

**BENEFITS:** A prompt response by a properly equipped tow truck reduces the time spent by public safety and emergency service agencies at traffic accident scenes. At a typical accident scene, a police officer directs traffic while paramedics attend the injured. Upon arrival, a tow truck operator removes inoperable motor vehicles and clears the street or highway of debris. When the scene is cleared, the officer restores normal traffic flow. It is estimated that timely arrival of a properly equipped tow truck helps reduce secondary accidents and saves an average of 15 minutes in clearing an accident scene. Based on 72,800 accidents with injuries in 1996, it is estimated that timely arrival of tow trucks will benefit Arizona police and fire agencies with time savings of approximately 18,200 hours per year. At a burdened average cost of \$26 per hour per employee, public safety agencies (and indirectly the general public) will save about \$473,200 per year.

**e. Estimated Costs and Benefits to Private Persons/Consumers**

**COSTS:** When a member of the motoring public has a disabling accident or a breakdown, a tow truck company is usually called to remove the vehicle and take it to a repair facility or a location designated by the customer, a police officer, or a tow truck rotation schedule. If the owner is unknown or unavailable, the vehicle is usually impounded at the tow truck company's facility. Fees for towing services range from \$1.50 to \$2.50 per mile, plus a minimum fee of \$40 to \$75 for light- and medium-duty tow trucks. In urban areas, the average towing fee is about \$75, and an average storage fee is about \$15 per day. Assuming that half of the injury accidents result in towing and storage for at least a day, the cost for towing damaged vehicles is about \$3,276,000 annually (36,400 injury accidents, times \$90 a day = \$3,276,000).

**BENEFITS:** Persons involved in a traffic accident or stranded with a disabled vehicle benefit directly from the services provided by tow truck companies. When tow trucks are properly equipped and maintained, responsiveness improves and consumers benefit from reduced stress, inconvenience, and lost time. Additionally, owners of inoperable vehicles benefit from the requirement that tow truck companies maintain liability insurance. If a towed vehicle incurs ancillary damages while being handled, towed, or stored by a tow truck company, the owner can file a claim against the company. And when the value of a towed vehicle exceeds the towing, storage and repair charges, the customer saves the residual value of the vehicle. Therefore, the Department

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estimates that the collective value of these consumer benefits exceeds \$340,000 per year.

**f. Estimated Costs and Benefits to the Economy, Government & Tow Truck Companies**

**COSTS:** These rules will have no significant impact on the economy. If there is a measurable impact, it will be positive and attributable to the manufacturing and sale of upgraded and new style tow trucks which operate more efficiently. Furthermore, these rules will not increase costs to government agencies nor the costs of operating tow truck companies. The rules will require "new style tow trucks" to be registered and the "grandfathered" trucks to be phased out, as described above in (b) and (c) of this Preamble. Costs of these requirements are presented in their respective subsections.

**BENEFITS:** Tow Truck companies benefit the economy by creating jobs, training operators, and providing necessary services in their communities. Tow Truck companies may also benefit by receiving a contract or being placed on a rotation list to provide towing services for political subdivisions and other businesses. In about 5% of the tows, the towing company also profits from storage fees which average \$50 to \$100 a week. In addition, under A.R.S. § 28-321, towing companies may obtain abandoned vehicle titles that allow them to sell unclaimed vehicles. It is estimated that tow truck companies collectively net over \$350,000 annually from storage fees and the sale of unclaimed vehicles. Based upon these various services, it is estimated that Arizona's towing companies annually receive over \$30,000,000 in gross revenue. In turn, cities, counties and state agencies benefit from the licenses and taxes paid by tow truck companies. (Note: The Department has no authority to regulate towing and storage fees except when contracting for services under A.R.S. § 28-1108(E).

**g. Consideration of A.R.S. § 41-1035**

Arizona has about 600 small tow truck companies. As described below, the Department strives to minimize the impact of its rules on small businesses.

- i. The registration, application and permit procedures are short and simple.
- ii. Proof of financial responsibility is required by A.R.S. § 28-4033.
- iii. If a tow truck's registration changes, the company simply updates the Department's records by submitting a revised registration.
- iv. When an inspection deficiency is noted, the Department issues a new permit as soon as the company corrects the deficiency.
- v. The only schedule or deadline for compliance is the annual safety inspection of each tow truck. A tow truck company may contact the Department within 30 days before expiration of a permit and make an appointment for an inspection. If a tow truck fails an annual inspection, the Department will issue a new permit decal as soon as the deficiency is corrected.
- vi. The Department also assists small tow truck companies and owner, operators or both, by calling and making appointments to meet at a location reasonably convenient to companies in that area. This cooperative effort helps small companies by reducing their travel time and the costs of attending annual safety inspections.
- vii. To avoid arbitrary standards, the Department relies upon manufacturers' wheel base, maximum weight and other specifications for their tow trucks.
- viii. To exempt small tow truck companies from these rules would violate the statutes and pose significant liability to the state. Likewise, to exempt the new style trucks would violate the statutes and pose significant liability to the state.

**h. Summary of Costs and Benefits (Annualized) Costs:**

To the state and the Department - \$117,655;  
To small, medium and large towing companies (average) - \$123,500;  
To owners of "grandfathered" tow trucks (over 7 years) - \$300,000;  
To consumers (towing and storage fees @ \$90 a day) - \$3,276,000; and  
To the economy, government, and tow truck companies (expenses) - \$1,000,000  
Total Costs = \$4,817,155

**Benefits:**

To the State and the Department - Value exceeds cost  
To small, medium and large towing companies (site inspections) - \$750,000  
To manufacturing, sales and towing companies (faster, more efficient) - \$1,000,000  
To public safety and emergency service personnel (time savings) - \$473,000  
To persons and consumers (insurance and value of vehicles) - \$340,000  
To the economy, government, and tow truck companies (revenue and taxes) - \$30,000,000  
Total Benefits = \$32,563,000

**7. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business and consumer impact statement:**

Name: Lt. K.F. Barton  
Address: Special Services Region  
P.O. Box 6638  
Phoenix, Arizona 85005-6638  
Telephone: (602) 223-2522  
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8. **The time, place, and nature of the proceedings for the adoption, amendment, or repeal of the rule or, if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:**

The Department of Public Safety will hold public hearings on the proposed rules as follows:

Date/Time: February 17, 1998, from 10 a.m. - Noon  
Location: Mayor and Council Chambers, City of Yuma  
Address: 180 West First Street  
Yuma, Arizona 85364  
Parking: Available at the National Guard Armory, east of the City Hall

Date/Time: February 19, 1998, from 10 a.m. - Noon  
Location: Mayor and Council Chambers, City of Tucson  
Address: 255 West Alameda  
Tucson, Arizona 85701  
Parking: Available at or near the City Hall, Tucson

Date/Time: February 24, 1998, from 10 a.m. - Noon  
Location: Peace Officers Standards & Training Center  
Address: 2643 East University Drive  
Phoenix, Arizona 85034  
Parking: Available on the east and south sides of the POST building

Date/Time: February 26, 1998, from 10 a.m. - Noon  
Location: City Council Chambers, City of Flagstaff  
Address: 211 West Aspen  
Flagstaff, Arizona 86001  
Parking: Available on the east side in front of the City Hall or on Sitgreaves

Written comments on the proposed rules, or comments on the preliminary economic, small business, and consumer impact statement must be received at the address listed in question #7 by 5 p.m., February 27, 1998.

