

# 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* first as proposed rules and have been through the formal rulemaking process including approval by the Governor's Regulatory Review Council or the Attorney General. The Secretary of State shall publish the notice along with the Preamble and the full text in the next available issue of the *Register* after the final rules have been submitted for filing and publication.

## NOTICE OF FINAL RULEMAKING

### TITLE 4. PROFESSIONS AND OCCUPATIONS

#### CHAPTER 34. BOARD OF MANUFACTURED HOUSING

[R07-346]

#### PREAMBLE

- |                                    |                                 |
|------------------------------------|---------------------------------|
| <b>1. <u>Sections Affected</u></b> | <b><u>Rulemaking Action</u></b> |
| R4-34-101                          | Amend                           |
| R4-34-204                          | Amend                           |
- 2. The statutory authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**  
Authorizing statute: A.R.S. § 41-2144(A)(13)  
Implementing statute: A.R.S. § 41-2144(A)(8)
- 3. The effective date of the rules:**  
December 1, 2007
- 4. A list of all previous notices appearing in the *Register* addressing the final rules:**  
Notice of Rulemaking Docket Opening: 13 A.A.R. 40, January 5, 2007  
Notice of Proposed Rulemaking: 13 A.A.R. 1776, May 25, 2007
- 5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**  
Name: Gary Grounds, Deputy Director  
Address: Department of Fire, Building and Life Safety  
1110 W. Washington St., Suite 100  
Phoenix, AZ 85007  
Telephone: (602) 364-1003  
Fax: (602) 364-1063
- 6. An explanation of the rules, including the agency's reason for initiating the rulemaking:**  
The rules will add a definition of "permanent foundation" and education and experience requirements for installer applicants.
- 7. A reference to any study relevant to the rules that the agency reviewed and either relied on or did not to rely on in its evaluation of or justification for the rules, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:**  
None
- 8. A showing of good cause why the rules are necessary to promote a statewide interest if the rules will diminish a previous grant of authority of a political subdivision of this state:**  
Not applicable
- 9. The summary of the economic, small business, and consumer impact:**  
The impact of these rules on licensees and consumers will likely be minimal. The first rule will have no impact to minimal impact on consumers, depending on the type of permanent foundation selected and the type of financing obtained. The second rule will have no impact to minimal impact on a licensee, depending on the type of experience or education obtained.

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

Minor clarifying, grammatical and formatting changes were made at the request of the Governor's Regulatory Review Council staff.

**11. A summary of the comments made regarding the rules and the agency response to them:**

There were no written or oral comments received concerning these rules.

**12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**

None

**13. Any material incorporated by reference and its location in the text:**

None

**14. Were these rules previously made as emergency rules?**

No

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

**TITLE 4. PROFESSIONS AND OCCUPATIONS**

**CHAPTER 34. BOARD OF MANUFACTURED HOUSING**

**ARTICLE 1. GENERAL**

Section  
R4-34-101. Definitions

**ARTICLE 2. LICENSING**

Section  
R4-34-204. Installers

**ARTICLE 1. GENERAL**

**R4-34-101. Definitions**

- A.** "Act" No change
- B.** "Agency" No change
- C.** "Agency disclosure" No change
- D.** "Agent" No change
- E.** "Board" No change
- F.** "Branch location" No change
- G.** "Brokered transaction" No change
- H.** "Co-brokered transaction" No change
- I.** "Factory-built building" or "FBB" No change
- J.** "HUD" No change
- K.** "Incidental" No change
- L.** "Lease with option to purchase" No change
- M.** "New" No change
- N.** "Offer to purchase in a brokered transaction" No change
- O.** "Open subassembly" No change
- P.** "Permanent foundation" means a system of support and perimeter enclosure of crawl space that is constructed of durable materials (e.g., concrete, masonry, steel, or treated wood) and developed in accordance with the manufacturer's installation instructions or designed by a licensed professional engineer. A permanent foundation has a means of attachment that effectively transfers all vertical and horizontal design loads that could be imposed on the structure by wind, snow, frost, seismic, or flood conditions, as applicable, to the underlying soil or rock. Anchoring straps or cables affixed to ground anchors, other than footings, do not meet this requirement. The perimeter enclosure of a permanent foundation is designed to exclude unwanted elements and varmints, ensure sufficient ventilation, and provide for adequate access to the building.
- ~~**P.**~~ "Purchase contract in a brokered transaction" No change
- ~~**Q.**~~ "Reconstruction" No change
- ~~**R.**~~ "Respond" No change
- ~~**S.**~~ "Retailer" No change
- ~~**T.**~~ "Standards" No change

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- ~~U.V.~~ "Supplement" No change
- ~~V.W.~~ "Technical service" No change
- ~~W.X.~~ "Typical plan" No change
- ~~X.Y.~~ "Used home" No change

ARTICLE 2. LICENSING

**R4-34-204. Installers**

**A.** The Department shall place an installer's license application into one of the following license classes, based on the listed activities that limit the scope of each class:

1. No change
  - a. No change
  - b. No change
  - c. No change
  - d. No change
  - e. No change
  - f. No change
  - g. No change
  - h. No change
  - i. No change
2. No change
  - a. No change
  - b. No change
  - c. No change
  - d. No change
3. No change
  - a. No change
  - b. No change
  - c. No change

**B.** Installer applicants. In addition to meeting the applicable requirements in subsections (A)(1) through (3), an applicant for an installer I-10C, I-10D, or I-10G license shall:

1. Have a minimum of three years practical or field management experience in the specific type of installation, a related construction field, or the equivalent, for which the applicant is applying. At least two of the three years experience shall be within 10 years of the date of application. The applicant may substitute technical training in the specific type of installation, a related construction field, or the equivalent, from an accredited college or university or from a Department of Fire, Building, and Life Safety workshop for no more than one year of the three years experience required in this subsection;
2. Supply a written, notarized statement from each employer or other individual familiar with the applicant's employment or other work experience, which includes the name, address, and telephone number of the individual making the statement, the dates of the applicant's employment or other work experience, a description of the position held, and a notarial certificate, indicating that the signer vouches for the truthfulness of the statement as proof of meeting the experience requirement in subsection (B)(1); and
3. Supply a certified copy of each official transcript or certificate, demonstrating successful completion of any technical training the applicant wishes the Department to consider as proof of meeting the experience requirement in subsection (B)(1).

NOTICE OF FINAL RULEMAKING

TITLE 9. HEALTH SERVICES

CHAPTER 22. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM  
ADMINISTRATION

[R07-344]

PREAMBLE

**1. Sections Affected**

**Rulemaking Action**

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R9-22-712.35 Amend  
R9-22-712.40 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. § 36-2903.01

Implementing statute: A.R.S. § 36-2903.01(H)(3)

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

October 1, 2007

The AHCCCS Administration is requesting an immediate effective date upon filing with the Secretary of State on October 1, 2007. The rulemaking resulted from a discrepancy found in the estimated outpatient reimbursement for Critical Access Hospitals (CAH), where they have been negatively impacted; this change in rulemaking is required to begin with the new contract year 07/08.

An immediate effective date is authorized under A.R.S. § 41-1032(A)(4) because the rule provides a benefit to the public and a penalty is not associated with a violation of the rule. The rule provides a benefit to the public by providing a fair reimbursement rate to the CAH hospitals that provide outpatient services to AHCCCS members in their areas.

**4. A list of all previous notices appearing in the Register addressing the proposed rules:**

Notice of Rulemaking Docket Opening: 13 A.A.R. 41, January 5, 2007

Notice of Proposed Rulemaking: 13 A.A.R. 1779, May 25, 2007

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

Name: Mariaelena Ugarte  
Address: AHCCCS  
Office of Administrative Legal Services  
701 E. Jefferson, Mail Drop 6200  
Phoenix, AZ 85034  
Telephone: (602) 417-4693  
Fax: (602) 253-9115  
E-mail: AHCCCSRules@azahcccs.gov

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

The rules have been updated with an adjustment to the percentage applicable to Critical Access Hospitals (CAH). As of July 1, 2005 a new Outpatient Capped Fee for Service Schedule was created for outpatient payments. In addition to the regular payment that is calculated and described in the new schedule from 2005 a percentage adjustment to this amount was also required for those rural hospitals and specialty services.

From a recent review of data it has been substantiated that the majority of CAH's have been negatively impacted by the estimated adjustment percentage that was applied in 2005. This was contrary to what the Administration had forecasted in 2005. The Administration believes that with the proposed change in the adjustment fee percentage to 115 percent, five of eight CAH facilities will no longer be negatively impacted when compared to payments based on an updated CCR had no methodology change occurred.

In addition to the adjustment fee impact, it was also noted that a need to clarify rule R9-22-712.40 was needed to describe that the Administration may update new and revised procedure codes and APC groups.

**7. A reference to any study relevant to the rule that the agency reviewed and either relied on in its evaluation of or justification for the rule or did not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:**

No study was reviewed or used to rely on for the changes applicable to the proposed rules.

**8. 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

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

The AHCCCS Administration believes that with the proposed change in the adjustment fee percentage to 115 percent, five of eight CAH facilities will no longer be negatively impacted by the new payment methodology.

This change is estimated to have a fiscal impact to AHCCCS of approximately \$1.5 million based on current utilization.

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The clarification provided in reference to the procedure codes and APC groups is estimated to have a nominal impact since it only clarifies how new and existing procedure codes and APC groups are updated.

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

No significant changes were made between proposed and final rulemaking. The Administration has made the rules more clear, concise, and understandable by making grammatical, verb tense, punctuation, and structural changes throughout the rules.

**11. A summary of the comments made regarding the rule and the agency response to them:**

A letter was received June 27, 2007 from Arizona Hospital and Healthcare Association providing their support of the rule change. No comments or recommendations were given in controversy to the proposed language; therefore a response from the agency was not necessary.