Any person with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Department at voice telephone number (602) 223-2685, or the appropriate TDD telephone number: Phoenix (602) 223-2000; Tucson (520) 746-4500; or Flagstaff (520) 773-3600. In the event of an emergency, call 800-352-4557. Requests should be made as early as possible to allow time to arrange the accommodation.

9. **Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**  
Not applicable.

10. **Incorporations by reference and their location in the rules:**  
Not applicable.

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

**TITLE 13. PUBLIC SAFETY**  
**CHAPTER 3. DEPARTMENT OF PUBLIC SAFETY**  
**TOW TRUCKS**

**ARTICLE 1. DEFINITIONS AND SCOPE**

Section  
R13-3-101. Definitions  
R13-3-102. Scope of Chapter

**ARTICLE 2. REGISTRATION OF TOW TRUCK COMPANIES**

Section  
Volume 4, Issue #4

R13-3-201. Registration Form and Procedure

**ARTICLE 3. TOW TRUCK PERMITS AND ANNUAL TOW TRUCK SAFETY INSPECTION**

Section  
R13-3-301. Financial Responsibility Requirements  
R13-3-302. Application Form and Procedures  
R13-3-303. Change of Ownership or Information  
R13-3-304. Annual Safety Inspection by the Department

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**ARTICLE 4. TOW TRUCK SPECIFICATIONS**

Section

- R13-3-401. Tow Truck Safety Inspections by Class  
R13-3-402. Tow Truck Minimum Cab to Axle or Wheel Base Measurement  
R13-3-403. Light-Duty Tow Truck Specifications  
R13-3-404. Light-Duty Car Carrier or Light-Duty Truck Tractor and Trailer Combination Specifications  
R13-3-405. Medium-Duty Tow Truck Specifications  
R13-3-406. Medium-Duty Car Carrier or Medium-Duty Truck Tractor and Trailer Combination Specifications  
R13-3-407. Heavy-Duty Tow Truck Specifications  
R13-3-408. Heavy-Duty Truck Tractor and Trailer Combination Specifications  
R13-3-409. Grandfathered Light-Duty Tow Truck Specifications  
R13-3-410. Grandfathered Medium-Duty Tow Truck Specifications

**ARTICLE 5. TOW TRUCK EQUIPMENT REQUIREMENTS**

Section

- R13-3-501. Identification Requirements  
R13-3-502. Axle, Wheel, and Tire Requirements  
R13-3-503. Brake Requirements  
R13-3-504. Chain, Strap, and Hook Requirements  
R13-3-505. Warning Lamp Requirements  
R13-3-506. Work Lamp Requirements  
R13-3-507. Portable Tail, Stop, and Signal Lamp Requirements  
R13-3-508. Mirror Requirements  
R13-3-509. Shovel and Broom Requirements  
R13-3-510. Oil and Fluid Absorbing Materials Requirements  
R13-3-511. Snatch Block Requirements  
R13-3-512. Electric Lantern or Flashlight Requirements  
R13-3-513. Fire Extinguisher Requirements  
R13-3-514. Steering Wheel Clamp Requirements  
R13-3-515. Tow Sling, Tow Plate, or Tow Bar Requirements  
R13-3-516. Wire Rope Requirements

**ARTICLE 6. REQUIREMENTS OF TOW TRUCK COMPANIES AND TOW TRUCK COMPANY AGENTS**

Section

- R13-3-601. Operator Requirements  
R13-3-602. Company Requirements  
R13-3-603. Minimum Standards for Operations  
R13-3-604. Prohibited Operations

**ARTICLE 7. ENFORCEMENT**

Section

- R13-3-701. Grounds for Suspension of a Tow Truck Permit Decal  
R13-3-702. Grounds for Revocation of a Tow Truck Permit Decal  
R13-3-703. Appeals

**ARTICLE 1. DEFINITIONS AND SCOPE**

**R13-3-101. Definitions**

In addition to the definitions in A.R.S. §§ 28-101 and 41-1701, in this Chapter:

"Agent" means an individual employed by a tow truck company, including an individual who is an independent contractor.

"Alter" means an addition, modification, or removal of any equipment or component after a tow truck has received a per-

mit decal from the Department, which may affect the operations of the tow truck, compliance with the statutes or rules applicable to tow trucks, or the health, safety, or welfare of any individual.

"Applicant" means a tow truck company that submits a permit application to the Department.

"Bed assembly" means the part of a tow truck that is located behind the cab and attached to the frame and is used to mount a boom assembly, hoist, winch, other platform, or equipment for transporting vehicles.

"Boom assembly" means a prefabricated device, consisting of sheaves, 1 or more winches, and wire rope, that is attached to a tow truck frame and used to lift or tow another vehicle.

"Cab to axle measurement" means the distance, expressed in inches, from the bottom of the outside rear of the cab through the horizontal center line to the center point of the rear-most axle.

"Cab to bogie measurement" means the distance, expressed in inches, from the outside rear of the cab through the horizontal center line to the point between the centers of the tandem rear axles.

"Car carrier" means a vehicle designed to transport 1 or more motor vehicles on a platform attached to a transporting vehicle's frame, and is equipped with a winch and may be equipped with a wheel lift or tow bar.

"Car transporter" means a multi-tiered vehicle or combination of multi-tiered vehicles designed to transport no more than 4 vehicles simultaneously.

"Collision" means an unintentional incident involving 1 or more moving or non-moving motor vehicles that meets any of the following criteria:

1. Causes more than \$500 damage to a vehicle's load;
2. Causes any damage to a vehicle, unless the damage is caused by debris and amounts to \$500 or less; or
3. Results in death, bodily injury, or damage to property other than a vehicle or a vehicle's load.

"Collision recovery work" means towing or removing a vehicle from a highway or roadway on which the vehicle was involved in a collision or traffic incident.

"Department" means the Arizona Department of Public Safety.

"Director" means the Director of the Arizona Department of Public Safety or the Director's designee.

"Emergency-brake system" means the mechanical components used to slow or stop a vehicle after a failure of the service-brake system.

"Fifth-wheel assembly" means a horizontal wheel that consists of an upper and lower plate which are joined by a tongue and pinion latching device that allows the plates to rotate on each other above the drive axle of a truck tractor.

"Fifth-wheel truck" means a motor vehicle equipped with a fifth-wheel assembly and designed to tow other vehicles or trailers.

"Flatbed" means an open platform without sides, that is located behind the cab and attached to the frame of a truck tractor or trailer.

"G.V.W.R." (Gross Vehicle Weight Rating), means the value specified by the manufacturer of a tow truck as the maximum total combined weight of the tow truck and its load.

"Hoist" means an assembly of ropes and pulleys used to lift heavy or cumbersome objects.

"Hook end" means the curved tip of a wire rope, which is coiled around the drum of a winch, located opposite the end of the wire rope secured to the winch.

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"Parking-brake system" means the mechanical components used to prevent movement of a vehicle, including a loaded tow truck, while the vehicle is standing or parked.

"Permit decal" means the non-transferable label that a tow truck company is required to obtain before operating a tow truck for the purpose of towing a vehicle.

"Pintle hook" means a pivot ring and pin with a locking mechanism that is secured to the rear of a tow truck and used to connect a towed vehicle to the tow truck by means of a tongue or drawbar.

"Power assisted" means a service-brake system that is equipped with a booster to supply additional power to the service-brake system by means of air, vacuum, electric, or hydraulic pressure.

"Power-operated winch" means a machine used for hauling, hoisting, or pulling that is operated by electrical, mechanical, or hydraulic power.

"Serviceable condition" means to be capable of performing in the manner intended.

"Service-brake system" means the electrical, mechanical, or hydraulic components used to slow or stop a vehicle that is in motion.

"Snatch block" means a metal case that encloses 1 or more pulleys and can be opened to receive the bight of a wire rope and is used to redirect energy from a winch to a towed vehicle.

"Steering-wheel clamp" means a device used to secure in a fixed position the handwheel by means of which the course of a vehicle is directed.

"Tow bar" means a coupling device that is attached to the rear of a tow truck and used to secure a towed vehicle to the tow truck by chains or hooks.

"Tow plate" means a solid metal support that is attached to the rear of a tow truck and used to secure a towed vehicle to the tow truck by chains or hooks.

"Tow sling" means a device consisting of 2 or more flexible straps that are attached to the boom assembly of a tow truck and used to hoist a towed vehicle by chains or hooks.

"Tow truck" means a motor vehicle that is altered or designed to pull or transport 1 or more other vehicles and includes:

1. A truck tractor that pulls a trailer or semi-trailer;
2. A motor vehicle that has a tow sling, tow plate, or tow bar, or underlift or wheel lift attached to the rear of the vehicle;
3. A motor vehicle that has a boom assembly or hoist attached to its bed or frame;
4. A wrecker;
5. A 5th-wheel truck with trailer;
6. A truck or trailer with a flatbed; and
7. A car carrier.

"Tow truck company" means a person that owns or leases 1 or more tow trucks and operates the tow trucks to tow or transport 1 or more other vehicles upon a street or highway for a fee or compensation of any kind.

"Traffic incident" means damage to a moving or non-moving vehicle or its load that is not caused by driver error and does not meet the criteria of a collision. Traffic incident includes damage caused by a dust storm, hail, rock slide, or vandalism. Traffic incident also includes damage caused by a vehicle striking road debris if the cost of the damage is \$500 or less.

"Truck-tractor protection valve" means a device that supplies air to the service-brake system of a trailer to release the service brakes while the trailer is being towed by a truck-tractor,

or to activate the service brakes if the supply of air from the truck tractor to the trailer is disconnected or depleted.

"Under lift" means an electrical, mechanical, or hydraulic device that is attached to the rear of a tow truck and used to lift the front or rear of a vehicle by its axles or frame so the vehicle can be towed.

"Wheel base" means the distance, expressed in inches, from the center of the front axle hub to the center of the rear axle hub, or if there are tandem axles, the distance from the center of the front axle hub to the center point of the rear tandem axle hub.

"Wheel base weight retention" means the minimum amount of weight on the steering axle of a tow truck necessary for the tow truck to maintain steering and braking action while towing or transporting another vehicle.

"Wheel lift" means an electrical, hydraulic, or mechanical device that is attached to the rear of a tow truck and used to lift the front or rear of a vehicle by its tires or wheels so the vehicle can be towed.

"Wire rope" means flexible, steel-wire strands that are twisted or braided together, and may surround a hemp or wire core.

"Work lamp" means a lighting system that is mounted on a tow truck and capable of illuminating an area to the rear of the tow truck.

"Wrecker" means a motor vehicle equipped with a power winch or boom assembly and a tow sling, tow plate, or tow bar and designed to hoist and tow other motor vehicles.

**R13-3-102. Scope of Chapter**

These rules apply only to tow truck companies. These rules do not apply to a vehicle transporter regulated by the Federal Motor Carrier Safety Regulations.

**ARTICLE 2. REGISTRATION OF TOW TRUCK COMPANIES**

**R13-3-201. Registration Form and Procedure**

- A. In accordance with ARS § 28-1108, a tow truck company shall register with the Department before operating a tow truck to tow a vehicle.
- B. A tow truck company that operates a tow truck to tow a vehicle on or before the effective date of these rules may continue to operate the tow truck to tow vehicles for 60 days. Within 60 days after the effective date of these rules, a tow truck company that operates a tow truck to tow a vehicle shall register with the Department in accordance with this Section.
- C. To register with the Department, a tow truck company shall complete and submit to the Department a tow truck company registration form. Forms may be obtained from the Department of Public Safety, Tow Truck Unit, in Phoenix, Arizona, or at other locations designated by the Department. The tow truck company shall have the registration form notarized or shall sign the registration form in the presence of a Department officer.
- D. A tow truck company shall provide the following information on the tow truck company registration form:
  1. The name, address, and telephone number of the tow truck company;
  2. The type of business organization of the tow truck company;
  3. The names and addresses of all persons who own at least 10% of the tow truck company; and
  4. The names of all individuals who act as agents of the tow truck company and the role performed by each agent.

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- E. A tow truck company shall submit a registration form to the Department of Public Safety, 2102 West Encanto Boulevard, Phoenix, Arizona 85009, or to the Department of Public Safety, Tow Truck Unit, P.O. Box 6638, Phoenix, AZ 85005-6638.
- F. Within 14 days of receiving a completed tow truck company registration form, the Department shall stamp the form as received and return a copy of the stamped form to the tow truck company.
- G. A tow truck company shall maintain a copy of the stamped tow truck company registration form at the address indicated on the form.
- H. A tow truck company shall submit to the Department a revised tow truck company registration form within 10 days of a change in any of the information provided in the original tow truck company registration form.

**ARTICLE 3. TOW TRUCK PERMITS AND ANNUAL TOW TRUCK SAFETY INSPECTIONS**

**R13-3-301. Financial Responsibility Requirements**

- A. A tow truck company shall maintain at least the minimum limits of financial responsibility required by A.R.S. § 28-4032.
- B. A tow truck company shall provide proof of insurance to the Department when filing a permit decal application. A Form E or a certificate of insurance may be used as proof of insurance.
- C. A tow truck company shall ensure that the Form E or certificate of insurance submitted to the Department includes:
  - 1. name of the insured.
  - 2. name and address of the insurance issuer.
  - 3. policy number.
  - 4. amount of liability coverage, and
  - 5. date on which the policy expires.
- D. A tow truck company shall obtain insurance from an insurance company authorized to transact business in Arizona by the Arizona Department of Insurance or the state in which the business is located.
- E. A tow truck company shall require its insurance issuer to name the Department as an additional insured and to provide the Department with at least 30 days notice of any change in the status of the policy.

**R13-3-302. Permit Application Forms and Procedures**

- A. A tow truck company shall obtain a permit decal for each tow truck owned or leased by the company before operating the tow truck to tow a vehicle.
- B. A tow truck company shall apply for a permit decal on an application form obtained from the Department. Forms may be obtained from the Arizona Department of Public Safety, Tow Truck Unit, in Phoenix, Arizona, or at other locations designated by the Department. The tow truck company shall have the permit decal application notarized or shall sign it in the presence of a Department officer.
- C. A tow truck company shall submit a permit decal application and proof of insurance as specified in R13-3-301 to the Arizona Department of Public Safety, 2102 West Encanto Boulevard, Phoenix, Arizona 85009, or to the Department of Public Safety, Tow Truck Unit, P.O. Box 6638, Phoenix, Arizona 85005-6638.
- D. The Department shall finish an administrative completeness review within 14 days from the date of receipt of a permit decal application.