**12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**

Not applicable

**13. Incorporations by reference and their location in the rules:**

Not applicable

**14. Was this rule previously adopted as an emergency rule?**

No

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

**TITLE 9. HEALTH SERVICES**

**CHAPTER 22. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM (AHCCCS)  
ADMINISTRATION**

**ARTICLE 7. STANDARDS FOR PAYMENTS**

Section

R9-22-712.35. Outpatient Hospital Reimbursement: Adjustments to Fees

R9-22-712.40. Outpatient Hospital Reimbursement: Annual and Periodic Update

**ARTICLE 7. STANDARDS FOR PAYMENTS**

**R9-22-712.35. Outpatient Hospital Reimbursement: Adjustments to Fees**

- A.** AHCCCS shall increase the fees established under R9-22-712.20 (except for laboratory services) for the following hospitals submitting any claims:
1. By 48 percent for public hospitals on July 1, 2005, as well as hospitals that were public in calendar year 2004.
  2. By 45 percent for hospitals in counties other than Maricopa and Pima with more than 100 Medicare PPS beds during the year in which the rates are effective.
  3. By 50 percent for hospitals in counties other than Maricopa and Pima with 100 or less Medicare PPS beds during the year in which the rates are effective.
  4. By ~~92~~ 115 percent for hospitals designated as Critical Access Hospitals, or for hospitals that have not been designated as Critical Access Hospitals, but meet the criteria.
  5. By 113 percent for a freestanding children's hospital with at least 110 pediatric beds.
  6. By 14 percent for a University Affiliated Hospital defined as those hospitals that have a majority of the member of its board of directors appointed by the Board of Regents.
- B.** In addition to subsection (A) the following increase may be established: A 50 percent adjustment for a Level 2 and 3 emergency department procedures billed by a level 1 Trauma center as defined by R9-22-2101.
- C.** Fee adjustments in subsection (A) are available with the AHCCCS Outpatient Capped Fee-For Service Schedule on file and online with AHCCCS.

**R9-22-712.40. Outpatient Hospital Reimbursement: Annual and Periodic Update**

- A.** Procedure Codes. AHCCCS shall add new procedure codes for covered outpatient services and shall either assign the default CCR, the Medicare rate, or calculate an appropriate fee when procedure codes are issued by CMS or the Current Procedural Terminology published by the American Medical Association.
- B.** APC Changes. AHCCCS may reassign procedure codes to new or different APC groups when APC groups are revised by Medicare. AHCCCS may reassign procedure codes to a different APC group than Medicare. If AHCCCS determines that utilization of the code within the Medicare program is substantially different from the AHCCCS program, AHCCCS may

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not assign any APC. For procedure codes not grouped into an APC by Medicare, AHCCCS may assign the code to an APC group when AHCCCS determines that the cost and resources associated with the non-assigned code are substantially similar to those in a particular APC group.

~~B.C.~~ Annual Update For Outpatient Hospital Fee Schedule. Beginning October 1, 2006, AHCCCS shall adjust outpatient fee schedule rates:

1. On an annual basis by multiplying the rates effective during the prior year by the Global Insight Prospective Hospital Market Basket Inflation Index; or
2. In any given year the director may substitute the increases in (B)(1) by calculating the dollar value associated with the inflationary increase in (B)(1), and applying that dollar value to adjust rates at varying levels.

~~C.D.~~ Rebase. AHCCCS shall rebase the outpatient fees every five years.

~~D.E.~~ Statewide CCR. The statewide CCR shall be recalculated at the time of rebasing, at which time AHCCCS may consider recalculating the statewide CCR based on the costs and charges for those services excluded from the outpatient hospital fee schedule.

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TITLE 9. HEALTH SERVICES

CHAPTER 28. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM  
ARIZONA LONG-TERM CARE SYSTEM

[R07-353]

PREAMBLE

- 1. Sections Affected**  
R9-28-506  
**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 statute: A.R.S. §§ 36-2932, 36-2939  
Implementing statute: A.R.S. § 36-2939
- 3. The effective date of the rules:**  
October 2, 2007  

The Administration requests an immediate effective date of October 2, 2007. An immediate effective date is authorized under A.R.S. § 41-1032(A)(4) because the rule provides a benefit to the public and a penalty is not associated with a violation of the rule. The rule provides a benefit to the public by describing the circumstances when a spouse can be reimbursed for providing personal care services to an ALTCS HCBS member. The rule also expands the pool of individuals who qualify to provide these services, therefore, making them more accessible to other HCBS members.
- 4. A list of all previous notices appearing in the Register addressing the final rules:**  
Notice of Rulemaking Docket Opening: 13 A.A.R. 2171, June 22, 2007  
Notice of Proposed Rulemaking: 13 A.A.R. 2258, June 29, 2007
- 5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**  
Name: Mariaelena Ugarte  
Address: AHCCCS  
Office of Administrative Legal Services  
701 E. Jefferson, Mail Drop 6200  
Phoenix, AZ 85034  
Telephone: (602) 417-4693  
Fax: (602) 253-9115  
E-mail: AHCCCSRules@azahcccs.gov
- 6. An explanation of the rule, including the agency's reasons for initiating the rule:**  
The 1115 Waiver Amendment, under which Arizona administers its Medicaid program, that was approved by Centers for Medicare and Medicaid Services (CMS) in October 2006 authorizes coverage of personal care services by a

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spouse of an ALTCS member in a home and community based setting (HCBS) under certain circumstances. The rule is intended to describe the requirements that must be met as imposed by the Waiver for coverage of this care by a spouse.

- 7. A reference to any study relevant to the rule that the agency reviewed and either relied on in its evaluation of or justification for the rule or did not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:**

No study was reviewed during this rulemaking and the Agency does not anticipate reviewing any studies.

- 8. 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

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

The rule provides for the requirements that must be met for the Administration to cover personal care services provided to an ALTCS member by a spouse. The economic impact of the rule is anticipated to be minimal.

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

No additional changes have been made between the proposed rules and the final rules below, with the exception of clarifying the following:

In R9-28-508(B)(6), how the spouse must be registered or employed when the member is a Native American,

In R9-28-508(B)(8), how the Administration vs. a Program Contractor may pay for the spouse providing the service,

In R9-28-508(B)(10), how the 40-hour service limit may be provided by the spouse or another personal caregiver. The Administration made the rules more clear, concise, and understandable by making grammatical, verb tense, punctuation, and structural changes throughout the rules.

Minor technical and grammatical changes were made at the suggestion of G.R.R.C. staff.

- 11. A summary of the comments made regarding the rule and the agency response to them:**

The Administration did not receive any comments regarding the rules.

- 12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**

Not applicable

- 13. Incorporations by reference and their location in the rules:**

Not applicable

- 14. Was this rule previously adopted as an emergency rule?**

No

- 15. The full text of the rules follows:**

TITLE 9. HEALTH SERVICES

CHAPTER 28. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

ARIZONA LONG-TERM CARE SYSTEM

ARTICLE 5. PROGRAM CONTRACTOR AND PROVIDER STANDARDS

Section

R9-28-506. ~~Reserved~~ Requirements for Spouse as Paid Caregiver

ARTICLE 5. PROGRAM CONTRACTOR AND PROVIDER STANDARDS

R9-28-506. ~~Reserved~~ Requirements for Spouse as Paid Caregiver

**A.** For purposes of this Section, the following definitions apply:

1. “Extraordinary care” means care that exceeds the range of activities that a spouse would ordinarily perform in the household on behalf of the ALTCS member if the member did not have a disability or chronic illness, and that is necessary to ensure the health and welfare of the member and avoid institutionalization.
2. “Personal care or similar services” means assistance provided to an ALTCS member with a disability or chronic illness to enable the member to perform Activities of Daily Living (ADL) or Instrumental Activities of Daily Living (IADL) that the member would normally perform for himself or herself if the member did not have a disability or

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chronic illness. Assistance may involve performing a personal care task for the member or cuing the member so that the member performs the task for himself or herself.

- B. As authorized by the Section 1115 Waiver, a member may choose to have personal care or similar services provided by the member's spouse as a paid caregiver if the following conditions and limitations are met:
1. The member resides in his or her own home;
2. The Administration or a Program Contractor offers the member the choice of a provider of personal care or similar services other than the member's spouse;
3. The personal care or similar services is described in the member's plan of care prepared by the member's case manager;
4. The case manager records at least annually in the member's plan of care the member's choice to have personal care or similar services provided by the member's spouse as a paid caregiver;
5. The personal care or similar services provided by the spouse are extraordinary care;
6. The spouse is one of the following:
a. Employed by a provider that subcontracts with the member's Program Contractor;
b. If the member is developmentally disabled, the spouse is either employed by a provider that subcontracts with the member's Program Contractor, or registered with AHCCCS as an independent provider; or
c. If the member is a Native American enrolled in FFS, the spouse is either employed by an AHCCCS registered provider or registered with AHCCCS as an independent provider;
7. The spouse meets the training and other qualifications that apply to other providers of personal care or similar services registered with AHCCCS;
8. The Program Contractor does not pay a spouse providing personal care or similar services at a rate that exceeds the rate that would be paid to a provider of personal care or similar services who is not a spouse and the Administration does not pay a spouse providing personal care or similar services at a rate that exceeds the capped fee-for-service payment for personal care or similar services; and
9. A spouse providing personal care or similar services as a paid caregiver is not paid for more than 40 hours of services in a seven-day period.
C. For a member who elects to have the member's spouse provide personal care or similar services as a paid caregiver, personal care or similar services in excess of 40 hours in a seven-day period are not covered. If a spouse elects to provide less than the hours authorized by the Administration or Program Contractor, the remaining hours of medically necessary personal care or similar services may be provided by another personal caregiver, but the total hours of care provided by the spouse and any other personal caregiver shall not exceed 40 hours in a seven-day period.
D. By electing to have the member's spouse provide personal care and similar services as a paid caregiver, the member is not precluded from receiving medically necessary, cost effective home and community based services other than personal care or similar services.