- 1. The Department shall notify an applicant in writing that the applicant's permit decal application is either complete or incomplete.
- 2. If the permit decal application is incomplete, the Department shall specify in the notice what information is missing and shall suspend the 14-day time-frame for the Department to finish the administrative completeness review until the applicant provides the Department with all missing information.
- 3. An applicant notified that its application is incomplete shall supply the missing information to the Department within 60 days from the date of the notice. If the applicant fails to supply the missing information within the time allowed, the Department shall close the applicant's file. An applicant whose file is closed and who later wishes to receive a permit decal, shall submit a new application.

- E. The Department shall finish a substantive review of a completed permit decal application within 90 days from the date on which the notice of administrative completeness is mailed to the applicant.

- 1. If the Department denies a permit decal, the Department shall send the applicant written notice explaining:
  - a. The reason for the denial, with citations to supporting statutes or rules;
  - b. The applicant's right to seek a fair hearing to challenge the denial; and
  - c. The time period for appealing a denial.
- 2. If the Department determines that a permit decal may be granted, the Department shall telephone the applicant and schedule a safety inspection of the tow truck.
- 3. If a tow truck passes its safety inspection, the Department shall issue a Tow Truck Safety Inspection form to the tow truck company and shall affix a permit decal to the lower, outside right corner of the tow truck's windshield.
- 4. If a tow truck fails its safety inspection, the Department shall issue a Tow Truck Safety Inspection form to the tow truck company specifically describing the deficiencies and advising the company of what corrective measures are necessary.

- E. For the purpose of A.R.S. § 41-1073, the Department establishes the following time-frames for issuance of an initial permit decal:

- 1. Administrative completeness: 14 days from receipt of a permit decal application;
- 2. Substantive review: 90 days from receipt of a completed permit decal application; and
- 3. Overall time-frame: 104 days

**R13-3-303. Change of Ownership or Information**

- A. If a tow truck is sold, leased, transferred, or otherwise disposed of, the seller, lessor, or transferor shall remove the permit decal and notify the Department in writing within 10 days after transfer of title or other disposition.
- B. Within 10 days after any change of information supplied on a permit decal application, a tow truck company shall notify the Department of the change by filing a revised permit decal application.
- C. The Department shall maintain all permit decal applications for 3 years.

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**R13-3-304. Annual Safety Inspection by the Department**

- A.** A tow truck company shall ensure that all of its tow trucks are safety inspected annually. The Department shall issue a permit decal, which is valid for 1 year from the date of inspection, for a tow truck only if the tow truck meets the specifications and requirements of this Chapter.
1. If a tow truck passes its annual safety inspection, the Department shall issue a Tow Truck Safety Inspection form to the tow truck company and shall affix a permit decal to the lower, outside right corner of the tow truck's windshield.
  2. If an annual permit decal is lost, damaged, destroyed, or stolen, the tow truck company shall notify the Department in writing within 10 days at the address listed in R13-3-201(E). After receipt of notification, the Department shall issue and affix a new permit decal.
- B.** A tow truck company shall contact the Department and schedule an annual tow truck safety inspection within 30 days before expiration of an annual permit decal.
- C.** A tow truck company shall keep a copy of the most recent annual Tow Truck Safety Inspection form in the tow truck referenced on the form.
- D.** The Department shall assign annual permit decals according to the following classifications:
1. Light duty - red decal.
  2. Light duty with collision recovery capabilities - red decal with white "A" in the center.
  3. Medium duty - white decal.
  4. Grandfathered medium duty - white decal with a black "G" in the center, and
  5. Heavy duty - blue decal.

**ARTICLE 4. TOW TRUCK SPECIFICATIONS**

**R13-3-401. Tow Truck Safety Inspections by Class**

Department inspectors shall examine, at the time of initial inspection, each tow truck for compliance with the safety requirements and specifications for its class. A tow truck company may appeal a classification designation under R13-3-703.

**R13-3-402. Tow Truck Minimum Cab to Axle or Wheel Base Measurement**

To ensure safe steering and braking of a tow truck when loaded, a minimum cab to axle or wheel-base measurement is established for each class of tow truck.

- A.** A light duty shall have a cab to axle measurement of 56 inches or a 136-inch wheel base.
- B.** A medium duty shall have a cab to axle measurement of 120 inches or a 185-inch wheel base, and
- C.** A heavy duty shall have a cab to bogie measurement of 156 inches or a 250-inch wheel base.

**R13-3-403. Light-Duty Tow Truck Specifications**

A light-duty tow truck shall have:

1. A minimum G.V.W.R. of 10,000 pounds;
2. A minimum lifting capacity of 8,000 pounds if equipped with a boom assembly;
3. A minimum lifting capacity of 8,000 pounds, and a minimum of 100 feet of 3/8-inch diameter wire rope with a minimum tensile strength of 12,200 pounds, if equipped with a power-operated winch;
4. A minimum single-line pull of 8,000 pounds over the end of the boom assembly, if equipped with a power-operated winch;
5. A minimum wheel-lift or under-lift rating of 3,000 pounds when the wheel lift or under lift is fully extended, if equipped with a wheel lift or under lift;

6. A tow sling, tow plate, or tow bar that meets the requirements of R13-3-515, if equipped with a tow sling, tow plate, or tow bar;
7. Chains or straps and hooks that meet the requirements of R13-3-504;
8. Axles, wheels, and tires that meet the requirements of R13-3-502;
9. Brakes that meet the requirements of R13-3-503; and
10. A power-operated winch, if the light-duty tow truck is used for collision recovery work.

**R13-3-404. Light-Duty Car Carrier or Light-Duty Truck Tractor & Trailer Combination Specifications**

A light-duty car carrier and a light-duty truck tractor and trailer combination shall have:

1. A minimum G.V.W.R. of 10,000 pounds for a light-duty car carrier; or
2. A minimum G.V.W.R. of 7,200 pounds for a light-duty truck tractor and trailer combination and a minimum load capacity of 7,000 pounds for the trailer; and
3. A power-operated winch with a minimum lifting capacity of 8,000 pounds and a minimum of 50 feet of 3/8-inch diameter wire rope with a minimum tensile strength of 12,200 pounds;
4. A bed assembly with a minimum distributed-load capacity of 7,000 pounds;
5. A minimum wheel-lift or under-lift rating of 3,000 pounds when the wheel lift or under lift is fully extended, if equipped with a wheel lift or under lift;
6. A tow sling, tow plate, or tow bar that meets the requirements of R13-3-515, if equipped with a tow sling, tow plate, or tow bar;
7. Chains or straps and hooks that meet the requirements of R13-3-504;
8. Axles, wheels, and tires that meet the requirements of R13-3-502; and
9. Brakes that meet the requirements of R13-3-503.

**R13-3-405. Medium-Duty Tow Truck Specifications**

A medium-duty tow truck shall have:

1. A minimum G.V.W.R. of 23,500 pounds;
2. A boom assembly with a minimum lifting capacity of 28,000 pounds;
3. Two power-operated winches, each having a minimum lifting capacity of 10,000 pounds, and a minimum of 150 feet of 7/16 inch diameter wire rope with a minimum tensile strength of 21,400 pounds;
4. A minimum single-line pull of 12,000 pounds over the end of the boom assembly for each power-operated winch;
5. A minimum wheel-lift or under-lift rating of 6,000 pounds when the wheel lift or under lift is fully extended, if equipped with a wheel lift or under lift;
6. A tow sling, tow plate, or tow bar that meets the requirements of R13-3-515, if equipped with a tow sling, tow plate, or tow bar;
7. Chains or straps and hooks that meet the requirements of R13-3-504;
8. Axles, wheels, and tires that meet the requirements of R13-3-502; and
9. Brakes that meet the requirements of R13-3-503.