NOTICE OF FINAL RULEMAKING

TITLE 17. TRANSPORTATION

CHAPTER 4. DEPARTMENT OF TRANSPORTATION
TITLE, REGISTRATION, AND DRIVER LICENSES

[R07-345]

PREAMBLE

- 1. Sections Affected: R17-4-301 (New Section), R17-4-302 (Amend), R17-4-303 (Amend), R17-4-304 (Amend)
2. The statutory authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):
Authorizing statute: A.R.S. § 28-366
Implementing statute: A.R.S. §§ 28-2151, 28-2159, 28-2162, 28-2232, 28-2261, and 28-2356
3. The effective date of the rules: December 1, 2007

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

Notice of Rulemaking Docket Opening: 13 A.A.R. 1989, June 8, 2007

Notice of Proposed Rulemaking: 13 A.A.R. 1977, June 8, 2007

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

Name: Celeste M. Cook, Administrative Rules Analyst

Address: Administrative Rule Unit  
Department of Transportation, Motor Vehicle Division  
1801 W. Jefferson St., Mail Drop 530M  
Phoenix, AZ 85007

Telephone: (602) 712-7624

Fax: (602) 712-3081

E-mail: ccook@azdot.gov

Please visit the ADOT web site to track progress of this rule and any other agency rulemaking matters at [www.mvd.azdot.gov/mvd/MVDRules/rules.asp](http://www.mvd.azdot.gov/mvd/MVDRules/rules.asp).

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

This rulemaking action arises from a five-year-review report approved by the Governor's Regulatory Review Council on February 4, 2003. The Arizona Department of Transportation, Motor Vehicle Division (Division), has amended the existing rules to codify current registration periods, fleet refunds, and biennial registration requirements, conform to current statute, remove and update related citations. Changes are also made to ensure conformity to Arizona Administrative Procedures Act, Secretary of State, and Governor's Regulatory Review Council rulemaking format and style requirements.

**7. A reference to any study that the agency proposes to rely on in its evaluation of or justification for the rules and where the public may obtain or review the study, all data underlying each study, any analysis of the study, and other supporting material:**

None

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

Not applicable

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

The Division bears minimal to substantial costs due to the Division issuing fleet refunds in accordance with A.R.S. § 28-2056.

The Division reaps substantial benefits by expanding the biennial registration program. In addition, the Division will benefit from having a rule that is easier to understand and apply.

There are no costs or benefits to political subdivisions of this state from this rulemaking.

Businesses and consumers that opt to register vehicles on a biennial basis will benefit by a reduced registration fee.

Fleet businesses will benefit, as they are eligible to apply for a refund of any credited fees, as prescribed under A.R.S. § 28-2056, for fleet vehicles.

Private persons and consumers could realize minimal to substantial benefits from the clarity of this rulemaking.

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

Minor grammatical and style corrections were made to some Sections at the request of Governor's Regulatory Review Council staff.

**11. A summary of the comments made regarding the rules and the agency response to them:**

Not applicable

**12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**

Not applicable

**13. Incorporations by reference and their location in the rules:**

Not applicable

**14. Was this rule previously made as an emergency rule?**

No

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

TITLE 17. TRANSPORTATION

CHAPTER 4. DEPARTMENT OF TRANSPORTATION  
TITLE, REGISTRATION, AND DRIVER LICENSES

ARTICLE 3. VEHICLE REGISTRATION

Section

- R17-4-301. ~~Transferred~~ Definitions
- R17-4-302. Staggered Registration for Apportioned Commercial Vehicles
- R17-4-303. Biennial Registration
- R17-4-304. Staggered Registration for Included Vehicles

ARTICLE 3. VEHICLE REGISTRATION

**R17-4-301. ~~Transferred~~ Definitions**

Definitions. In addition to the definitions prescribed under A.R.S. §§ 28-101, 28-2231, and 28-5100, the following definitions apply to this Article, unless otherwise specified:

“Alternative form of registration” means an allocated registration, apportioned registration, interstate registration, and undersized mobile home plate registration.

“Apportioned commercial vehicle” means a commercial vehicle that is subject to the proportional registration provisions prescribed under A.R.S. § 28-2233.

“Biennial” means once every two years.

“Business day” means a day other than a Sunday or holiday.

“Calendar quarter” means the following time periods established by the Division: January 1 to March 31, April 1 to June 30, July 1 to September 30, and October 1 to December 31.

“Day” means the 24-hour period from one midnight to the following midnight.

“Disabled person” means a recipient of public monies as a disabled individual under Title 16 of the Social Security Act.

“Director” means the Assistant Director for the Arizona Department of Transportation’s Motor Vehicle Division or the Assistant Director’s designee.

“Division” means the Arizona Department of Transportation’s Motor Vehicle Division.

“Drop box” means a receptacle designated by the Division into which a person places vehicle registration forms and fees, and from which the Division retrieves these items daily.

“Effective date of registration” means the date the vehicle first becomes subject to registration fees in Arizona.

“Electronic delivery” means the transmission of registration and credit card information to the Division, by computer, through an Authorized Third-party Electronic Delivery Provider.