**R13-3-406. Medium-Duty Car Carrier or Medium-Duty Truck Tractor and Trailer Combination Specifications**

A medium-duty car carrier or a medium-duty truck tractor and trailer combination shall have:

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1. A minimum G.V.W.R. of 23,500 pounds for a medium-duty car carrier; or
2. A minimum G.V.W.R. of 23,500 pounds for a medium-duty truck tractor and trailer combination and a minimum load capacity of 10,000 pounds for the trailer; and
3. A power-operated winch with a minimum lifting capacity of 10,000 pounds and a minimum of 150 feet of 7/16-inch diameter wire rope with a minimum tensile strength of 21,400 pounds;
4. A minimum wheel-lift or under-lift rating of 6,000 pounds when the wheel lift or under lift is fully extended, if equipped with a wheel lift or under lift;
5. A tow sling, tow plate, or tow bar that meets the requirements of R13-3-515, if equipped with a tow sling, tow plate, or tow bar;
6. Chains or straps and hooks that meet the requirements of R13-3-504;
7. Axles, wheels, and tires that meet the requirements of R13-3-502; and
8. Brakes that meet the requirements of R13-3-503.

**R13-3-407. Heavy-Duty Tow Truck Specifications**

A heavy-duty tow truck shall have:

1. A minimum G.V.W.R. of 35,000 pounds;
2. Tandem rear axles;
3. A boom assembly with a minimum lifting capacity of 50,000 pounds;
4. Two power-operated winches with a minimum lifting capacity of 25,000 pounds each and a minimum of 200 feet of 9/16-inch diameter wire rope with a minimum tensile strength of 27,000 pounds;
5. A minimum single-line pull of 25,000 pounds over the end of the boom assembly for each power-operated winch;
6. A minimum wheel-lift or under-lift rating of 12,000 pounds when the wheel lift or under lift is fully extended, if equipped with a wheel lift or under lift;
7. A tow sling, tow plate, or tow bar that meets the requirements of R13-3-515, if equipped with a tow sling, tow plate, or tow bar;
8. Chains or straps and hooks that meet the requirements of R13-3-504;
9. Axles, wheels, and tires that meet the requirements of R13-3-502;
10. Brakes that meet the requirements of R13-3-503; and
11. Two air lines, each of which has a minimum length of 75 feet and each end configured so they can be connected between the towing unit and the towed unit to allow the air supply of the towing unit's brake system to be transmitted to the towed unit to actuate the emergency and service-brake systems of the towed unit.

**R13-3-408. Heavy-Duty Truck Tractor and Trailer Combination Specifications**

A heavy-duty truck tractor and trailer combination shall have:

1. A truck tractor with a minimum G.V.W.R. of 35,000 pounds;
2. Tandem rear axles;
3. A power-operated winch with a minimum single-line pull of 20,000 pounds;
4. A minimum distributed load capacity of 30,000 pounds on the trailer;
5. Chains or straps and hooks that meet the requirements of R13-3-504;
6. Axles, tires, and wheels that meet the requirements of R13-3-502;

7. Brakes that meet the requirements of R13-3-503; and
  8. Two air lines, each of which has a minimum length of 75 feet and each end configured so they can be connected between the towing unit and the towed unit to allow the air supply of the towing unit's brake system to be transmitted to the towed unit to actuate the emergency and service-brake systems of the towed unit.
9. A trailer that conforms to the Federal Motor Carrier Safety Regulations.

**R13-3-409. Grandfathered Light-Duty Tow Truck Specifications**

A. The Department shall allow a light-duty tow truck with a G.V.W.R. of less than 10,000 pounds, that is in operation as of the effective date of these rules, and meets all applicable specifications on that date, to be operated as a light-duty tow truck until July 1, 2005, provided the vehicle remains in compliance with all applicable 1983 specifications. The grandfathered status shall terminate if title to the tow truck is transferred, the tow truck company obtains a new lessee for the tow truck, or the tow truck is altered.

B. A tow truck with a G.V.W.R. of less than 10,000 pounds shall not be used for collision recovery work.

**R13-3-410. Grandfathered Medium-Duty Tow Truck Specifications**

The Department shall allow a medium-duty tow truck or truck tractor that is in operation as of the effective date of these rules, and qualified under A.A.C. R13-3-407, published October 31, 1983, to be operated as a medium-duty tow truck until July 1, 2005, provided the vehicle remains in compliance with all applicable 1983 specifications. The grandfathered status shall terminate if title to the tow truck is transferred, the tow truck company obtains a new lessee for the tow truck, or the tow truck is altered.

**ARTICLE 5. TOW TRUCK EQUIPMENT REQUIREMENTS**

**R13-3-501. Identification Requirements**

A tow truck company shall display its business name, town or city, and phone number on both sides of any tow truck owned or leased by the tow truck company in 3-inch letters that are in a bold color that contrasts with the color of the tow truck.

**R13-3-502. Axle, Wheel, and Tire Requirements**

A tow truck shall have:

1. Axles, wheels, and tires with a manufacturer's capacity rating equal to or greater than any load carried;
2. At all points on major tread grooves, a tread-groove pattern depth of at least 4/32 of an inch on all tires on the steering axle, and 2/32 of an inch on all other tires; and
3. No tire with any fabric or cord exposed through the tread or sidewall.

**R13-3-503. Brake Requirements**

A. A tow truck shall have a power-assisted service-brake system, separate from the parking-brake system, capable of stopping and holding a combination of vehicles under all conditions and on any grade on which the tow truck is operated. If a tow truck's service-brake system is actuated by air, the tow truck shall be equipped with a truck-tractor protection valve.

B. A tow truck shall have a parking-brake system, separate from the service-brake system, that is capable of holding a combination of vehicles under all conditions and on any grade on which the tow truck is operated. If a tow truck's parking-brake system is actuated by air, the tow truck shall be equipped with a truck-tractor protection valve.

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**R13-3-504. Chain, or strap and Hook Requirements**

- A. A light-duty tow truck shall be equipped with at least 20 feet of 5/16-inch diameter attachment chain that has hooks and a tensile strength of at least 3,900 pounds;
- B. A medium-duty tow truck shall be equipped with at least 35 feet of 1/2-inch diameter attachment chain that has hooks and a tensile strength of at least 5,400 pounds;
- C. A heavy-duty tow truck shall be equipped with at least 40 feet of 5/8-inch diameter attachment chain that has hooks and a tensile strength of at least 9,200 pounds;
- D. Straps, if any, shall be of the same length as chains and have the same tensile strength as chains specified for each tow truck classification;
- E. All tow trucks equipped with a trailer or platform shall be equipped with "T" slots, eye bolts, "D" rings, or other means for attaching chains, straps, and other equivalent tie-downs to secure a towed vehicle to the trailer or flatbed while being towed or transported;
- F. A tow truck shall be equipped with 1 set of tire chains for at least 1 driving wheel on each drive axle whenever ice or snow makes driving conditions hazardous; and
- G. All chains, straps, or other equivalent tie-downs shall be maintained in serviceable condition.
- H. A secondary safety chain or strap, if any, shall meet the requirements in this section.

**R13-3-505. Warning Lamp Requirements**

A tow truck shall be equipped with at least 2 strobe or beacon lamps. The lamps shall:

- 1. Be mounted on the tow truck as high as practical and be visible from the front and rear of the tow truck for a distance of 500 feet when in use;
- 2. Show amber to the front and amber or red to the rear, and at least 2 of the lamps shall have a minimum lens surface of 6 inches in diameter, or the equivalent, at both the front and rear of the lamps;
- 3. Be wired independently of all other electrical circuits; and
- 4. Be maintained in serviceable condition.

**R13-3-506. Work Lamp Requirements**

A tow truck shall have at least 2 work lamps. The lamps shall:

- 1. Have clear lenses with a minimum surface of 4 inches in diameter, or the equivalent;
- 2. Be mounted so as to illuminate the area directly behind the tow truck for a distance of 50 feet;
- 3. Be wired independently of all other electrical circuits; and
- 4. Be maintained in serviceable condition.

**R13-3-507. Portable Tail, Stop, and Signal Lamp Requirements**

- A. A tow truck shall be equipped with 2 portable tail lamps, 2 portable stop lamps, and 2 portable turn-signal lamps.
- B. When a tow truck is towing 1 or more vehicles, each portable lamp shall be affixed to the rear-most towed vehicle, in plain view, and when activated, visible to traffic traveling in the same direction as the rear-most towed vehicle.
- C. Each portable lamp shall have a minimum lens surface of 3 inches in diameter, or the equivalent.
- D. Each portable lamp shall be connected to the electrical source of the towing vehicle with a flexible rubber or plastic electrical cord with an electrical connector on 1 end that has at least 4 conductors.

- E. Each portable lamp shall be maintained in serviceable condition.

**R13-3-508. Mirror Requirements**

One rear-vision mirror shall be mounted on each side of a tow truck. Each mirror shall have a minimum surface area of 24 inches and shall be maintained in serviceable condition.

**R13-3-509. Shovel and Broom Requirements**

A tow truck with collision recovery capabilities shall be equipped with a shovel and push broom in serviceable condition. The shovel shall be at least a No. 2 square-point shovel and the broom shall have a head at least 14 inches wide.

**R13-3-510. Oil and Fluid Absorbing Material Requirements**

A tow truck with collision recovery capabilities shall be equipped with 20 pounds of sand or an oil and fluid absorbent material. The sand or absorbent material shall be stored in a weatherproof container.

**R13-3-511. Snatch Block Requirements**

A light-duty tow truck with collision recovery capabilities shall be equipped with at least 1 snatch block with a capacity equal to or greater than the rating of the power-operated winch assembly. A medium-duty or heavy-duty tow truck shall be equipped with at least 2 snatch blocks, each of which meets the capacity requirement.

**R13-3-512. Electric Lantern or Flashlight Requirements**

A tow truck shall be equipped with a battery-powered electric lantern or a 2-cell flashlight in serviceable condition.

**R13-3-513. Fire Extinguisher Requirements**

- A. A tow truck shall be equipped with a fire extinguisher that has a gauge and a minimum Underwriter Laboratories rating of 10 BC.
- B. The fire extinguisher on a tow truck shall be filled, readily accessible for use, and mounted securely to the tow truck in a manner that enables the fire extinguisher gauge to be visually inspected.

**R13-3-514. Steering-Wheel Clamp Requirements**

A tow truck shall be equipped with a steering-wheel clamp, or its equivalent, of sufficient strength to lock the steering mechanism of a towed vehicle in a straight forward position.

**R13-3-515. Tow Sling, Tow Plate, or Tow Bar Requirements**

A tow truck shall be equipped with a tow sling, tow plate, or tow bar that is mounted at the rear of the tow truck, and designed for the weight lifted or drawn.

**R13-3-516. Wire Rope Requirements**

- A. A wire rope shall be in serviceable condition. A wire rope shall be taken out of service when kinking, crushing, or other damage results in:
  - 1. A core protrusion along the length of the wire rope.
  - 2. A strand of the wire rope being out of lay, or
  - 3. A broken strand of the wire rope.
- B. Thimbles and clamps shall be replaced if they are cracked, deformed, worn, or loose, or if strand or wire slippage occurs at a hook end.
- C. A wire rope shall have a thimble at the hook end. A wire rope may be swagged at a hook end. If a wire rope is not swagged, at least 3 clamps shall be applied at each hook end.

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**ARTICLE 6. REQUIREMENTS OF TOW TRUCK COMPANIES AND TOW TRUCK COMPANY AGENTS**

**R13-3-601. Agent Requirements**

A tow truck company shall not permit an individual who is an agent of the tow truck company to operate a tow truck unless the individual:

1. Possesses a valid Arizona Operator's License for the class of tow truck to be operated;
2. Has no more than 2 moving violations within the last 12 months;
3. Knows how and has the ability to rig, move, pick up, and transport a vehicle without causing avoidable damage to the vehicle or other persons or property;
4. Is not under the influence of and has not used any alcoholic beverage within 4 hours of going on duty; and
5. Has not consumed a narcotic drug or any derivative of a narcotic drug unless the narcotic drug or derivative is administered by or consumed under the instruction of a physician who is licensed to practice under A.R.S. §§ 32-1401 et seq. or A.R.S. §§ 32-1801 et seq. and who has advised the agent that the narcotic drug or derivative will not affect the agent's ability to operate a tow truck safely.

**R13-3-602. Company Requirements**

- A. A tow truck company and its agents shall comply with state and federal laws, rules, and regulations regarding tow trucks and transportation.
- B. A tow truck company or its agents shall permit a peace officer or duly authorized agent of a law enforcement agency to inspect a tow truck to determine compliance with the requirements of this Chapter. The inspection may be conducted without notice at any reasonable time and place.
- C. A tow truck company shall obtain annually from the Arizona Department of Transportation, Motor Vehicle Division, a copy of the driving record for each agent engaged in the operation of a tow truck.
- D. For each agent engaged in the operation of a tow truck, a tow truck company shall maintain records, including agents' names, copies of agents' Arizona Operator's Licenses, and agents' driving records. Records concerning an agent shall be maintained as long as the agent is employed by the tow truck company and for 3 years thereafter. The tow truck company shall make agent records available to the Department upon request.

**R13-3-603. Minimum Standards for Operations**

- A. A tow truck company shall ensure that the air-brake system of a tow truck, if any, is connected to the service-brake system of the towed vehicle, when possible.
- B. A tow truck company shall ensure that attachment chains and straps, when used, are attached securely to the tow truck and the towed vehicle with no more slack in the attachment chains or straps than is necessary to allow the towed vehicle to follow the tow truck during turning movements.
- C. A tow truck company shall activate a tow truck's strobe or beacon lamps only at the scene of a service call or collision, and when towing a vehicle that is damaged to the extent it presents a hazard to other users of the street or highway.
- D. Before towing a vehicle, a tow truck operator shall securely attach the towed vehicle to the tow sling, tow plate, or tow bar by means of attachment chains or straps and hooks that meet the requirements of R13-3-504 or tensile strength at least 1½ times the towing vehicle's load.