“Emergency Vehicle Permit” means a document issued by the Division’s Enforcement Services Program to a private fire department for a single fire engine that authorizes the driver of a permitted vehicle to exercise the privileges prescribed under A.R.S. § 28-624.

“Expiration date” means the day, month, and year in which a vehicle registration expires.

“Fire Engine” means a motor vehicle containing fire-fighting equipment capable of extinguishing fires.

“IM147 Test” means the emissions test prescribed under A.R.S. § 49-542(F)(2)(a).

“Included vehicle” means a vehicle subject to annual or biennial Arizona registration unless otherwise excluded from the staggered registration prescribed under A.R.S. § 28-2159 and R17-4-304.

“Initial registration” means the first registration of an included vehicle in Arizona.

“OBD” means the On-Board Diagnostics emissions test prescribed under A.R.S. § 49-542(F)(2)(a).

“Operator Requirements” means the requirements given in Chapter 2, Basic Driver/Operator Requirements, of the National Fire Protection Association Standard for Fire Apparatus Driver/Operator Professional Qualification (NFPA 1002), 1998 edition, which is incorporated by reference and on file with the Arizona Department of Transportation and the Office of the Secretary of State. This incorporation by reference contains no future editions or amendments.

“Private Fire Department” means a fire fighting business equipped to provide emergency fire-fighting devices for a private purpose that is neither a public service corporation nor a municipal entity.

“Private Fire Emergency Vehicle” means a fire engine operated by a private fire department for which an Emergency

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Vehicle Permit is issued.

“Registration” means the authorization, issued by the Division that allows a vehicle to use state highways.

“Registration fees” means the fees due at the time of registration and consisting of the general registration fees imposed by A.R.S. § 28-2003, the vehicle license tax imposed by A.R.S. § 28-5801, and the commercial registration and gross weight fees imposed by A.R.S. § 28-5433.

“Registration period” means the time-frame during which a vehicle registration is valid.

“Renewal registration” means the second and subsequent registration of an included vehicle.

**R17-4-302. Staggered Registration for Apportioned Commercial Vehicles**

**A.** Definitions. In this Section, unless the context otherwise requires: Apportioned commercial vehicle fleet registration periods. The Division shall assign a registration period to a newly registered apportioned commercial vehicle fleet. The fleet owner and the Director shall mutually agree to the registration period and expiration date.

1. “Apportioned commercial vehicle” means a commercial vehicle that is subject to the proportional registration provisions of A.R.S. § 28-2233. The Division shall:
  - a. Establish a registration period that expires on the last day of the calendar quarter selected by the fleet owner, not to exceed 12 months from the initial registration date.
  - b. Apply the original fleet registration fees towards the registration fees required for a replaced vehicle when an owner replaces a vehicle within a fleet.
  - c. Apply the original fleet registration fees towards the registration fees required for a transferred vehicle when an owner transfers a vehicle between fleets.
  - d. Refund any excess credit of registration fees in accordance with the provisions prescribed under A.R.S. § 28-2356.
2. “Commercial vehicle” has the same meaning as in A.R.S. § 28-2231.
- 3-2. “Director” means the Assistant Director for the Motor Vehicle Division of the Arizona Department of Transportation or the Assistant Director’s designee. The owner of an apportioned commercial fleet vehicle shall:
  - a. Ensure that all vehicles within a fleet have the same registration period.
  - b. Ensure that the fleet vehicle is not operated with an expired vehicle registration.
  - c. Maintain the assigned or selected registration period for at least three consecutive registration periods.
- 4-3. “Division” means the Motor Vehicle Division of the Arizona Department of Transportation. The Division shall not provide a grace period for late registration or late payment of fees.
5. “Expiration date” means the last day of the month and year in which a vehicle registration expires.
6. “Fleet” means one or more apportioned commercial vehicles.
7. “Registration period” means the time-frame during which a vehicle registration is valid.

**B.** Beginning on the effective date of this rule, the Division shall give the owner of a previously registered fleet the opportunity to select one of the following four registration periods and associated expiration dates for the fleet. The registration period and expiration date shall be mutually agreed to by the fleet owner and the Director. The registration periods are:

1. Register for January 1998 to March 1998; then register again for April 1998 to March 1999; and register each March thereafter.
2. Register for January 1998 to June 1998; then register again for July 1998 to June 1999; and register each June thereafter.
3. Register for January 1998 to September 1998; then register again for October 1998 to September 1999; and register each September thereafter.
4. Register for January 1998 to December 1998; then register again for January 1999 to December 1999; and register each December thereafter.

**C.** An owner shall ensure that all vehicles within a fleet have the same registration period.

**D.** The owner of an apportioned commercial vehicle shall ensure that the vehicle is not operated with an expired vehicle registration. The Division shall not provide a grace period for late registration or late payment of fees.

**E.** The Division shall assign a registration period to a newly registered fleet. The expiration date for the assigned registration period shall be the last day of the furthest calendar quarter, not exceeding 12 months, from the date of the initial registration.