**R13-3-604. Prohibited Operations**

- A. A tow truck company shall not operate a tow truck to tow a vehicle before obtaining a permit decal in accordance with Article 3.
- B. A tow truck company shall not operate a tow truck to tow a vehicle unless the tow truck has a current Tow Truck Safety Inspection form described in R13-3-304.
- C. A tow truck company shall not transfer a permit decal or Tow Truck Safety Inspection form from 1 tow truck to another.
- D. A tow truck company shall not stop at the scene of a collision or a disabled vehicle to offer or furnish any towing service unless summoned to the scene by the owner or operator of the disabled vehicle, or by a law enforcement officer or agency.
- E. A tow truck company shall not tow or move a vehicle from a highway, street, or public property without authorization from the owner, operator, owner's agent, or a law enforcement officer. A tow truck company may move but shall not tow a vehicle to extract an individual from wreckage or to remove a hazard to life or property at a collision scene.
- F. A tow truck company shall not use a hand-operated or electric winch during collision recovery work.
- G. A tow truck company shall not operate a tow truck in a manner that exceeds the standards for which the tow truck is designed and permitted as specified in R13-3-402 through R13-3-410.
- H. A light-duty car carrier with a G.V.W.R. of less than 14,000 pounds shall not be used to transport more than 1 vehicle unless the vehicle is a golf cart, motor-driven cycle, or trailer that weighs less than 1,500 pounds.

**ARTICLE 7. ENFORCEMENT**

**R13-3-701. Grounds for Suspension of a Tow Truck Permit Decal**

- A. The Director may suspend 1 or more of a tow truck company's permit decals for a maximum of 1 year from the date of suspension if a tow truck company:
  1. Fails to notify the Department within 10 days of:
    - a. a transfer of title of a tow truck as required by R13-3-303(A).
    - b. a change in the tow truck company's name or address as required by R13-3-303(B), or
    - c. a change in any of the information submitted in compliance with R13-3-303(B).
  2. Knowingly employs or continues to employ an agent engaged in the operation of a tow truck who has been convicted of more than 2 moving violations within the last 12 months;
  3. Fails to have a current vehicle registration for each tow truck; or
  4. Except as provided in R13-3-702, fails to comply with a tow truck rule set forth in this Chapter.
- B. If the Director determines the existence of grounds for suspension of a permit decal, the Director shall notify the tow truck company in writing by registered mail of the suspension and the reason for the suspension. The notice shall be sent to the tow truck company at the tow truck company's last known address. The notice is deemed served upon mailing.
  1. If the Director indicates in the notice that the grounds for suspension affects 1 or more but less than all tow trucks owned or leased by a tow truck company, within 10 days of service of the notice of suspension, the tow truck company shall return the permit decals of all affected tow trucks to the Department.

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2. If the Director indicates in the notice that the grounds for suspension affects all tow trucks owned or leased by a tow truck company, within 10 days of service of the notice of suspension, the tow truck company shall return to the Department the permit decals of all tow trucks owned or leased by the tow truck company.
  3. Upon request, a tow truck company shall relinquish a suspended permit decal to any peace officer or duly authorized agent of a law enforcement agency.
- C. When the reason for the suspension is corrected, the tow truck company shall notify the Department. To obtain a permit decal following the end of a period of suspension, a tow truck company shall follow the application process under R13-3-302.

**R13-3-702. Grounds for Revocation of a Tow Truck Permit Decal**

- A. The Director may revoke a tow truck company's permit decals if the tow truck company violates any rule in this Chapter. The action shall be taken in accordance with the provisions of A.R.S. §§ 41-1061 through 41-1066.
- B. The Director shall revoke a tow truck company's permit decals if the tow truck company allows an agent to operate a tow truck after having knowledge of any of the following conditions:
1. The agent is convicted under A.R.S. § 28-692 of driving under the influence of intoxicating liquor or drugs while operating a tow truck;
  2. The agent is convicted under A.R.S. § 28-693 of reckless driving while operating a tow truck;
  3. The agent's Arizona Operator's License is currently suspended, revoked, or canceled under A.R.S. § 28-446; or
  4. The agent is convicted of a theft or vandalism relating to a vehicle towed or stored by the tow truck company.
- C. The Director shall revoke a tow truck company's permit decals if the tow truck company:
1. Fails to maintain the minimum limits of financial responsibility defined in R13-3-301;
  2. Knowingly gives false or misleading information in a permit decal application or registration form, or conceals a material fact on a permit decal application or registration form;
  3. Has 3 business-related convictions within a 1-year period for violating laws contained in A.R.S. Title 4, Alcoholic Beverages; Title 9, Cities and Towns; Title 11, Counties; Title 13, Criminal Code; Title 28, Transportation; or Title 49, The Environment;
  4. Has 3 sustained complaints within a 1-year period; or
  5. Continues to employ any agent after having knowledge that the agent has been convicted of theft or vandalism relating to a vehicle towed or stored by the tow truck company.

- D. If the Director determines the existence of grounds for revocation of a tow truck company's permit decals, the Director shall notify the tow truck company in writing by registered mail of the revocation and the reason for the revocation. The notice shall be sent to the tow truck company at the tow truck company's last known address. The notice is deemed served upon mailing.
- E. Within 10 days of service of notification of revocation of the tow truck company's permit decals, the tow truck company shall return to the Department the permit decals of all owned or leased tow trucks operated by the tow truck company. Upon request, a tow truck company whose permit decals have been revoked shall relinquish its permit decals to any peace officer or duly authorized agent of a law enforcement agency.
- F. The Department shall not grant a permit decal to a tow truck company whose permit decals are revoked until 24 months have elapsed from the date of revocation. Upon completion of a revocation, a registered tow truck company may file a permit decal application in accordance with R13-3-302.

**R13-3-703. Appeals**

- A. Upon denial of a permit decal, or upon suspension or revocation of a permit decal, a tow truck company may request a hearing. To request a hearing, a tow truck company shall submit a written request to the Department within 20 days of service of the notice of denial, suspension, or revocation.
- B. Within 20 days of receipt of a request for hearing, the Director shall notify the tow truck company in writing of the date, time, and location of the hearing, which shall be held not less than 25 days after the Director mails the hearing notice to the tow truck company's last known address.
- C. The Director shall include the following information in the hearing notice:
1. Time, place, and nature of the hearing;
  2. Legal authority and jurisdiction under which the hearing is to be held;
  3. Particular sections of the statutes and rules involved; and
  4. Issues or matters involved.
- D. Administrative hearings will be held by the Arizona Office of Administrative Hearings pursuant to A.R.S. § 41-1092 et seq.
- E. The Department shall mail written notice of the Director's decision to the tow truck company within 10 days after receipt of the Administrative judge's findings and recommendation. The notice shall include the findings of fact, conclusion of law, and decision. Notice shall be mailed to the tow truck company's last known address and shall be deemed served upon mailing.
- F. After the Department issues a final decision, a tow truck company may appeal to Superior Court under A.R.S. §§ 12-901 through 12-914.