**F.** If an owner replaces a vehicle within a fleet, the Division shall credit the registration fee paid on the replaced vehicle towards the amount of the registration fee required on the replacement vehicle. The Division shall not refund any excess credit of registration fees.

**G.** If an owner transfers a vehicle between fleets, the Division shall credit the registration fee paid upon the original fleet registration period towards the amount of the registration fee required based upon the registration period of the new fleet. The Division shall not refund any excess credit of registration fees.

**H.** An owner shall maintain the registration period selected or assigned for at least three consecutive registrations.

**R17-4-303. Biennial Registration**

- A. Definitions. In this Section, unless the context otherwise requires: Biennial registration.
1. “Alternative Form of Registration” means allocated registration, apportioned registration, interstate registration, and undersized mobile home plate registration. The Division may register any vehicle biennially, unless excluded.
  2. “Biennial” means once in every two-year period. The Division shall register a newly licensed or newly leased vehicle biennially, unless the owner chooses to register the vehicle on an annual basis.
  3. “Director” means the Assistant Director of the Arizona Department of Transportation, Motor Vehicle Division, or a designee of the Assistant Director.
  4. “Division” means the Motor Vehicle Division of the Arizona Department of Transportation.
  5. “IM 240 Test” means the emissions test prescribed by A.R.S. § 49-542(F)(2)(a).
  6. “Nonqualified Vehicle” means a vehicle with an alternative form of registration, a vehicle required to have an annual emissions test, or a vehicle required to have an IM 240 test within 12 months from the date of registration.
  7. “Qualified Vehicle” means a vehicle that does not have an alternative form of registration and is either exempt from emissions testing or is required to have the IM 240 test for the upcoming registration year before its registration may be established or renewed.
  8. “Registration” means the authorization issued by the Division that allows a vehicle to use state highways.
- B. Biennial registration. Excluded vehicles. The owner of a vehicle that meets any one of the following criteria is excluded from the biennial registration program:
1. Any vehicle not otherwise disqualified may be registered biennially. A vehicle required to have an IM147 or OBD test within 12 months after the date of registration.
  2. Beginning August 5, 1997, a qualified vehicle with a vehicle license tax for the current year equal to or less than \$75 will automatically be selected for biennial registration unless the owner chooses to register the vehicle annually. Beginning August 5 of each succeeding year through 2001, the Division shall increase by \$25 the amount of vehicle license tax that causes a qualified vehicle to be selected automatically for biennial registration. A vehicle that requires an annual emissions test.
  3. A newly licensed or newly leased vehicle will automatically be selected for biennial registration, unless the owner chooses to register the vehicle annually. A vehicle subject to any one of the following types of registration:
    - a. Allocated registration under A.R.S. § 28-2261.
    - b. Apportioned registration under A.R.S. § 28-2261.
    - c. Fleet registration under A.R.S. § 28-2202, or
    - d. Interstate registration under A.R.S. § 28-2052.
  4. A vehicle with an undersized mobile home plate registration.
  5. A vehicle that requires the owner to certify eligibility for a registration fee exemption on an annual basis, such as the registration exemption available to an active duty military member, a widow, widower, or disabled person other than a 100% disabled veteran.
- C. The owner of a vehicle that meets one of the following criteria shall not have the option of registering the vehicle biennially:
1. A vehicle required to have an IM 240 test within 12 months after the date of registration.
  2. A vehicle that requires an annual emissions test.
  3. A vehicle with an allocated registration.
  4. A vehicle with an apportioned registration.
  5. A vehicle with an interstate registration.
  6. A vehicle with an undersized mobile home plate registration.
  7. A vehicle with a registration exemption that is required to be certified annually such as the exemption available to widows, widowers, and totally disabled persons other than totally disabled veterans.

**R17-4-304. Staggered Registration for Included Vehicles**

- A. Definitions. In this Section, unless the context otherwise requires: Included vehicles. The Division shall assign one of the following staggered expiration dates when issuing an initial registration to an included vehicle:
1. “Day” means the 24-hour period from midnight to midnight. If a vehicle has an effective date of registration from the first day through the 15th day of the month:
    - a. Annual registration expires on the 15th day of the month 12 months from the month the vehicle is subject to Arizona registration; or
    - b. Biennial registration expires on the 15th day of the month 24 months from the month the vehicle is subject to Arizona registration.
  2. “Drop box” means a receptacle designated by the Motor Vehicle Division into which a person places vehicle registration forms and fees and from which the Motor Vehicle Division daily retrieves these items. If a vehicle has an effective date of registration from the 16th day through the last day of the month:
    - a. Annual registration expires on the last day of the month 12 months from the month the vehicle is subject to Arizona registration; or

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- b. Biennial registration expires on the last day of the month 24 months from the month the vehicle is subject to Arizona registration.
3. ~~“Effective date of registration” means the date the vehicle first becomes subject to registration fees in Arizona.~~
  4. ~~“Electronic delivery” means a third-party electronic delivery provider’s transmission of registration information and credit card information by computer to the Motor Vehicle Division.~~
  5. ~~“Included vehicle” means a vehicle subject to annual or biennial Arizona registration unless otherwise excluded from the staggered registration implemented by this Section.~~
  6. ~~“Initial registration” means the first registration of an included vehicle in Arizona.~~
  7. ~~“Registration fees” means the fees due at the time of registration and consisting of the general registration fee imposed by A.R.S. § 28-2003, the vehicle license tax imposed by A.R.S. § 28-5801, and the commercial registration fee and gross weight fee imposed by A.R.S. § 28-5433.~~
  8. ~~“Registration period” means the time frame during which a vehicle registration is valid.~~
  9. ~~“Regular business day” means a day other than a Saturday, Sunday, or holiday.~~
  10. ~~“Renewal registration” means the second and subsequent registrations of an included vehicle.~~
  11. ~~“Third party electronic delivery provider” means an entity that receives vehicle registration information and credit card information from a person by computer or telephone, transmits the information to the Motor Vehicle Division by computer, and charges and collects a service fee from the person.~~
  12. ~~“Third party provider of registration functions” means an entity authorized by A.R.S. Title 28, Chapter 13, Article 1 to process a vehicle registration for a person and to charge and collect a service fee.~~
- B. Excluded vehicles. The staggered registration implemented prescribed by this Section excludes the following vehicles:
1. A vehicle exempt from registration;
  2. A vehicle subject to any one of the following types of registration:
    - a. ~~Allocated registration in accordance with under~~ A.R.S. § 28-2261,
    - b. ~~Apportioned registration in accordance with under~~ A.R.S. § 28-2261,
    - c. ~~Fleet registration in accordance with under~~ A.R.S. § 28-2202,
    - d. ~~Interstate registration in accordance with under~~ A.R.S. § 28-2052; or
    - e. Seasonal agricultural registration under A.R.S. § 28-5436;
  3. A vehicle subject to a one-time registration fee;
  4. A government vehicle, a vehicle owned by an official representative of a foreign government, or an emergency vehicle owned by a nonprofit organization as provided by under A.R.S. § 28-2511(A);
  5. A noncommercial trailer that is not a travel trailer as defined by A.R.S. § 28-2003(B) and is less than 6000 pounds gross vehicle weight ~~in accordance with under~~ A.R.S. §§ 28-2003(A)(7) and 28-5801(C);
  6. A moped;
  7. ~~A vehicle operated solely in seasonal agricultural work and subject to a reduced gross weight fee in accordance with A.R.S. § 28-5436. A motorized electric or gas powered bicycle or tricycle capable of reaching speeds of 20 to 25 miles per hour.~~
- C. ~~The initial registration of an included vehicle with an effective date of registration before January 1, 1999, shall expire as follows: Proration of fees. The Division shall prorate registration fees under A.R.S. §§ 28-2159, 28-5807, and 28-5434.~~
1. ~~If a vehicle weighs 8001 pounds or more and is subject to the gross weight fee:~~
    - a. ~~Annual registration expires on the last day of December the year the vehicle is subject to Arizona registration; or~~
    - b. ~~Biennial registration expires on the last day of December the year after the vehicle is subject to Arizona registration;~~
  2. ~~If a vehicle weighs less than 8001 pounds and is subject to the gross weight fee:~~
    - a. ~~Annual registration expires on the last day of the month 12 months from the month the vehicle is subject to Arizona registration; or~~
    - b. ~~Biennial registration expires on the last day of the month 24 months from the month the vehicle is subject to Arizona registration; or~~
  3. ~~If a vehicle is not subject to the gross weight fee:~~
    - a. ~~Annual registration expires on the last day of the month 12 months from the month the vehicle is subject to Arizona registration; or~~
    - b. ~~Biennial registration expires on the last day of the month 24 months from the month the vehicle is subject to Arizona registration.~~
  4. ~~Proration of registration fees shall be in accordance with A.R.S. §§ 28-2159, 28-5807, and 28-5434.~~
- D. Expiration dates. ~~Regardless of weight, the initial registration of an included vehicle with an effective date of registration after December 31, 1998, shall expire as follows: The Division shall utilize the following expiration dates, regardless of the effective date of the initial registration:~~
1. ~~If a vehicle has an effective date of registration from the first day through the 15th day of the month: Annual registration: Expires 12 months from the expiration of the previous registration period; or~~
    - a. ~~Annual registration expires on the 15th day of the month 12 months from the month the vehicle is subject to Ari-~~



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tion functions shall assign and issue a number plate or plates to an included vehicle as evidence of registration.

1. The assigned number plate ~~or plates~~ shall be attached and displayed on the rear of the assigned vehicle. When two plates are issued, the second plate may be attached to the front of the assigned vehicle.
2. Improper number plate display shall subject the owner and operator of the vehicle to the sanctions imposed ~~by~~ under A.R.S. §§ 28-2531(B) and 28-2532.
3. Any registration tabs or stickers issued by the ~~Motor Vehicle Division or third-party provider~~ Authorized Third-party Provider of registration functions shall be displayed on the appropriate number plate of the assigned vehicle.