**NOTICE OF PROPOSED RULEMAKING**

**TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND ASSOCIATIONS;  
SECURITIES REGULATION**

**CHAPTER 4. CORPORATION COMMISSION - SECURITIES**

**PREAMBLE**

1. **Sections Affected**  
R14-4-144

**Rulemaking Action**  
New Section

**Arizona Administrative Register**  
**Notices of Proposed Rulemaking**

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

Constitutional authority: Arizona Constitution, Article XV §§ 4, 6, and 13

Authorizing statute: A.R.S. §§ 44-1821(A) and 44-1845(B) and (C)

Implementing statute: A.R.S. § 44-1845(B) and (C)

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

Name: Leslie R. Block, General Counsel

Address: Arizona Corporation Commission, Securities Division  
1300 West Washington, 3rd Floor  
Phoenix, Arizona 85007

Telephone: (602) 542-4242

Fax: (602) 594-7470

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

R14-4-144 (the "Rule") provides for an alternative method of securities registration for certain issuers who choose to have suitability standards applied to an offering. The Rule permits the imposition of suitability standards in lieu of the merit review standards of A.R.S. §§ 44-1876, 44-1877, 44-1878, and 44-1921(1), (3), and (4), and the rules under those sections, except when the sale of securities works or would tend to work a fraud or deceit upon the investors. An issuer that meets the conditions of A.R.S. § 44-1845(B)(1) and the other criteria set forth in the Rule, is eligible to register its securities offering using the suitability standards set forth in the Rule. Those standards limit the offer and sales of securities to only those investors meeting certain net income or net worth requirements.

In prescribing the applicable suitability standards, the Rule divides the pool of potential A.R.S. § 44-1845 applicants into offerings that are listed on the Nasdaq SmallCap<sup>SM</sup> Market, and those that are not. For both types of offerings, the Rule sets forth specific suitability standards that an investor must meet in order to be a purchaser of securities from the issuer. The suitability standards for purchasers of non-Nasdaq listed securities are higher than for purchasers of Nasdaq-listed securities. The standards for both types of offerings are based on the gross income or net worth of the particular investor.

Issuers who sell their own securities, and dealers, must have a reasonable belief that a potential investor satisfies the suitability standards. However, the imposition of the Rule does not relieve a dealer from responsibility under the dishonest and unethical rule provision relating to suitability. Thus, just because an investor meets the suitability standards of the Rule does not make the transaction, *per se*, suitable. Additionally, the Rule requires a description of the suitability standards in any offering document used in connection with the offering.

The Rule is not available to issuers of direct participation programs, including real estate programs, real estate investment trusts, commodity pools, oil and gas programs, equipment leasing programs and similar programs as determined by the Director of Securities. Those programs already have a registration procedure available that utilizes suitability standards in lieu of merit review. Further, the Rule is not available to issuers falling within any of the disqualification provisions of A.R.S. § 44-1901(G)(1) through (6). However, the Rule has an automatic waiver provision for certain disqualifications and the Commission and the Director of Securities maintain the discretion to waive a disqualification.

**5. 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:**

The Rule may diminish a previous grant of authority in that certain issuers will be able to avail themselves of a special registration procedure. The offerings may be subject to suitability standards as opposed to merit review standards. However, the Rule serves the significant statewide interest of making it easier for small businesses to raise capital in Arizona. Businesses whose offerings may not have qualified for registration in Arizona may be able to register by limiting their securities offering in Arizona to investors who meet certain suitability standards. The ability to offer the securities is beneficial for the business as it gives the issuer an avenue to raise capital. The offering also is beneficial to investors who meet the suitability standards, as they will have new opportunities for investment. The Rule provides for investor protection by limiting the issuers who can utilize the Rule and by limiting the pool of investors to those who are deemed to have the financial capability to invest.

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

Pursuant to A.R.S. § 41-1055(D)(3), the agency is exempt from providing an economic, small business, and consumer impact statement.

**7. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:**

Not applicable.

**8. The time, place, and nature of the proceedings for the adoption, amendment, or repeal of the rule or, if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:**

Date: March 3, 1998

Time: 10 a.m.

**Arizona Administrative Register**  
**Notices of Proposed Rulemaking**

Location: Arizona Corporation Commission  
1200 West Washington Avenue  
Phoenix, Arizona 85007

Nature: Oral Proceeding

Close of Record: Open meeting of the Arizona Corporation Commission at which the Commission takes a final action with respect to the adoption of the Rule.

Prior to the oral proceeding, any person may submit written comments to the person listed in question #3.

9. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:  
None.
10. Incorporations by reference and their location in the rules:  
None.
11. The full text of the rules follows:

**TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND ASSOCIATIONS;  
SECURITIES REGULATION**

**CHAPTER 4. CORPORATION COMMISSION - SECURITIES**

**ARTICLE 1. IN GENERAL RELATING TO THE  
ARIZONA SECURITIES ACT**

Section

R14-4-144. Suitability standards pursuant to A.R.S. § 44-1845

**ARTICLE 1. IN GENERAL RELATING TO THE  
ARIZONA SECURITIES ACT**

R14-4-144. Suitability standards pursuant to A.R.S. § 44-1845

- A. Any issuer engaging in a transaction of a type specified in A.R.S. § 44-1845(B)(1) may apply for a special registration. Pursuant to A.R.S. § 44-1845(C), the special registration will impose the suitability standards of subsections (B) or (C) on the transaction in lieu of the conditions and standards prescribed under A.R.S. §§ 44-1876, 44-1877, 44-1878, 44-1921(1), (3), and (4), and the rules under those sections, except when the sale of securities works or would tend to work a fraud or deceit upon the investors.
- B. For all offerings listed on the Nasdaq SmallCap<sup>SM</sup> Market, the dealer, or the issuer if engaging in the sale of its securities, must have a reasonable belief that the potential investor satisfies any of the following conditions:
1. minimum of \$100,000, or \$150,000 when combined with spouse, in gross income during the prior year and a reasonable expectation that the investor will have such income in the current year; or
  2. minimum net worth of \$250,000, or \$300,000 when combined with spouse, exclusive of home, home furnishings and automobiles, with the investment not exceeding 10% of the net worth of the investor, together with spouse, if applicable.
- C. For offerings not listed on the Nasdaq SmallCap<sup>SM</sup> Market, the dealer, or the issuer if engaging in the sale of its securities, must have a reasonable belief that the potential investor satisfies any of the following conditions:
1. minimum of \$150,000, or \$200,000 when combined with spouse, in gross income during the prior year and a

reasonable expectation that the investor will have such income in the current year; or

2. minimum net worth of \$350,000, or \$400,000 when combined with spouse, exclusive of home, home furnishings and automobiles, with the investment not exceeding 10% of the net worth of the investor, together with spouse, if applicable.
- D. The suitability standards specified in this section are not available for direct participation programs, including real estate programs, real estate investment trusts, commodity pools, oil and gas programs, equipment leasing programs, and similar programs as determined by the Director.
- E. The issuer, or any of its predecessors, affiliates, directors, officers, general partners or beneficial owners of 10% or more of any class of its equity securities, or any underwriter of the securities shall not fall within any of the disqualification provisions of A.R.S. § 44-1901(G)(1) through (6).
- F. The Commission or the Director of Securities may, at their discretion, waive any disqualification caused by subsection (E).
- G. Any disqualification caused by subsection (E) shall cease to exist if any of the following occurs:
1. The basis for the disqualification has been removed by the jurisdiction creating it.
  2. The jurisdiction in which the disqualifying event occurred issues a written waiver of the disqualification.
  3. The jurisdiction in which the disqualifying event occurred declines in writing to enforce the disqualification.
- H. Adherence to a suitability standard imposed in connection with an offering subject to this section, by condition or otherwise, shall not relieve a dealer from compliance with R14-4-130(A)(4).
- I. Any offering document used in connection with an offering in which suitability standards are imposed under this section shall prominently and conspicuously include a description of the applicable suitability standards.